

**ENFORCEMENT DECREE OF
THE REGULATION OF ADHESION CONTRACTS ACT**

Enacted by Presidential Decree No. 12197, July 1, 1987

Amended by Presidential Decree No. 13843, Feb. 20, 1993

Article 1 Purpose

The purpose of this Decree is to elaborate on matters delegated by the Regulation of Adhesion Contracts Act (hereinafter, the "Act") and matters necessary for the implementation of the Act.

Article 2 Exemption from Obligation to Specify and Deliver Adhesion Contracts

(1) For the purpose of Article 3 (1) of the Act, the "Adhesion contracts provided for in the Presidential Decree" means an Adhesion Contracts involving the following businesses:

1. Passenger transportation industry;
2. Communications industry; or
3. Electricity, gas or water industries.

(2) Even in the case of a Adhesion Contract for the businesses provided for in the subparagraphs of Paragraph (1) above, an Enterprise shall keep a copy of the Adhesion Contract at his/her place of business, and shall, upon receiving a request from a Customer, deliver a copy of the Adhesion Contract to the Customer so that the Customer may understand it.

Article 3 Limitations on the Application of the Act

Pursuant to Article 15 of the Act, Articles 7 through 14 of the Act shall not apply to any Adhesion Contract used in any of the following businesses:

1. Internationally accepted transport industry;
2. Internationally accepted finance or insurance businesses; or
3. Export insurance under the Export Insurance Act.

Article 4 Form of Corrective Measure

Any corrective measures issued pursuant to the provisions of Article 17-2(1) of the Act and any recommendations made pursuant to the provisions of the said Article, Paragraphs (2) and (3) shall be made in writing with the specified contents thereof.

Article 5 Request and Recommendation for Correction

(1) Any request or recommendation to take corrective measures made pursuant to Article 18 of the Act shall be made in writing with specified contents thereof.

(2) Any administrative agency or the Bank Supervisory Board established under the Bank of Korea Act which has received a request or recommendation to take corrective measures pursuant to Article 18 of the Act shall notify the Fair Trade Commission, in writing, of the result of its actions within sixty (60) days from the receiving such a request or recommendation.

Article 5-2 Adhesion Contracts

(1) When the Fair Trade Commission receives a petition for review of an Adhesion Contract in accordance with the provisions of Article 19-2 (2) of the Act, the Fair Trade Commission shall notify the petitioner of the result of its review within sixty (60) days from receiving such petition.

(2) The Fair Trade Commission may, if necessary, request that an Enterprise or trade association which uses an Adhesion Contract submit the status of the uses of an Adhesion Contract concerned.

Article 6 Presentation of Certificate

Any public official who conducts an investigation pursuant to Article 20 of the Act shall carry a certificate indicating his/her authority to conduct such investigation and present it to the relevant persons.

Article 7 Filing of Written Petition for Review, etc.

(1) Written petitions for review, as provided for in Article 21 of the Act, shall include the following information and a copy of the Adhesion Contract which is subject to the review, and shall be attached thereto;

1. Name and address of the petitioner;
2. Name or trade name and address of the Enterprise; and
3. Purpose of and reason for the petition.

(2) The Fair Trade Commission shall, upon receiving a petition for review pursuant to Article 21 of the Act, notify, in writing, the petitioner of the result of its

review within sixty (60) days from the receipt of such petition, except where a special reason exists.

Article 8 Hearing of Opinion, etc.

(1) When the Fair Trade Commission notifies a concerned party or interested person of the fact that an adhesion contract will be subject to review in accordance with the provisions of Article 22(1) of the Act, such notification shall be made in writing with the date, time and place of the hearing of the Fair Trade Commission specified.

(2) The Fair Trade Commission may pay the necessary expenses within budgetary limits to the concerned parties or the interested persons who attend a hearing of the Fair Trade Commission pursuant to Article 22(2) of the Act.

(3) The request for an opinion made to an administrative agency under Article 22(3) of the Act shall be made in writing with the contents and the deadline specified.

Articles 9 through 12 < Deleted >

Article 13 Review, Decision-making Procedures, etc. of the Fair Trade Commission

Matters other than those provided in Article 30-2 of the Act which are necessary for the review of and the decision-making with respect to the Adhesion Contracts, etc, shall be determined by the Fair Trade Commission.

Article 13-2 Consultant

(1) In accordance with the provisions of Article 31-2(1) of the Act, the Fair Trade Commission may appoint as a consultant(s), a person(s) who has (have) rich knowledge and experiences with respect to adhesion contracts.

(2) Consultants may attend hearings of the Fair Trade Commission to state their opinion or submit written opinions with respect to Adhesion Contracts at the request of the Fair Trade Commission.

(3) Allowances and necessary expenses may be paid to persons who are appointed as consultants within budgetary limits.

(4) Necessary matters other than those which are provided for in this Decree concerning consultants shall be determined by the Fair Trade Commission.

Article 14 Fine for Negligence

(1) If the Fair Trade Commission imposes a fine for negligence pursuant to the provisions of Article 34(3) of the Act, it shall, after having investigated and confirmed the violation in question, notify, in writing, the person upon whom the fine for negligence will be imposed, of the duty to pay the fine for negligence for the specific offenses, methods and deadline of appeal, and amount of the fines.

(2) When the Fair Trade Commission intends to impose a fine for negligence under the provision of Paragraph (1) above, it shall give the person upon whom the fine for negligence will be imposed an opportunity to state his/her opinion orally or in writing within a designated period of ten or more days. In this case, if no opinion is provided during the designated period, the person shall be deemed to have no opinion.

(3) In determining the amount of the fine for negligence, the Fair Trade Commission shall take into consideration the motive for and the effect of the offense in question.

(4) Other procedural matters necessary for collecting the fine for negligence shall be determined by the Fair Trade Commission.

ADDENDUM (Feb. 20, 1993)

This Decree shall take effect on March 1, 1993.