

Ministry of Environment Announces Jan. 1, 2021 Effective Date for the Amended Enforcement Decree of the Resource Circulation Act

Korea's Ministry of Environment (the "**MOE**") announced that the amendment to the Enforcement Decree of the "Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles" (the "**Resource Circulation Act**") (this "**Amendment**") will become effective on January 1, 2021.

Between July 9 and July 20, 2020, the MOE sought public comments on the proposed amendment to the Enforcement Decree of the Resource Circulation Act. Among the key changes include a broader scope of electrical/electronic equipment subject to restrictions on the use of certain hazardous substances, and expanded restrictions of the use of hazardous substances in electrical/electronic equipment.

1. Key Changes of This Amendment

A. Broader scope of electrical/electronic equipment subject to restrictions on the use of certain hazardous

Under the existing Resource Circulation Act, the restriction of the use of hazardous substances is applicable to 26 items, including refrigerators and washing machines, among products.

This Amendment, by comparison, proposes to expand the scope of the restriction by adding an additional 23 items, including dehumidifiers, electric massagers and scanners, amounting to a total of 49 items.

Current (26 Items)	Additional Equipment Subject to Regulation (23 Items)
Television, refrigerator, washing machine, air conditioner, personal computer, printer, copy machine, fax machine, electric water purifier, electric oven, microwave, food processor, dish dryer (including dishwasher), electric bidet, air purifier, electric heater, audio, electric rice cooker, water softer, humidifier, electric iron, fan, mixer, vacuum, video player, cellular phone	Vending machine, navigation, wired and wireless router, running machine, scanner, food dryer, boiling pots, electric frypan, video game machine, electric water heater, electric kettle, foot bath machine, sewing machine, baking machine, dehumidifier, coffeemaker, dehydrator, toast machine, electric deep fryer, hair dryer, beam projector, electric massager, security camera

B. Expanded restrictions of the use of hazardous substances in electrical/electronic equipment

Under the existing Resource Circulation Act, there are 6 hazardous substances, which are prohibited in the manufacturing of electrical and electronic equipment (e.g., lead, mercury).

This Amendment proposes to expand the number of substances that are prohibited in manufacturing electrical and electronic equipment to 10, by prohibiting 4 additional phthalitic materials that are used to soften the polyvinyl chloride.

Current (6 Substances)	Additional Substances Subject to Regulation (4 Substances)
Lead, mercury, hexavalent chromium, polybrominated biphenyl, polybrominated diphenyl ether, cadmium	Diethylhexyl phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), diisobutyl phthalate (DIBP)

2. Key Implications

In essence, this Amendment adopts the EU’s Restriction of Hazardous Substances (“RoHS”) Directive. As you may know, the EU is known to have some of the world’s highest environmental standards.

The reasoning behind the Korean legislators’ proposed adoption of the EU’s RoHS Directive is to enhance the competitiveness of domestic products, which are exported to other countries, and to minimize the risk of any potential administrative disposition or corrective action in other countries, to which the products are exported (e.g., product recall). In addition, this Amendment is designed to protect the environment and consumers from hazardous substances that may be found in the imported products in the Korean market.

Should this Amendment become effective in January 2021, manufacturers and importers of electrical and electronic equipment subject to the restrictions will have to comply with the standard for hazardous substances contained in products (i.e., less than 0.1 percent concentration of the homogeneous substance by weight). This may require manufacturers and importers of various electrical and electronic equipment – including vending machine, hair dryer, coffee maker, navigation, or router – to confirm the content of the hazardous substances in the relevant equipment (which in turn may require improvement to the manufacturing process).

Further, under this Amendment, phthalitic materials that are often used as plasticizer to soften the polymer in the manufacturing of electrical and electronic parts are listed as hazardous substances prohibited in electrical and electronic equipment. It

should be noted that these substances have been regulated since the 1990s, as they were prohibited from being used to manufacture products, which can be directly exposed to the human skin (e.g., clothing, toys). However, such substances have been widely used by manufacturers. The new regulations may pose challenges to manufacturers, who will have to manage their manufacturing process in a way to allow them to control the phthalitic materials (contents) in their products.

Moreover, the MOE announced in a press release that it is planning to introduce a transitional provision to minimize the damages that the electrical and electronic equipment manufacturers and importers may incur by providing a grace period until the end of this year. Specifically, the existing regulations will continue to apply on the equipment manufactured or imported before December 31, 2020.

When this Amendment becomes effective, it may affect the manufacturing process of the electrical and electronic equipment, and as such, it will be necessary to continuously monitor how the new regulations are enforced.

Should you have any questions regarding the contents of this newsletter, please do not hesitate to contact us.

Contact us



Su-Yong Jung

Partner

T. 82-2-316-4345
E. syjung@shinkim.com



Seong Ik Hwang

Partner

T. 82-2-316-4417
E. sihwang@shinkim.com



Jae Wook Ryu

Partner

T. 82-2-316-1635
E. jwryu@shinkim.com



Da Yoon Shin

Foreign Attorney

T. 82-2-316-1749
E. dyshin@shinkim.com



Gjumin Kim

Associate

T. 82-2-316-4412
E. gmkim@shinkim.com

SHIN & KIM

법무법인(유) 세종

법무법인(유) 세종 뉴스레터의 게재된 내용 및 의견은 일반적인 정보 제공 목적으로 발행된 것이며, 이에 수록된 내용은 법무법인(유) 세종의 공식적인 견해나 구체적인 사안에 관한 법률의견이 아님을 알려드립니다.

The content and opinions expressed within Shin & Kim LLC's newsletter are provided for general informational purposes only and should not be considered as rendering of legal advice for any specific matter.

서울시 종로구 종로3길 17 디타워 D2 23층 (우)03155 T. 02-316-4114 <https://www.shinkim.com>
