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Distribution Facilities Development and Operation Act

[Enforcement: Aug. 7, 2009] [Act No. 9432, Feb. 6, 2009, Amendment of other laws and regulations]

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Chapter 1 General Provisions

Article 1 (Purpose) The purpose of this Act is to promote the development of distribution industry by reasonably arranging and operating distribution facilities and smoothly supplying distribution facilities land and thus to strengthen national competitiveness and contribute to the eventual development of national economy is contributed.

Article 2 (Definitions) Definitions of the terms used in this Act shall be as follows:

1. "Distribution facilities" means facilities defined in any of the following items:
 - (a) Facilities for the transport, storage and unloading of cargo,
 - (b) Facilities for activities such as processing, assembling, assorting, repairing, packing, labeling, selling and data communications in connection with transport, storage and unloading of cargo,
 - (c) Facilities for joint operation, automation and computerization of distribution, and
 - (d) Distribution terminal and distribution complex where facilities as described under Items (a) through (c) are concentrated.
2. "Distribution terminal" means facilities equipped with functions necessary for the collection and unloading of cargo and assorting, packing, storing, processing and

assembly relating thereto: *provided*, however, that processing and assembly facilities shall be not larger than the sizes as prescribed by the Presidential Decree.

3. “Distribution terminal business” means any business that manages distribution terminal, which is classified into composite distribution terminal business and general distribution terminal business: *provided* that any business which manages facilities falling under one of the following Items will be excluded:

(a) Cargo unloading, storing and processing facilities within the port zone among port facilities under Subsection 6, Article 2 of the Harbor Act,

(b) Facilities for cargo transport, their incidental and assistant facilities within airport zone among airport facilities under Subsection 6, Article 2 of the Aviation Act,

(c) Cargo transport, unloading and storing facilities used by railway business entity for its business under Subsection 8, Article 2 of the Railway Business Act, or

(d) Collection/delivery facilities and joint collection/delivery center under Subsections 14 and 15, Article 2 of the Distribution Industry Development Act.

4. “Composite distribution terminal business” means the distribution terminal business equipped with the capacity and facilities that can transport cargo by linking two or more types of transportation means.

5. “General distribution terminal business” means the distribution terminal business other than composite distribution terminal business.

6. “Distribution complex” means a group of lands designated and developed pursuant to Article 22 to collectively build and foster distribution complex facilities and support facilities.

7. “Distribution complex facilities” means facilities falling under one of the following items built within the distribution complex for transport, collection, unloading, assorting, packing, processing, assembling, customs clearing, storing, selling, information processing, etc. of cargo:

(a) Distribution terminals and warehouses,

(b) Large-sized stores, specialized shopping district complexes, joint collection and delivery centers and medium & small-sized joint wholesale distribution centers under

Subsections 3, 7 and 15, Article 2 and Article 17-2 of the Distribution Industry Development Act,

(c) Agricultural and marine product wholesale markets and agricultural and marine product joint markets, and agricultural and marine product distribution centers under Subsections 2, 5 and 12, Article 2 of the Act on Distribution and Price Stabilization of Agricultural and Marine Products,

(d) Cargo transport, unloading and storing facilities used for the cable railway business by the business entity under the Cable Railway Act,

(e) Workshop under Subsection 10, Article 2 of the Livestock Products Processing Act,

(f) Facilities for purchasing or selling projects installed by cooperatives or their federations under the Agricultural Cooperatives Act, the Fisheries Cooperatives Act, the Forestry Cooperatives Act or the Small and Medium Enterprise Cooperatives Act,

(g) Garages and cargo handling places used for cargo trucking business under Subsection 2, Article 2 of the Trucking Business Act and facilities for other cargo handlings,

(h) Warehouses and business place facilities for medical supplies wholesale businesses under Subsection 2, Article 2 of the Pharmaceutical Affairs Act,

(i) Other facilities equipped with distribution functions and designated by the Presidential Decree, and

(j) Facilities incidental to facilities under Items (a) through (i) (including facilities under Items (a) or (b) of Subsection 8, which are installed on the same structure where facilities under Items (a) through (i) are installed)

8. "Support facilities" means facilities falling under any of the following items that are installed within distribution complexes to support the efficient operation of distribution complex facilities: *provided* that facilities under Items (a) or (b), which are installed on the same structure where the facilities under Items (a) through (i) of the foregoing Subsection 7 are installed, are excluded:

(a) Processing and manufacturing facilities designated by the Presidential Decree,

(b) Information processing facilities,

(c) Financial, insurance, medical, educational and research facilities,
(d) Convenience and living facilities for workers and users of distribution complex,
and

(e) Other facilities designated by the Presidential Decree to improve the performance of the distribution complex.

9. “Distribution complex development project” means projects falling under any of the following items implemented for the construction of a distribution complex:

- (a) Creation of lands for distribution and support facilities;
- (b) Construction of road, railway, cableway, seaport or airport facilities;
- (c) Construction of supply facilities of electricity, gas and water and telecommunication facilities
- (d) Construction of sewage, wastes treatment facilities and other facilities to prevent environmental pollution, and
- (e) Other projects incidental to Items (a) through (d).

Article 3 (Relationship to Other Laws and Regulations) ① Plans regarding harbor development shall follow the provisions of the acts concerning harbor construction, including the Harbor Act and the New Harbor Construction Promotion Act.

② If there are provisions of other laws and regulations regarding development, management and operation, etc. of distribution facilities other than distribution terminal and distribution complex, such provisions shall be applied to the development, management and operation , etc. of such distribution facilities.

Chapter 2 Establishment of General Plan for Distribution Facilities Development

Article 4 (Establishment of the General Plan for Distribution Facilities Development)

① The Minister of Land, Transport and Maritime Affairs (hereinafter referred to as “the Minister”) shall establish the General Plan for Distribution Facilities Development (hereinafter referred to as “the General Distribution Facilities Development Plan) every

five years in order to reasonably develop and arrange distribution facilities (Harbor facilities are excluded. Hereinafter, the same shall apply.) and increase the efficiency of distribution system. <Amended by Act No. 8852, February 29, 2008>

② The General Distribution Facilities Development Plan shall be systematically established under the functional classification of the following subsections: In the event that functions of distribution facilities are mutually related in the following subsections, it shall be taken into consideration in the establishment of the plan.

1. Unit distribution facilities: The minimal unit of distribution facilities, such as warehouse, collection/delivery center, which conducts distribution activities individually.

2. Cluster distribution facilities: Distribution facilities, such as distribution terminals and distribution complexes, in which two or more unit distribution facilities are jointly installed.

3. Connected distribution facilities: Transportation facilities, such as road and railroad, which have been provided for smooth transportation of cargo between distribution facilities.

③ The General Distribution Facilities Development Plan shall include the following subsections:

1. Matters about future demand for distribution facilities,
2. Matters about planned supply of distribution facilities,
3. Matters about designation and development of distribution facilities,
4. Matters about arrangement and priorities of distribution facilities by region, size and year,
5. Matters about functional improvement and efficiency of distribution facilities,
6. Matters about joint operation and collectivization of distribution facilities,
7. Matters about construction of domestic and international transport network of distribution facilities,
8. Matters about environmental preservation and control of distribution facilities,

9. Matters about reorganization of distribution facilities located in the downtown and their relocation to the suburbs,

10. Other matters designated by the Presidential Decree

Article 5 (Process for the Establishment of the General Distribution Facilities Development Plan) ① The Minister shall, when establishing the General Distribution Facilities Development Plan, receive each plan relating thereto from the heads of administrative agencies concerned and shall establish the General Distribution Facilities Development Plan based on such received plans. Upon finishing drafting the General Distribution Facilities Development Plan, the Minister shall hear opinion of Special Metropolitan City Mayor, Metropolitan City Mayor, *Do* governor or Special Self-*Do* governor (hereinafter referred to as “mayor/*Do* governor”) and have consultation with the heads of central administrative agencies concerned and then pass the deliberation of the Distribution Facilities Subcommittee under Subsection 2, Section 1, Article 19 in the Distribution Policy Act. The same shall apply to the amendments of details designated by the Presidential Decree in the General Distribution Facilities Development Plan. < *Amended by Act No. 8852, February 29, 2008*>

② When the General Distribution Facilities Development Plan has been established or amended, the Minister shall announce it in the official gazette. < *Amended by Act No. 8852, February 29, 2008*>

③ Heads of central administrative agencies concerned may, if necessary, request the Minister to amend the General Distribution Facilities Development Plan. < *Amended by Act No. 8852, February 29, 2008*>

④ The Minister may require the agencies concerned to submit data necessary for the establishment or amendment of the General Distribution Facilities Development Plan or request to cooperate, and the required or requested agency shall accept the requirement or request without justifiable reason. < *Amended by Act No. 8852, February 29, 2008*>

⑤ If it is deemed necessary for the efficient establishment of the General Distribution Facilities Development Plan, the Minister may investigate the distribution facilities. In

this case, Article 7 of the Framework Act for Distribution Policy shall apply *mutatis mutandis* to the investigation on distribution facilities. < Amended by Act No. 8852, February 29, 2008>

⑥ Matters necessary for the establishment of the General Distribution Facilities Development Plan shall be designated by the Presidential Decree.

Article 6 (Relationship of the General Distribution Facilities Development Plan to Other Plans) ① The General Distribution Facilities Development Plan shall be consistent with the national basic plan for physical distribution under Article 11 of the Framework Act for Distribution Policy.

② The Minister, heads of central agencies concerned or mayor/Do governor shall not, when designating and developing the distribution facilities or giving authorization/permit, contradict or overlap the General Distribution Facilities Development Plan established under this Act. < Amended by Act No. 8852, February 29, 2008>

③ The Minister, heads of central agencies concerned or mayor/Do governor may, when falling under any of the following subsections, request for amendment. In case of requesting, mediation may be requested to the Subcommittee for Distribution Facilities under Subsection 2, Section 1, Article 19 in the Framework Act for Distribution Policy. < Amended by Act No. 8852, February 29, 2008>

1. Where any distribution facility development plan which any other administrative agency is to directly designate and/or develop is deemed contradictory to or overlapping with the General Distribution Facilities Development Plan, or

2. Where any distribution facilities development plan which any other administrative agency is to authorize and/or permit is deemed contradictory to or overlapping with the General Distribution Facilities Development Plan.

Chapter 3 Distribution Terminal Business

Article 7 (Registration of Composite Distribution Terminal Business) ① Any person intending to operate composite physical distribution terminal business shall register to the Minister as prescribed in the Ordinance of the Ministry of Land, Transportation and Maritime Affairs. < Amended by Act No. 8852, February 29, 2008 >

② Any person eligible to make registration under the foregoing Section 1 shall fall under one of the following subsections:

1. State or local governments,
2. Public agencies designated by Presidential Decree among the public agencies (hereinafter referred to as “Public Agencies”) under the Act on Operation of Public Agencies,
3. Local public corporations under the Local Public Corporations Act,
4. Corporations established by special Acts, or
5. Corporations established by the Civil Act or the Commercial Act.

③ In the event that any person that has made registration of the composite distribution terminal business under Section 1 (hereinafter referred to as the “Composite Distribution Terminal Business Entity”) intends to amend details prescribed by the Presidential Decree among their registered details, the Composite Distribution Terminal Business Entity shall make registration of amendment as prescribed by the Presidential Decree.

④ Any person intending to make registration under Section 1 shall meet the registration standards of the following subsections:

1. The composite distribution terminal shall be located at the center of the regional transportation network so that it could be easily connected to other transportation means.
2. The site shall have an area exceeding 33,000 sq. meters.
3. The terminal shall have facilities falling under any of the following items:
 - (a) Parking lot,
 - (b) Cargo handling place, and
 - (c) Warehouse or delivery center.

4. The terminal shall not conflict with the General Distribution Facilities Development Plan, and development and reorganization plan for distribution terminal under the basic plan for national distribution under Article 11 of the Framework Act for Distribution Policy.

Article 8 (Reasons for Disqualification of Registration) Any persons falling under one of the following Subsection shall be disqualified for the registration of composite distribution terminal business:

1. Any person for whom two years have not passed since monetary penalty or heavier was sentenced in the violation of this Act,

2. Any person for whom two years have not passed since the registration of the composite distribution terminal was cancelled,

3. Any corporations that have one or more executives falling under Subsection 1 or one of the following items:

(a) An incompetent, a quasi-incompetent or a bankrupt that has not been rehabilitated,

(b) A person for whom two years have not passed since imprisonment without prison labor or heavier punishment as sentenced by a court, (including such cases where it is deemed to have been executed), or since whose sentence execution has been terminated or whose sentence execution has been decided to be exempted, or

(c) A person who is under suspension of the execution of imprisonment without prison labor or heavier punishment as sentenced by a court.

Article 9 (Authorization of Construction Work) ① Composite Distribution Terminal Business Entity shall establish a construction work plan about the structure and equipment, etc of Distribution Terminal to be constructed and obtain authorization of the Minister for the construction work. A person intending to operate general distribution terminal business may, if necessary, obtain authorization of mayor/*Do* governor in connection with construction of the distribution terminal. If any detail prescribed by the Presidential Decree in the authorized work plan is to be amended, the

permit of the authorizer concerned should be obtained. < Amended by Act No. 8852, February 29, 2008>

② When giving authorization to construction work or amendment permit of the plan under Section 1, the Minister or mayor/*Do* governor shall hear opinion of Special Self-*Do* governor, mayor, head of the *Gun* or *Gu* (“the head of *Gu*” here refers to the head of the Self-governing *Gu*. Hereinafter, it is referred to as the “mayor, head of *Gun*, head of *Gu*”) concerned and have in advance consultation with heads of administrative agencies concerned about the properness of the authorization or permit with relevant laws and regulations pursuant to each subsection of Sections 1 and 2, Article 21. < Amended by Act No. 8852, February 29, 2008>

③ If the work plan under Section 1 meets the standards for structure and equipment prescribed by the Ordinance of the Ministry of Land, Transportation and Maritime Affairs, the Minister or mayor/*Do* governor shall give authorization pursuant to Section 1. < Amended by Act No. 8852, February 29, 2008>

④ The Minister or mayor/*Do* governor shall, when giving authorization to construction work or amendment permits authorized pursuant to Section 1, announce it as prescribed by Ordinance of the Ministry of Land, Transportation and Maritime Affairs. < Amended by Act No. 8852, February 29, 2008>

Article 10 (Expropriation and Use of Land, Etc) ① In the event that a person who has been authorized for construction work under Section 1, Article 9 (hereinafter referred to as the “Distribution Terminal Business Entity”) constructs distribution terminal (it is limited to distribution terminals only falling under Urban Plan Facilities under the Act on National Land Plan and Use. The same applies hereinafter through Article 13.), he may expropriate or use land and structures or things attached thereto, and rights other than ownership, mining right, fishing rights and rights to the use of water (hereinafter referred to as “Land, Etc”).

② In the event that Land, Etc is expropriated or used under Section 1 and the construction work has been announced under Section 4, Article 9, it is deemed that the

construction work has been authorized and the authorization for the construction work has been announced under Section 1, Article 20 and Article 22 of the Act on the Acquisition of Land for the Public Undertakings and Compensation, and notwithstanding the provisions of Section 1, Article 23 and Section 1, Article 28 of the same Act, application for decision may be made within the period stipulated in the authorization for the construction work.

③ Unless otherwise prescribed in this Act, the Act on the Acquisition of Land for the Public Undertakings and Compensation shall *mutatis mutandis* apply to the expropriation or use of Land, Etc under Section 1.

Article 11 (Consignment of Land Purchasing, Etc) Distribution Terminal Business Entity may consign matters concerned with land purchasing, loss compensation and relocation measures for the construction of distribution terminal to agencies under each Subsection of Section 1, Article 81 of the Act on the Acquisition of Land for the Public Undertakings and Compensation. Section 2, Article 81 of the same Act shall apply *mutatis mutandis* to the consignment fee.

Article 12 (Entry into the Land) ① If it is necessary for construction of distribution terminal, the Distribution Terminal Business Entity may have access to or use temporarily land of other persons, and alter or remove trees, rocks, soil, and other impediments.

② Articles 130 and 131 of National Land Planning and Utilization Act shall apply *mutatis mutandis* to the access to land of other persons under Section 1.

Article 13 (Restrictions to Disposition of National and Public Land) ① Lands owned by the State and local government within the site for the construction of distribution terminal and necessary for the construction work of the distribution terminal shall not be sold or transferred for purposes other than construction of the distribution terminal.

② Notwithstanding provisions of the State Properties Act, the Public Properties and Articles Management Act and other laws and regulations, lands owned by the State and local government within the site for the construction of distribution terminal may be sold to Distribution Terminal Business Entity by a free contract. In connection with disuse (It is limited to administrative properties. Hereinafter, the same shall apply) and sale of such properties, the Minister or mayor/*Do* governor shall have in advance consultation with the heads of administrative agencies concerned. < *Amended by Act No. 8852, February 29, 2008*>

③ In case of receiving the request to have a consultation pursuant to the latter part of the Section 2, the head of administrative agency shall take the measure of disuse, sale and/or other necessary measures within 30 days from the date of receiving such request.

④ Notwithstanding provisions of other laws and regulations, the Minister of Strategy and Finance shall manage or dispose of properties whose managing agency is uncertain among the properties which are to be sold to Distribution Terminal Business Entity pursuant to Section 2. < *Amended by Act No. 8852, Feb. 29, 2008*>

Article 14 (Succession of Business) ① In the event that a Composite Distribution Terminal Business Entity has transferred its business or has been merged with a corporation, the transferee or the corporation survived after or resulted from the merger shall succeed to rights and obligations ensued from registration of the Composite Distribution Terminal Business.

② Any person who has succeeded to rights and obligations ensued from registration of the Composite Distribution Terminal Business pursuant to the Section 1 shall make a report to the Minister as prescribed by the Ordinance of the Ministry of Land, Transportation and Maritime Affairs. < *Amended by Act No. 8852, February 29, 2008*>

③ Article 8 shall apply *mutatis mutandis* to reasons for disqualification of the successor under Section 1.

Article 15 (Suspension or Discontinuance of Business) ① Any Composite Distribution Terminal Business Entity shall, when intending to suspend or close wholly or partially its Composite Distribution Terminal Business, make advance report to the Minister. < Amended by Act No. 8852, February 29, 2008>

② In the event that the Composite Distribution Terminal Business Entity as a corporation has dissolved for reasons other than merger, the liquidator (the trustee in bankruptcy in case of dissolution by bankruptcy) shall make an immediate report of the fact to the Minister. < Amended by Act No. 8852, February 29, 2008>

③ Suspension period of business under Section 1 shall not exceed six months.

④ In case of intending to suspend or discontinue its business, the Composite Distribution Terminal Business Entity shall post a notice of such intention at its business place or any other place easy for the public to see.

Article 16 (Prohibition of Lending of Registration Certificate) Any Composite Distribution Terminal Business Entity shall not allow others to do business under its personal or company name, or shall not lend its registration certificate.

Article 17 (Registration Cancellation, Etc) ① In the event that the Composite Distribution Terminal Business Entity falls under one of the following subsections, the Minister may cancel the registration or suspend the service of the Composite Distribution Terminal Business for a period not exceeding six months. In case of falling under Subsections 1, 4, 7 or 8, however, the Minister shall cancel the registration of the business. < Amended by Act No. 8852, February 29, 2008>

1. When the registration under Section 1, Article 7 is made by deceit and any other unlawful means;

2. When the registration items are changed without making the alteration registration under Section 3, Article 7,

3. When the registration standards under Section 4, Article 7 are failed to meet: *provided*, however, that, if the standard is met within three months, the same shall not apply.

4. In case of any subsection under Article 8: *provided* however that, if the executive concerned is discharged within 3 months from the date when the reason under Section 3, Article 8 is happened, the same shall not apply.

5. When the implementation or alteration of construction work is made without obtaining authorization for the implementation or the alteration under Section 1, Article 9,

6. When the business that has suspended in part or in whole its service fails to resume its business without any justifiable reason after the business suspension period reported pursuant to Section 1, Article 15 is expired,

7. When the business has another person run the business under its personal or company name or lends the business certificate to another person in violation of Article 16, or

8. When the business is performing during the suspension period of business in violation of order under this Article,

② Matters regarding the disposition and procedure under Section 1 shall be prescribed by the Ordinance of the Ministry of Land, Transportation and Maritime Affairs. < Amended by Act No. 8852, February 29, 2008 >

Article 18 (Surcharges) ① In the event that the Minister should issue an order of business suspension to a Composite Distribution Terminal Business Entity falling under Article 17 and the suspension of business causes severe inconvenience to the users thereof, the Minister may impose a surcharge not exceeding 10 million won on the business in substitution of the disposition of business suspension. < Amended by Act No. 8852, February 29, 2008 >

② Types of violation acts that shall be surcharged pursuant to Section 1, and amounts of surcharges depending on the types and degrees of the violation and other necessary matters shall be designated by the Presidential Decree.

③ In the event that surcharges under Section 1 have not been paid within the due date, the Minister may collect such surcharges pursuant to the example of the disposition on national taxes in arrears. < Amended by Act No. 8852, February 29, 2008 >

Article 19 (Distribution Terminal Business Association) ① Composite Distribution Terminal Business Entities and General Distribution Terminal Business Entities may establish a business association (hereinafter referred to as “Distribution Terminal Business Association”) for sound development of distribution business and promotion of their common interests as prescribed by the Presidential Decree.

② For the establishment of the Distribution Terminal Business Association, promoters that account for more than a fifth of total members eligible for membership of the association shall write articles of association and obtain authorization of the Minister for establishment after passing a vote for the articles at a general meeting where more than a third of members eligible for the association are present. < Amended by Act No. 8852, February 29, 2008 >

③ The Distribution Terminal Business Association shall be formed by obtaining authorization for establishment and making registration of incorporation.

④ The Distribution Terminal Business Association shall be established as a corporation.

⑤ Unless prescribed in this Act, provisions about incorporated association under the Civil Act shall apply *mutatis mutandis* to matters concerning the Distribution Terminal Business Association.

⑥ Matters necessary for service and articles of incorporation for Distribution Terminal Business Association shall be designated by the Presidential Decree.

Article 20 (Supports to Development of Distribution Terminals) ① State and local governments may finance part of necessary fund or give support to secure land necessary to Distribution Terminal Business Entity that carries out any project of the following subsections:

1. Construction of distribution terminal,
2. Relocation of distribution terminal, and
3. Enlargement or improvement of capacity, structure or equipment of distribution terminal.

② In the event that it is deemed necessary for any projects under Section 1, the Minister may request the mayor/*Do* governor for cooperation in securing land and installation of urban planning facilities. < *Amended by Act No. 8852, February 29, 2008*>

Article 21 (Legal Fiction of Authorizations and Permissions) ① In the event the Minister or the mayor/*Do* governor authorizes a construction work under Article 9 and has consulted matters with heads of administrative agencies concerned in connection with authorization, permission, approval or decision (hereinafter referred to as “Authorization/Permission etc.”) of the following subsections pursuant to Section 2, the same Article, the matters shall be deemed as having obtained Authorization/Permission etc. concerned, and in the event that the authorization of a construction work pursuant to Section 4, the same Article is announced, the matters shall be deemed as having announced or notified.< *Amended by Act No. 8820, Dec. 27, 2007; Amended by Act No. 8852, Feb. 29, 2008; Amended by Act No. 8970, Mar. 21, 2008*>

1. Building permission under Article 11 of the Building Act, building report under Article 14 of the same Act, alteration of building permission and reported items under Article 16 of the same Act, permission and report of building a temporary structure under Article 20 of the same Act and building consultation under Article 29 of the same Act,

2. Permission for occupation and use of public waters under Article 5 of the Public Waters Act, and authorization or report of implementation plan under Article 8 of the same Act,

3. License for public waters reclamation under Article 9 of the Public Waters Reclamation Act, and approval of implementation plan under Article 15 of the same Act,

4. Decision on urban management plan (only the plan under Item C of Subsection 4, Article 2, the National Land Planning and Utilization Act) under Article 30 of the National Land Planning and Utilization Act, permission for land shape and quality change or permission for land division under Subsections 2 and 4, Section 1, Article 56 of the same Act, designation of urban planning facilities project undertaker under Article 86 of the same Act and authorization of implementation plan under Article 88 of the same Act,

5. Authorization of use for purposes other than agricultural and rural infrastructure under Article 22 of the Farming and Fishing Villages Rearrangement Act,

6. Approval for and consultation about conversion of farmland under Article 34 of the Farmland Act,

7. Permission for road construction work under Article 34 of the Road Act, and permission for road occupation under Article 38 of the same Act,

8. Designation of undertaker under Article 11 of the Urban Development Act and authorization of implementation plan under Article 17 of the same Act,

9. Permission for private road construction under Article 4 of the Private Road Act,

10. Permission of lumbering under Article 14 of the Erosion Control Project Act and cancellation of erosion control land designation under Article 20 of the same Act,

11. Permission and report of mountain land conversion under Articles 14 and 15 of the Mountain Land Management Act, permission and report of lumbering of standing trees under Sections 1 and 4, Article 36 of the Act on Cultivation and Management of Forest Resources, permission and report of behavior within reserved forest Sections 1 and 2, Article 45 of the same Act,

12. Authorization for waterworks business under Articles 17 and 49 of the Water Supply and Waterworks Installation Act and authorization of installation of waterworks for exclusive use under Articles 52 and 54 of the same Act,

13. Permission for opening of graves having no surviving relatives under Article 23 of the Act on Funeral, Etc,

14. Permission for grassland conversion under Article 23 of the Grassland Act,

15. Permission for public sewage works implementation under Article 16 of the Sewerage Act,

16. Permission for river works implementation and authorization of river works implementation plan under Article 30 of the River Act and permission for river occupation, under Article 33 of the same Act, and

17. Permission for harbor works implementation under Section 2, Article 9, and authorization for the implementation plan under Section 2, Article 10 of the Harbor Act.

② In the event that a Distribution Terminal Business Entity has completed the distribution terminal work under Article 9 and has obtained the approval for use under Article 22 of the Building Act, it is deemed to have obtained permission of administrative agency concerned or have registered or reported to the administrative agency concerned in connection with each of the following subsections: *provided*, however, that Subsection 1 shall apply only to Composite Distribution Terminal. < *Amended by Act No. 8970, Mar. 21, 2008; Amended by Act No. 9432, Feb. 6, 2009*>

1. Registration of international distribution brokerage service under Article 43 of the Distribution Policy Act,

2. Registration or report of gas station for petroleum selling business under Article 10 of the Petroleum and Petroleum Substitute Fuel Business Act,

3. Permission for food service business (excluding Karaoke business and entertainment & drinking business) under Article 37 of the Food Sanitation Act,

4. Registration of automobile sales business and automobile service business for automobile management businesses under Article 53 of the Automobile Management Act,

5. Permission for trucking transport brokerage service under Section 1, Article 24 of the Trucking Transport Business Act.

③ The head of central administrative agency that supervises relevant laws and regulations regarding matters falling under any of the subsections of the Sections 1 and 2 shall notify the Minister of disposal standards: The same also applies to alterations of the standard. < Amended by Act No. 8852, Feb. 29, 2008 >

④ Upon receiving the disposal standards according Section 3, the Minister shall coordinate and announce them. < Amended by Act No. 8852, Feb. 29, 2008 >

Chapter 4 Development and Operation of Distribution Complex

Article 22 (Designation of Distribution Complex) ① Distribution complexes shall be designated by the Minister: *provided* that any distribution complex of which the size is not larger than size designated by the Presidential Decree shall be designated by mayor/Do governor. < Amended by Act No. 8852, Feb. 29, 2008 >

② When intending to designate a distribution complex, the Minister shall establish a distribution complex development plan and hear opinions of the mayor/Do governor and have consultation with the heads of central administrative agencies concerned and pass the deliberation of the Distribution Facilities Subcommittee under Subsection 2, Section 1, Article 19 of the Distribution Policy Act. The same also applies to the amendments of important matters designated by the Presidential Decree in the General Distribution Facilities Development Plan. < Amended by Act No. 8852, Feb. 29, 2008 >

③ When intending to designate a distribution complex, the mayor/Do governor shall establish a distribution complex development plan and hear opinions of heads of central administrative agencies concerned and have consultation with heads of administrative agencies concerned and pass the deliberation of the Local Distribution Policy Committee under Article 20 of the Distribution Policy Act. The same also applies to the amendments of important matters designated by the Presidential Decree in the General Distribution Facilities Development Plan. < Amended by Act No. 8852, Feb. 29, 2008 >

④ When it is deemed necessary to designate a distribution complex, the head of administrative agency and the person falling under one of Subsections 2 through 5, Article 27 may select the target area and request the Minister or mayor/*Do* governor (hereinafter referred to as “Distribution Complex Designator”) for the designation of distribution complex. In this case, persons other than heads of central administrative agencies shall prepare and submit a distribution complex development plan. < *Amended by Act No. 8852, Feb. 29, 2008*>

⑤ The distribution complex development plan under Sections 2 and 3 shall include matters of the following subsections: *provided* that, if the undertaker under Subsection 3 had not been fixed until the distribution complex development plan is established or it is difficult to make the detail list under Section 8, they may be included to the distribution complex development plan after the distribution complex has been designated.

1. Name, location and area of the distribution complex,
2. Designation purpose of the distribution complex,
3. Undertaker of the distribution complex development project,
4. Implementation period and method of the distribution complex development project,
5. Land utility plan and major infrastructure plan,
6. Major facilities and matters about installation standard thereof,
7. Financing plan,
8. Detail list of land, building and other objects or rights, if any, to be expropriated or used, and
9. Other matters prescribed by the Presidential Decree.

Article 23 (Announcement, etc of Distribution Complex Designation) ① When designating the distribution complex or amending the designation details under Article 22, the Distribution Complex Designator shall announce matters as prescribed by the Presidential Decree at a governmental official gazette or gazette of Special Metropolitan City, Metropolitan City, *Do* or special self-governing *Do* (hereinafter referred to as the

“city/Do”), and shall send copies of relevant documents to head of city, *Gun* or *Gu* concerned.

② If there exist any land, buildings and other things or rights to be expropriated or used within the area designated as a distribution complex, the detail list including land, shall be included in details of the announcement under Section 1.

③ Upon receiving relevant documents under Section 1, the head of city, *Gun* or *Gu* shall arrange to open them to public for more than 14 days.

Article 24 (Hearing of Opinion of Residents, etc) ① When intending to designate a distribution complex, the Distribution Complex Designator shall hear opinions of residents and experts and, if they are deemed reasonable, shall accept their opinions: *provided* that, in case of military secret matters or trivial matters as prescribed by the Presidential Decree, the Distribution Complex Designator may not hear opinion.

② Matters necessary for hearing opinions of residents and experts under Section 1 shall be designated by the Presidential Decree.

Article 25 (Restrictions on Actions, Etc) ① Any persons who intend to conduct behaviors as designated by the Presidential Decree including construction of buildings, installation of structures, modification of land shape and quality, gathering of earth and rocks, division of land and heaping up of articles within distribution complex shall obtain permission of the head of city, *Gun* or *Gu*. The same also applies to the alteration of permitted details.

② Notwithstanding the provision of Section 1, actions falling under any of the following subsections may be carried out without obtaining permission:

1. Natural disaster relief or actions taken for first-aid necessary for disaster prevention, or
2. Other actions as prescribed by the Presidential Decree.

③ In connection with actions which require to obtain permission under Section 1 but are already permitted pursuant to relevant laws and regulations or need not to obtain the

permission at the time of designating or announcing the distribution complex, any person who has started works and projects concerned with such actions may continue to perform such works and business after reporting to the head of city, *Gun* or *Gu* as prescribed by the Presidential Decree.

④ The head of city, *Gun* or *Gu* may order any person in violation of Section 1 to restore to the original state. In the event that the violator does not follow the order, the head of city, *Gun* or *Gu* may execute vicariously as prescribed by the Vicarious Administrative Execution Act.

⑤ Articles 57 through 60 and Article 62 in the National Land Planning and Utilization Act shall apply *mutatis mutandis* to matters other than prescribed in this Act in connection with permissions under Section 1.

⑥ Permissions under Section 1 shall be deemed to have obtained permissions under Article 56 of the National Land Planning and Utilization Act.

Article 26 (Cancellation of Distribution Complex Designation) ① If no application is filed for approval for the distribution complex development implementation plan under Article 28 for a part or the whole of the distribution complex within the period as prescribed by the Presidential Decree after the designated and announced date of the distribution complex, it shall be construed as the cancellation of designation of distribution complex on the area on the day following the end of the period.

② In the event that development for the whole or part of a distribution complex has been completed or there is no prospect for development, the Distribution Complex Designator may cancel the designation of distribution complex on the area as designated by the Presidential Decree.

③ In the event that designation of distribution complex has been construed as cancelled or cancelled under Section 1 or 2, the Distribution Complex Designator shall notify the head of central administrative agency and mayor/*Do* governor of the fact and announce publicly the fact. Upon receiving the notice, the mayor/*Do* governor shall,

without delay, have the head of city, *Gun* or *Gu* arrange to open them to public for more than 14 days.

④ In the event that designation of distribution complex on an area has been cancelled under Section 1 or 2 after specific use area under the National Land Planning and Utilization Act is decided to be changed due to the designation of distribution complex, the specific use area shall be construed as having restored to the state before the alteration and decision despite provisions of the National Land Planning and Utilization Act: *provided* that, if the designation of distribution complex has been cancelled due to completion of distribution complex development, the specific use area shall not be restored to the state before the alteration and decision.

⑤ The mayor and head of *Gun* and *Gu* shall immediately announce the fact when the specific use area has been restored to the original state under Section 4.

Article 27 (Undertaker of Distribution Complex Development project) ① Any person who intends to implement distribution complex development project shall be designated as the undertaker by the Distribution Complex Designator as prescribed by the Presidential Decree.

② Any person to be designated as the undertaker of distribution complex development project under Section 1 shall be those who come under one of the following Subsections:

1. State and local governments,
2. Public agencies prescribed by the Presidential Decree,
3. Local corporations under the Local Public Enterprises Act,
4. Corporations established by special Acts, and
5. Corporations established by the Commercial Act or the Civil Act.

③ Any person who intends to be designated as the undertaker of distribution complex development project under Section 1 shall apply to the Distribution Complex Designator for designation of the undertaker as prescribed by the Presidential Decree.

④ In the event that any person designated as the undertaker of distribution complex development project under Section 1 and falling on Subsection 5, Section 2 has failed to complete distribution complex development project within the period specified in the distribution complex development implementation plan approved under Article 28, the Distribution Complex Designator may designate another new undertaker among persons falling on one of Subsections of Section 2 and have the new undertaker implement the distribution complex development project.

⑤ If it is deemed necessary for efficient implementation of distribution complex development project, the undertaker falling under one of Subsections 1 through 4, Section 2 may have operator of the distribution facilities (hereinafter referred to as “occupying companies”) and operator of support facilities (hereinafter referred to as “support agency”) occupied or to be occupied within the distribution complex vicariously conduct a part of distribution complex development project as prescribed by the Presidential Decree.

Article 28 (Approval of Distribution Complex Development Implementation Plan) ①

The undertaker shall establish a distribution complex development implementation plan (hereinafter referred to as “Implementation Plan”) and obtain approval of the Distribution Complex Designator as designated by the Presidential Decree. The same shall apply to alterations of important approved details prescribed by the Presidential Decree.

② The Implementation Plan shall include details about disposition of the developed land • facilities, etc.

③ In the event that the Distribution Complex Designator intends to approve the Implementation Plan or alteration of approved details, it shall have in advance consultation with heads of administrative agencies concerned if the approval is suited to acts under Section 1, Article 30.

Article 29 (Announcement of the Approval for Implementation Plan) ① When approving the Implementation Plan or alteration of approved details under Article 28, the Distribution Complex Designator shall announce matters prescribed by the Presidential Decree at a government official gazette or gazette of *city/Do* and send duplicate of relevant documents to the head of city, *Gun* or *Gu* concerned.

② Upon receiving the duplicate of relevant documents under Section 1, the head of city, *Gun* or *Gu* shall arrange to open them to public for more than 14 days.

③ Upon receiving the duplicate of relevant documents under Section 1, if the implementation plan has matters concerned with decision about urban management plan, the head of city, *Gun* or *Gu* shall take necessary measures for announcement, etc of topographical drawings under Article 32 of the National Land Planning and Utilization Act. In this case, the undertaker shall prepare documents necessary for the announcement, etc of topographical drawings and submit them to the head of city, *Gun* or *Gu*.

Article 30 (Legal Fiction of Authorization, Permission, Etc) ① If the Distribution Complex Designator has consulted with heads of administrative agencies about matters of the following subsections under Section 3, Article 28 in connection with approval or the Implementation Plan, such matters shall be construed as having obtained authorization or permission concerned, and in the event that the authorization of the Implementation Plan is announced, the matters shall be construed as having been announced or notified under the laws and regulations of the following subsections: < *Amended by Act No. 8970, Mar. 21, 2008; Amended by Act No. 9174, Dec. 26, 2008; Amended by Act No. 9401, Jan. 30, 2009*>

1. Installation permission or report of discharge facilities under Article 11 of the Livestock Excretions Management and Utilization Act,

2. Building permission under Article 11, building report under Article 14, alteration of building permission or building report details under Article 16, building permission

and report of temporary buildings under Article 20 and building consultation under Article 29 of the Building Act,

3. Permission for aggregate picking under Article 22 of the Aggregate Picking Act,

4. Permission of occupancy and use of public waters under Article 5 and authorization or report of implementation plan under Article 8 of the Public Waters Management Act,

5. License for reclamation of public waters under Article 9 and authorization of implementation plan under Article 15 of the Public Waters Reclamation Act,

6. Abolishment of use of administrative properties under Article 11 and permission for use and profit of administrative properties under Section 1, Article 20 of the Public Properties and Articles Management Act,

7. Disposition of disapproval for establishment of mining right under Article 24 and cancellation of mining right or disposition of reducing mining area under Article 34 of the Mining Industry Act,

8. Permission for utilization of administrative properties under Article 30 and abolishment of use of administrative properties under Article 40 of the State Properties Act,

9. Decision of urban management plan under Article 30, permission for alteration of land shape and quality or for land division under Subsections 2 and 4, Section 1, Article 56, designation of the undertaker of urban planning facility project under Article 86 and authorization of implementation plan under Article 88 of the National Land Planning and Utilization Act,

10. Approval for utilization of agricultural infrastructures for other than purposes under Article 22 of the Farming and Fishing Villages Reorganization Act,

11. Permission and consultation of farming land conversion under Article 34 of the Farming Land Act,

12. Permission for implementation of road works under Article 34 and permission for occupation of road under Article 38 of the Road Act,

13. Permission for private road construction under Article 4 of the Private Road Act,

14. Permission for lumbering under Article 14 and cancellation of erosion control land designation under Article 20 of the Erosion Control Project Act,

15. Permission for and report of mountain land conversion under Articles 14 and 15 of the Mountain Land Management Act, permission for and report of lumbering of standing trees under Sections 1 and 4, Article 36, and permission and report of behavior within reserved forest Sections 1 and 2, Article 45 of the Act on Cultivation and Management of Forest Resources,

16. Permission for small river works implementation, under Article 10 and permission for occupation and use of small river, under Article 14 of the Small River Act,

17. Authorization of waterworks business under Articles 17 and 49, and authorization of installation of waterworks for exclusive use under Articles 52 and 54 of the Water Supply and Waterworks Installation Act,

18. Approval for the basic plan for terminal treatment facilities works under Article 49 of the Act on Water Quality and Aquatic Ecosystem Preservation,

19. Consultation about energy use plan under Article 8 of the Energy Use Rationalization Act,

20. Permission of opening of graves having no surviving relatives under Article 23 of the Act on Funeral, Etc,

21. Report of start, alteration or completion of project under Article 27 of the Cadastral Act,

22. Consultation about relevance of integrated energy supply under Article 4 of the Integrated Energy Supply Act,

23. Permission of grassland conversion under Article 23 of the Grassland Act,

24. Examination on land survey and use under Article 25 of the Land Survey Act,

25. Approval for installation or report of waste treatment facilities under Article 29 of the Waste Management Act,

26. Permission for public sewage works implementation under Article 16 and permission for occupation and use of the public sewage, under Article 24 of the Sewerage Act,

27. Permission for river works implementation and authorization of river works implementation plan under Article 30, and permission of river occupation and use, under Article 33 of the River Act, or

28. Permission for harbor works implementation under Section 2, Article 9, and authorization of the implementation plan under Section 2, Article 10 of the Harbor Act.

② In the event that authorizations and permissions required by other laws and regulations are construed to have obtained under Subsection 1, commissions and use fees imposed by relevant laws and regulations or municipal ordinances shall be exempted.

③ Sections 3 and 4, Article 21 shall apply *mutatis mutandis* to the disposition standard regarding legal fiction of Authorization/Permission under Section 1.

Article 31 (Implementation of Distribution Complex Development Project on Consignment) ① In connection with the distribution complex development project, the undertaker may consign implementation of matters concerned with construction of public facilities prescribed by the Presidential Decree, including harbor and water facilities, and reclamation of public waters, to the State, local government or other public agency as prescribed by the Presidential Decree.

② Article 11 shall apply *mutatis mutandis* to consignment of land purchasing, etc. for distribution complex development project. In this case, “distribution terminal business entity” and “distribution terminal” shall be respectively read as “undertaker” and “distribution complex”.

Article 32 (Expropriation and Use of Land, Etc) ① The undertaker may expropriate or use land, etc. necessary for distribution complex development project: *provided* that the undertaker under Subsection 5, Section 2, Article 27 is allowed to expropriate or use land, etc only after purchasing more than two thirds of the land for the project.

② In connection with expropriation or use of land, etc. under Section 1, if the designation of the distribution complex has been announced under Section 1, Article 23

(in the event that the undertaker and detail list of land, etc. to be expropriated or used for the distribution complex development plan are included to the distribution complex development plan after the distribution complex is designated under proviso of Section 5, Article 22, this means the time of their announcement.), it shall be construed as having been recognized and announced under Section 1, Articles 20 and 22 of the Act on Acquisition of Land, Etc. for Public Works and Compensation Thereof.

③ The decision on land, etc. within distribution complex designated by the Minister shall be administered by the Central Land Tribunal and the decision on land, etc within distribution complex designated by mayor/*Do* governor shall be administered by the Local Land Tribunal concerned. Notwithstanding provisions of Section 1, Article 23 and Section 1, Article 28 of the Act on Acquisition of Land, Etc. and Compensation Thereof, application for the decision may be submitted within the period of the project as set forth in the distribution complex development plan. < *Amended by Act No. 8852, Feb. 29, 2008*>

④ Unless otherwise specified in this Act, the Act on Acquisition of Land, Etc. and Compensation Thereof shall apply *mutatis mutandis* to the expropriation or use under Section 1.

Article 33 (Exceptions for Application of the National Land Planning and Utilization Act, Etc.) ① In the event that the distribution complex has been designated and announced under Articles 22 and 23, the basic plan for public waters reclamation under Articles 4 and 8 of the Public Waters Reclamation Act and the urban management plan under Article 30 of the National Land Planning and Utilization Act shall be construed as having decided and announced within the limits of the designation and announcement.

② Article 118 of the National Land Planning and Utilization Act shall not apply to land transaction contracts made by the undertaker that has obtained approval for the implementation plan under Article 28 regarding land within the distribution complex.

③ Provisions concerned with prohibition and restriction of building within zones and districts under Article 76 of the National Land Planning and Utilization Act shall not apply to Support Facilities.

Article 34 (Land Substitution for Landowners) ① If a person who owns land within a distribution complex intends to operate distribution complex facilities designated in the distribution complex development plan, the undertaker may implement distribution complex development project with the land included and land may be substituted to the land owner as designated by the Presidential Decree after the project has been completed.

② Provisions of Articles 28 through 49 of the Urban Development Act shall apply *mutatis mutandis* to the land substitution under Section 1, except matters prescribed by the Presidential Decree. < Amended by Act No. 8970, Mar. 21, 2008 >

Article 35 (Access to Land, Etc) Article 12 shall apply *mutatis mutandis* to access to land, etc. for implementation of distribution complex development project. In this case, “distribution terminal business entity” and “distribution terminal” shall be read as “undertaker” and “distribution complex” respectively.

Article 36 (Attribution of Public Facilities, Land, Etc) ① In the event that the undertaker falling under Subsections 1 through 4, Article 27 has installed public facilities newly or in substitution of the previous public facilities, the previous public facilities shall be attributed to the undertaker gratuitously and the newly installed ones to State or local government that is to manage the facilities despite provisions of the National Properties Act and the Public Properties and Article Management Act.

② The public facilities that the undertaker falling under Subsection 5, Article 27 has installed as the implementation of distribution complex development project shall be attributed to State or local government that is to manage the facilities gratuitously, and properties owned by State or local government of which specific use is abolished owing

to the implementation of distribution complex development project may be transferred to the undertaker gratuitously within the limits equivalent to installation cost of the facilities despite provisions of the National Properties Act and the Public Properties and Article Management Act.

③ The Distribution Complex Designator shall, when intending to approve an implementation plan containing matters attribution and assignment of public facilities under Sections 1 and 2, hear opinion of the agency (hereinafter referred to as “managing agency”) to manage the facilities. The same shall apply to alteration of the implementation plan.

④ The undertaker shall notify the managing agency of public facilities to be attributed to State or local government and detail kinds of properties and land to be attributed or assigned to the undertaker under Sections 1 and 2 before the completion of the distribution complex development project, and such public facilities and properties shall be construed to be attributed to State or local government, or to be attributed or assigned to the undertaker at the time the completion authorization of the project is notified to the undertaker under Section 3, Article 46.

⑤ With reference to public facilities and properties under Section 4, the written approval of implementation plan for distribution complex development project and the written completion authorization may substitute documents evidencing cause of registration under the Real Estate Registration Act.

⑥ The scope of public facilities under Sections 1 through 5 shall be designated by the Presidential Decree.

Article 37 (Restrictions on Disposition of National and Public Land) Article 13 shall apply *mutatis mutandis* to restrictions on disposition of national and public land necessary for distribution complex development project. In this case, “land for construction of distribution terminal” shall be read as “distribution complex”, “distribution terminal construction project” as “distribution complex construction project”, “the Minister or mayor/*Do* governor” as “Distribution Complex Designator”

and “distribution terminal business” as “undertaker, located company or support agency”. < Amended by Act No. 8852, Feb. 29, 2008 >

Article 38 (Cost for Distribution Complex Development Project) ① Cost necessary for distribution complex development project shall be borne by the undertaker.

② Electricity, telecommunication, gas supply and regional heating facilities shall be installed by the supplier of electricity, telecommunication, gas and heating on their own account within the scope designated by the Presidential Decree: *provided*, however, that, in the event that the main electric facilities are laid underground at the request of the undertaker, located company or local government, the installation cost shall be equally borne by the electricity supplier and the requester for laying the facilities underground.

③ Installation period for facilities under Section 2 and other necessary matters shall be designated by the Presidential Decree.

Article 39 (Support to Distribution Complex Development Project) ① State or local government may subsidize or finance part of the cost for distribution complex development project as designated by the Presidential Decree.

② State or local government shall give preferential support to construction of infrastructure, such as road, railway, harbor and water supply facilities, necessary for smooth development of distribution complex.

Article 40 (Establishment of Special Account for Distribution Complex) ① Mayor/Do governor or the head of city • *Gun* may establish the special account for distribution complex development (hereinafter referred to as “Special Account”) at the local government to promote distribution complex development project.

② The Special Account shall be formed with revenue sources of the following subsections:

1. Transference from the general account of the local government,
2. Subsidies from the central government,

3. Negligence fine imposed and collected under Article 67,
4. Amount equivalent to the percentage, as designated by the ordinance of the local government, of the development charges attributed to local government under Section 1, Article 4 of the Restitution of Development Gains Act,
5. Profits under Section 8, Article 65 of the National Land Planning and Utilization Act,
6. Amount equivalent to the proportion, as designated by Presidential Decree, of the urban planning tax imposed and collected under Article 238 of the Local Tax Act,
7. Borrowed money, or
8. Collection of loan, interest revenue and other profits from the Special Account fund.

Article 41 (Operation of Special Account) ① The Special Account shall be used for purposes of the following subsections:

1. Subsidy or loan for construction cost to the undertaker of distribution complex development project,
2. Subsidy or loan for urban planning facilities project carried out owing to distribution complex development project,
3. Installation cost for urban planning facilities construction project carried out by local government owing to distribution complex development project,
4. Investigation/research cost for distribution complex designation, distribution facilities development planning and system development,
5. Repayment of loan principals,
6. Cost for establishing, operating and management Special Account, or
7. Other matter prescribed by the Presidential Decree.

② The Minister may have the head of local government report the operation status of the Special Account. < Amended by Act No. 8852, Feb. 29, 2008 >

③ Matters necessary for establishment, operation and management of the Special Account shall be provided by ordinance of the local government under standards prescribed by the Presidential Decree.

Article 42 (Maintenance of Facilities) If it is deemed that pre-existing facilities or other structures which are left or not removed within the distribution complex do not impede the distribution complex development project, the undertaker may leave them intact.

Article 43 (Advance Payment) The undertaker may receive the whole or a part of payment in advance from persons who intend to buy or lease land which it builds or to use facilities as prescribed by the Presidential Decree.

Article 44 (Facilities Charge) ① The Distribution Complex Designator may have the undertaker build public facilities as designated by the Presidential Decree, such as roads, parks and greenery, or preserve the existing parks and greenery.

② The undertaker may have the owner of the maintained facilities under Article 42 or the buyer of land and/or facilities in lots pay facilities charge in order to make up the cost for building public facilities under Section 1 or preserving the existing parks and greens within the range of such cost.

③ Calculation standard, collection method and other necessary matters concerned with Section 2 shall be designated by the Presidential Decree.

Article 45 (Measure for Relocation) ① The undertaker shall establish and implement measures for relocating of persons who lose means of living due to the distribution complex development project as prescribed by the Act on Acquisition of Land, Etc and Compensation Thereof.

② The occupied company and support agencies shall employ people to relocate or residents of neighboring districts without special reasons.

Article 46 (Authorization for Completion of Distribution Complex Development Project) ① Upon completion of the whole or a part of the distribution complex development project, the undertaker shall obtain authorization of the Distribution Complex Designator for completion as prescribed by the Presidential Decree.

② When the undertaker applies for completion authorization under Section 1, the Distribution Complex Designator may request inspection necessary for completion authorization to the public agencies, research institutes or other professional institutes specified by central administrative agency concerned, local government or by the Presidential Decree. In this case, the inspection on public facilities shall be principally requested to State or local government that is to manage the facilities.

③ In the event that the distribution complex development project is found completed as planned in the implementation plan as a result of the completion inspection under Section 2, the Distribution Complex Designator shall give completion authorization and notify the undertaker and the managing agency of the fact after official announcement as designated by the Presidential Decree. In the event that the distribution complex development project is found not completed as planned in the implementation plan, the Distribution Complex Designator shall give immediate order for necessary measures, including supplementary works.

④ When obtaining completion authorization under Section 1, the undertaker shall be construed to have obtained inspection, authorization, report and confirmation on completion of the project following Authorization/Permission, the legal fiction of the authorization on implementation plan under Section 1, Article 30.

⑤ The land developed or facilities installed for distribution complex development project shall not be used prior to obtaining completion authorization under Section 1: *provided*, however, that the same shall not apply to the event that permission for use has been obtained under provisions of the Presidential Decree.

Article 47 (Reading of Relevant Documents) ① If it is deemed necessary for implementation of distribution complex development project, the undertaker may read or transcribe documents of State or local government, or request State or local government to deliver transcript or abstract of such documents.

② State or local government shall not charge fees for documents issued under Section 1.

Article 48 (Cancellation of Designation, Approval, Authorization, Etc) ① In the event that the undertaker falls under one of the following subsections, the Minister or mayor/*Do* governor may cancel designation, approval or authorization under this Act and take necessary measures, including suspension of the work, rebuilding and relocation of structures or other measure: *provided*, however, that, in case of falling under Subsections 1 through 4, the Minister shall cancel the designation, approval or authorization. < *Amended by Act No. 8852, Feb. 29, 2008*>

1. In the event that the undertaker has obtained designation for distribution complex under Section 1, Article 22 by fraud or any other dishonest means,

2. In the event that the undertaker has obtained designation for undertaker under Section 1, Article 27 by fraud or any other dishonest means,

3. In the event that the undertaker has obtained approval for implementation plan under Section 1, Article 28 (including the case applied *mutatis mutandis* under Article 49) by fraud or any other dishonest means,

4. In the event that the undertaker has obtained completion authorization under Section 1, Article 46 (including the case applied *mutatis mutandis* under Article 49) by fraud or any other dishonest means, or

5. In the event that it becomes impossible to continue the distribution complex development project due to the changed conditions.

② In case of taking dispositions under Section 1, the Minister or mayor/*Do* governor shall announce the fact as designated by the Presidential Decree. < *Amended by Act No. 8852, Feb. 29, 2008*>

Article 49 (Application *mutatis mutandis* of Provisions to Projects Related with Distribution Complex Development) Articles 25, 28 through 37, 39, 45 through 47, 52 and 61 shall apply *mutatis mutandis* to implement projects falling under any of the following subsections in relation with distribution complex development in the neighborhood of a distribution complex: In this case, “distribution complex” shall be read as “the area on which approval for the implementation plan for projects related with distribution complex project has been announced”, “the implementation plan for distribution complex development” as “the implementation plan for projects related with distribution complex development”, “announcement of distribution complex designation” as “announcement of implementation plan approval for projects related with distribution complex development”, and “distribution complex development plan” as “the implementation plan for projects related with distribution complex development”.

1. Projects for harbor, road, river, railway, water supply facilities, sewage, wastewater final treatment facilities, waste treatment facilities, electricity facilities or communication facilities,
2. Projects for gas or oil supply facilities,
3. Project for development of earth gathering place or quarry connected with the distribution complex to construct the distribution complex, or
4. Dredging project to construct the distribution complex.

Article 50 (Disposition of Developed Land, Facilities, Etc) ① The undertaker shall use directly or sell in lots or rent land and facilities developed under distribution complex development project.

② Matters necessary for disposition of land and facilities under Section 1, such as disposition method, procedure, price standard, etc. shall be designated by the Presidential Decree.

Article 51 (Restrictions on Disposition of Developed Land, Facilities, Etc) ① In case of intending to dispose land or facilities that are bought in lots before distribution complex facilities or support facilities are completed, the occupied companies or support agencies shall assign them to the undertaker or the managing agency under Article 53: *provided* that, in the event that the undertaker or the managing agency cannot afford to buy it, the undertaker or the managing agency shall receive application for purchasing and assign them to the one selected from occupied companies, support agencies or persons of the following subsections:

1. Korea Land Corporation,
2. Financial institutes authorized for banking service under Article 8 of the Banking Act, or
3. Other persons as designated by the Presidential Decree.

② The assignment price for the land under Section 1 shall be the acquired price plus interest and cost as designated by the Presidential Decree, and the assignment price for facilities, etc. may be decided considering the value appraised and assessed by the appraisal business under the Public Notice of Appraisal and Assessment of Real Estate Act.

③ Matters necessary for sale price and sale procedure for land, facilities, etc. purchased by persons of each subsection under Section 1 shall be designated by the Presidential Decree.

Article 52 (Building Permission and Use Approval) ① The building permission under Article 11 of the Building Act (the use approval under Article 28 of the Building Act for facilities of legally fictitious building permission under approval for the implementation plan under Section 1, Article 28) obtained by the person who intends to build distribution complex facilities or support facilities in a distribution complex shall be construed as having obtained authorizations and/or permissions under the following subsections: < *Amended by Act No. 8970, Mar. 21, 2008*>

1. Installation permission or report for discharge facilities under Article 11 of the Livestock Excretions Management and Utilization Act and completion inspection thereof under Article 15 of the same Act,

2. Building permission or report for temporary construction under Sections 1 and 2, Article 20 of the Building Act and construction report of structure under Article 83 of the same Act,

3. Installation permission for high-pressure gas storage house under Sections 3, Article 4 of the High-pressure Gas Safety Control Act, inspection completion on installation work for manufacturing, storage, selling and importing facilities or manufacturing facilities for containers, etc under Sections 3, Article 16 of the same Act and completion inspection on specific high-pressure gas facilities under Article 20,

4. Permission for act of development (only for construction of buildings or structures) under Sections 1, Article 56 of the National Land Planning and Utilization Act, completion inspection under Sections 1, Article 62 of the same Act, designation of the undertaker for urban planning facilities project under Article 86 of the same Act, authorization for implementation plan under Article 88 of the same Act and completion inspection under Sections 2, Article 98 of the same Act,

5. Installation permission or report for discharge facilities under Article 23 of the Clean Air Preservation Act, Article 33 of the Act on Water Quality and Aquatic Ecosystem Preservation and Article 8 of the Noise and Vibration Control Act,

6. Report for operation start of discharge facilities and preventive facilities under Article 30 of the Clean Air Preservation Act, Article 37 of the Act on Water Quality and Aquatic Ecosystem Preservation and Article 13 of the Noise and Vibration Control Act,

7. Permission for road occupation and use under Article 38 of the Road Act,

8. Consents, including building permission, under Sections 1, Article 7 of the Act on Maintenance and Safety Control of Firefighting Facilities, report for firefighting facilities works under Sections 1, Article 13 of the Firefighting Facilities Work Business Act, completion inspection under Article 14 of the same Act, installation permission for manufacturing place, etc. under Sections 1, Article 6 of the Dangerous Things Safety Control Act and completion inspection under Article 9 of the same Act,

9. Authorization for installation of waterworks for exclusive use under Articles 52 and 54 of the Water Supply and Waterworks Installation Act,

10. Installation permission for LPG Storage House under Sections 1, Article 6 of the LPG Safety Control and Business Act, inspection completion on storage house installation and gas supplies manufacturing facilities under Sections 2, Article 18 of the same Act,

11. Authorization for or report on work plan for private electric facilities under Article 62 of the Electric Utility Act and inspection before use on private electric facilities under Article 63 of the same Act,

12. Inspection before use under Article 36 of the Information and Communication Work Business Act,

13. Application for registration under Section 2, Article 3 of the Cadastral Act,

14. Permission for explosives (small-scale) storage house installation under Section 1, Article 25 of the Firearms, Swords, Explosives, Etc. Act and completion inspection under Article 43 of the same Act,

15. Report on installation of facilities subject to specific soil contamination control under Article 12 of the Soil Environment Conservation Act,

16. Installation approval or report for waste treatment facilities under Section 2, Article 29 of the Wastes Control Act and report on use start under Section 4, Article 29 of the same Act,

17. Permission for occupation and use of public sewage under Article 2 of the Sewerage Act, report on draining equipment installation under Section 3, Article 27 of the same Act, installation report for private sewage treatment facilities under Section 2, Article 34 of the same Act and inspection completion under Article 37 of the same Act,

② In the event that the a matter under subsections of Section 1 belongs to the authority of an administrative agency other than metropolitan city mayor or the head of city, *Gun* or *Gu* concerned, the metropolitan city mayor or the head of city, *Gun* or *Gu* concerned shall have in advance consultation with the head of the administrative agency.

③ Section 3 and 4, Article 21 shall apply *mutatis mutandis* to disposition standard related with legal fiction of authorizations and permissions under Section 1.

Article 53 (Managing Agency for Distribution Complex) ① Distribution complexes shall be managed by a council (hereinafter referred to as “Occupied Companies’ Council”) voluntarily organized by occupied companies : *provided*, however, that the undertaker may manage the distribution complex until the Occupied Companies’ Council is organized.

② Notwithstanding Section 1, if it is deemed particularly necessary for efficient management of the distribution complex, the Distribution Complex Designator may have a managing organization as designated by the Presidential Decree manage the distribution complex,

③ Matters necessary for organizing and operating the Occupied Companies’ Council and the managing organization shall be designated by the Presidential Decree.

Article 54 (Management Guidelines for Distribution Complex) ① The Minister shall prepare and announce guidelines for distribution complex management on a government official gazette. < Amended by Act No. 8852, Feb. 29, 2008 >

② When intending to prepare the guidelines for distribution complex management, the Minister shall hear opinion of mayor/Do governor and pass the deliberation of the Distribution Facilities Subcommittee under Subsection 2, Section 1, Article 19 of the Distribution Policy Act after having consultation with the heads of central administrative agencies concerned. The same shall apply to the amendments of matters as designated by the Presidential Decree in the guidelines for distribution complex management. < Amended by Act No. 8852, February 29, 2008 >

③ Matters necessary for content and preparation of the guidelines for distribution complex management shall be designated by the Presidential Decree.

Article 55 (Plan for Distribution Complex Management) ① The managing agency under Article 53 shall establish the plan for distribution complex management and submit it to the Distribution Complex Designator.

② The plan for distribution complex management under Section 1 shall include facts and matters of the following subsections:

1. Facts about area and scope of the distribution complex to be managed,
2. Matters about installation and operation of the distribution complex facilities and support facilities, and
3. Other matters necessary for distribution complex management.

③ Matters necessary for the establishment of the plan for distribution complex management shall be designated by the Presidential Decree.

Article 56 (Management Charge) ① The managing agency under Article 53 may collect management charge from the occupied companies and support agencies (persons occupied or purposed to occupy in distribution complex to operate support facilities are also included hereto. The same shall apply hereinafter.) for efficient management of distribution complex as designated by the Presidential Decree.

② The managing agency under Article 53 may receive jointly shared amount from the occupied companies and support agencies, if it is necessary for installation, maintenance and repair of the public facilities in the distribution complex as designated by the Presidential Decree, including waste treatment plant and street lamps.

③ The standard and method for the management charge under Section 1 and the shared amount under Section 2 shall be designated by the Presidential Decree.

Article 57 (Recommendation) The Distribution Complex Designator may recommend necessary measures about method for management and operation, and other matters as designated by the Presidential Decree so that the distribution complex may perform its functions smoothly. If it is deemed necessary, the Distribution Complex Designator may

have the person, who was given a recommendation, report about measures taken under the recommendation.

Article 58 (Tax Reduction and/or Exemption) State or the local government may reduce and/or exempt local tax, farmland preservation charge, substitute forest resources forming charge, development charge, overcrowding charge, etc. as provided by the Local Tax Act, the Local Tax Reduction and Exemption Ordinance, the Framework Act on Agriculture and Rural Community, the Farmland Act, the Mountainous District Management Act, the Development Gains Restitution Act and the Seoul Metropolitan Area Readjustment Planning Act for smooth development of distribution complex and attraction of companies to locate.

Article 59 (Financial Support) State or local government may take necessary measures for financial support for smooth development of distribution complex and attraction of companies to occupy.

Article 59-2 (Application *mutatis mutandis* of the Act on Special Cases for Simplification of Authorization and Permission of Industrial Complex) ① The Act on Special Cases for Simplification of Authorization and Permission of Industrial Complex shall apply *mutatis mutandis* to designation and development procedure for distribution complex: *provided*, however, that Articles 17 and 18 of the same Act shall not apply to such cases.

② In case of applying the Act on Special Cases for Simplification of Authorization and Permission of Industrial Complex under Section 1, “industrial estate” shall be read as “distribution complex under Subsection 6, Article 2”, “national industrial complex” as “distribution complex designated by the Minister under the text of Section 1 of Article 22”, “the industrial complex development support center” as “the distribution complex development support center”, “the Industrial Complex Planning Deliberative Committee” as “the Distribution Complex Planning Deliberative Committee”, “the

Central Industrial Complex Planning Deliberative Committee” as “the Central Distribution Complex Planning Deliberative Committee”, “the Local Industrial Complex Planning Deliberative Committee” as “the Local Distribution Complex Planning Deliberative Committee”, “industrial complex planning” as “distribution complex planning”, “private businesses, etc.” as “persons other than those who designate distribution complex under Article 22”, “the Industrial Location Policy Council” as “the Distribution Facilities Subcommittee under Subsection 2, Section 1, Article 19 of the Distribution Policy Act or the Regional Distribution Policy Council” under Article 20 of the same Act, and “the industrial complex planning integration standard” as “the distribution complex planning integration standard”.

③ The Minister may request the Distribution Complex Designator for data about the project progress for smooth designation and development of distribution complex, and if it is required for consultation with agency concerned, the Minister may request the Prime Minister for coordination. [*Newly Established by Act No.9106, Jun. 5, 2008*]

Chapter 5 Supplementary Provisions

Article 60 (Supporting of Warehousing) If it is deemed necessary to foster warehousing, the government may advance part of funds for projects of the following subsections:

1. Construction of warehouse,
2. Repair, modification or improvements of warehouse facilities, and
3. Development of technologies related with warehouse facilities.

Article 61 (Report) ① The Minister may have the composite distribution terminal business entity make necessary reports about construction of composite distribution terminal and the official of the ministry inspect matters concerned with construction of composite distribution terminal. < *Amended by Act No. 8852, Feb. 29, 2008* >

② The Minister or mayor/*Do* governor may order the undertaker to make necessary reports about development of distribution complex or submit data and may have its official inspect matters concerned with development of distribution complex. < *Amended by Act No. 8852, Feb. 29, 2008*>

③ The Minister or mayor/*Do* governor may order the managing agency, occupied companies and support agencies to make necessary reports about management of distribution complex or submit data and may have its official inspect matters concerned with management of distribution complex. < *Amended by Act No. 8852, Feb. 29, 2008*>

④ The official who conducts an inspection under the provision of Sections 1 through 3 shall carry a certificate representing the authority and show it persons concerned.

⑤ Matters concerned with the certificate under Section 4 shall be provided by the Ordinance of the Ministry of Land, Transportation and Maritime Affairs. < *Amended by Act No. 8852, Feb. 29, 2008*>

Article 62 (Hearing) The Minister or mayor/*Do* governor shall hold a hearing in case of falling under one of the following subsections: < *Amended by Act No. 8852, Feb. 29, 2008*>

1. Cancellation of composite distribution terminal business registration under Section 1, Article 17, or
2. Cancellation of designation, approval or authorization under Section 1, Article 48.

Article 63 (Fees) Any person who intends to apply for one of the following subsection shall pay fees as prescribed by the Ordinance of the Ministry of Land, Transportation and Maritime Affairs. < *Amended by Act No. 8852, Feb. 29, 2008*>

1. Application for registration of composite distribution terminal business or registration of alterations under Sections 1 and 3, Article 7, and
2. Application for authorization for work implementation and alterations regarding distribution terminal structure and equipment under Article 9.

Article 64 (Commission of Powers) ① The following powers of the Minister under this Act may be commissioned to mayor/*Do* governor as designated by the Presidential Decree. < *Amended by Act No. 8852, Feb. 29, 2008*>

1. Registration of composite distribution terminal business and registration of alterations under Sections 1 and 3, Article 7,

2. Authorization for work implementation and alteration under Section 1, Article 9, consultation with administrative agencies concerned under Section 2, the same Article and announcement of work implementation authorization under Section 4, the same article,

3. Consultation with the heads of administrative agencies concerned about disuse and sale of state and public properties under Section 2, Article 13 (including application of the article to cases under Article 37),

4. Acceptance of report on succession to composite distribution terminal business under Section 2, Article 14,

5. Acceptance of report on suspension or cessation of business, or winding-up of corporation under Section 1 or 2, Article 15,

6. Cancellation of registration and suspension of business for composite distribution terminal business under Article 17,

7. Imposition and collection of surcharges on composite distribution terminal business under Article 18,

8. Approval of implementation plan and alterations under Section 1, Article 28 (including application of the article to cases under Article 49), and consultation with heads of administrative agencies under Section 3, the same article (including application of the article to cases under Article 49),

9. Announcement of approval for implementation plan and alterations, and forwarding to the head of *city, Gun and Gu* concerned under Section 1, Article 29 (including application of the article to cases under Article 49),

10. Completion authorization for distribution complex development project under Section 1, Article 46 (including application of the article to cases under Article 49), announcement and notification to the undertaker and the management administration

under Section 3, the same Article of the same Act (including application of the article to cases under Article 49) and permission for use under the proviso of Section 5, the same Article of the same Act (including application of the article to cases under Article 49),

11. Receipt of distribution complex management plan under Section 1, Article 55,

12. Recommendation to the managing agency, etc under Article 57,

13. Order for composite distribution terminal business to report and submit data, and inspection on business under Section 1, Article 61,

14. Hearing under Section 1, Article 62,

15. Imposition of the fine on composite distribution terminal business and collection of the fine under Article 67, and

16. Other matters designated by the Presidential Decree.

② The mayor/*Do* governor may commission part of powers commissioned from the Minister under Section 1 to the head of city, *Gun* or *Gu* (excluding the special autonomous *Do* governor) with approval of the Minister. < Amended by Act No. 8852, Feb. 29, 2008 >

③ Mayor/*Do* governor may commit part of powers under this Act to the head of city, *Gun* or *Gu* (excluding the special autonomous *Do* governor) as provided by the ordinance of the city or *Do*.

④ In the event that the power to impose and collect surcharges under Subsection 7, Section 1 has been committed to the mayor/*Do* governor, the surcharges in arrears after the time for the payment expired shall be collected by the mayor/*Do* governor under the case of disposition of arrear local taxes as designated by the ordinance of the local government.

Chapter 6 Penal Provisions

Article 65 (Penal Provisions) Any person falling under one of the following subsections shall be sentenced to imprisonment not exceeding one year or a fine not exceeding thirty million won:

1. Any person who has operated composite distribution terminal business without registration in violation of Section 1, Article 7,
2. Any person who has altered registered details without registration for such alteration in violation of Section 3, Article 7,
3. Any person who has implemented works without obtaining work implementation or alteration authorization in violation of Section 1, Article 9,
4. Any person who has allowed other person to use his/her name or company name, or has lent the registration certificate to other person in violation of Article 16,
5. Any person who has constructed building, etc in violation of Section 1, Article 25 (including the case of applying this provision to Article 49),
6. Any person who has obtained designation or approval under Section 1, Article 27 or Section 1, Article 28, in false or any other dishonest ways, and
7. Any person who has land or facilities in violation of Section 1, Article 51.

Article 66 (Joint Penal Provisions) In case of violating Article 65 by the representative of a corporation, or a representative or an employee of a corporation or an individual in connection with business of the corporation or the individual, the corporation or the individual shall be sentenced to monetary penalty under the same Article in addition to punishment of the offender.

Article 67 (Negligence Fine) ① Any person who has failed to make a report or submit data, or has reported falsely or submitted false data, or obstruct or refuse inspection under Sections 1 through 3 of Article 61 shall be imposed to a fine for negligence not exceeding three million won.

② Any person falling under one of the following subsections shall be imposed to a fine for negligence not exceeding two million won:

1. Any person who has failed to make a report about succession under Section 2, Article 14,

2. Any person who has failed to make a report about suspension or cessation of business, or disorganization of corporation under Section 2, Article 15, or

3. Any person who has failed to post a notice of the purpose of suspension or cessation of the whole or partial business under Section 4, Article 15.

Article 68 (Procedure for imposition of negligence fine) ① The fine for negligence under Article 67 shall be imposed and collected by the Minister or mayor/*Do* governor as designated by the Presidential Decree. <Feb. 29, 2008>

② Any person who is dissatisfied with imposition of fine for negligence may raise objection to the Minister or mayor/*Do* governor within 30 days from the date of notification of the disposition. < *Amended by Act No. 8852, Feb. 29, 2008* >

③ In the event that any person who has been imposed to a fine for negligence under Section 1 raises objection under Section 2, the Minister or mayor/*Do* governor shall notify the competent court of the fact without delay and the competent court, upon receiving the notification, shall judge the case as a negligence fine case under the Non-contentious Case Litigation Procedure Act. < *Amended by Act No. 8852, Feb. 29, 2008* >

④ If the person neither raises objection and nor pays the fine for negligence under Section 2, the fine shall be collected following the example of disposition on default of national or local taxes.

Addendum (the Food Sanitation Act) <No. 9432, Feb. 6, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the promulgation. <The proviso is omitted>

Articles 2 through 5 are omitted.

Article 6 (Amendment of Other Laws and Regulations)

① through ⑦ are omitted.

⑧ Part of the Distribution Facilities Development and Operation Act is amended as follows:

“Article 22, the Food Sanitation Act” under Subsection 3, Section 2, Article 21 shall be amended to “Article 37 of the Food Sanitation Act”.

⑨ through <30> are omitted.

Article 7 is omitted.