

# SPECIAL ACT ON PRIVATE RENTAL HOUSING

Wholly Amended by Act No. 13499, Aug. 28, 2015

Amended by Act No. 13805, Jan. 19, 2016

Act No. 13782, Jan. 19, 2016

Act No. 14480, Dec. 27, 2016

Act No. 14542, Jan. 17, 2017

Act No. 14532, Jan. 17, 2017

Act No. 14912, Oct. 24, 2017

Act No. 15309, Dec. 26, 2017

Act No. 15319, Dec. 26, 2017

## Article 1 (Purpose)

The purpose of this Act is to promote the supply of private rental housing and to ensure housing stability for people, by prescribing matters necessary to construct, supply, and manage private rental housing and to foster private housing rental business entities.

## Article 2 (Definitions)

The terms used in this Act shall be defined as follows: <Amended by Act No. 13805, Jan. 19, 2016; Act No. 14542, Jan. 17, 2017>

1. The term "private rental housing" means housing supplied for rent (including quasi-housing prescribed by Presidential Decree, such as housing constructed on leased land and officetel (hereinafter referred to as "quasi-housing"), and housing, only part of which prescribed by Presidential Decree is rent; hereinafter the same shall apply) which is registered by a rental business entity under Article 5; and shall be classified into privately constructed rental housing and buy-to-rent private housing;
2. The term "privately constructed rental housing" means private rental housing that falls within either of the following two categories:
  - (a) Housing constructed by a rental business entity for rent;
  - (b) Housing rented out because it remains unsold by the inspection for use, of those houses constructed by a housing construction project entity registered under Article 4 of the Housing Act with approval for a project plan pursuant to Article 15 of the same Act;
3. The term "buy-to-rent private housing" means private rental housing leased by a rental business entity after acquisition of ownership thereof by way of purchase, etc.;

4. The term "commercial rental housing" means private rental housing leased by a commercial rental business entity after acquisition thereof for rent for at least eight years;
5. The term "quasi-public rental housing" means private rental housing leased by a general rental business entity after acquisition thereof for rent for at least eight years;
6. The term "short-term rental housing" means private rental housing leased by a general rental business entity after acquisition thereof for rent for at least four years;
7. The term "rental business entity" means a person other than a public housing business entity defined in Article 4 (1) of the Special Act on Public Housing (hereinafter referred to as "public housing business entity") who is registered under Article 5 to run a housing rental business, and shall be classified into a commercial rental business entity and a general rental business entity;
8. The term "commercial rental business entity" means a rental business entity who has acquired or intends to acquire at least 100 units of private rental housing in excess of the number of units prescribed by Presidential Decree for rent for at least eight years;
9. The term "general rental business entity" means a rental business entity other than a commercial rental business entity, who has acquired or intends to acquire at least one unit of private rental housing;
10. The term "housing rental management business" means a business managing the lease of housing under outsourcing from the owner, which falls within either of the following two categories:
  - (a) In-house management type housing rental management business: A type of business subletting a house on one's own responsibility after renting it from the owner thereof;
  - (b) Entrusted-management type housing rental management business: A type of business imposing and collecting rents, maintaining and managing facilities, etc. in return for the commissions received from the housing owner;
11. The term "housing rental management business entity" means a person registered under Article 7 (1) to run a housing rental management business;
12. The term "commercial rental housing supply promotion district" means a district designated and publicly notified under Article 22 to promote the supply of commercial rental housing.

### **Article 3 (Relationship with other Acts)**

Except as otherwise prescribed by this Act, the Housing Act, the Building Act, the Multi-Family Housing Management Act, and the Housing Lease Protection Act, shall apply to the construction, supply, management, etc. of private rental housing. <Amended by Act No. 13474, Aug. 11, 2015>

### **Article 4 (Support by the State, etc.)**

The State and a local government may preferentially provide the National Housing Urban Fund established under the Housing and Urban Fund Act (hereinafter referred to as the "Housing Urban Fund") and other funds for the following purposes, and reduce or exempt taxes as prescribed by the Restriction of Special Taxation Act, the Restriction of Special Local Taxation Act, and municipal ordinances:

1. To expand the supply of private rental housing;

2. To improve and enhance quality of private rental housing;
3. To encourage participation of non-profit organizations, such as social enterprises and social cooperatives, in supply of private rental housing;
4. To develop housing rental management business.

#### **Article 5 (Registration of Rental Business Entities)**

(1) Any person who intends to rent housing may apply for registration thereof with the Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, or the head of a Si/Gun/Gu (in cases of the head of a Gu, referring to the head of an autonomous Gu; hereinafter referred to as the "head of a Si/Gun/Gu").

(2) Registration under paragraph (1) shall be classified as follows:

1. Commercial rental business entity and general rental business entity;
2. Privately constructed rental housing and buy-to-rent private housing;
3. Commercial rental housing, quasi-public rental housing, and short-term rental housing.

(3) Each person registered under paragraph (1) who intends to change or cancel any matter registered shall submit a report thereon to the head of the competent Si/Gun/Gu: Provided, That he/she need not report minor matters prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport, such as extension of the area of rental housing not exceeding ten percent.

(4) Matters necessary for the criteria, procedures, etc. for registration and reporting under paragraphs (1) through (3) shall be prescribed by Presidential Decree.

#### **Article 6 (Cancellation of Registration of Rental Business Entities)**

(1) Where a rental business entity falls under any of the following cases, the head of the competent Si/Gun/Gu may cancel the relevant registration: Provided, That in cases falling under subparagraph 1, the registration shall be cancelled entirely or partially:

1. Where he/she is registered by deceit or other unjust means;
2. Where he/she fails to acquire private rental housing within the period prescribed by Presidential Decree after being registered under Article 5;
3. Where he/she applies for de-registration before one month passes from the date of registration under Article 5 (1) or after the expiration of the mandatory rental period referred to in Article 43;
4. Where he/she fails to meet the criteria for registration referred to in Article 5 (4): Provided, That this shall not apply where prescribed by Presidential Decree, such as temporary failure to meet the criteria for registration;
5. Where he/she transfers private rental housing under Article 43 (2);
6. Where he/she transfers private rental housing under Article 43 (4);
7. Where he/she violates any of the terms of rental provided for in Article 44;
8. Where he/she revokes, terminates, or refuses to renew, a rental agreement in violation of Article 45;
9. Where he/she violates any restriction on uses of quasi-housing specified in Article 50.

(2) In canceling registration under paragraph (1), the head of a Si/Gun/Gu shall hold a hearing: Provided, That cases falling under paragraph (1) 3, 5 or 6 shall be excluded herefrom.

(3) Where the head of a Si/Gun/Gu cancels registration under paragraph (1), he/she shall publicly announce necessary matters, such as the name of the relevant rental business entity and grounds for cancellation.

(4) Upon filing an application for cancellation of registration under paragraph (1) 3 or receipt of notice on holding of a hearing under paragraph (2), the rental business entity shall notify each lessee of such fact within seven days.

(5) Where registration is cancelled under any subparagraph of paragraph (1) (excluding subparagraph 5), the rental business entity (where the relevant house is transferred, referring to the transferor) shall be deemed a rental business entity for the purpose of this Act in relation to the lessee until the period of the rental agreement already concluded expires.

#### **Article 7 (Registration of Housing Rental Management Business)**

(1) Each person who intends to run a housing rental management business may apply for registration thereof with the head of the competent Si/Gun/Gu: Provided, That a person who intends to run a housing rental management business in a scale of not less than the scale prescribed by Presidential Decree within the extent of at least 100 housing units, shall register its business (excluding the State, local governments, public institutions defined in Article 4 (1) of the Act on the Management of Public Institutions (hereinafter referred to as "public institutions"), and local government-invested public corporations incorporated under Article 49 (1) of the Local Public Enterprises Act (hereinafter referred to as "local public corporations").

(2) Registration under paragraph (1) shall be made by classifying between self-management type housing rental management business and entrusted-management type housing rental management business. In such cases, registration of self-management type housing rental management business shall be deemed to include registration of entrusted-management type housing rental management business.

(3) If a person registered under paragraph (1) intends to change or cancel any registered matter, he/she shall submit a report thereon to the head of the competent Si/Gun/Gu: Provided, That he/she need not report minor matters prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport, such as capital increase.

(4) Matters necessary for the procedures, etc. for registration and reporting under paragraphs (1) through (3) shall be prescribed by Presidential Decree.

#### **Article 8 (Criteria for Registration of Housing Rental Management Business)**

A person who intends to register its business under Article 7 shall meet the following requirements:

1. He/she shall have paid-in capital (referring to the assessed value of assets, in cases of an unincorporated entity) of at least 100 million won, which shall exceed the amount prescribed by Presidential Decree;
2. He/she shall have professional manpower prescribed by Presidential Decree, such as a housing manager;

3. He/she shall have facilities prescribed by Presidential Decree, such as an office.

#### **Article 9 (Disqualification from Being Housing Rental Management Business)**

None of the following persons shall be eligible to have a housing rental management business registered. The same shall also apply to a corporation which has any of the following persons as its executive officer:

*<Amended by Act No. 13805, Jan. 19, 2016>*

1. A person declared bankrupt by the court, and not yet reinstated;
2. A person under adult guardianship or a person under limited guardianship;
3. A person for whom two years have not passed since cancellation of his/her housing rental management business under Article 10. In such cases, if the person whose registration is cancelled is a corporation, a person who has committed an offense resulting in the cancellation and the representative thereof shall also be included;
4. A person for whom three years have not passed from the date the execution of his/her imprisonment without prison labor or heavier punishment for reason of violating this Act, the Housing Act, the Special Act on Public Housing, or the Multi-Family Housing Management Act (including where such execution is deemed completed) was completed or exempted;
5. A person who is subject to a suspended sentence of punishment declared by the court for reason of violating, this Act, the Housing Act, the Special Act on Public Housing, or the Multi-Family Housing Management Act.

#### **Article 10 (Cancellation of Registration, etc. of Housing Rental Management Business)**

(1) Where a housing rental management business entity falls under any of the following cases, the head of the competent Si/Gun/Gu may cancel registration of the relevant business or partially or entirely suspend the business for a prescribed period not exceeding one year: Provided, That in cases falling under paragraph 1, 2 or 6, the registration shall be cancelled:

1. Where he/she is registered by deceit or other unjust means;
2. Where he/she carries on the housing rental management business during the period of business suspension, or a person who is subject to a disposition to suspend business on at least two occasions during the recent three years and the total period of such dispositions exceeds 12 months;
3. Where he/she causes damage to property of a lessor or lessee by improperly managing housing for rent by intention or gross negligence;
4. Where he/she has no record of outsourcing contract for at least one year from the day following the expiration date of the last outsourcing contract without just cause;
5. Where he/she fails to meet the criteria for registration referred to in Article 8: Provided, That this shall not apply where prescribed by Presidential Decree, such as temporary failure to meet the criteria for registration;
6. Where he/she allows a third person to run the business or affairs prescribed by this Act by using his/her name or trade name or lends his/her registration certificate, in violation of Article 16 (1);

7. Where he/she refuses, interferes with, or evades to submit reports or data or to receive inspections under Article 61 or falsely reports them.

(2) Where a housing rental management business entity falls under any of paragraph (1) 3 through 5 and 7, the head of the competent Si/Gun/Gu may impose a penalty surcharge not exceeding ten million won in lieu of business suspension.

(3) Where a housing rental management business entity fails to pay a penalty surcharge imposed under paragraph (2) by the deadline, the head of the competent Si/Gun/Gu shall collect it in accordance with the Act on the Collection, etc. of Local Non-Tax Revenue.

(4) Criteria for de-registration and disposition to suspend business under paragraph (1), and necessary matters relating to the amount, etc. of penalty surcharges based on the types and severity of violations subject to the imposition of penalty surcharge under paragraph (2) shall be prescribed by Presidential Decree.

#### **Article 11 (Scope of Business of Housing Rental Management Business Entities)**

(1) A housing rental management business entity shall perform the following affairs regarding housing for rent:

1. Conclusion, revocation, termination, renewal, rejection of renewal, etc. of a rental agreement;
2. Charging, collection, etc. of rents;
3. Taking occupancy, surrender, vacating, etc. of a lessee (excluding brokerage business defined in subparagraph 3 of Article 2 of the Licensed Real Estate Agents Act).

(2) A housing rental management business entity may perform the following incidental affairs regarding housing for rent:

1. Maintenance, repair, and improvement of facilities, and other affairs related to housing management;
2. Other affairs prescribed by Presidential Decree as necessary for the residential convenience of lessees.

#### **Article 12 (Reporting on Current Status of Housing Rental Management Business Entities)**

(1) A housing rental management business entity shall file a quarterly report on the information prescribed by Presidential Decree, such as paid-in capital, professional manpower, number of units he/she manages, etc., with the head of the competent Si/Gun/Gu within the month following the end of the relevant quarter. In such cases, the head of the Si/Gun/Gu in receipt of such report shall report it to the Minister of Land, Infrastructure and Transport.

(2) Matters necessary for filing reports, etc. under paragraph (1) shall be prescribed by Presidential Decree.

(3) The Minister of Land, Infrastructure and Transport may disclose the following information as prescribed by Presidential Decree, such as the rental housing information system referred to in Article 60 (1):

1. Information reported under the latter part of paragraph (1);

2. Information reported under Article 61.

**Article 13 (Outsourcing Contracts, etc.)**

(1) A housing rental management business entity to whom the affairs listed in Article 11 are outsourced, shall prepare an outsourcing contract, deliver it to the relevant housing owner, and retain a copy thereof.

(2) An outsourcing contract under paragraph (1) shall include matters prescribed by Presidential Decree, such as the contract period and obligations of the housing rental management business entity.

(3) The Minister of Land, Infrastructure and Transport may prepare, disseminate, and make available a standard-form outsourcing contract necessary for the conclusion of an outsourcing contract.

**Article 14 (Purchase of Guarantee Instruments)**

(1) A housing rental management business entity carrying on the in-house management type housing rental management business shall purchase a guarantee instrument to protect the rights of lessors and lessees.

(2) Types of guarantee instruments referred to in paragraph (1) and matters necessary for the procedures to purchase them, etc. shall be prescribed by Presidential Decree.

**Article 15 (Obligations of In-House Management Type Housing Rental Management Business Entities)**

Where a lessor who is a rental business entity outsources the rental management to an in-house management type housing rental management business entity, the housing rental management business entity shall perform the obligations of a rental business entity under this Act within the scope outsourced to him/her. In such cases, a housing rental management business entity shall be deemed a rental business entity for the purpose of Chapter VII.

**Article 16 (Prohibition of Lending, etc. of Registration Certificate)**

(1) No housing rental management business entity shall allow any third person to perform the affairs prescribed by this Act by using his/her name or trade name or lend his/her registration certificate.

(2) No person, other than a housing rental management business entity, shall use the name of housing rental management business or similar.

**Article 17 (Construction of Private Rental Housing)**

The construction of private civil housing shall be governed by the Housing Act or the Building Act. In this regard, where any related Act provides for application mutatis mutandis with regard to the approval of a project plan under Article 15 of the Housing Act, grant of a building permit under Article 11 of the Building Act, etc., such Act shall also be complied with. <Amended by Act No. 13805, Jan. 19, 2016>

**Article 18 (Preferential Supply of Land, etc.)**

(1) Where the State, a local government, a public institution, or a local public corporation supplies (referring to sale or lease; hereafter the same shall apply in this Article) land it owns or develops, it may preferentially supply such land to a rental business entity who intends to construct private rental housing, notwithstanding Article 30 (1) of the Housing Act. <Amended by Act No. 13805, Jan. 19, 2016>

(2) Where the State, a local government, a public institution, or a local public corporation supplies land for construction of commercial rental housing or quasi-public rental housing, or where a public institution (including a purchasing public institution defined in Article 43 (3) of the same Act (hereinafter referred to as "purchasing public institution")) holding previous real estate defined in subparagraph 6 of Article 2 of the Special Act on the Construction and Development of Innovation Cities (hereinafter referred to as "previous real estate") sells the previous real estate for the construction of commercial rental housing, the land may be supplied in accordance with the methods and conditions prescribed by Presidential Decree, such as ballot, restriction on eligibility requirements, and free contract, notwithstanding the Housing Site Development Promotion Act, the Special Act on the Construction and Development of Innovation Cities, and other related statutes. <Amended by Act No. 15309, Dec. 26, 2017>

(3) The State, a local government, the Korea Land and Housing Corporation, or a local public corporation shall preferentially supply land developed by it to a rental business entity (including employers registered as a rental business entity (limited to corporations) who intends to construct private rental housing for rent to its employees) in a ratio of not less than that prescribed by Presidential Decree, which shall be at least one percent of such land: Provided, That the relevant land shall be at least the size prescribed by Presidential Decree and include sites for at least two multi-family housing complexes. <Amended by Act No. 14542, Jan. 17, 2017>

(4) A person supplied with land and previous real estate under paragraphs (1) through (3) (hereafter referred to as "land, etc." in this Article) shall construct private rental housing within the period prescribed by Presidential Decree, which shall not exceed four years from the date on which he/she is supplied with the land, etc.

(5) Where no private rental housing is constructed notwithstanding paragraph (4), a person who has supplied land, etc. may repurchase such land, etc. under the criteria and procedures prescribed by Presidential Decree or revoke or terminate the relevant rental agreement.

(6) Where a project undertaker defined in Article 54 of the Housing Act supplies housing, it may preferentially supply all the houses (excluding houses subject to application of the upper limit system for selling prices referred to in Article 57 of the same Act) to commercial rental business entities, notwithstanding paragraph (1) of the same Article. <Amended by Act No. 13805, Jan. 19, 2016>

#### **Article 19 (Preferential Installation of Arterial Facilities)**

A person who installs arterial facilities pursuant to Article 28 of the Housing Act shall install such arterial facilities required for a construction project of private rental housing or a housing site development project for the construction of private rental housing in preference to other housing construction projects or housing site development projects. <Amended by Act No. 13805, Jan. 19, 2016>

#### **Article 20 (Special Cases concerning Act on Acquisition of and Compensation for Land, etc. for Public Works Projects)**

(1) Where a rental business entity has purchased at least 80 percent of land (including where the consent of owners on the purchase of land has been obtained) for a project to construct private rental housing with



at least 100 units exceeding the number of units prescribed by Presidential Decree in an area not exceeding 85 square meters for exclusive use, and significant difficulty will be caused in implementing such project unless he/she acquires the remainder of the land, he/she may request the Special Metropolitan City Mayor, Metropolitan City Mayor, Metropolitan Autonomous City Mayor, Do Governor, or Special Self-Governing Province Governor, whoever is competent (hereinafter referred to as "Mayor/ Do Governor"), to grant a designation under subparagraph 5 of Article 4 of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects. In such cases, necessary matters relating to the procedures for such request, documents to be submitted, etc. shall be prescribed by Presidential Decree.

(2) Where a rental business entity who has obtained designation pursuant to paragraph (1) obtains approval for a project plan pursuant to Article 15 of the Housing Act, he/she shall be deemed to have obtained authorization for the project under Article 20 (1) of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects: Provided, That notwithstanding Articles 23 (1) and 28 (1) of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects, an application for adjudication may be filed within the period for implementation of the housing construction project, the project plan for which has been approved. *<Amended by Act No. 13805, Jan. 19, 2016>*

#### **Article 21 (Special Cases concerning the National Land Planning and Utilization Act, etc.)**

Where a rental business entity applies for approval of a project plan under Article 15 of the Housing Act or for grant of a building permit under Article 11 of the Building Act, to construct commercial rental housing or quasi-public rental housing, the authority to grant approval for project plans under Article 15 of the Housing Act or the authority to grant permits under Article 11 of the Building Act may apply the following lenient standards, notwithstanding relevant statutes: Provided, That where private rental houses and facilities other than private rental housing are constructed as one and same building, the above provision shall apply only where the ratio of floor area of the private rental housing to the total floor area exceeds the ratio prescribed by Presidential Decree by no less than 50 percent: *<Amended by Act No. 13805, Jan. 19, 2016>*

1. Notwithstanding the building-to-land ratios prescribed by municipal ordinances pursuant to Article 77 of the National Land Planning and Utilization Act, the building-to-land ratio shall be made lenient to the upper limit prescribed by the same Article and relevant statutes;
2. Notwithstanding the floor area ratios prescribed by municipal ordinances pursuant to Article 78 of the National Land Planning and Utilization Act, the floor area ratio shall be relaxed to the upper limit prescribed by the same Article and relevant statutes;
3. Restriction on the number of floors of a building under Article 2 (2) of the Building Act shall be relaxed as prescribed by Presidential Decree.

#### **Article 22 (Designation of Promotion Districts)**

(1) A Mayor/Do Governor may designate an area of at least 50 percent of the area of a site supplied with compensation (referring to the area excluding areas for public facilities to be vested in the management authority, such as roads and parks) as a commercial rental housing supply promotion district (hereinafter

referred to as "promotion district"), within at least five thousand square meters in excess of the size prescribed Presidential Decree, to construct and supply commercial rental housing (excluding quasi-housing).

(2) Notwithstanding paragraph (1), where a person who falls under Article 23 (1) 2 proposes designation of a promotion district pursuant to paragraph (3) of the same Article and it is necessary to increase the use of the complex land, or where it is necessary to supply diverse types of housing, the ratio of the area of the site supplied with compensation, which is the criteria for construction and supply of a commercial rental housing prescribed in paragraph (1) may be adjusted by reducing it within the limit of five percent point. In such cases, the commercial rental housing shall be constructed and supplied at a ratio which is at least the ratio prescribed by Presidential Decree at not less than 50 percent of the total number of units to be constructed and supplied in the promotion district. *<Newly Inserted by Act No. 14542, Jan. 17, 2017>*

(3) Notwithstanding paragraph (1), the Minister of Land, Infrastructure and Transport may designate a promotion district where it is necessary to construct and supply commercial rental housing for people's residential stability.

(4) Necessary matters such as the standards and procedures for designation of a promotion district under paragraphs (1) through (3), shall be prescribed by Presidential Decree. *<Amended by Act No. 14542, Jan. 17, 2017>*

### **Article 23 (Project Implementers)**

(1) A person authorized to designate a promotion district under Article 22 (hereinafter referred to as "designation authority") shall designate a person who will undertake a commercial rental housing project (referring to a project for developing a promotion district or a project for constructing rental housing; and the person who undertakes such project shall be referred to as "project implementer"), among the following persons: Provided, That a person who falls under subparagraph 2 may undertake only a project for development of a promotion district and a project for construction of public rental housing defined in subparagraph 1 (a) of Article 2 of the Special Act on Public Housing (hereinafter referred to as "public rental housing"): *<Amended by Act No. 14542, Jan. 17, 2017>*

1. A commercial rental business entity who owns at least 50 percent of the area of land in the promotion district excluding State-owned or public land;

2. A person who falls under any subparagraph of Article 4 (1) of the Special Act on Public Housing.

(2) In designating the project implementer of a project for development of a promotion district, the designation authority may designate a person falling under any subparagraph of paragraph (1) as a joint-implementer.

(3) A person who falls under any subparagraph of paragraph (1) or a person who has obtained consent from the owners of at least 50 percent of land in a promotion district excluding the State-owned or public land, may propose that the designation authority designate the promotion district. In such cases, if the person who has proposed the designation meets the requirements prescribed in paragraph (1) 1, the designation authority may preferentially designate him/her as a project implementer. *<Amended by Act No.*

14542, Jan. 17, 2017>

(4) A designation authority may replace a project implementer in any of the following cases: <Newly Inserted by Act No. 14542, Jan. 17, 2017>

1. Where a request is made to replace the project implementer by a real estate investment company defined in subparagraph 1 of the Real Estate Investment Company Act in which the project implementer has invested;
  2. Where the project implementer needs to be replaced by a public institution or a local government-invested public corporation, because it is impractical to implement the promotion district project due to the bankruptcy or insolvency of the project implementer or other similar reasons.
- (5) Necessary matters relating to the procedures for proposing designations, changes, or revocation of promotion districts, documents to be submitted, method of calculating persons who have given consent, procedures for giving consent, etc. under paragraph (3), shall be prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

#### **Article 24 (Procedures for Designation of Promotion Districts)**

(1) In designating a promotion district under Article 22, a designation authority shall consult with the heads of the relevant central administrative agencies and the head of the competent local government. The same shall also apply to alteration of a promotion district. <Amended by Act No. 14542, Jan. 17, 2017>

(2) In holding consultation under paragraph (1), the following consultations shall be held separately. In such cases, no consultation period may exceed 30 days:

1. Consultation on strategic environmental impact assessment under Article 16 of the Environmental Impact Assessment Act (including consultation on impact to natural scenery under Article 28 of the Natural Environment Conservation Act);
2. Consultation on prior deliberation of factors influencing disasters under the Countermeasures against Natural Disasters Act.

(3) Where a designation authority intends to designate a promotion district, it shall undergo deliberation by the Central Urban Planning Committee established under Article 106 of the National Land Planning and Utilization Act (hereinafter referred to as "Central Urban Planning Committee") or a City/Do Urban Planning Committee established under Article 113 of the same Act (hereinafter referred to as "City/Do Urban Planning Committee"), and in such cases Articles 8 and 9 shall not apply: Provided, That minor matters prescribed by Presidential Decree, such as increasing or decreasing the size of a promotion district by not more than ten percent, may be exempt from the deliberation.

#### **Article 25 (Hearing Opinions of Residents, etc.)**

(1) In designating a promotion district, a designation authority shall hear the opinions of residents, relevant experts, etc. as prescribed by Presidential Decree. The same shall also apply to modification of important matters prescribed by Presidential Decree, such as the area of a promotion district. <Amended by Act No. 14542, Jan. 17, 2017>

(2) A designation authority may hear opinions under paragraph (1) and gather consensus from residents, etc. simultaneously for strategic environmental impact assessment under Article 13 of the Environmental Impact Assessment Act.

#### **Article 26 (Public Notification, etc. of Designation, etc. of Promotion Districts)**

(1) Upon designating a promotion district, the designation authority shall publicly notify in the Official Gazette or Official Report as prescribed by Presidential Decree, its location and area, project implementer, project type, detailed items of the land, goods and rights prescribed in Article 3 of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects (hereinafter referred to as "land, etc.") to be expropriated or used, and other relevant matters and shall send copies of the relevant documents to the head of the competent Si/Gun/Gu and publicly notify topographical drawings pursuant to Article 8 of the Framework Act on the Regulation of Land Use. The same shall also apply to alteration of a promotion district. *<Amended by Act No. 14542, Jan. 17, 2017>*

(2) The head of a Si/Gun/Gu in receipt of copies of the relevant documents sent under paragraph (1) shall make them available to the general public for perusal.

(3) A person who intends to engage in activity prescribed by Presidential Decree, such as construction of a building, in an area where public announcement for hearing the opinions of residents, etc. on the designation or alteration of a promotion district under Article 25 (1) is made or in a promotion district, shall obtain permission from the head of the competent Si/Gun/Gu. The same shall also apply to modification of any permitted matter. *<Amended by Act No. 14542, Jan. 17, 2017>*

(4) Notwithstanding paragraph (3), the following activities are permissible without obtaining permission:

1. Emergency management activities necessary for disaster relief or management;
2. Other activities prescribed by Presidential Decree, such as changing the form and quality of land for farming.

(5) A person who has already obtained permission for any activity which requires permission under paragraph (3) or commenced works or a project as at the time public announcement of hearing opinions under Article 25 (1) or designation and public notification of the promotion district is made, may continue such activity after filing a report thereon with the head of the competent Si/Gun/Gu as prescribed by Presidential Decree. *<Amended by Act No. 14542, Jan. 17, 2017>*

(6) The head of a Si/Gun/Gu may issue an order for reinstatement to a person who has violated paragraph (3). In such cases, if a person in receipt of such order fails to perform any of his/her obligations, the head of the Si/Gun/Gu may conduct vicarious execution, as prescribed by the Administrative Vicarious Execution Act.

(7) Except as otherwise expressly provided for in this Act, Articles 57 through 60 and 62 of the National Land Planning and Utilization Act shall apply mutatis mutandis to permission under Article 3. *<Newly Inserted by Act No. 14542, Jan. 17, 2017>*

(8) Where permission is obtained pursuant to paragraph (3), it shall be deemed that permission is obtained pursuant to Article 56 of the National Land Planning and Utilization Act. *<Newly Inserted by Act No. 14542,*

*Jan. 17, 2017>*

(9) Where a promotion district is designated and publicly notified under paragraph (1), it shall be deemed designated and publicly notified as an urban area defined in subparagraph 1 of Article 6 of the National Land Planning and Utilization Act and a district-unit planning district prescribed in Article 50 of the same Act (hereinafter referred to as "district-unit planning district").

#### **Article 27 (Revocation of Designation of Promotion Districts)**

(1) A designation authority may revoke the designation of a promotion district in either of the following cases:

1. Where no application is filed for approval of a district plan under Article 28 within two years from the date of designation and public notification of the promotion district;
2. Where a commercial rental housing project is completed.

(2) Where the designation of a promotion district is revoked under paragraph (1), the designation authority shall publicly notify such fact in the Official Gazette or Official Report as prescribed by Presidential Decree, and shall take the following measures:

1. The Minister of Land, Infrastructure and Transport shall notify it to the heads of the relevant central administrative agencies and the competent Mayor/Do Governor. In such cases, the Mayor/Do Governor in receipt of the notification shall notify it to the head of the competent Si/Gun/Gu, and the head of the Si/Gun/Gu in receipt of such notification shall make copies of the relevant documents available to the general public for perusal;
2. A Mayor/Do Governor shall notify it to the Minister of Land, Infrastructure and Transport. In such cases, the Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, and the head of the Si/Gun/Gu in receipt of the notification shall make copies of the relevant documents available to the general public for perusal.

(3) Where public notification for the revocation of a promotion district is made on the ground prescribed in paragraph (1) 1, the special-purpose area, special-purpose district, special-purpose zone, district-unit planning zone, and urban or Gun planning facilities designated under the National Land Planning and Utilization Act shall be respectively deemed reinstated to the state as at the time the designation was made: Provided, That a project or construction works for urban or Gun planning facilities separately determined by a public notification for revocation, such as those that have already commenced as at the time the revocation is made, may be executed continuously.

#### **Article 28 (Approval, etc. of District Plans)**

(1) A project implementer shall prepare a plan for a commercial rental housing supply promotion district including the following matters (hereinafter referred to as "district plan") and obtain approval from the designation authority. The same shall also apply to modification of an approved district plan (excluding modification of any insignificant matters prescribed by Presidential Decree): *<Amended by Act No. 14542, Jan. 17, 2017>*

1. Outline of the district plan;
2. Name or title of the project implementer (including address and the representative's name);
3. Project implementation period and fund-raising plans;
4. Land-use plans and outline designs and specifications;
5. Plans for accommodation of residents and houses;
6. Infrastructure installation plans, including transport, public, and cultural and sports facilities;
7. Environmental plans for environmental conservation, reduction of carbon emissions, etc.;
8. Other matters prescribed by Presidential Decree, including district-unit plans.

(2) A designation authority may impose on a project implementer all or some of the site or installation costs necessary for securing infrastructure facilities specified in the district plan. In such cases, the amount of the site or installation costs for infrastructure facilities to be borne by the project implementer shall not exceed the increased portion of land value generated from the lenient building restrictions (referring to the difference of land values appraised by an appraisal business entity defined in the Act on Appraisal and Certified Appraisers before and after the relaxation of building restrictions, respectively). *<Amended by Act No. 13782, Jan. 19, 2016>*

(3) In approving a district plan by a designation authority under paragraph (1), if requested by the project implementer, the district plan shall undergo deliberation by the committee for integrated deliberation of commercial rental housing established under Article 32.

(4) Upon approving a district plan under paragraph (1), the designation authority shall publicly notify the details thereof in the Official Gazette or Official Report and send copies of the relevant documents to the head of the competent Si/Gu/Gun, and the head of the Si/Gun/Gu in receipt of them shall make them available to the general public for perusal.

(5) The head of a Si/Gun/Gu in receipt of copies of the relevant documents under paragraph (4) shall, where the relevant documents include any matter determined by an urban or Gun management plan, take measures necessary to prepare topographical drawings under Article 32 of the National Land Planning and Utilization Act and Article 8 of the Framework Act on the Regulation of Land Use. In such cases, the project implementer shall submit documents necessary for the public notification of topographical drawings to the head of the Si/Gun/Gu.

#### **Article 29 (Deemed Approval, Permission, etc. under Other Acts)**

(1) Where an approval or public notification of an approval, or an approval for modification or public notification of an approval for modification, of a district plan is made under Article 28, the following approval, permission, authorization, decision, reporting, designation, license, consultation, consent, revocation, deliberation, etc. (hereinafter referred to as "authorization, permission, etc.") shall be deemed obtained; and where a public notification on approval of a district plan is made, a public notification or announcement of authorization, permission, etc. shall be deemed made under the following Acts: *<Amended by Act No. 14480, Dec. 27, 2016; Act No. 14532, Jan. 17, 2017; Act No. 14542, Jan. 17, 2017>*

1. Permit to occupy or use public waters under Article 8 of the Public Waters Management and Reclamation Act, reclamation license of public waters under Article 28 of the same Act, consultation on or approval of reclamation conducted by the State, etc. under Article 35 of the same Act, and authorization and public notification of an implementation plan for reclamation of public waters under Article 38 of the same Act;
2. Permit to use and benefit under Article 20 of the Public Property and Commodity Management Act;
3. Approval of a development plan under Article 54 of the Tourism Promotion Act and permission for the implementation of a development project under Article 55 of the same Act;
4. Non-permission to establish mining rights under Article 24 of the Mining Industry Act, and revocation of mining rights or reduction of a mining area under Article 34 of the same Act;
5. Permit to use administrative property under Article 30 of the State Property Act (the permission period shall expire when the commercial rental housing project is completed);
6. Determination of an urban or Gun management plan under Article 30 of the National Land Planning and Utilization Act; determination of a district-unit plan under Article 50 of the same Act; permission for development activities under Article 56 of the same Act; designation of an implementer of urban or Gun planning facilities under Article 86 of the same Act; preparation of an implementation plan and authorization, etc. under Article 88 of the same Act; and permission for a land transaction contract under Article 118 of the same Act;
7. Permission for use of agricultural infrastructure under Article 23 of the Agricultural and Fishing Villages Improvement Act;
8. Permission or consultation to divert farmland under Article 34 of the Farmland Act; reporting on diversion of farmland under Article 35 of the same Act; permit to temporarily use farmland for other purposes under Article 36 of the same Act; and approval for alteration of use under Article 40 of the same Act;
9. Permission and reporting on installation of emission facilities under Article 23 of the Clean Air Conservation Act;
10. Permit to perform road construction works under Article 36 of the Road Act, and permit to occupy a road under Article 61 of the same Act;
11. Designation of an urban development zone under Article 3 of the Urban Development Act; preparation and modification of a development plan under Article 4 of the same Act; designation of a project implementer under Article 11 of the same Act; preparation of and authorization for an implementation plan under Article 17 of the same Act; submission of a supply plan of developed land, etc. under Article 26 of the same Act; and permit to use developed land, etc. prior to completion under Article 53 of the same Act;
12. Permit to construct private roads under Article 4 of the Private Road Act;
13. Permission for deforestation, etc. under Article 14 of the Erosion Control Work Act, and cancellation of the designation of erosion control land under Article 20 of the same Act;

14. Permits for and reporting on felling standing timber, etc. under Article 36 (1) and (4) of the Creation and Management of Forest Resources Act;
  15. Permission for and reporting on the diversion of mountainous districts under Articles 14 and 15 of the Mountainous Districts Management Act, permission for and reporting on temporary use of mountainous districts under Article 15-2 of the same Act, and permission for collecting earth or stone under Article 25 of the same Act;
  16. Permission for and reporting on installation of emission facilities under Article 8 of the Noise and Vibration Control Act;
  17. Permit to execute small river conservation works under Article 10 of the Small River Maintenance Act, and permission for occupancy, use, etc. of small rivers under Article 14 of the same Act;
  18. Authorization on waterworks business under Article 17 or 49 of the Water Supply and Waterworks Installation Act, and authorization for installation of private-use waterworks or private-use industrial waterworks under Article 52 of 54 of the same Act;
  19. Permission for and reporting on installation of discharge facilities under Article 33 of the Water Environment Conservation Act;
  20. Consultation on energy-use plans under Article 10 of the Energy Use Rationalization Act;
  21. Registration of establishment of superstores under Article 8 of the Distribution Industry Development Act;
  22. Permit to re-bury unclaimed graves under Article 27 (1) of the Act on Funeral Services, Etc.;
  23. Approval for, or reporting on, plans for works to wire electric installations for private use under Article 62 of the Electric Utility Act;
  24. Consultation about the feasibility of integrated energy supply under Article 4 of the Integrated Energy Supply Act;
  25. Reporting on the commencement, alteration or completion of a project under Article 86 (1) of the Act on the Establishment, Management, etc. of Spatial Data;
  26. Approval of a business plan under Article 12 of the Installation and Utilization of Sports Facilities Act;
  27. Permit to change the form and quality of land, etc. under Article 21-2 of the Grassland Act, and permit to divert grassland under Article 23 of the same Act;
  28. Permit to execute construction works related to a public sewerage system under Article 16 of the Sewerage Act, and permit to occupy and use a public sewerage system under Article 24 of the same Act;
  29. Permit to execute river works and authorization of a river works execution plan under Article 30 of the River Act, occupancy and use permission under Article 33 of the same Act, and permit to use river water under Article 50 of the same Act.
- (2) A project implementer who intends to be deemed to have obtained authorization, permission, etc. listed in paragraph (1) shall submit documents prescribed by the relevant Acts.



(3) A designation authority who intends to approve a district plan that contains a matter falling under any subparagraph of paragraph (1) shall consult in advance with the head of the relevant administrative agency by appending the related documents submitted by the project implementer. In such cases, the head of the relevant agency shall present his/her opinion within 30 days from the receipt of the request for consultation, and if no opinion is presented within such period, he/she shall be deemed to have no opinion.

#### **Article 30 (Special Cases concerning Related Acts)**

(1) Where it is necessary to modify a basic urban or Gun plan defined in subparagraph 3 of Article 2 of the National Land Planning and Utilization Act to designate a promotion district, the Mayor/Do Governor shall hold a public hearing and gather the opinions of the local council, etc. at the same time and determine whether to modify such plan before the expiration of the period prescribed by Presidential Decree within 90 days.

(2) Where a district plan is approved under Article 28, the Minister of Land, Infrastructure and Transport and the Special Metropolitan City Mayor, Metropolitan City Mayor, Metropolitan Autonomous City Mayor, Special Self-Governing Province Governor, or the head of a Si or Gun (excluding the head of a Gun belonging to a Metropolitan City; hereafter the same shall apply in this Article) shall preferentially reflect it in the basic plan for waterworks installation and management referred to in Article 4 of the Water Supply and Waterworks Installation Act. In such cases, the Minister of Environment shall approve the basic plan for waterworks installation and management within 30 days from receipt of the application for the approval thereof from the Special Metropolitan City Mayor, Metropolitan City Mayor, Metropolitan Autonomous City Mayor, Special Self-Governing Province Governor, or the head of the Si or Gun, whoever is competent, unless there is good cause not to do so.

(3) When a district plan is approved under Article 28, the Special Metropolitan City Mayor, Metropolitan City Mayor, Metropolitan Autonomous City Mayor, Special Self-Governing Province Governor, or the head of a Si or Gun shall preferentially reflect it in the framework plan for sewerage management referred to in Articles 5 and 6 of the Sewerage Act. In such cases, the Minister of Environment shall approve the framework plan for sewerage management within 40 days from receipt of the application for the approval thereof from the Special Metropolitan City Mayor, Metropolitan City Mayor, Metropolitan Autonomous City Mayor, Special Self-Governing Province Governor or the head of a Si or Gun, whoever is competent, unless there is good cause not to do so.

#### **Article 31 (Special Cases concerning Development Restriction Zones)**

(1) If it is necessary to designate a promotion district in a development restriction zone, the designation of which must be released under Article 3 (1) of the Act on Special Measures for Designation and Management of Development Restriction Zones, the project implementer may propose the designation authority to modify the urban or Gun management plan to release the designation as the development restriction zone. In such cases, the designation authority may proceed with procedures for the release of designation as the development restriction zone together with procedures for the designation of a promotion district or request relevant institutions to take such procedures.

(2) In either of the following cases, an area released from designation as a development restriction zone shall be deemed to be reinstated to a development restriction zone:

1. Where no district plan referred to in Article 28 is established and publicly notified within two years from the date an urban or Gun management plan relating to the release from designation as a development restriction zone under paragraph (1) is determined and publicly notified;
2. Where designation as a promotion district is released under Article 27 (1) 1.

(3) The Minister of Land, Infrastructure and Transport shall publicly notify the fact of reinstatement to a development restriction zone under paragraph (2), as prescribed by Presidential Decree, and notify the details thereof to the Mayor/Do Governor having jurisdiction over the relevant area.

### **Article 32 (Committee for Integrated Deliberation of Commercial Rental Housing)**

(1) In order to examine and deliberate on the following matters related to approval of district plans, including urban plans, construction, environment, transportation, and disasters, a designation authority shall establish a committee for integrated deliberation of commercial rental housing (hereinafter referred to as "Integrated Deliberative Committee"):

1. Matters concerning an urban or Gun management plan under the National Land Planning and Utilization Act;
2. Measures to improve transportation systems in a metropolitan area under the Special Act on the Management of Intercity Transport in Metropolitan Areas;
3. Traffic impact assessments under the Urban Traffic Improvement Promotion Act;
4. Plans to use mountainous districts belonging to a promotion district under the Mountainous Districts Management Act;
5. Energy-use plans under the Energy Use Rationalization Act;
6. Prior deliberation of factors influencing disasters under the Countermeasures against Natural Disasters Act;
7. Assessment of educational environment under the School Health Act;
8. Prior landscape plans under the Landscape Act;
9. Deliberation on construction of buildings under the Building Act;
10. Other matters referred to the Integrated Deliberative Committee as deemed necessary by the designation authority.

(2) The Integrated Deliberative Committee shall consist of not more than 24 members, including one chairperson and one vice chairperson.

(3) The following persons shall be members of the Integrated Deliberative Committee, and the chairperson shall be elected by members from among those falling under subparagraph 2: *<Amended by Act No. 14542, Jan. 17, 2017>*

1. The heads of relevant departments belonging to the Ministry of Land, Infrastructure, relevant administrative agencies (referring to agencies with which prior consultation is to be held under Article 24 (1)) or the designation authority, who are public officials prescribed by Presidential Decree;

2. Persons commissioned by the designation authority from among experts in the fields of urban planning, construction, transport, environment, disasters, etc., who have extensive knowledge on and experience in the development of housing sites and housing projects;
  3. Persons recommended by the chairpersons of the Central Urban Planning Committee (limited to where the Minister of Land, Infrastructure and Transport has designated a promotion district) or a City/Do Urban Planning Committee, including at least one person each from among urban planning experts, design experts, and environment experts who are members thereof;
  4. Persons recommended by the chairperson of the National Transport Commission or a local transport committee established under the National Transport System Efficiency Act, from among members thereof;
  5. Persons recommended by the chairperson of the Traffic Impact Assessment Deliberative Committee established under the Urban Traffic Improvement Promotion Act, from among members thereof;
  6. Persons recommended by the chairperson of the mountainous district management committee having authority to deliberate on plans to use mountainous districts which belong to the relevant housing zone under the Mountainous Districts Management Act, from among members thereof;
  7. Persons recommended by the chairperson of the committee having authority to deliberate on energy-use plans under the Energy Use Rationalization Act, from among members thereof;
  8. Persons recommended by the chairperson of the committee for prior consultation on the examination of factors influencing disasters established under the Countermeasures against Natural Disasters Act, from among members thereof;
  9. Persons recommended by the chairperson of a City/Do School Health Committee established under the School Health Act, from among members thereof;
  10. Persons recommended by the chairperson of the Landscape Committee established under the Landscape Act, from among members thereof;
  11. Persons recommended by the chairperson of a building committee established under the Building Act, from among members thereof.
- (4) The resolution of a meeting of the Integrated Deliberative Committee shall require the attendance of a majority of all incumbent members and the concurrent vote of a majority of those present.
- (5) The Integrated Deliberative Committee shall tape-record the details of meetings and prepare minutes.
- (6) A project implementer who intends to undergo an integrated deliberation shall submit the documents related to the matters specified in the subparagraphs of paragraph (1), as prescribed by Presidential Decree, and may submit his/her final opinion to the Integrated Deliberative Committee.
- (7) The Integrated Deliberative Committee shall comprehensively examine and deliberate on matters concerning approval of a district plan, project implementer's final written opinion, written opinions of the relevant institutions, etc. In such cases, the designation authority shall approve the district plan reflecting the result of the deliberation unless there is good cause not to do so.

(8) Where any matter has undergone examination and deliberation by the Integrated Deliberative Committee, it shall be deemed to have undergone examinations and deliberations of the following committees:

1. The Central Urban Planning Committee (limited to where the Minister of Land, Infrastructure and Transport has designated a promotion district) and a City/Do Urban Planning Committee;
2. The National Transport Commission established under the National Transport System Efficiency Act;
3. The Traffic Impact Assessment Deliberative Committee established under the Urban Traffic Improvement Promotion Act;
4. A mountainous district management committee established under the Mountainous Districts Management Act;
5. A committee having authority to deliberate on energy-use plans under the Energy Use Rationalization Act;
6. A committee for prior consultation on the examination of factors influencing disasters established under the Countermeasures against Natural Disasters Act;
7. A City/Do School Health Committee established under the School Health Act;
8. The Landscape Committee established under the Landscape Act;
9. The Central Building Committee established under the Building Act: Provided, That the same shall only apply where approval of a district plan and approval of a project plan (including building permits) are simultaneously processed with the designation of a promotion district under Article 33.

**Article 33 (Special Cases concerning Procedures for Designation of Promotion Districts)**

(1) Where a promotion district does not exceed the size prescribed by Presidential Decree within 100 thousand square meters, the project implementer may, in applying for the designation as a promotion district, file an application including the following approvals or permits. In such cases, the designation authority shall grant the approvals or permits in line with the designation of the promotion district:

*<Amended by Act No. 13805, Jan. 19, 2016>*

1. Approval of a district plan under Article 28;
2. Approval of a project plan under Article 15 of the Housing Act;
3. Building permits under Article 11 of the Building Act.

(2) Where a designation authority seeks to designate or modify a promotion district in a residential area defined in Article 36 (1) 1 (a) of the National Land Planning and Utilization Act, the size of which does not exceed that prescribed by Presidential Decree within 100 thousand square meters, it may omit the deliberation of the Central Urban Planning Committee or a City/Do Urban Planning Committee.

(3) A proposal for designation or modification of a promotion district submitted by a project implementer under paragraph (2) shall include a land use plan and other matters prescribed by Presidential Decree.

(4) Articles 8, 9 and 59 of the National Land Planning and Utilization Act shall not apply to a promotion district designated under paragraph (2).

### **Article 34 (Expropriation, etc. of Land, etc.)**

(1) Where a project implementer has obtained consent from persons who own at least two thirds of the area of the land of a promotion district and the number of such persons is at least one half of the total number of landowners, he/she may expropriate or use the remaining land, etc.: Provided, That if a person falling under Article 23 (1) 2 is a project implementer, he/she may expropriate or use it without applying the requirements of the main sentence hereof.

(2) When a promotion district is designated and publicly notified, a project approval and a public notification of project approval under Articles 20 (1) and 22 of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects shall be deemed to have been made. *<Amended by Act No. 14542, Jan. 17, 2017>*

(3) An application for adjudication may be filed after securing land under paragraph (1), by the expiration date of the project implementation period specified in the district plan, notwithstanding Articles 23 (1) and 28 (1) of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects. *<Newly Inserted by Act No. 14542, Jan. 17, 2017>*

(4) With regard to an expropriation or use of land, etc. under paragraph (1), necessary matters, such as the base date of computation of requirements for consent and the methods of computing the number of persons who have consented, shall be prescribed by Presidential Decree; and except as otherwise expressly provided for in this Act, the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects shall apply mutatis mutandis thereto. *<Amended by Act No. 14542, Jan. 17, 2017>*

### **Article 35 (Special Cases concerning Construction of Commercial Rental Housing in Promotion Districts)**

(1) In order to ensure the smooth construction of commercial rental housing in a promotion district, the designation authority shall apply the following lenient standards: *<Amended by Act No. 14542, Jan. 17, 2017>*

1. Notwithstanding restrictions on the use, types, scale, etc. of buildings within special-purpose areas under Article 76 of the National Land Planning and Utilization Act, it shall be permitted to install buildings except facilities prescribed by Presidential Decree, such as recreational facilities and general accommodation facilities, among buildings other than commercial rental housing: Provided, That where it is intended to designate a promotion district in a residential area pursuant to Article 33 (2), exceeding the scope permitted by special-purpose area, the designating authority shall submit the case to the Integrated Deliberative Committee for deliberation;

2. Notwithstanding the building-to-land ratios prescribed by municipal ordinances under Article 77 of the National Land Planning and Utilization Act, they shall be relaxed to the upper limit thereof prescribed by said Article and the relevant statutes;

3. Notwithstanding the floor area ratios prescribed by municipal ordinances under Article 78 of the National Land Planning and Utilization Act, they shall be relaxed to the upper limit thereof prescribed by said Article and the relevant statutes;

4. Restriction on the number of floors of buildings under Article 2 (2) of the Building Act shall be relaxed as prescribed by Presidential Decree.

(2) In order to ensure the smooth construction of commercial rental housing in a promotion district, the designation authority shall apply the following lenient standards within the scope prescribed by Presidential Decree, notwithstanding the relevant provisions set out below: *<Amended by Act No. 13805, Jan. 19, 2016>*

1. Restrictions on landscaping of building sites, height of buildings, etc. under Articles 42, 60, and 61 of the Building Act;

2. Standards for the securement of urban parks or greenbelts under Article 14 of the Act on Urban Parks, Green Areas, Etc.;

3. Housing construction standards under Article 35 of the Housing Act.

(3) Where a district-unit plan is modified to construct commercial rental housing on the land developed by the State, a local government, the Korea Land and Housing Corporation, or a local public corporation, paragraphs (1) and (2) shall apply even where no promotion district is designated.

#### **Article 36 (Special Cases concerning State Property Act, etc.)**

(1) Notwithstanding the State Property Act, the Public Property and Commodity Management Act, and other relevant Acts, the State and a local government may grant a project implementer approval to use State property or public property, or sell or lease them by free contract. In such cases, the State and local government may determine the period of validity of the approval for use or lending within 50 years.

(2) The State property referred to in paragraph (1) shall be limited to the railroads, reservoirs, or parking lots that have undergone consultation with the Minister of Strategy and Finance for use to the extent that serves their original functions, of the administrative property managed by the Minister of Land, Infrastructure and Transport.

(3) Notwithstanding the State Property Act and the Public Property and Commodity Management Act, the State and a local government may allow a project implementer to install a permanent facility on the State property or public property for which approval for use or lending has been granted under paragraph (1). In such cases, the ownership of the relevant permanent facility shall be vested in the project implementer until such State property or public property is returned, unless any separate agreement is made between the State, the local government or any other relevant institution and the project implementer.

#### **Article 37 (Modification of Utilization Plans for Pre-Owned Real Estate of Relocated Public Institutions)**

(1) Where a purchasing public institution intends to sell any of its pre-owned real estate for which utilization plan is established under Article 43 (5) of the Special Act on the Construction and Development of Innovation Cities for construction of commercial rental housing, it may request that the Minister of Land, Infrastructure and Transport modify the utilization plan for such pre-owned estate. *<Amended by Act No. 15309, Dec. 26, 2017>*

(2) The Minister of Land, Infrastructure and Transport in receipt of a request under paragraph (1), may modify the utilization plan for the pre-owned real estate following the deliberation of the Seoul Metropolitan Area Readjustment Committee established under Article 21 of the Seoul Metropolitan Area Readjustment Planning Act, after holding consultation with the Mayor/Do Governor or the head of the Si/Gun/Gu having jurisdiction over the location of the relevant pre-owned estate.

**Article 38 (Utilization of Unsold Sites in Completed Project Districts)**

Where any land developed by the State, a local government, a public institution, or a local public corporation is not sold until after the completion thereof, the designation authority may designate all or part of the relevant land as a promotion district.

**Article 39 (Supply of Developed Land)**

(1) A project implementer shall supply land developed by a project for development of a promotion district (excluding the land directly used by the project implementer) as specified in the district plan.

(2) Matters necessary for the use of land supplied under paragraph (1), procedures, methods, and subjects for the supply thereof, and the terms and conditions of the supply, etc. shall be prescribed by Presidential Decree.

**Article 40 (Supervision)**

(1) Where a project implementer falls under any of the following cases, the designation authority may revoke permission or approval granted under this Chapter or issue an order to suspend or alter the relevant construction works or to alter, modify, relocate, etc. facilities or goods:

1. Where he/she obtains permission or approval under this Chapter by fraudulent or other unjust means;
2. Where he/she implements the project in violation of any of the details of the approval or approval for modification of a district plan granted under Article 28 (1);
3. Where it becomes impossible to continuously execute a promotion district development plan or a housing construction project due to a change in circumstance.

(2) Where a designation authority intends to revoke permission or approval under paragraph (1), it shall hold a hearing.

(3) When a designation authority issues a disposition or order under paragraph (1), it shall publicly notify such fact as prescribed by Presidential Decree.

**Article 41 (Application Mutatis Mutandis of Relevant Acts)**

The Urban Development Act shall apply mutatis mutandis to those matters not prescribed in this Act concerning the designation of a promotion district, implementation of a project, vesting of a public facility, completion inspection, etc.

**Article 42 (Supply of Private Rental Housing)**

(1) Matters concerning the supply of private rental housing, such as the eligibility requirements and methods of selecting lessees, shall be determined by a rental business entity.

(2) Articles 20, 54, 55, and 57 through 65 of the Housing Act shall not apply to the supply of private rental housing. <Amended by Act No. 13805, Jan. 19, 2016>

(3) Where a rental business entity who has constructed or purchased private rental housing of at least 30 units supplies the private rental housing, he/she shall file a report thereon to the head of the competent Si/Gun/Gu. <Newly Inserted by Act No. 14542, Jan. 17, 2017>

#### **Article 43 (Mandatory Rental Periods, Transfers, etc.)**

(1) A rental business entity shall continue to lease a private rental house from the time prescribed by Presidential Decree, such as the date of registration as a rental business entity, until a period set under subparagraph 4 through 6 of Article 2 (hereinafter referred to as "mandatory rental period"), and shall not transfer it before the expiration of such period.

(2) Notwithstanding paragraph (1), a rental business entity may transfer a private rental house to another rental business entity after filing a report thereon with the head of the competent Si/Gun/Gu even during the mandatory rental period, as prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport. In such cases, the transferee shall succeed to the transferor's status as a rental business entity by the universal title of the transferor, and such purport shall be specified in the acquisition contract.

(3) Paragraph (2) shall also apply where a rental business entity transfers a private rental house after the lapse of the mandatory rental period: Provided, That the latter part of paragraph (2) shall not apply where the transferee is not registered as a rental business entity.

(4) Notwithstanding paragraph (1), where a rental business entity is unable to continue to lease a private rental house due to bankruptcy, insolvency, or any other economic circumstances, etc. prescribed by Presidential Decree, he/she may transfer such private rental house to a person who is not a rental business entity with approval from the head of the competent Si/Gun/Gu as prescribed by Presidential Decree even during the mandatory rental period.

#### **Article 44 (Rents)**

(1) The initial rent for a private rental house (including rental deposit and monthly rent; hereinafter the same shall apply) shall be determined by the rental business entity.

(2) Where a rental business entity requests rent increase during the mandatory rental period, he/she shall take into account the house price index, fluctuations of rental rates in the adjacent area, etc. within five percent per annum. In such cases, the application standards for mutual conversion of rental deposit and monthly rents shall be prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

#### **Article 45 (Revocation, Termination, etc. of Rental Agreements)**

A rental business entity may revoke, terminate, or refuse to renew a rental agreement even during the mandatory rental period, when the lessee violates any of his/her obligations, it is impractical to continue the relevant lease, or any other cause prescribed by Presidential Decree occurs.

#### **Article 46 (Reporting on Rental Agreements)**

(1) A rental business entity shall report matters concerning a rental agreement prescribed by Presidential Decree, such as the rental period, rents, and the lessee of the private rental house (limited to quasi-housing units), to the head of the competent Si/Gun/Gu. The same shall also apply where any reported matter is changed.



(2) Matters necessary for reporting procedures, etc. under paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 47 (Standard-Form Rental Agreement)**

(1) A rental business entity who intends to enter into a rental agreement for a private rental house shall use a standard-form rental agreement prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

(2) A standard-form rental agreement referred to in paragraph (1) shall include the following information:

1. Matters concerning the rent and increases thereof;
2. Contract rental period;
3. Matters concerning guarantee for rental deposit under Article 49;
4. Matters concerning the title relationship of the private rental house, such as senior security;
5. Matters concerning the rights and obligations of the rental business entity and the lessee;
6. Matters concerning the repair, management, and maintenance of the private rental house;
7. The remainder of mandatory rental period;
8. Other matters prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

#### **Article 48 (Obligation to Explain)**

(1) A rental business entity who intends to conclude a rental agreement or modify any provision thereof, such as conversion of payment method from monthly rent to rental deposit, shall explain the following to the lessee and procure his/her consent:

1. Matters prescribed by Presidential Decree, such as the guarantee period for rental deposit under Article 49;
2. Matters concerning the title relationship of the private rental house, such as senior security. In this regard, a certified transcript of the register shall be presented;
3. The remainder of the mandatory rental period.

(2) Necessary matters concerning the methods, procedures, etc. for explanation and procuring consent under paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 49 (Guarantee for Rental Deposit)**

(1) A rental business entity of privately constructed rental housing or buy-to-rent private housing, all houses of which are rent after being preferentially supplied under Article 18 (6), shall purchase a guarantee for rental deposit for the period prescribed by Presidential Decree from the date of occupancy inspection (where a lessee is invited before the occupancy inspection, referring to the very date of invitation). *<Amended by Act No. 14542, Jan. 17, 2017>*

(2) In purchasing a guarantee under paragraph (1), the amount of guarantee coverage shall be the full amount of rental deposit: Provided, That where a rental business entity recruits lessees before receiving an inspection for use, the amount of guarantee coverage from the date of recruitment of lessees until the date of receiving the inspection for use shall be the amount obtained by deducting the amount of rental deposit to be paid after receiving the inspection for use from the amount of rental deposit. *<Amended by Act No.*

14542, Jan. 17, 2017>

(3) In any of the following cases, notwithstanding paragraph (2), the amount of guarantee coverage may be prescribed by Presidential Decree within an amount exceeding 60 percent of the housing price prescribed by Presidential Decree, out of the aggregate on which security rights are established:

1. Where registration for modification has been made with any additional record dividing collateral security by households (in which case, the registration may be made by registration for modification of the right to collateral security, releasing the joint security and reducing the maximum amount of related claims);
2. Where the rental business entity has cleared restricted real rights, seizure, provisional seizure, provisional disposition, etc. taking priority over the rental deposit;
3. Where the right to lease on a deposit basis is established upon a lessee's demand for the establishment of the right to lease on a deposit basis and the rental business entity's consent thereto;
4. Other cases prescribed by Presidential Decree, which are similar to the cases described in subparagraphs 1 through 3.

(4) The period of guarantee for rental deposit under paragraph (1) shall coincide with the period of the rental agreement (including the period from the recruitment date of lessees to the date of inspection for use, where lessees are recruited before receiving the inspection for use). In such cases, the rental business entity may pay a guarantee fee for providing a guarantee under paragraph (1), in annual installments by recalculating it annually. <Amended by Act No. 14542, Jan. 17, 2017>

(5) Where a rental business entity who has purchased a guarantee under paragraph (1) fails to pay the guarantee fee recalculated under paragraph (4) when one year has passed after purchasing the guarantee, the company providing such guarantee may terminate the guarantee contract: Provided, That this shall not apply where a lessee pays the guarantee fee.

(6) Where purchasing a guarantee under paragraph (1), necessary matters concerning methods of payment of a guarantee fee, the apportion ratio of incurred expenses, scope of rental deposit to be covered by the guarantee, and the purchase and maintenance of, and withdrawal from, the guarantee, etc. shall be prescribed by Presidential Decree.

#### **Article 50 (Restriction on Use of Quasi-Housing)**

- (1) No quasi-housing registered as private rental housing may be used for any non-residential purpose.
- (2) Where necessary to verify whether any quasi-housing registered as private rental housing is used for residential purpose, the head of the competent Si/Gun/Gu may require the rental business entity and the lessee thereof to submit necessary documents, etc. and direct a public official under his/her supervision to access the relevant quasi-housing unit to conduct an inspection or make necessary inquiries of related persons. In such cases, the rental business entity and the lessee shall comply with such request unless there is good cause not to do so.

#### **Article 51 (Management of Private Rental Housing)**

(1) Matters necessary for the preparation, keeping, and other management of financial statements relating to privately constructed rental housing and buy-to-rent private housing prescribed by Presidential Decree shall be governed by the Multi-Family Housing Management Act, as prescribed by Presidential Decree.

*<Amended by Act No. 13474, Aug. 11, 2015>*

(2) Where the scale of private rental housing exceeds the scale prescribed by Presidential Decree, such as multi-family housing with not less than 300 households, a rental business entity shall entrust the management thereof to a housing management business entity defined in Article 2 (1) 15 of the Multi-Family Housing Management Act or perform in-house management thereof. *<Amended by Act No. 13474, Aug. 11, 2015>*

(3) Where a rental business entity intends to perform in-house management of private rental housing pursuant to paragraph (2), he/she shall have necessary technical personnel and equipment prescribed by Presidential Decree and obtain approval from the head of the competent Si/Gun/Gu, as prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

(4) Where a rental business entity (including at least two rental business entities) manages private rental housing in the same Si (including the Special Metropolitan City, a Metropolitan City, the Metropolitan Autonomous City, and the Special Self-Governing Province) or Gun, he/she may manage such housing jointly, as prescribed by Presidential Decree.

(5) A private rental business entity may collect fees from lessees to cover expenses incurred in the management of private rental housing, as prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

#### **Article 52 (Council of Lessees' Representatives)**

(1) Lessees who live in a multi-family housing complex where a rental business entity supplies private rental houses in a number exceeding the number of households prescribed by Presidential Decree within at least 20 households may organize a council of lessees' representatives.

(2) When more than half of the expectant occupants have taken occupancy in rental houses, the rental business entity shall notify the lessees who have taken occupancy in the rental houses of the current status of occupancy and the fact that they can organize a council of lessees' representatives, within 30 days from the date a majority of lessees have taken occupancy in the rental houses: Provided, That where the rental business entity fails to give notice as provided for in the main sentence, the head of the competent Si/Gun/Gu may notify the lessees so that they can form a council of lessees' representatives.

(3) When a council of lessees' representatives is organized under paragraph (1), a rental business entity shall consult with the council on the following matters:

1. Formulation and revision of the management regulations for the private rental housing;
2. Management expenses;
3. Maintenance and repair of common areas, incidental facilities, and welfare facilities of the private rental housing;

4. Other matters prescribed by Presidential Decree as necessary for the maintenance, repair, management, etc. of the private rental housing.

(4) Matters necessary for the organization, operation, etc. of a council of lessees' representatives under paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 53 (Accumulation, etc. of Reserves for Appropriations for Special Repairs)**

(1) A rental business entity of private rental housing under Article 51 (2) shall accumulate reserves for appropriations for special repairs necessary to cover expenses incurred in the replacement and repairs of main facilities (hereinafter referred to as "reserves for appropriations for special repairs"). *<Amended by Act No. 14542, Jan. 17, 2017>*

(2) Where a rental business entity transfers private rental housing under Article 51 (2), he/she shall deliver the reserves for appropriations for special repairs accumulated to the council of occupants' representatives organized for the first time pursuant to Article 11 of the Multi-Family Housing Management Act. *<Amended by Act No. 13474, Aug. 11, 2015; Act No. 14542, Jan. 17, 2017>*

(3) Necessary matters relating to the rates, procedures for use, ex post facto management, methods of accumulation, etc. of reserves for appropriations for special repairs, shall be prescribed by Presidential Decree.

(4) Necessary matters relating to the scope, timing, and methods of replacement and repairs, of the main facilities referred to in paragraph (1) shall be prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

#### **Article 54 (Special Cases concerning Quasi-Housing)**

None of Articles 51 through 53 shall apply to quasi-housing registered as private rental housing.

#### **Article 55 (Rental Housing Dispute Mediation Committee)**

(1) The head of a Si/Gun/Gu shall organize a rental housing dispute mediation committee (hereinafter referred to as "mediation committee") with persons who have abundant knowledge of and experience in rental housing (referring to private rental housing and public rental housing; hereinafter the same shall apply). *<Amended by Act No. 14542, Jan. 17, 2017>*

(2) A mediation committee shall consist of not more than ten members, including one chairperson, and matters necessary for the organization and operation of a mediation committee as well as other procedural matters, shall be prescribed by Presidential Decree.

(3) The head of the relevant local government shall serve as the chairperson.

#### **Article 56 (Applications for Mediation of Disputes)**

(1) A rental business entity and a council of lessees' representatives may apply for mediation of any of the following disputes to a mediation committee:

1. Increase of rents under Article 44;
2. Housing management under Article 51;
3. Matters listed in Article 52 (3);

4. Other matters prescribed by Presidential Decree.

(2) A public housing business entity and a council of lessees' representatives may apply to a mediation committee for mediation of any of the following disputes:

1. Matters listed in the subparagraphs of paragraph (1);
2. Prices for conversion of public rental housing into housing for sale: Provided, That matters concerning approval for the conversion into housing for sale shall be excluded.

#### **Article 57 (Effect of Mediation)**

If a rental business entity and a council of lessees' representatives accept a mediation proposal of the relevant mediation committee, it shall be deemed that an agreement on the terms, the same as a mediation protocol, has been concluded between the relevant parties.

#### **Article 58 (Establishment, etc. of Association)**

(1) Rental business entities may establish a rental business entities' organization to promote the sound development of private rental business.

(2) Housing rental management business entities may establish a housing rental management business entities' organization to efficiently perform the tasks of housing rental management business.

(3) Each organization established under paragraphs (1) and (2) (hereinafter referred to as "association") shall be a corporation.

(4) An association shall be duly formed upon the completion of registration for its incorporation at the seat of its main office.

(5) The rights and obligations of an association member to whom a disposition to suspend business operations is imposed by the Minister of Land, Infrastructure and Transport, a Mayor/Do Governor or the head of a Si/Gun/Gu, shall be suspended during the period of suspension of his/her business operations and qualifications, and he/she shall be disqualified from membership in the association, when his/her registration as a rental business entity is canceled.

#### **Article 59 (Authorization, etc. to Incorporate Association)**

(1) In order to incorporate an association, promoters of at least five persons in excess of the number prescribed by Presidential Decree shall draft the articles of association and obtain authorization for such incorporation from the Minister of Land, Infrastructure and Transport after a resolution to incorporate is passed at the inaugural general meeting.

(2) Upon granting authorization under paragraph (1), the Minister of Land, Infrastructure and Transport shall publicly announce such fact without delay.

#### **Article 60 (Rental Housing Information System)**

(1) The Minister of Land, Infrastructure and Transport may build and operate a rental housing information system (hereinafter referred to as the "Information System") in order to enable people to have easy access to information on rental housing and to enhance the relevant statistical accuracy.

(2) The head of a S/Gun/Gu and a public housing business entity shall provide the Minister of Land, Infrastructure and Transport with data prescribed by Presidential Decree, including data on rental housing,

rental business entities (including project implementers), lessees (limited to public rental housing), and rental agreements, in accordance with the procedures and methods prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

(3) In order to enhance the accuracy of the data on rental housing registered on the Information System and statistics of rental housing, the Minister of Land, Infrastructure and Transport may request the head of any relevant institution to provide data prescribed by Presidential Decree, such as resident registration, national taxes, local taxes, etc. In such cases, the head of the relevant institution shall examine the purpose and method of the use of the data, the safety of the use of the data, etc. and comply with such request unless any extraordinary ground exists. *<Amended by Act No. 15319, Dec. 26, 2017>*

(4) The head of a local government may utilize data provided by the Information System in order to manage rental housing efficiently. In such cases, the Minister of Land, Infrastructure and Transport may limit the types and content of information to be provided if any extraordinary circumstance exists for the operation of the Information System or when such limitation is deemed necessary to protect personal information. *<Amended by Act No. 15319, Dec. 26, 2017>*

(5) No person currently or formerly engaged in affairs described in paragraphs (1) through (4), shall use any data he/she has received pursuant to paragraphs (2) through (4) for any purpose other than that provided for in this Act, or provide or divulge such data to any other person or institution. *<Amended by Act No. 15319, Dec. 26, 2017>*

(6) Matters necessary for the building and operation of the Information System shall be prescribed by Presidential Decree.

#### **Article 61 (Reporting, Inspection, etc.)**

(1) If deemed necessary, the Minister of Land, Infrastructure and Transport or the head of a local government may require a rental business entity, a housing rental management business entity, or any other person who has obtained authorization, approval, or registration under this Act to report necessary matters, or may direct relevant public officials to access their place of business and conduct necessary inspections.

(2) In conducting an inspection under paragraph (1), a person to undergo such inspection shall be notified of an inspection plan stating the date and time of the inspection, ground for the inspection, matters to be inspected, etc. by no later than seven days before the inspection: Provided, That this shall not apply in emergency or where it is deemed difficult to attain the objective of the inspection if evidence, etc. is destroyed or treated otherwise due to prior notice.

(3) A public official conducting an inspection under paragraph (1) shall carry a document indicating his/her authority and produce it to related persons.

(4) The head of a local government shall submit a quarterly report to the Minister of Land, Infrastructure and Transport on the matters prescribed by Presidential Decree, such as the current status of registration of rental housing under Article 5 and the terms of rental provided for in Article 46, within the month following the end of the relevant quarter.

### **Article 62 (Delegation of Authority, etc.)**

(1) The Minister of Land, Infrastructure and Transport may partially delegate his/her authority vested under this Act to Mayors/Do Governors, or an association or the Korea Land and Housing Corporation established under Article 58, Article 85 of the Housing Act, or Article 81 of the Multi-Family Housing Management Act. <Amended by Act No. 13474, Aug. 11, 2015; Act No. 13805, Jan. 19, 2016>

(2) The Mayors/Do Governors to whom authority has been delegated pursuant to paragraph (1) may partially re-delegate such authority to the heads of Sis (including the Mayors of administrative Sis)/Guns/Gus with approval from the Minister of Land, Infrastructure and Transport.

(3) The Mayors/Do Governors may partially delegate or entrust his/her authority vested under this Act to the heads of Sis/Guns/Gus or project implementers, as prescribed by Presidential Decree.

### **Article 63 (Spread)**

(1) The Minister of Land, Infrastructure and Transport may impose spread, within one percentage point per annum, on a loan from the National Housing Urban Fund for any of the following rental business entities: <Amended by Act No. 14542, Jan. 17, 2017>

1. A person who fails to purchase a guarantee under Article 49 or pay a guarantee fee (including the amount of installment payments thereof);

2. A person who fails to accumulate the appropriation reserve for special repairs for at least six months from the date of imposition of an administrative fine pursuant to Article 67 (1) 8.

(2) Methods, procedures, etc. for imposing spread under paragraph (1) shall be prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Article 64 (Deemed Public Official in Application of Penalty Provisions)**

A person who is not a public official among the members of the Integrated Deliberative Committee shall be deemed a public official for the purpose of Articles 129 through 132 of the Criminal Act.

### **Article 65 (Penalty Provisions)**

(1) A person who misappropriates, provides, or divulges any information or data in violation of Article 60 (5), shall be punished by imprisonment with labor for at least five years or by a fine not exceeding 50 million won. <Amended by Act No. 15319, Dec. 26, 2017>

(2) Any of the following persons shall be punished by imprisonment with labor for at least two years or by a fine not exceeding 20 million won:

1. A person who runs a housing rental management business without registration under Article 7 or a person who obtains registration by fraudulent or other unjust means;

2. A person who runs a housing rental management business during the period of business suspension imposed under Article 10;

3. A housing rental management business entity who fails to purchase a guarantee instrument provided for in Article 14;

4. A housing rental management business entity who allows a third person to perform the business or affairs prescribed by this Act by using his/her name or trade name, or lends the relevant certificate, in

violation of Article 16 (1);

5. A person who is not a housing rental management business entity but uses the word "housing rental management business" or similar in his/her trade name, in violation of Article 16 (2);

6. A rental business entity who is liable to purchase a guarantee for rental deposit under Article 49, but fails to purchase it.

(3) Any of the following persons shall be punished by imprisonment with labor for at least one year or by a fine not exceeding ten million won: *<Amended by Act No. 14542, Jan. 17, 2017>*

1. A person who is designated as or replaced for a project implementer under Article 23 by fraud or other improper means;

2. A person who is engaged in construction, etc. of a building in a promotion district without obtaining permission from the head of a Si/Gun/Gu, in violation of Article 26 (3), or obtains permission by fraud or other improper means;

3. A person who obtains approval of a district plan under Article 28 by fraud or other improper means;

4. A person who executes a project in violation of the details of the approval of a district plan or the approval for modification thereof granted under Article 28 (1);

5. A person who manages private rental housing in violation of Article 51.

#### **Article 66 (Joint Penalty Provisions)**

(1) If the representative of a corporation, an agent, an employee and any other employee of the corporation commits a violation provided for in Article 65 in connection with the duties of such corporation, not only shall the violator be punished, but the corporation shall also be punished by the fines set under the relevant provisions: Provided, That this shall not apply where the corporation has not been negligent in giving due attention to and supervision over the relevant duties to prevent such violation.

(2) If an agent, an employee and any other employee of a private individual commits a violation provided for in Article 65 in connection with the duties of such individual, not only shall the violator be punished, but the private individual shall also be punished by the fines set under the relevant provisions: Provided, That this shall not apply where the individual has not been negligent in giving due attention to and supervision over the relevant duties to prevent such violation.

#### **Article 67 (Administrative Fines)**

(1) Any of the following persons shall be punished by an administrative fine not exceeding ten million won: *<Amended by Act No. 14542, Jan. 17, 2017>*

1. A rental business entity who fails to file a report, in violation of Article 42 (3);

2. A person who fails to lease private rental housing or transfers it during the mandatory rental period, in violation of Article 43;

3. A person who leases private rental housing in violation of the terms of rental, etc. provided for in Article 44;

4. A rental business entity who revokes, terminates, or refuses to renew a rental agreement, in violation of Article 45;



5. A person who fails to report a rental agreement provided for in Article 46 or makes a false report;
6. A rental business entity who fails to use a standard-form rental agreement provided for in Article 47;
7. A person who uses a quasi-housing unit for a non-residential purpose, in violation of Article 50;
8. A person who fails to accumulate, or fails to deliver to the council of occupants' representatives, the reserves for appropriations for special repairs provided for in Article 53 (1) and (2).

(2) Any of the following persons shall be punished by an administrative fine not exceeding five million won:

1. A housing rental management business entity who fails to report a change or cancellation of any registered matter, in violation of Article 7;
2. A housing rental management business entity who fails to report current status provide for in Article 12;
3. A rental business entity who neglects the obligation to explain provided for in Article 48;
4. A person who refuses, interferes with, or evades to submit report or data or to receive inspection provided for in Article 50 (2), 60 or 61 or makes a false report;
5. A rental business entity who fails to consult with a council of lessees' representatives about the formulation, revision, etc. of the management regulations, in violation of Article 52 (3).

(3) Any of the following persons shall be punished by an administrative fine not exceeding one million won:

1. A rental business entity who fails to report de-registered matters, in violation of Article 5 (3);
2. A housing rental management business entity who neglects the obligation to prepare, issue, and keep an outsourcing contract provided for in Article 13 (1) and (2);
3. A rental business entity who fails to notify lessees that they can organize a council of lessees' representatives, in violation of Article 52 (2).

(4) Th administrative fines set forth in this Article shall be imposed and collected by the Minister of Land, Infrastructure and Transport or the head of a Si/Gun/Gu, as prescribed by Presidential Decree.

## ADDENDA

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

This Act shall enter into force one year after the date of its promulgation.

### **Articles 2 through 36 Omitted.**

## ADDENDA <Act No. 13499, Aug. 28, 2015>

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

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

### **Article 2 (General Applicability)**

(1) The amended provisions of this Act concerning privately constructed rental housing shall apply beginning with the first application for approval of a project plan filed after this Act enters into force.

(2) The amended provisions of this Act concerning buy-to-rent private housing shall apply beginning with the first buy-to-rent private housing registered and supplied after this Act enters into force.

### **Article 3 (Special Cases concerning Rental Housing Already Registered)**

(1) Where any other statute cites privately constructed rental housing, buy-to-rent private housing, or quasi-public rental housing registered by a rental business entity under the amended provisions of Article 5 as at the time this Act enters into force, the citation shall include privately constructed rental housing, buy-to-rent private housing, or quasi-public rental housing registered under subparagraph 2-3, 3 or 3-3 of Article 2 of the previous Rental Housing Act.

(2) Rental housing registered under the previous Rental Housing Act shall be governed by the previous Rental Housing Act.

### **Article 4 (Special Cases concerning Privately Constructed Rental Housing)**

Where a rental business entity (limited to a real estate investment company invested by the National Housing Urban Fund) registered under Article 6 of the previous Rental Housing Act applies for, or obtains, approval of a project plan as privately constructed rental housing as at the time this Act enters into force, the National Housing Urban Fund may provide financial assistance to the business entity by applying the amended provisions of Article 4.

### **Article 5 (General Transitional Measures concerning Dispositions, etc.)**

Any act done by, or in relation to, an administrative agency under the previous provisions as at the time this Act enters into force shall be deemed conducted by, or in relation to, an administrative agency corresponding thereto under this Act.

### **Article 6 (Transitional Measures concerning Publicly Constructed Rental Housing)**

(1) Any housing that has been, or is being, constructed by a person corresponding to a public housing business entity under the Special Act on Public Housing as at the time this Act enters into force shall be governed by the Special Act on Public Housing.

(2) Any of the following has been constructed by a person who is not a public housing business entity under the Special Act on Public Housing as at the time this Act enters into force, shall be governed by the previous provisions, deeming it is publicly constructed rental housing under subparagraph 2-2 of Article 2 of the previous Rental Housing Act:

1. Housing that has been, or is being, constructed as publicly constructed rental housing as at the time this Act enters into force with finances of the State or a local government or funds received from the National Housing Urban Fund;
2. Housing that has been, or is being, constructed as at the time this Act enters into force with approval of a project plan as publicly constructed rental housing in accordance with Article 16 of the Housing Act on a site developed under a public project;
3. Housing constructed after this Act enters into force on a site developed by a public project as at the time this Act enters into force and supplied for use as publicly constructed rental housing.

**Article 7 (Transitional Measures concerning Rental Housing on Leasehold Land)**

Rental housing on leasehold land defined in subparagraph 2 (a) of Article 2 of the previous Rental Housing Act existing as at the time this Act enters into force, shall be governed by the previous provisions.

**Article 8 (Transitional Measures concerning Insolvency, etc.)**

Insolvent rental housing, etc. defined in subparagraph 8 of Article 2 of the previous Rental Housing Act, existing as at the time this Act enters into force shall be governed by the previous provisions. The same shall also apply where insolvency, etc. defined in subparagraph 7 of the same Article occurs to housing constructed by a person who is not a public housing business entity, of the publicly constructed rental housing defined in subparagraph 2-2 of Article 2 of the previous Rental Housing Act after this Act enters into force.

**Article 9 (Transitional Measures concerning Rental Business Entities)**

A rental business entity (excluding public housing business entity) registered under Article 6 of the previous Rental Housing Act as at the time this Act enters into force, shall be deemed a general rental business entity under this Act. In such cases, he/she may be registered as an commercial rental business entity if he/she meets the registration criteria prescribed in the amended provisions of Article 5 (4).

**Article 10 (Transitional Measures concerning Rental Housing Association)**

A rental housing association organized under Article 7 of the previous Rental Housing Act as at the time this Act enters into force, shall be deemed a rental business entity under this Act, but shall be governed by the previous provisions.

**Article 11 (Transitional Measures etc. concerning Registration of Housing Rental Management Business)**

- (1) A housing rental management business registered under the Housing Act as at the time this Act enters into force, shall be deemed registered under this Act.
- (2) A person under adult guardianship and a person under limited guardianship under the amended provisions of subparagraph 2 of Article 9 shall be deemed to include persons on whom a declaration of incompetency or quasi-incompetency remains in effect under Article 2 of the Addenda to the Civil Act partially amended by Act No. 10429.
- (3) The amended provisions of Article 10 concerning the cancellation of registration of housing rental management business shall also apply to housing rental management business registered under Article 53-2 of the Housing Act.

**Article 12 (Transitional Measures concerning Traffic Impact Analysis, Measures for Improvement, etc.)**

"Traffic impact assessments" and "Traffic Impact Assessment Deliberative Committee" in the amended provisions of Article 32 (1) 3, (3) 5 and (8) 3 shall be construed as "traffic impact analysis and improvement measures" and "Deliberative Committee of Traffic Impact Analysis and Improvement Measures", respectively, until January 24, 2016.

**Article 13 (Transitional Measures concerning Rental Housing Dispute Mediation Committee)**

A rental housing dispute mediation committee organized under Article 33 of the previous Rental Housing Act as at the time this Act enters into force shall be deemed organized under this Act.

**Article 14 (Transitional Measures concerning Penalty Provisions or Administrative Fines)**

Imposition of a penalty or an administrative fine for an act committed before this Act enters into force shall be governed by the previous provisions.

**Article 15 Omitted.**

**Article 16 (Relationship with Other Statutes)**

Where the previous Rental Housing Act or any provision thereof has been cited by another statute as at the time this Act enters into force, if any provision in this Act corresponds to such provision, it shall be deemed that this Act or the relevant provision of this Act, has been cited in lieu of the previous Rental Housing Act or said provision thereof.

ADDENDA <Act No. 13782, Jan. 19, 2016>

**Article 1 (Enforcement Date)**

This Act shall enter into force on September 1, 2016.

**Articles 2 through 8 Omitted.**

ADDENDA <Act No. 13805, Jan. 19, 2016>

**Article 1 (Enforcement Date)**

This Act shall enter into force on August 12, 2016.

**Articles 2 through 22 Omitted.**

ADDENDA <Act No. 14480, Dec. 27, 2016>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 14532, Jan. 17, 2017>

**Article 1 (Enforcement Date)**

This Act shall enter into force one year after the date of its promulgation: Provided, That the amended parts of the Acts which were promulgated before this Act enters into force, but the enforcement dates of which have not arrived yet, among the Acts amended pursuant to Article 6 of the Addenda shall enter into force on the respective enforcement date of such Acts.

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 14542, Jan. 17, 2017>

**Article 1 (Enforcement Date)**

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

**Article 2 (Applicability to Preferential Supply of Land, etc.)**

The amended provisions of the proviso to Article 18 (3) shall apply beginning with the first case of formulating a plan for supplying multi-family housing after this Act enters into force.

**Article 3 (Applicability to Special Cases concerning Designation of Promotion Districts and Installation of Facilities in Promotion Districts)**

The amended provisions of Articles 22 (2) and 35 (1) 1 shall apply beginning with the first case of approving a district plan after this Act enters into force.

**Article 4 (Applicability to Report on Supply of Private Rental Housing)**

The amended provisions of Article 42 (3) shall apply beginning with the first case of recruiting lessees after this Act enters into force.

**Article 5 (Applicability to Guarantee for Rental Deposit)**

The amended provisions of Article 49 shall apply beginning with the first case of recruiting lessees after this Act enters into force.

ADDENDA <Act No. 15309, Dec. 26, 2017>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 4 Omitted.**

ADDENDUM <Act No. 15319, Dec. 26, 2017>

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

Last updated : 2018-04-04