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## CONSUMER PROTECTION ACT

[Enforcement Date 20. Jan, 2004.] [Act No.7064, 20. Jan, 2004., Partial Amendment]

공정거래위원회( 소비자정책과), 044-200-4406

### CHAPTER I GENERAL PROVISIONS

#### Article 1 (Purpose)

The purpose of this Act is to provide for the duties of the State, local governments and enterprisers and the roles of consumers and consumer organizations in order to protect the fundamental rights and interests of consumers, and also to provide for basic matters necessary for facilitating comprehensively the policy for protection of consumers, and to accomplish thereby the improvement and rationalization of their daily lives as consumers.

#### Article 2 (Definitions)

For the purpose of this Act, the definitions of terms shall be as follows:

1. The term "enterprisers" means those who manufacture (including to process and pack; hereinafter the same shall apply), import or sell goods, or furnish services;
2. The term "consumers" means those who use or utilize for their daily lives consumers' goods and services furnished by enterprisers, or those who are designated by the Presidential Decree; and
3. The term "consumer organization" means an organization which is organized by consumers in order to protect and improve the rights and interests of consumers.

#### Article 3 (Fundamental Rights of Consumers)

Consumers shall enjoy the following rights for their safety and interests: <Amended by Act No. 6431, Mar. 28, 2001>

1. The right to have their lives, bodies and property protected against any danger and injury caused by all goods and services;
  2. The right to be provided with the knowledge and information necessary for selecting goods and services;
  3. The right to select freely the other party of transaction, purchasing place, price, conditions of transaction, etc. for using or utilizing goods and services;
  4. The right to have their opinions reflected in policies of the State and local governments and in business activities, etc. of enterprisers, which have an influence on their daily lives as consumers;
  5. The right to obtain proper compensation for damages sustained due to use or utilization of goods and services according to prompt and fair procedure;
  6. The right to receive the education necessary for carrying on their rational lives as consumers;
  7. The right to establish an organization and work therein in order to protect their rights and interests;
- and

8. The right to enjoy consumption in safe and pleasant consumption environment.

#### Article 4 (Roles of Consumers)

Consumers shall acquire knowledge necessary for improvement of their own safety and interests, and at the same time lead environment-friendly consumptive lives independently and sincerely, and thereby play a positive role in the improvement and rationalization of their lives as consumers.

<Amended by Act No. 6431, Mar. 28, 2001>

## CHAPTER II DUTIES, ETC. OF STATE AND LOCAL GOVERNMENTS

#### Article 5 (Duties of State and Local Governments)

In order to realize the fundamental rights of consumers as prescribed in Article 3 the State and local governments shall perform the following obligations: <Amended by Act No. 5030, Dec. 29, 1995>

1. The enactment, amendment and repeal of related Acts and subordinate statutes;
2. The maintenance and operational improvement of necessary administrative organizations;
3. The establishment and execution of necessary policies; and
4. The support and encouragement of sound and autonomous organized activities of consumers.

#### Article 5-2 (Assistance to Local Administrative Organizations)

The State may provide necessary assistance in the operation, etc. of administrative organizations established in local governments relating to the protection of consumers under the conditions as prescribed by the Presidential Decree.

[This Article Newly Inserted by Act No. 6431, Mar. 28, 2001]

**Article 6 (Prevention of Danger and Injury)** (1) In order to prevent any danger and injury to the lives, bodies and property of consumers due to goods and services supplied or furnished by enterprisers, the State shall determine criteria to be observed by enterprisers with respect to the following matters:

<Amended by Act No. 5030, Dec. 29, 1995>

1. Important contents of goods and services, such as ingredients, content, structure, etc.;
2. Contents and method to be indicated, such as directive matters, cautions, etc., for using or utilizing goods and services; and
3. Other matters as deemed necessary for preventing any danger and injury.

(2) If the head of the central administrative agency determines or modifies the criteria under paragraph (1), he shall notify it publicly.

(3) The head of the central administrative agency shall test, inspect or investigate periodically whether or not enterprisers observe the criteria as referred to in paragraph (1). <Amended by Act No. 5030, Dec. 29, 1995>

(4) If it is required to collect various information on dangers and injuries, the Minister of Finance and Economy may designate and operate any administrative agency, consumer organization, hospital, school, etc., as an organ reporting the information on dangers and injuries, under the conditions as prescribed by the Presidential Decree. <Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>

**Article 7 (Propriety of Weighing and Standards)** (1) In order to prevent consumers from sustaining any loss by weighing in transaction with enterprisers, the State and local governments shall take measures necessary for weighing goods and services. <Amended by Act No. 5030, Dec. 29, 1995>

(2) The State and local governments shall specify the standards of goods and services in order to

accomplish a quality improvement of goods and rationalization of consumers' life, and take measures necessary for disseminating them. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

**Article 8 (Criteria for Indication)** (1) If it is required to prevent consumers from taking wrong selection in use of goods or utilizing services due to any indication or package, etc., the State shall determine the following criteria for indication on goods and services under his control: [<Amended by Act No. 5030, Dec. 29, 1995>](#)

1. Denomination, use, ingredients, quality, performance, size, price, capacity, permitted number of the goods, and contents of services;
2. Name (including address and telephone number) of the enterpriser who has manufactured, imported or processed the goods, or furnished the services, and the origin of the goods;
3. Method of use, matters of caution in use and keeping, and matters of warning;
4. Date of manufacture, quality guarantee period, or in case of goods, such as foods, medicine, etc., which are apt to be altered in the course of distribution, the validity period of such goods;
5. Dimension, location and method of the indication; and
6. Organization (including address and telephone number) and method of settlement, if there is any complaint on goods or services, and any consumer's damages.

(2) When the head of the central administrative agency determines or changes the criteria for indication under paragraph (1), he shall notify it publicly.

**Article 9 (Making of Criteria for Advertisement)** (1) In order to prevent any danger and injury to the life, body and property of consumers due to any wrong or excessive consumption of goods or services, the State may determine the standards concerning the contents and methods of advertisements, in the following cases: [<Amended by Act No. 5030, Dec. 29, 1995>](#)

1. Where it is required to restrict any advertisement only by the permitted or authorized contents, in an advertisement on the use, ingredients, performance, size, origin, etc., or to make any specified contents known to consumers without fail in making any advertisement;
2. Where it is required, in making any advertisement, to restrict the use of any specified terms and expression which might make consumers misunderstand it; and
3. Where it is required to restrict the form of media and period of any advertisement.

(2) When the head of the central administrative agency determines or changes the criteria for advertising under paragraph (1), he shall make it publicly known.

**Article 10 (Propriety of Transaction)** (1) In order to protect consumers from unreasonable damage caused by unfair transaction conditions or methods of enterprisers, the State shall establish and implement a necessary policy.

(2) The State may designate and make publicly known unreasonable acts of enterprisers, which are deemed likely to prevent rational selections of consumers and to inflict damages on consumers.

(3) The State and local governments shall take policy measures necessary for the protection of consumers with respect to special form of transactions, such as transactions based on any standardized contract, door-to-door sale, multistage sale, installment sale, mail-order sale, electronic commerce, etc. [<Amended by Act No. 6431, Mar. 28, 2001>](#)

(4) The State and local governments may request the consumer organization registered under Article 19 and the Korea Consumer Protection Board established under Article 26 (hereinafter referred to as the "Korea Consumer Protection Board") to conduct necessary survey and research for the propriety of special form of transactions described in paragraph (3). [<Newly Inserted by Act No. 6431, Mar.](#)

[28, 2001](#)>

**Article 11 (Provision of Information to Consumers)** (1) The State and local governments shall provide consumers with information on important policies and decisions related to their protection so that the fundamental rights of consumers can be realized.

(2) The State and local governments shall formulate necessary policies so that enterprisers' information relating to transaction terms and methods, quality, safety, environment-friendliness, etc. of goods and services can be provided for consumers to reasonably choose goods and services.

[<Amended by Act No. 6431, Mar. 28, 2001>](#)

[\[This Article Wholly Amended by Act No. 5748, Feb. 5, 1999\]](#)

**Article 12 (Remedy for Consumers' Damages)** (1) The State and local governments shall take necessary measures so as to settle promptly and fairly the dissatisfaction and damages of consumers.

(2) The State may lay down by item the compensation criteria for consumers' damages in conformity with such general compensation criteria for consumers' damages as determined by the Presidential Decree, for the purpose of settling smoothly disputes between consumers and enterprisers.

[<Amended by Act No. 5030, Dec. 29, 1995>](#)

(3) The criteria for consumers' damages compensation by item as referred to in paragraph (2), shall be the criteria for compensation for consumers' damages, unless there is any separate manifestation as to the method of compensation between the parties in dispute. [<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

**Article 13 (Establishment, etc. of Testing and Inspection Facilities)** (1) The State and the local governments shall provide the mechanism and facilities to conduct any test, inspection or investigation on the size, quality, safety, etc. of goods and services. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

(2) The State, local governments, consumers, or consumer organizations may, if necessary or upon a consumer's request, request any test, inspection or investigation to the inspection institution established under paragraph (1) or the Korea Consumer Protection Board, to conduct the test, etc.

[<Amended by Act No. 5030, Dec. 29, 1995; Act No. 6431, Mar. 28, 2001>](#)

(3) The State and the local governments shall, upon having conducted any tests, etc. under paragraph (2), publish the results, and take measures necessary for protecting the consumers.

[<Amended by Act No. 5030, Dec. 29, 1995>](#)

(4) The State and the local governments may assist the consumer organization so as to provide facilities to conduct any test and inspection on the size, quality, safety, etc. of goods and services.

[<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

**Article 14 Deleted.** [<by Act No. 5030, Dec. 29, 1995>](#)

## CHAPTER III DUTIES OF ENTERPRISERS

**Article 15 (Cooperation for Protection of Consumers)** (1) No enterpriser shall use any condition or method of trade which might infringe on the rational choice or interest of consumers, in the supply of goods or services. [<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

(2) Enterprisers shall take measures necessary for the protection of consumers with respect to goods or services supplied or furnished by them, and cooperate positively in policies of the State and local governments for protection of consumers.

(3) Enterprisers shall cooperate positively where a consumer organization or the Korea Consumer Protection Board requests the provision of data and information necessary to promote consumer protection services. [<Newly Inserted by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(4) Enterprisers shall endeavor to develop environment-friendly technology and recycle resources in supplying goods and services so as to create safe and pleasant consumptive environment. [<Newly Inserted by Act No. 6431, Mar. 28, 2001>](#)

**Article 16 (Prevention, etc. of Danger and Injury)** (1) Enterprisers shall not manufacture, import or sell goods, or furnish services, which are in contravention of the criteria as prescribed in Article 6 (1).

(2) Enterprisers shall indicate matters as determined in conformity with such criteria as prescribed in Article 8 (1). [<Amended by Act No. 5030, Dec. 29, 1995>](#)

(3) Enterprisers shall not violate the criteria for advertising under Article 9 (1).

(4) Enterprisers shall not commit any act as designated and notified publicly under Article 10 (2).

(5) If it is necessary to judge whether any enterpriser has violated criteria for the protection from danger and injury under Article 6, criteria for indication under Article 8, criteria for advertisement under Article 9, the State and local governments may request the consumer organization registered under Article 19 to investigate it or the Korea Consumer Protection Board to investigate and deliberate on it.

[<Newly Inserted by Act No. 6431, Mar. 28, 2001>](#)

**Article 16-2 (Request for Measures for Correction)**

If any enterpriser violates the criteria publicly announced under Articles 6 through 10, the Minister of Finance and Economy may request any proper measures necessary for correction to the head of the administrative agency having the control over goods or services concerned. [<Amended by Act No. 5748, Feb. 5, 1999>](#)

[\[This Article Newly Inserted by Act No. 5030, Dec. 29, 1995\]](#)

**Article 17 (Duty to Report Information on Defects)** (1) If any enterpriser has found that there exist any serious defects in the manufacture, design, or indication, etc. of goods or services supplied by him to consumers that cause or are likely to cause any danger to the safety of consumers' lives, bodies, or property, he shall report the defects to the head of the competent central administrative agency.

(2) The head of the central administrative agency, who has received the report pursuant to paragraph (1), may request the inspection institution under Article 13 or the Korea Consumer Protection Board, etc. to test and inspect the goods or services with respect to the defects reported by the enterpriser, and if the goods or services in question fall under any cause described in Article 17-3 (1) or 17-4 (1) as a result of such test and inspection, may take measures under the relevant Article.

(3) Necessary matters for the scope of enterprisers and serious defects and for the time limit and procedures, etc. of report with respect to the report of defects under paragraph (1) shall be prescribed by the Presidential Decree.

[\[This Article Newly Inserted by Act No. 6431, Mar. 28, 2001\]](#)

**Article 17-2 (Removing Goods and Services Voluntarily)**

If any enterpriser deems that goods and services furnished by him to consumers cause or are likely to cause any danger to the safety of consumers' lives, bodies, or property due to their defects, he shall remove, destroy, or repair such goods, exchange them for other goods, or refund their costs, or prohibit the offering of such services, or take other necessary measures under the conditions as

prescribed by the Presidential Decree.

[[This Article Newly Inserted by Act No. 6431, Mar. 28, 2001](#)]

**Article 17-3 (Recommendation of Removal, Destruction, etc.)** (1) If the head of the central administrative agency deems that goods or services furnished by an enterpriser cause or might cause any danger to the safety of consumers' lives, bodies, or property due to their defects, he may recommend the enterpriser to remove, destroy, or repair such goods, exchange them for other goods, or refund their costs, or to prohibit the offering of such services, or to take other necessary measures.

(2) The enterpriser who has received the recommendation under paragraph (1) shall notify the head of the competent central administrative agency of whether to accept such recommendation.

(3) If the enterpriser accepts the recommendation under paragraph (1), he shall take the measures under Article 17-2.

(4) If the enterpriser who has received the recommendation under paragraph (1) refuses to comply with it without any justifiable reason, the head of the central administrative agency may publish the fact.

(5) Detailed matters necessary for the recommendation, the acceptance of recommendation, the publication procedures under paragraphs (1) through (4) shall be prescribed by the Presidential Decree.

[[This Article Newly Inserted by Act No. 6431, Mar. 28, 2001](#)]

**Article 17-4 (Order of Removal, Destruction, etc.)** (1) If the head of the central administrative agency deems that any enterpriser causes or might cause any danger to the safety of consumers' lives, bodies, or property due to any defect in goods or services furnished by him, he may order the enterpriser to remove, destroy, or repair such goods, exchange them for other goods, refund their costs, or prohibit the manufacture, import, or sale of them or the offering of such services, and to repair facilities related to such goods or services or take other necessary measures, subject to the procedures determined by the Presidential Decree: Provided, That if it is deemed that such defects cause or might cause any urgent and significant danger to the safety of consumers' lives, bodies and property and it is inevitable to prevent the occurrence or spread of such danger, he may do so without the procedures under the above main sentence. [<Amended by Act No. 6431, Mar. 28, 2001>](#)

(2) If the enterpriser fails to comply with the order as referred to in paragraph (1), the head of the central administrative agency may remove and destroy directly such goods, prohibit the offering of such services, or take other necessary measures, under the conditions as prescribed by the Presidential Decree. [<Amended by Act No. 6431, Mar. 28, 2001>](#)

[[This Article Newly Inserted by Act No. 5030, Dec. 29, 1995](#)]

**Article 17-5 (Corrective Measures, etc.)** (1) Where any enterpriser has committed the acts violating Article 16 (1) through (3), the head of the central administrative agency may order the enterpriser to take measures necessary for corrections, such as the suspension of the relevant acts, etc.

(2) The head of the central administrative agency may order the enterpriser to publicly announce the fact that he has been subjected to a corrective order under the provisions of paragraph (1).

[[This Article Wholly Amended by Act No. 7064, Jan. 20, 2004](#)]

## CHAPTER IV CONSUMER ORGANIZATION



**Article 18 (Activities, etc. of Consumer Organization)** (1) The consumer organization shall carry out the following activities: [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999; Act No. 6431, Mar. 28, 2001>](#)

1. Recommendation to the State and local governments on a policy for protection of consumers;
2. Tests and inspection on standardized grade or type, quality, safety, and environment-friendliness of goods and services, and survey and analysis on the transaction terms or methods including prices;
3. Investigation and study on consumer problems;
4. Consumer education; and
5. Consultation and furnishing of information for the settlement of consumers' complaints and damages, and the recommendation of agreement between the parties concerned.

(2) The consumer organization may publish the results of the survey and analysis, etc. under paragraph (1) 2: Provided, That where the matters to be published are a test and inspection on the quality, performance, ingredients, etc. of goods, which require technical equipment, such matters shall be published after the test and inspection by a testing and inspection institution as prescribed by the Presidential Decree. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(3) If the consumers and the enterprisers fail to reach any agreement in settling any consumers' complaints and damages as referred to in paragraph (1) 5, the consumer organization may request a mediation of dispute to the consumers dispute mediation committee established under Article 34, on behalf of the consumer who is the party to the dispute. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

(4) Where an enterpriser or enterprisers' organization refuses, interferes with, evades or provides false data and information in response to a request for the provision of data and information pursuant to Article 52-6 without any justifiable cause, the consumer organization may publish the name (including trade name or other title) of the enterpriser or enterprisers' organization, the fact that it was refused, and causes for such refusal, etc. in general daily newspapers under the Registration, etc. of Periodicals Act. [<Newly Inserted by Act No. 5748, Feb. 5, 1999>](#)

(5) The consumer organization may not use information which it has learned in the course of its service, for any purpose other than that to protect the consumers. [<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

(6) Where a consumer organization causes damage to an enterpriser or enterprisers' organization by using data and information provided from the enterprise or enterprisers' organization for any purpose other than that for consumer protection, it shall hold itself responsible for compensating such damage. [<Newly Inserted by Act No. 5748, Feb. 5, 1999>](#)

**Article 19 (Registration of Consumer Organization)** (1) Any consumer organization which intends to carry out the activities prescribed in Article 18 (1) 2 and 5, may make a registration with the Ministry of Finance and Economy or the local government, under the conditions as prescribed by the Presidential Decree. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(2) Any consumer organization which desires to register under paragraph (1), shall have the equipment and manpower suitable for its activities.

**Article 19-2 (Voluntary Dispute Mediation)** (1) The council of consumer organizations (referring to the consumer organization registered with the Ministry of Finance and Economy consisting of

consumer organizations registered with the Ministry of Finance and Economy pursuant to the provisions of Article 19 (1)) may voluntarily mediate disputes for the settlement of consumer damage and complaint under Article 18 (1) 5: Provided, That regarding the matters under the control of a dispute settlement organization which is established pursuant to the provisions of other Acts and demands specialization, and is also prescribed by the Presidential Decree, this shall not apply.

(2) The voluntary dispute mediation pursuant to the provisions of paragraph (1) shall have the validity of reconciliation pursuant to the Civil Act if the parties accept.

(3) Necessary matters regarding the procedures of dispute mediation, etc. pursuant to the provisions of main sentence of paragraph (1) shall be prescribed by the Presidential Decree.

[This Article Newly Inserted by Act No. 6946, Jul. 29, 2003]

#### Article 20 (Grant of Subsidy)

If it is deemed necessary for the sound growth and development of the registered consumer organizations, the State or local governments may grant a subsidy. <Amended by Act No. 5030, Dec. 29, 1995>

### CHAPTER V CONSUMER POLICY DELIBERATIVE COMMITTEE

#### Article 21 (Establishment of Deliberative Committee)

In order to deliberate a fundamental policy concerning the protection of consumers and the improvement of national lives as consumers, the Consumer Policy Deliberative Committee (hereinafter referred to as the "Deliberative Committee") shall be established in the Ministry of Finance and Economy. <Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>

Article 22 (Composition of Deliberative Committee) (1) The Deliberative Committee shall be composed of twenty five or less members, including a chairman. <Amended by Act No. 6946, Jul. 29, 2003>

(2) The chairman shall be the Minister of Finance and Economy, and members shall consist of the heads of the related ministries and agencies, the president of the Korea Consumer Protection Board, and persons commissioned by the Minister of Finance and Economy from among those having expertise pertaining to consumer issues, and representatives of consumers and the economic circles recommended by consumer organizations registered pursuant to Article 19 and economic organizations, respectively. <Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>

(3) The terms of commissioned members other than the heads of the related ministries and agencies and the president of the Korea Consumer Protection Board, among those as referred to in paragraph (2) shall be three years. <Amended by Act No. 5030, Dec. 29, 1995>

Article 23 (Functions of Deliberative Committee) (1) The Deliberative Committee shall deliberate the following matters, which are prescribed by the Presidential Decree: <Amended by Act No. 5030, Dec. 29, 1995>

1. Matters as prescribed in subparagraphs of Article 5;
2. Establishment and modification of criteria under Articles 6 (1), 8 (1), 9 (1) and 12 (2);
3. Designation under Article 10 (2);
4. Matters concerning the establishment and operation of consumer related dispute settlement organ;  
and
5. Other matters of basic policy on the consumers protection and their lives as consumers, which



are referred to it by the chairman.

(2) The Deliberative Committee may establish the working or expert committees to carry out efficiently the matters as referred to in subparagraphs of paragraph (1). [<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

#### Article 24 (Hearing of Opinions)

If it is necessary for deliberating matters as prescribed in subparagraphs of Article 23 (1), the Deliberative Committee may hear the opinions of people having expertise pertaining to issues of consumers, consumers or enterprisers concerned. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

#### Article 25 (Operational Regulations)

Except as provided for in this Act, necessary matters concerning the organization and operation of the Deliberative Committee and the working and expert committees shall be determined by the Presidential Decree. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

## CHAPTER VI KOREA CONSUMER PROTECTION BOARD

### SECTION 1 Establishment, etc.

**Article 26 (Establishment)** (1) The Korea Consumer Protection Board shall be established for the purpose of carrying out effectively a consumers protection policy.

(2) The Korea Consumer Protection Board shall be a juristic person.

(3) The Korea Consumer Protection Board may establish its branches in necessary places with the approval of the Minister of Finance and Economy. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(4) The Korea Consumer Protection Board shall be constituted officially by effecting a registration of establishment in the seat of its principal office.

**Article 27 (Articles of Association)** (1) The Korea Consumer Protection Board shall include the following matters in its articles of association:

1. Object;
2. Name;
3. Matters concerning its principal office and branches;
4. Deleted: [<by Act No. 4980, Dec. 6, 1995>](#)
5. Matters concerning officers and personnel;
6. Matters concerning operation of the board of directors;
7. Matters concerning the dispute mediation commission;
8. Matters concerning activities;
9. Matters concerning property and accounting;
10. Matters concerning public notice;
11. Matters concerning the modification of articles of association; and
12. Matters concerning the establishment, revision and repeal of internal rules.

(2) If the Korea Consumer Protection Board desires to modify articles of association, it shall obtain authorization from the Minister of Finance and Economy. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

**Article 28 (Activities)** (1) The Korea Consumer Protection Board shall carry out the following activities:  
[<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999; Act No. 6431, Mar. 28, 2001>](#)

1. Settlement of complaints and remedy for damages of consumers;
2. Execution of tests and inspection on the standardized grade or type, quality, safety, and environment-friendliness of goods and services or survey and analysis on the transaction terms or methods including prices, etc., if necessary for protecting consumers;
3. Study and recommendation on the systems and policies relating to the protection of consumers;
4. Collection and furnishing of various information in aiding consumers to make wise choices and on consumer safety;
5. Education and public relations related to the protection of consumers;
6. Comprehensive research and study for improvement of national life;
7. Survey and deliberation requested by the State or local governments for the protection of consumers pursuant to the provisions of the Act or subordinate statute concerned; and
8. Other activities relating to protection of consumers.

(2) The following matters shall be excluded from objects to be settled by the Korea Consumer Protection Board in carrying out activities as referred to in paragraph (1) 1: [<Amended by Act No. 5748, Feb. 5, 1999>](#)

1. Remedy for damages caused by supply of goods or services by the State or local governments; and
2. Other remedy for damages as prescribed by the Presidential Decree.

(3) The Korea Consumer Protection Board shall publish the results of its activities for the protection and improvement of consumers' rights and interests: Provided, That this shall not apply where it is deemed necessary to protect the operational secret of enterprisers or their organization, or it is deemed necessary for the public interest. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

[Article 29 \(Request for Test and Inspection\)](#) (1) If the president of the Korea Consumer Protection Board deems it necessary for carrying out activities as prescribed in Article 28 (1) 1 and 2, he may request a national or public test and inspection institution for a test and inspection on goods concerned.

(2) Any institution which has received a request for test and inspection under paragraph (1), shall comply preferentially with it unless there is any special reason.

#### [Article 30 \(Prohibition of Use of Similar Name\)](#)

No other person than the Korea Consumer Protection Board shall use the name as "the Korea Consumer Protection Board" or similar one.

## SECTION 2 Officers and Board of Directors

[Article 31 \(Officers and Their Terms of Office\)](#) (1) The Korea Consumer Protection Board shall have ten or less directors, including a president and a vice president, and an auditor. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

(2) Three of the directors shall work full-time, and the others, parttime. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(3) The president shall be appointed by the President upon the proposition of the Minister of Finance and Economy from among those who are learned and experienced in consumer issues. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(4) The vice president and directors shall be appointed by the Minister of Finance and Economy upon the proposition of the president from among those who are learned and experienced in consumer

issues. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(5) The auditor shall be appointed by the Minister of Finance and Economy upon the proposition of the president. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(6) The term of the president, the vice president and the directors shall be three years, and that of the auditor, two years. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

**Article 32 (Duties of Officers)** (1) The president shall represent the Korea Consumer Protection Board, and manage its general activities.

(2) The vice president shall assist the president, and if the president is absent due to any accident, he shall act for the president. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

(3) The directors shall take partial charge of the affairs of the Korea Consumer Protection Board under the conditions as specified in the articles of association, and if both the president and the deputy president are absent due to any accident, they shall act for him, in such order as determined by the articles of association. [<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

(4) The auditor shall inspect and audit activities and accounts of the Korea Consumer Protection Board.

**Article 33 (Board of Directors)** (1) In order to deliberate and decide important matters of the Korea Consumer Protection Board, the board of directors shall be established in it.

(2) The board of directors shall be composed of the president, the vice president and directors. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

(3) The president shall convene the board of directors, and preside at it.

(4) The auditor may attend meetings of the board of directors, and state his opinion.

## SECTION 3 Consumers Dispute Settlement Commission

**Article 34 (Establishment)** (1) There shall be established a Consumers Dispute Settlement Commission (hereinafter referred to as the "Settlement Commission") in the Korea Consumers Protection Board.

(2) The Settlement Commission shall deliberate and decide the following matters:

1. Mediation and decisions on consumers' disputes;
2. Establishment, revision and repeal of the Consumers Dispute Settlement Regulations; and
3. Other matters referred to it by the president.

(3) Necessary matters concerning operation, mediation procedure, etc. of the Settlement Commission shall be determined by the Presidential Decree.

**Article 35 (Composition)** (1) The Settlement Commission shall be composed of thirty or less members, including a chairman, of whom two members shall work fulltime, and the others, part-time.

[<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999; Act No. 6431, Mar. 28, 2001>](#)

(2) Members shall be appointed or commissioned by the Minister of Finance and Economy upon the proposition of the president, under the conditions as prescribed by the Presidential Decree, from among the belowenumerated persons: [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999; Act No. 6431, Mar. 28, 2001>](#)

1. Those who are or were in a position equivalent to or higher than associate professor in a college, university or authorized research institution, and have majored in a field related to consumer protection;
2. Those who are or were in a position of public official of Grade IV or higher or the equivalent

- position in a public institution, and have experience of practice in consumer protection activities;
3. Those who are qualified as judge, public prosecutor or attorney-at-law;
  4. Those who are or were in a position of officer at a consumer organization;
  5. Those who are or were in a position of officer at an enterpriser or enterprisers' organization; and
  6. Other those who have extensive learning and experience in any business relating to the protection of consumers.

(3) The chairman shall be appointed by the Minister of Finance and Economy from among full-time members. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(4) When the chairman is unable to perform his duties due to an accident, a full-time member who is not the chairman shall act for the chairman, and when such full-time member is unable to perform his duties due to an accident, a member designated by the Minister of Finance and Economy shall act for the chairman. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999; Act No. 6431, Mar. 28, 2001>](#)

(5) The terms of office of members shall be three years, and they may be renewable.

(6) In order to carry out effectively activities of the Settlement Commission, the expert committees classified by field of activities may be established.

(7) Matters concerning composition and operation of expert committees as referred to in paragraph (6) shall be determined by the Presidential Decree.

#### [Article 36 \(Guarantee of Members' Status\)](#)

No member shall be removed from office against his will, unless he is sentenced to a punishment of qualification suspension or a severer one or he is unable to perform his duties owing to a mental or physical incompetence.

[Article 37 \(Meeting of Settlement Commission\)](#) (1) A meeting of the Settlement Commission shall be composed of a chairman, a full-time member, and not less than five but not more than seven members designated by the chairman at the time of each meeting.

(2) A meeting of the Settlement Commission shall make a decision with the attendance of a majority of the total members under paragraph (1) and with a concurrent vote of a majority of those present.

[\[This Article Wholly Amended by Act No. 6431, Mar. 28, 2001\]](#)

[Article 38 \(Exclusion, Challenge and Evasion of Members\)](#) (1) Any member of the Settlement Commission shall be excluded from a deliberation and decision on a case claiming a remedy for damages (hereafter in this Article referred to as the "case") in case falling under any of the following subparagraphs:

1. Where he or his spouse or ex-spouse becomes a party to the case, or has a relation to the case as a person having a joint right or obligation;
2. Where he is or was in kinship with a party of the case;
3. Where he has given testimony or expert opinion on the case; and
4. Where he takes or took part in the case as a representative of a party.

(2) If there exist circumstances under which it is difficult to expect an impartial deliberation and decision from a member, the party may apply for a challenge to the president. In this case, the president shall decide on the application for challenge without a decision from the Settlement Commission.

(3) If a member falls under any causes as referred to in paragraph (1) or (2), he may not participate in the deliberation and decision on the case.

## SECTION 4 Remedy for Damages

**Article 39 (Request for Remedy for Damages)** (1) Consumers may request remedy for damages caused by use of goods or utilization of services to the Korea Consumer Protection Board.

(2) When the State, local government, consumer organization or enterpriser receives a request for remedy for damages from a consumer, the settlement of it may be entrusted to the Korea Consumer Protection Board.

(3) In case where the president has received a request for remedy for damages under paragraphs (1) and (2) if its contents are judged unsuitable to be settled by the Korea Consumer Protection Board, he shall inform the applicant of the reason, and may discontinue the settlement of the case.

**Article 40 Deleted.** <by Act No. 5030, Dec. 29, 1995>

**Article 41 (Notification, etc. of Illegal Fact)**

When the president has confirmed in the course of settlement of a case claiming a remedy for damages a fact that the interested person violated the Acts and subordinate statutes he shall inform it to the interested agency and request it to take proper measures.

**Article 42 (Recommendation of Agreement)**

The president may recommend the parties of a claim for remedy for damages to agree on compensation for damages.

**Article 43 (Settlement)** (1) If an agreement as referred to in Article 42 is not reached within thirty days after receiving a claim for remedy for damages under Article 39 (1) or (2), the president shall immediately request the Settlement Commission for settlement, and settle the case according to its decision. <Amended by Act No. 5030, Dec. 29, 1995>

(2) If the consumer and the enterpriser fail to reach any agreement complying with the recommendation of agreement as prescribed in Article 18 (1) 5 or Article 42, on any dispute raised between them, the parties concerned may request a settlement of dispute to the Settlement Commission: if a request for settlement of dispute is made under paragraph (1), the settlement of dispute shall be considered to have been requested. <Amended by Act No. 5030, Dec. 29, 1995>

(3) Deleted. <by Act No. 5030, Dec. 29, 1995>

**Article 43-2 (Settlement of Dispute)** (1) The Settlement Commission shall, upon receiving a request for dispute settlement under Articles 18 (3) and 43, commence without delay the procedure for dispute settlement, under the conditions as prescribed by the Presidential Decree.

(2) If it is required for a dispute settlement as referred to in paragraph (1), the Settlement Commission may seek any advice of the expert committee.

(3) The Settlement Commission may hear the opinions of the interested persons, consumer organization or competent authorities, prior to the dispute settlement as referred to in paragraph (1).

[This Article Newly Inserted by Act No. 5030, Dec. 29, 1995]

**Article 44 (Term of Dispute Settlement)** (1) When the Settlement Commission receives a request for dispute settlement under Article 43-2 (1), it shall undertake the dispute settlement within thirty days.

<Amended by Act No. 5030, Dec. 29, 1995>

(2) Notwithstanding the provisions of paragraph (1), in case where it is impossible to complete the dispute settlement within the prescribed period due to inevitable circumstances and if it is desired to extend the period, the Settlement Commission shall inform the party and his representative of the specified reason thereof and period. <Amended by Act No. 5030, Dec. 29, 1995>

**Article 45 (Effect of Dispute Settlement)** (1) When dispute settlement is undertaken under Article 43-2, the chairman of the Settlement Commission shall promptly notify the parties of the results.

[<Amended by Act No. 5030, Dec. 29, 1995>](#)

(2) If the parties accept the settlement within fifteen days after receiving a notification under paragraph (1), the Settlement Commission shall prepare a settlement paper on which parties shall write and put their names and signatures.

(3) If the parties fail to express their intention refusing the acceptance as to the dispute settlement, within the period as referred to in paragraph (2), they shall be considered to have accepted the dispute settlement. [<Newly Inserted by Act No. 5030, Dec. 29, 1995>](#)

(4) The contents of the dispute settlement as referred to in paragraphs (2) and (3) shall have the same effect as a judicial compromise. [<Amended by Act No. 5030, Dec. 29, 1995>](#)

**Article 46 (Discontinuation of Procedure for Remedy for Damages)** (1) If one of the parties brings a lawsuit to a competent court during a procedure for settlement of remedy for damages which is taken by the Korea Consumer Protection Board, he may request the Korea Consumer Protection Board to discontinue the settlement of remedy for damages.

(2) The Korea Consumer Protection Board shall, upon a request as referred to in paragraph (1), discontinue without delay the procedure for remedy for damages, and notify it to the parties.

## SECTION 5 Accounting, Supervision, etc.

### Article 47 (Contributions)

In order to meet expenses necessary for the establishment, equipment, operation and activities of the Korea Consumer Protection Board, the State and local governments may contribute to the Korea Consumer Protection Board within the limit of their budget.

**Article 48 Deleted.** [<by Act No. 4980, Dec. 6, 1995>](#)

**Article 49 (Supervision)** (1) The Minister of Finance and Economy shall direct and control the Korea Consumer Protection Board, and he may, if necessary, give instructions or issue an order concerning the activities to the Korea Consumer Protection Board. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(2) The Korea Consumer Protection Board shall prepare an annual plan of activities and an annual draft budget to obtain approval from the Minister of Finance and Economy, and prepare an annual statement of accounts and a statement of auditor's opinion thereto to obtain approval from the Minister of Finance and Economy. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

(3) The Minister of Finance and Economy may, if necessary, have the Korea Consumer Protection Board report matters concerning its activities, accounts and property, or may inspect them. [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999>](#)

**Article 49-2 (Delegation and Entrustment of Authority)** (1) The head of the central administrative agency may delegate part of his authority granted under this Act to the Special Metropolitan City Mayor, Metropolitan City Mayors, or Do governors on such terms and conditions as the Presidential Decree may determine. [<Amended by Act No. 5748, Feb. 5, 1999>](#)

(2) The Minister of Finance and Economy may entrust the personnel of the Korea Consumer Protection Board with the authority to conduct the inspection and to request the submission of materials as prescribed in Article 52 (1), in the following cases: [<Amended by Act No. 5748, Feb.](#)



[5, 1999>](#)

1. Where the test, inspection or investigation is requested to the Korea Consumer Protection Board under Article 13 (2); and
  2. Where it is deemed necessary for confirmation of the fact, in settling any remedy for damages case requested to the Korea Consumer Protection Board under Article 39 (1) and (2).
- (3) The provisions of Article 52 (2) and (3) shall be applicable mutatis mutandis to the personnel of the Korea Consumer Protection Board as referred to in paragraph (2).

[\[This Article Newly Inserted by Act No. 5030, Dec. 29, 1995\]](#)

#### Article 50 (Fiction as Public Officials in Application of Penal Provisions)

The officers of the Korea Consumer Protection Board, members of the Settlement Commission and staff and personnel as prescribed by the Presidential Decree shall be considered as public officials in application of Articles 129 through 132 of the Criminal Act.

#### Article 51 (Application Mutatis Mutandis)

The provisions of the Civil Act relating to the juridical foundation shall be applicable mutatis mutandis to matters not provided for in this Act with respect to the Korea Consumer Protection Board.

### CHAPTER VII PROCEDURE OF INVESTIGATION, ETC.

[Article 52 \(Inspection and Submission of Materials, etc.\)](#) (1) The head of the central administrative agency may have any public official under his control conduct an inspection on the goods, facilities, manufacturing process and other things of the enterpriser, or order the enterpriser concerned to make a report on his business or to submit the goods, documents, etc. in question, on such terms and conditions as the Presidential Decree may determine in any of the following subparagraphs:

[<Amended by Act No. 5748, Feb. 5, 1999>](#)

1. Where it is necessary to provide information for consumers pursuant to Article 11;
  2. Where it is necessary to handle consumers' dissatisfaction and damages pursuant to Article 12 (1); and
  3. Where it is necessary to confirm whether the enterpriser has violated this Act.
- (2) Any public official who conducts the inspection under paragraph (1), shall carry with himself a certificate indicating his competence, and show it to the person concerned.
- (3) Any public official who is engaged in the duties as prescribed by this Act, shall not use the particulars which he has learned through the inspection, submitted goods or documents, etc. as referred to in paragraph (1), for any purpose other than that for enforcing this Act.
- (4) The head of the central administrative agency may, if necessary to take policy measures for the protection of consumers, request the president of the Korea Consumer Protection Board to furnish information necessary for the protection of consumers such as the state of damage and the results of investigation into actual conditions of consumers. [<Newly Inserted by Act No. 6431, Mar. 28, 2001>](#)

[\[This Article Newly Inserted by Act No. 5030, Dec. 29, 1995\]](#)

#### Article 52-2 (Hearings)

Where the head of the central administrative agency intends to take measures such as orders under Articles 17-4 and 17-5, he shall hold hearings: Provided, That this shall not apply to the case of the proviso of Article 17-4 (1). [<Amended by Act No. 6431, Mar. 28, 2001>](#)

[\[This Article Wholly Amended by Act No. 5748, Feb. 5, 1999\]](#)

Article 52-3 Deleted. [<by Act No. 5748, Feb. 5, 1999>](#)

Article 52-4 Deleted. [<by Act No. 5748, Feb. 5, 1999>](#)

Article 52-5 Deleted. [<by Act No. 5748, Feb. 5, 1999>](#)

**Article 52-6 (Request, etc. for Provision of Data and Information)** (1) Consumer organizations and the Korea Consumer Protection Board may request an enterpriser or enterprisers' organization to provide data and information necessary to promote their activities. In this case, the enterpriser or enterprisers' organization shall comply with such request unless there exists any justifiable cause.

(2) A consumer organization or the Korea Consumer Protection Board which makes requests for data and information pursuant to paragraph (1) shall inform the enterpriser or enterprisers' organization in advance of the purpose and procedures, etc. for using such data and information.

(3) In making a request for data and information pursuant to paragraph (1) by any consumer organization, it shall be subject to consultation and coordination with the consumer information request council under Article 52-7.

(4) The matters on the qualifications for consumer organizations which can request data and information pursuant to paragraph (1) and the scope, etc. of data and information shall be determined by the Presidential Decree.

(5) Data and information which an enterpriser or enterprisers' organization provides to consumer organizations pursuant to paragraphs (1) through (4) shall not be used for purposes and in procedures other than those made known in advance to the enterpriser or enterprisers' organization.

[\[This Article Newly Inserted by Act No. 5748, Feb. 5, 1999\]](#)

**Article 52-7 (Consumer Information Request Council)** (1) A consumer information request council (hereinafter referred to as the "council") shall be established at the Korea Consumer Protection Board to deliberate on and coordinate the following matters relating to a request for the provision of data and information by consumer organizations under Article 52-6 (1):

1. Matters on the scope of and purpose and procedures for use of data and information requested by consumer organization; and
2. Other matters as determined by the Presidential Decree.

(2) The matters necessary for the composition and operation, etc. of the council shall be determined by the Presidential Decree.

[\[This Article Newly Inserted by Act No. 5748, Feb. 5, 1999\]](#)

## CHAPTER VIII PENAL PROVISIONS

**Article 53 (Penal Provisions)** (1) Any person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than three years or by a fine not exceeding 50,000,000 won: [<Amended by Act No. 5030, Dec. 29, 1995; Act No. 5748, Feb. 5, 1999; Act No. 6431, Mar. 28, 2001>](#)

1. A person who violates an order issued under Article 17-4 (1) or 17-5; and
2. A person who violates the provisions of Article 52-6 (5).

(2) In a case as referred to in paragraph (1), both punishment of imprisonment and a fine may be imposed concurrently.

(3) Deleted. [<by Act No. 6431, Mar. 28, 2001>](#)

**Article 53-2 (Fine for Negligence)** (1) Any person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding 30,000,000 won:

1. A person who violates Article 16 (1) through (4);
2. A person who violates Article 17 (1);
3. A person who violates Article 30; and
4. A person who refuses, interferes with, or evades an inspection under Article 52 (1), and a person who fails to present related goods or documents, etc. or presents them falsely.

(2) The fine for negligence under paragraph (1) shall be imposed and collected by the head of the central administrative agency or the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do governor concerned (hereinafter referred to as the "imponent") under the conditions as prescribed by the Presidential Decree.

(3) The standards for imposition of the fine for negligence under paragraph (1) shall be prescribed by the Presidential Decree.

(4) Any person who is dissatisfied with the disposition of the fine for negligence under paragraph (2) may raise an objection to the imponent within 30 days from the date he is notified of the disposition.

(5) If any person who is subjected to the disposition of the fine for negligence under paragraph (2) makes an objection pursuant to paragraph (4), the imponent shall forthwith notify the competent court, which shall, upon receipt of such notification, bring the case of the fine for negligence to trial under the Non-Contentious Case Litigation Procedure Act.

(6) If no objection is raised and no fine for negligence is paid within the period under paragraph (4), it shall be collected pursuant to the examples of disposition on national or local taxes in arrears.

[This Article Newly Inserted by Act No. 6431, Mar. 28, 2001]

#### Article 54 (Joint Penal Provisions)

If a representative of a juristic person or an agent, servant or any other employee of a juristic person or individual has committed an offense as prescribed in Article 53 (1) in connection with activities of the juristic person or individual, the fine as prescribed in the said Article shall also be imposed on the juristic person or individual, in addition to the punishment of the person who committed such offense.

<Amended by Act No. 5030, Dec. 29, 1995>

#### ADDENDA

Article 1 (Enforcement Date)

#### ADDENDA<Act No. 4980, Dec. 6, 1995>

Article 1 (Enforcement Date)

#### ADDENDUM<Act No. 5030, Dec. 29, 1995>

This Act shall enter into force on April 1, 1996.

#### ADDENDA<Act No. 5453, Dec. 13, 1997>

Article 1 (Enforcement Date)

#### ADDENDA<Act No. 5748, Feb. 5, 1999>

(1) (Enforcement Date) This Act shall enter into force two months after the date of its promulgation.

#### ADDENDUM<Act No. 6431, Mar. 28, 2001>

This Act shall enter into force on July 1, 2001.

#### ADDENDUM<Act No. 6946, Jul. 29, 2003>

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

☐ [ADDENDA<Act No. 7064, Jan. 20, 2004>](#)

(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation.

(2) (Applicable Example) The amended provisions of Article 17-5 shall apply starting with the violating acts taking place for the first time after the enforcement of this Act.