



Environment Ministry Introduces Consolidated Plan for Prevention and Control of Chemical Accidents

2021.04.09

The proposed amendment to the Enforcement Decree of the Chemical Substance Control Act (the “**Amended Enforcement Decree**”), providing the details for the implementation of a consolidated system for prevention and control of chemical accidents passed the Cabinet meeting on March 23, 2021, and became effective on April 1.

The purpose of the Amended Enforcement Decree is to: (i) have the “offsite consequence analysis report” and “risk management plan” consolidated under one plan, the “plan for prevention and control of chemical accident”; and (ii) to align the requirements under the Amended Enforcement Decree with those under the amended Chemical Substance Control Act, which also became effective on April 1.

Below is summary of the key changes under the amended Chemical Substance Control Act, including the introduction of a consolidated system for prevention and control of chemical accidents and their implications.

Background

Before the recent amendment to the Chemical Substance Control Act became effective, a person or entity, who establishes and operates a business involving hazardous chemical substances, was required to submit an offsite consequence analysis report.

In addition, a person or entity operating “substances requiring preparation for accidents” (사고대비물질 in Korean which refers to chemical substances highly likely to cause chemical accident due to their high acute hazard, explosiveness, etc., or likely to cause severe damage where a chemical accident occurs) in excess of the limit provided under the Amended Enforcement Decree was required to submit a risk management plan to the relevant government authority every 5 years.

Considering that a substantial portion (about 47%) of an offsite consequence analysis report and a risk management plan either overlaps or can be replaced by the information provided in each document, and to increase coherence

between prevention (covered by offsite consequence analysis report) and control measures against chemical accidents (covered by risk management plan), the Ministry of Environment ("MOE") decided to consolidate the offsite consequence analysis report and risk management plan and replace them with one single plan for prevention and control of chemical accidents.

As a result, applicants will no longer need to prepare two reports or have them reviewed separately.

Key Changes under the Amended Chemical Substance Control Act

1. Newly-introduced consolidated system to prevent and control chemical accidents

Prior to the Amendment	Post-Amendment
Businesses dealing in hazardous chemical substances had to submit offsite consequence analysis report and a separate risk management plan.	One consolidated plan for prevention and control of chemical accidents may be submitted Document to be submitted has been simplified, and the review must be completed within a shorter period of time (changed from 60 days to 30 days).
An offsite consequence analysis report had to be submitted <u>regardless of the amount of hazardous chemical substances</u> handled by a facility.	Laboratories and schools that handle only a small amount of hazardous chemical substances with no offsite consequences are exempt from the submission requirement.
A chemical substance handling officer was required to supervise the loading and unloading of hazardous substances. It was difficult to load/unload large amount of hazardous substances at the same time, which delayed the work process.	Not only a chemical substance handling officer, but also other designated persons, who complete safety training, may supervise the loading/unloading of hazardous substances. As such, it will become easier to respond to onsite needs.
A subcontractor handling hazardous chemical substances was required to resubmit all documents, in case of any changes to the information reported to the MOE.	A new provision added, allowing subcontractors to update previously submitted information instead of resubmitting the entire document.
Facilities handling hazardous chemical substances were subject to regular and ad hoc inspection regardless of the level of danger.	Laboratories and school facilities are exempt from regular and ad hoc inspection.

2. Obligation to submit a prevention & control plan (per class)

Class Type		Prior to the Amendment	Post-Amendment Changes
1	Businesses handling substances requiring preparation for accidents or hazardous chemical substances in excess of the upper limit set forth under the applicable law	Offsite consequence analysis report and a separate risk management plan	A plan for prevention and control of chemical accidents (for Class 1)
2	Businesses handling hazardous chemical substances, the amount of which falls between the lower and upper limits set forth under the applicable law	Offsite consequence analysis report	A plan for prevention and control of chemical accident (for Class 2, except the external emergency response plan which is only required for Class 1)
3	Businesses handling hazardous chemical substances, the amount of which does not exceed the lower limit set forth under the applicable law	(Simplified) offsite consequence analysis report	Waived

3. Key changes

- **Change in the function of the hazardous chemical substance handling officer:** Change from preparing and submitting risk management plan to preparing, submitting and enforcing a plan for prevention and control of chemical accidents.
- **Change in the scope of the person in charge of the chemical substances posing a risk to human health or the environment:** Changed to the person in charge of the preparation of a plan for prevention and control of chemical accidents.

Significance/Implications

The purpose of the amended Chemical Substance Control Act is to introduce a consolidated report system, such that businesses are no longer required to submit an offsite consequence analysis report and a risk management plan separately, and to allow businesses to concentrate on the prevention of chemical accidents by complying with their chemical accident prevention and control plan.

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

Key Contacts

Su-Yong Jung

Partner

+82-2-316-4345

syjung@shinkim.com

Jae Wook Ryu

Partner

+82-2-316-1635

jwryu@shinkim.com

Gjumin Kim

Partner

+82-2-316-4412

gmkim@shinkim.com

In-Hyeok Baek

Partner

+82-2-316-4130

ihbaek@shinkim.com

Da Yoon Shin

Senior Foreign Attorney

+82-2-316-1749

dyshin@shinkim.com