

Amendment of the Enforcement Decree of the Framework Act on Environmental Policy – Disclosure of Environmental Regulation Violation

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The proposed amendment to the Enforcement Decree of the Framework Act on Environmental Policy (the “**Amended Enforcement Decree**”) passed the Cabinet meeting on June 29, 2021, and became effective on July 6, 2021. The Amended Enforcement Decree provides the details for the disclosure of environmental regulation violation. The Enforcement Decree has been amended subsequent to the amendment to the Framework Act on Environmental Policy (law no. 17857, as amended on January 5, 2021, and which became effective on July 6, 2021) (the “**Act**”). Below is a summary of the key changes and implications under the Amended Enforcement Decree.

[1] Background

Under the Act, the Minister of Environment or the head of the relevant local government has the authority to disclose violation of a regulation governing environmental preservation in order to secure safety and health of the local residents and prevent environmental crimes (Article 30(3) of the Act).

Before the Act was amended on January 5, 2021, however, the Act only prescribed the timing of the disclosure in case of an environmental regulation violation which resulted in an administrative disposition. It did not provide details on how and what to disclose in case where there is a violation of environmental regulation but no administrative disposition has taken place.

In order to provide further guidance on disclosure, Article 30(4) was introduced to the Act, which provides that the details for the disclosure of environmental regulation violation shall be determined by an enforcement decree.

[2] Key Changes under the Amended Enforcement Decree

Under the Amended Enforcement Decree, if the Minister of Environment or the head of the relevant local government issues an administrative disposition for violation of an environmental regulation, relevant information must be disclosed as follows (Article 12-3 of the Amended Enforcement Decree):

Location of Disclosure (Medium)	<ul style="list-style-type: none"> • Internet webpage • Daily newspapers or other medium delivered nationwide
Details of Disclosure	<ul style="list-style-type: none"> • Details of violation • Information on the person/entity who violated environmental regulation • Details of the administrative disposition

[3] Significance/Implications

Under the Amended Enforcement Decree, we expect the environmental regulation violations to be more actively disclosed. As ESG (environmental, social and governance) is becoming an important factor to consider not only in corporate management but also in investment decisions, including issuance of bonds or extension of credits, the disclosure of environmental regulations violation on the internet or daily newspapers that can be easily accessed by the public may have a significant impact on the ESG management assessment. Therefore, it is becoming even more important that the companies implement a compliance program to prevent violations of environmental regulations and adequate response protocol.

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

[\[Korean version\]](#) 환경법령 위반사실 공표에 관한 환경정책기본법 시행령 개정

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