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## **AIR TRANSPORT BUSINESS PROMOTION ACT**

[Enforcement Date: Sep. 10, 2009] [Act No. 9780, Jun. 9, 2009, Other Laws and Regulations Amended]

Ministry of Land, Transport and Maritime Affairs (Aviation Policy Division)

Tel.: 02-2110-8759

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

The purpose of this Act is to, by promoting air transport business, improve the international prestige thereof and to contribute to the development of the national economy.

### **Article 2 (Definitions)**

The definitions of the terms used in this Act shall be as follows: <Amended by Act No. 4435, Dec. 14, 1991; Act No. 9780, Jun. 9, 2009>

1. The term "air transport business" means any air transport business under subsection 31 of Article 2 of the Aviation Act;
2. Deleted; and <By Act No. 2414, Dec. 30, 1972>
3. The term "aviation insurance" means passenger legal liability insurance, aircraft insurance, cargo insurance, war risk insurance, third-party liability insurance, crew insurance and other insurances prescribed by the Presidential Decree.

### **Article 3 (Promotion of Air Transport Business)**

(1) Where a person who conducts the air transport business (hereinafter referred to as an "air transport business operator") is deemed to require financial support for the matters applicable to the following subsections in relation to the business plan authorized pursuant to the provisions of the Aviation Act, the Government may subsidize part of the necessary funds or arrange a loan with financial funds as provided by the Presidential Decree:

<Amended by Act No. 6621, Jan. 19, 2002>

1. Development of new international flight routes;
2. Training pilots, maintenance engineers and radio technology engineers; and
3. Incurring losses due to war, internal disturbance or terrorism, etc.

(2) A local government may, if it is deemed that the promotion of air transport business is necessary to vitalize the local economy, render any financial support to an air transport business operator (including a foreign air transport business operator; and the same shall apply in Article 8) within the limit of the relevant budget in accordance to the related municipal ordinance. <Newly Inserted by Act No. 6621, Jan. 19, 2002>

#### **Article 4 (Grant of Subsidy)**

The Government may grant a subsidy as provided by the Presidential Decree to an air transport business operator who has achieved distinguished merit in earning or saving foreign currencies.

#### **Article 5 (Special Cases of Aircraft Mortgage)**

The Government or financial institutions may, where an air transport business operator introduces an aircraft from abroad, provide him/her with a loan, holding the respective aircraft as security, even prior to the registration of the aircraft for acquisition of the ownership.

**Article 6 Deleted.** <By Act No. 2414, Dec. 30, 1972>

### **Article 7 (Obligation to Purchase Aviation Insurance Policy)**

No air transport business operator or person to operate private aircraft shall operate his/her aircraft unless he/she is covered by aviation insurance as provided by the Ordinance of the Ministry of Land, Transport and Maritime Affairs. <Amended by Act No. 5454, Dec. 13, 1997; Act No. 8852, Feb. 29, 2008>

### **Article 8 (Ban on Appropriation of Fund and Supervision)**

(1) An air transport business operator who has been granted a subsidy or loan under this Act shall not use the fund for purposes other than the purpose of the relevant grant.

(2) The Minister of Land, Transport and Maritime Affairs or the heads of local governments shall supervise an air transport business operator, who has received a subsidy or loan under this Act, so that he/she uses the subsidy or loan appropriately. <Amended by Act No. 5454, Dec. 13, 1997; Act No. 6621, Jan. 19, 2002; Act No. 8852, Feb. 29, 2008>

### **Article 9 (Fostering of Civil Aviation-Related Organizations)**

(1) The Government shall foster civil aviation-related organizations to enhance the social and economic status of the overall civil aviation industry and to facilitate their international activities.

(2) In the case of the preceding section, the Government may, where financial support is deemed necessary, subsidize part of the necessary funds within the limit of its budget.

### **Article 10 (Enforcement Decree)**

Matters necessary for the enforcement of this Act shall be prescribed by the Presidential Decree.

### **Article 11 (Penal Provisions)**

Any person who applies to any of the following subsections shall be punished by imprisonment not exceeding five years or by a fine not exceeding ten million won:

1. A person who has received a subsidy or loan as prescribed in Article 3 or a subsidy as prescribed in Article 4 by fraudulent or other illegal means; and
2. A person who has violated the provisions of Article 8 (1).

### **Article 12 (Idem)**

Any person who has violated the provisions of Article 7 shall be punished by imprisonment not exceeding five years or by a fine not exceeding one million won.

### **Article 13 (Joint Penal Provisions)**

Where the representative of a juristic person or an agent, servant or employee of a juristic person or an individual has engaged in any activity applicable to Articles 11 and 12 in relation to the business of such juristic person or individual, the juristic person or individual shall be punished by a fine as prescribed under each of the two respective Articles in addition to the punishment of the offender.

## **ADDENDA**

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

This Act shall take effect on the day three months from its promulgation.

### **Article 2 through 10 Omitted.**

### **Article 11 (Amendment of Other Acts)**

(1) through <18> Omitted.

<19> Part of the Air Transport Business Promotion Act shall be amended as follows:

The term “air transport business under subsection 26 of Article 2 of the Aviation Act” shall be changed to “air transport business under subsection 31 of Article 2 of the Aviation Act”.

**Article 12 Omitted.**