

Environmental Policy Trends in 2Q 2024

July 2024

This information is provided for the convenience of foreign investors and foreign invested companies. For inquiries, please contact the Ministry of Environment official dispatched to KOTRA ( 02-3497-1738).

Environmental Policy Trends – 2Q 2024 (Summary)

[Major Policy] Reduction of charges for small businesses, strengthened environmental safety management

(Reduction of charges) The government resolved at the cabinet meeting on May 28th to reduce 12 charges (9 ministries, 13 Enforcement Decrees) starting July 1 by amending Enforcement Decrees.

- Among the charges reduced under the amended laws, three types of environmental charges are included. For example, environmental improvement charges levied on cargo trucks used for livelihood purposes (3,000 cc or less, carrying capacity of 800 kg or more) shall be reduced by 50% (KRW 15,190 → KRW 7,600/semi annually), and the scope of companies eligible for reduction of waste disposal charges shall be widened (annual sales of less than KRW 60 billion → less than KRW 100 billion).

< Summary of Amended Enforcement Decrees >

Charges	Ministry	Enforcement Decree	Amendment
Funds for international exchanges	Ministry of Foreign Affairs	Korea Foundation Act	Multiple passport (KRW 3,000 ↓), single passport & travel certificate (exempted)
International departure fee	Ministry of Culture, Sports and Tourism	Tourism Promotion and Development Fund Act	Amount reduced (KRW 10,000 → KRW 7,000), eligibility for exemption widened (under 2 yrs old → under 12 yrs old)
	Ministry of the Interior and Safety	Enforcement Decree of the Special Act on the Establishment of Jeju Special Self-Governing Province and the Development of Free International City	
Farmland preservation charges	Ministry of Agriculture, Food and Rural Affairs	Enforcement Decree of the Farmland Act	Rate lowered for non-agricultural promotion zones
Electric power industry basis fund charges	Ministry of Trade, Industry and Energy	Enforcement Decree of the Electric Utility Act	Rate lowered in phases (3.7%→3. %2→2.7%)

Charges for sales and import of petroleum	Ministry of Trade, Industry and Energy	Enforcement Decree of the Petroleum and Alternative Fuel Business Act	Natural gas import charges temporarily reduced by 30% for 1 year
Charges for manufacture and import of specific substances	Ministry of Trade, Industry and Energy	Enforcement Decree of the Act on the Control of Manufacture of Specific Substances for the Protection of the Ozone Layer	Rate lowered for type 2 specific substances (HFC gas)
Waste charges	Ministry of Environment	Enforcement Decree of the Act on the Promotion of Saving and Recycling of Resources	Gums to be excluded from imposition
Environmental improvement charges	Ministry of Environment	Enforcement Decree of the Environmental Improvement Cost Liability Act	50% reduced for diesel cargo trucks owned by small businesses
Waste disposal charges	Ministry of Environment	Enforcement Decree of the Act on Promotion of Transition to Circular Economy and Society	Sales standard for charge reduction for SMEs eased (KRW 60 bil. →KRW 100 bil.)
Charges for support of motor vehicle accident victims	Ministry of Land, Infrastructure and Transport	Enforcement Decree of the Compulsory Motor Vehicle Liability Security Act	Rate temporarily reduced for 3 yrs (1.0%→0.5%)
Pollution response charges	Ministry of Oceans and Fisheries	Enforcement Decree of the Marine Environment Management Act	Rate reduced (coasters: 50%; ocean-going vessels: 10%)
Replacement charge for forest resources creation	Korea Forest Service	Enforcement Decree of the Mountainous District Management Act	Widened eligibility for exemption (national industrial complexes, logistics complexes, etc.)

(Stricter management of change in environmental liability insurance) The Enforcement Decree of the Act on Liability for Environmental Damage and Relief Thereof was partially amended* (Apr. 19) to minimize victims of environmental damage who are left uncompensated. Also, the revised law shall be reflected to the 4th insurance period (Jun. 2024 – May 2027)** to prevent uncompensated damages, support businesses, and encourage the active participation of insurance companies.

* The Act on Liability for Environmental Damage and Relief Thereof was amended on Apr. 28, 2023 and enforced on Apr. 29, 2024.

** The standards for imposition of administrative disposition where an existing subscriber fails to reflect the changes in facilities permits and authorizations, grounds for the Ministry of Environment’s request for investigation to the insurance company where damages to health occurred and permission of the Ministry’s ex officio investigation if company’s investigation is insufficient, etc.

(Strengthening of quarantine against diseases from imported wild animals)



To prevent diseases from the import of reptiles and other wild animals from abroad, a quarantine system against disease has been in place since May 19, and the place of import is designated as Incheon International Airport, the major import terminal for reptiles.

* The partially amended Wildlife Protection and Management Act under which the quarantine system for wild animals against disease was established passed the National Assembly on Apr. 29, 2021 (promulgated May 18, 2021, enforced May 19, 2024).

(Labeling of use of recycled materials using waste plastic) Under the Act on the Promotion of Saving and Recycling of Resources, the manufacturer of products and containers made with more than a certain percentage of recycled materials using waste plastic generated in Korea can display the percentage on the label of the relevant product or container (enforced Mar. 29).

- (Minimum required percentage) 10% for PET bottles for food and other products and containers; 20% for electric and electronic products

※ The percentage shall be displayed in units of 5% on the label.

	
<p><Type A></p>	<p><Type B></p>

- Labeling the percentage shall be an option to be voluntarily adopted by the company to reduce the burden on businesses. Companies that wish to display the percentage should receive confirmation by e-mail (rmcs@keco.or.kr) and the details such as the procedure for confirmation and documents required can be found on the website of the Korea Environment Corporation (www.keco.or.kr)**.

* If the use of overseas recycled materials has been certified by an international organization, it can be used as documents of proof (for details, inquire the Korea Environment Corporation).

** For inquiries on labeling: 032-590-4175, 4177, 4183

[Regulatory Improvement] Safety and accident prevention management in chemical substance treatment facilities to be assessed by a single entity

(Integrated safety management of chemical substances) The Ministry of Environment transferred part of the National Institute of Environmental Research's functions to the National Institute of Chemical Safety so that the policies on chemical substance safety management can be efficiently pursued under a unified system. As part of the transfer of functions, the Ministry of Environment shall have a single entity assess chemical substance registration and evaluation and chemical accident prevention plans (Apr. 30).

(9 cases of proactive administration approved) A total of 9 proactive administration* cases including the permission to give out free candles for birthday cakes have been passed and applied to the field starting June.

* When it is difficult to make a proactive decision, a deliberation by the outside expert committee is held to proactively pursue regulatory improvement.

< Cases of approved proposals for proactive administration (example) >

(Proposal 1) Clarification of the regulations for selling or giving out birthday candles in small units in bakeries

Before improvement	After improvement
<ul style="list-style-type: none"> Pursuant to the Consumer Chemical Products and Biocides Safety Control Act, the act of selling or giving out candles at bakeries and religious organizations for celebration or prayer was subject to penalty* for violation of labeling standards. * Imprisonment up to 3 years or a fine of up to KRW 30 million * This is because the labeling regulations on candles, which also apply to manufacture of disinfectants, apply identically to free gifts for birthday cakes. 	<ul style="list-style-type: none"> Limited to candles which comply with safety and labeling standards and have been lawfully reported, and candles for celebration or prayer are permitted to be sold or given out in small units at bakeries and religious organizations.

(Proposal 2) Chemical substances exported abroad to be exempt from registration and report

Before improvement	After improvement
<ul style="list-style-type: none"> The Act on Registration and Evaluation of Chemical Substances was amended to exclude the exported volume where chemical substances are partially exported when registering and reporting the chemical substances volume (promulgated Feb. 2024, enforced Aug. 7, 2025). * Because amendment of law such as specification of classification of chemical substances require the amendment of subordinate laws, the amendment is to be enforced after 18 months. 	<ul style="list-style-type: none"> In the case of chemical substances that are partially exported, the volume of the chemical substances is excluded from registration and report after obtaining confirmation, under the amended law. * Unlike the other clauses in the amended law, matters are not delegated to a subordinate law, and in this regard the above can be applied immediately.

(Eased restrictions on the carry forward of carbon credit) The standards for the carry forward of carbon credit have been eased and applied (applied starting June when KAU23 carry forward applications are accepted).

- Businesses in excess (free allocation > carbon credit: Increased from 1x → 3x of

the net sold units

- Businesses in shortage (free allocation < carbon credit): Carry forward not permitted → When carbon credit purchased is more than the amount in shortage, all of the owned credits can be carried forward.

[Industry Support] Government to join forces against global carbon regulation

(Joint government support for small and medium exporters to deal with CBAM) Because help desks for exporters for dealing with Carbon Border Adjustment Mechanism (CBAM) were scattered across different ministries, they were unified into a single channel called the joint government CBAM help desk (1561-3213)

(Guide to calculating Scope 3 emission for secondary battery manufacturers)

The Ministry of Environment and the Korea Environmental Industry & Technology Institute (KEITI) collaborated with the related industries and published a guide to calculating Scope 3* emissions reflecting the characteristics of the secondary battery industry in April, and also posted the guide on the Ministry of Environment and the KEITI website.

* Indirect emissions generated from the corporate value chain excluding the scope owned and controlled by corporations.

For more information, refer to Environmental Policy Trends for Foreign Investors for 2Q 2024 in Korean version

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