

INFORMATION AND COMMUNICATIONS CONSTRUCTION BUSINESS ACT

[Partially Amended by Act No. 8867, Feb. 29, 2008]

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to promote the appropriate performance of information and communications construction work and the sound development of construction business by providing for the fundamental requirements for inspection, design, performance of construction, supervision, maintenance and management, technical management, etc. of information and communications construction work and the necessary matters for the registration of information and communications construction business, and the contracts, etc. of information and communications construction work. <Amended, Feb. 5, 1999>

Article 2 (Definitions)

For the purpose of this Act, <Amended, Feb. 5, 1999; Jan. 16, 2001; Feb. 29, 2004>

1. the term “information and communications facilities” means machinery, equipment, cables, or other facilities necessary for storing, controlling, processing, transmitting, or receiving information made of codes, characters, sounds, visual images, etc., by using wire, wireless, optical fiber, or other electromagnetic means;
2. the term “information and communications construction work” means any construction work for the installation, maintenance and repair of information and communications facilities and works appurtenant thereto, which are prescribed by the Presidential Decree;
3. the term “information and communications construction business” means a business for carrying out information and communications construction work subject to the application of this Act (hereinafter referred to as the “construction work”), irrespective of the type of contract and its title, etc.;
4. the term “information and communications construction business operator” means a person who registers an information and communications construction business as prescribed in this Act (hereinafter referred to as the “construction business”) and operates the construction business;
5. the term “services” means work done or functions performed for another person upon his entrustment in respect of inspection, design, supervision, business management, maintenance, or management, etc., relating to the construction work;
6. the term “service business” means the undertaking of services in pursuit of business;
7. the term “service provider” means a person undertaking service business with qualification in the information and communication-related fields as prescribed by the Presidential Decree, such as the communications or electronic data processing, who has registered as a person conducting engineering activities under the provisions of Article 4 of the Engineering Technology Promotion Act, or as a founder of a certified technicians’ and engineers’ office under the provisions of Article 6 of the Certified Technicians and Engineers Act;
8. the term “design” means formulation of plans, drawings, specifications, documents on details

- of construction cost, technology computation documents relating to construction work (excluding the building construction work under the provisions of Article 4 of the Certified Architects Act), and other written materials related thereto (hereinafter referred to as “design documents”);
9. the term “supervision” means the exercise of authority by the service provider on behalf of the project owner to carry out management as to whether construction work is properly carried out in accordance with design documents and relevant regulations and to guide quality control, management of performance of construction work, safety control, etc., in respect of construction work (excluding the building construction work under the provisions of Article 4 of the Certified Architects Act);
 10. the term “supervisor” means a person who has been recognized by the Korea Communications Commission as referred to in the provisions of Article 8, who has technological knowhow or technical skill for supervision of construction work (excluding the building construction work under the provisions of Article 4 of the Certified Architects Act);
 11. the term “project owner” means a person entering into contract of construction work (including contract of services; hereafter the same shall apply in this Article) with a construction business operator (including a service provider; hereafter the same shall apply in this Article), who is not a primary contractor entering into subcontract for contracted construction work;
 12. the term “contract” means an agreement under which the performance of construction work is undertaken for an agreed price to be paid by the project owner for the results of such work, irrespective of designations of original contract, subcontract, entrustment, or others;
 13. the term “subcontract” means an agreement that is entered into between a primary contractor and a third party with regard to a portion of contracted construction;
 14. the term “primary contractor” means a construction business operator who enters into contract with an project owner for the performance of construction work;
 15. the term “subcontractor” means a construction business operator who has contracted with a primary contractor for the performance of construction work; and
 16. the term “information or communications technician” means a person who has obtained qualification in the field of information and communication under the National Technical Qualifications Act, or who has technological know-how or technical skill about information and communications equipment, and who has been recognized by the Korea Communications Commission as referred to in the provisions of Article 39.

Article 3 (Restriction of Construction Work)

Any person other than an information and communications construction business operator (hereinafter referred to as a “construction business operator”) may not contract for or perform the construction work, provided that this shall not apply to any of the following subparagraphs:
<Amended, Feb. 5, 1999; Jan. 16, 2001; Feb. 29, 2008>

1. Where main communications operators, with the permission of the Korea Communications Commission under the provisions of Article 5 of the Telecommunications Service Act, undertake the performance of construction work for permitted work or tasks;
2. Where minor construction work prescribed by the Presidential Decree is to be contracted or performed; or
3. Where the installation works of cable tunnel or underground conduit to be concurrently

constructed appendent to road construction, are contracted or performed under the conditions as prescribed by the Presidential Decree.

Article 4 (Duty of Good Faith of Construction Business Operator)

A construction business operator shall conduct his business in good faith in conformity with the Acts and subordinate statutes applicable to construction work and services, and design documents, etc., so as to secure the required quality and safety of information and communications facilities.

Article 5 (Measures in respect of Foreign Construction Business Operator)

The Korea Communications Commission may, if necessary for the registration of construction business by a foreigner or foreign juristic person, determine the standards for the recognition of qualifications, academic backgrounds and careers relating to the construction business in a foreign country. <Amended, Feb. 5, 1999; Feb. 29, 2008>

CHAPTER II DESIGN AND SUPERVISION OF CONSTRUCTION WORK

Article 6 (Compliance with Technical Standards)

- (1) A person designing construction work shall design appropriately to meet the technical standards prescribed by the Presidential Decree.
- (2) A supervisor shall perform supervision on construction work to conform with design documents and relevant regulations.

Article 7 (Design, etc.)

- (1) A project owner shall give to service providers orders for designing construction work.
- (2) A person who has prepared design documents under the provisions of Paragraph (1) shall sign them, or sign and put his seal on them.
- (3) The scope of construction works to be designed under the provisions of Paragraphs (1) and (2), the keeping of design documents, and other necessary matters shall be determined by the Presidential Decree.

Article 8 (Supervision, etc.)

- (1) A project owner shall give to service providers orders for supervision on construction works.
- (2) A service provider to whom orders for supervision on construction works are given according to the provisions of Paragraph (1) shall have a supervisor perform supervision on construction works.
- (3) A person who intends to obtain a recognition as a supervisor shall file an application with the Korea Communications Commission under the conditions as determined by the Presidential Decree . <Amended, Jan. 29, 2004; Feb. 29, 2008>
- (4) Where an applicant as referred to in Paragraph (3) comes to be equivalent to the supervisor's qualifications as prescribed by the Presidential Decree, the Korea Communications Commission shall recognize him as the supervisor. <Newly Inserted, Jan. 29, 2004; Feb. 29, 2008>

(5) Where the Korea Communications Commission recognizes an applicant as referred to in Paragraph (3) as the supervisor, he shall deliver a certificate of the qualification of supervisor (hereinafter referred to as the “qualification certificate”) to the relevant supervisor. <Newly Inserted , Jan. 29, 2004; Feb. 29, 2008>

(6) The supervisor shall not have other persons conduct the supervision duties by using his name, or lease his qualification certificate. <Newly Inserted Jan. 16, 2001>

(7) The scope of construction works to be supervised pursuant to the provisions of paragraph (1), the scope of works and standards of placement for the supervisor under the provisions of paragraph (2), and other matters necessary for the performance of the supervision shall be determined by the Presidential Decree. <Amended, Jan. 29, 2004>

Article 9 (Order, etc. for Stay of Construction Work by Supervisor)

(1) In cases where a construction business operator fails to perform construction work in compliance with the contents of design documents and relevant regulations, a supervisor, with the consent of the project owner, may issue orders for renewal or stay of performance of construction work, or take other necessary measures.

(2) A construction business operator at whom orders for renewal or stay of performance of construction work or other necessary measures are directed by the supervisor in accordance with the provisions of paragraph (1), shall comply with such orders unless there are particular reasons to do the contrary.

Article 10 (Corrective Measures against Supervisor)

In case where it is feared that construction works go wrong because a supervisor fails to perform his work in good faith, a project owner may take the necessary measures, including corrective directives, etc., as prescribed by the Presidential Decree.

Article 11 (Notification of Results of Supervision)

The service provider to whom orders for supervising construction works are given in accordance with the provisions of Article 8 (1) shall notify, the project owner in writing of the results of the supervision determined by the Presidential Decree when the supervision of construction works has been completed. <Amended, Feb. 29, 2008>

Article 12 (Restriction of supervision by Construction Business Operator)

Performance of construction work and supervision of construction works may not be allowed to be done concurrently when a construction business operator is the same person as a service provider, or when a construction business operator is related to a service provider as set forth in any of the following subparagraphs:

1. Where there are relations between a parent company and a subsidiary as prescribed by the Presidential Decree;
2. Where there are relations between a corporation and its directors and employees; or
3. Where the persons have kinship from each other as set forth under the provisions of Article 777 of the Civil Act.

Article 12-2 (Fosterage of Service Business)

(1) The Korea Communications Commission may, if necessary for promoting the improvement of technology standards concerning services and the sound development of service business, establish and execute a policy to foster and support any service business appropriate for a peculiarity of construction work in consultation with the Minister of Science and Technology and the head of a central administrative agency concerned. <Amended, Feb. 29, 2008>

(2) The Korea Communications Commission may, if necessary for the establishment of a policy as prescribed in paragraph (1), request the Minister of Science and Technology and the head of a central administrative agency concerned to submit materials concerning a present state of service business, etc. [This Article Newly Inserted, Feb. 5, 1999]

CHAPTER III PERFORMANCE OF CONSTRUCTION WORKS

SECTION 1 Registration, etc. of Construction Business

Article 13 Deleted. <Feb. 5, 1999>

Article 14 (Registration of Construction Business, etc. <Feb. 5, 1999>)

(1) Any person who intends to operate the construction business shall register it with the mayor of a special or metropolitan city or a governor of a province (hereinafter referred to as the “mayor or governor”) under the conditions as prescribed by the Presidential Decree. <Amended, Feb. 5, 1999; Jan. 29, 2004>

(2) A person who has registered the construction business as referred to in Paragraph (1) shall file a report on the matters concerning the standards of registration as referred to in Article 15 with a mayor or governor each time when the period prescribed by the Presidential Decree within the limit of less than three years elapses, under the conditions as determined by the Presidential Decree. <Newly Inserted, Jan. 29, 2004>

(3) The mayor or governor shall issue a registration certificate and card if the construction business is registered with him under Paragraph (1). <Amended, Feb. 5, 1999; Jan. 29, 2004>

Article 15 (Standards for Registration)

The standards for the registration of construction business shall be prescribed by the Presidential Decree in consideration of any of the following matters: <Amended, Feb. 5, 1999>

1. Technical capability;
2. Capital (amount of asset valuation, in the case of an individual); and
3. Other necessary matters.

Article 16 (Disqualifications for Registration)

A person falling under any of the following subparagraphs may not register the construction business: <Amended, Feb. 5, 1999; Jan. 16, 2001>

1. An incompetent or quasi-competent person;
2. A person who was declared bankrupt and have not yet been reinstated;
3. A person for whom, after being sentenced to imprisonment without prison labor or to a heavier punishment for violating the provisions of this Act, a period of three years has not yet elapsed from the day when he completed his sentence (including cases where he is deemed to have completed his sentence) or from the day on which the said completion of sentence was remitted, or who is in the course of a suspended sentence;
4. A person for whom, after being sentenced to a fine for a violation of the provisions of this Act, two years have not yet elapsed;
5. A person for whom the period of two years has not yet elapsed after the registration has been cancelled under this Act;
6. A person for whom, after being sentenced to imprisonment without prison labor or to a heavier punishment for any crime as referred to in the National Security Act or Chapters I and II of Part II of the Criminal Act, a period of three years has not yet elapsed from the day when he completed his sentence (including the cases where he is deemed to have completed his sentence) or from the day on which the said completion of sentence was remitted, or who is in the course of a suspended sentence; and
7. A corporation that has the persons falling under Subparagraphs 1 through 6 among its directors.

Article 17 (Transfer of Construction Business, etc.)

(1) A construction business operator who falls under any of the following subparagraphs shall make a report to a mayor or governor under the conditions as prescribed by the Presidential Decree: <Amended, Feb. 5, 1999; Jan. 16, 2001; Jan. 29, 2004>

1. When he intends to transfer the construction business (including the case where the construction business operator, being a corporation, intends to transfer the construction business to the corporation which is established or survived after division or merger through division; hereinafter the same shall apply); and
2. When construction business operators, being corporations, intend to be merged or where a construction business operator, being a corporation, intends to be merged with other corporation which is not a construction business operator.

(2) In cases where the transfer of construction business has been reported under Paragraph (1), the transferee of construction business succeeds to the status of the transferor of construction business as a construction business operator; in case where the merger of corporations has been reported, a corporations created or remaining after the merger succeeds to the status of the corporation as a construction business operator that is dissolved because of merger. <Amended, Feb. 5, 1999>

(3) The provisions of Articles 15 and 16 shall apply in a report as prescribed in Paragraph (1). <Amended, Feb. 5, 1999>

Article 18 Deleted. <Feb. 5, 1999>

Article 19 (Subjects of Transfer of Construction Business, etc.)

(1) A person who intends to transfer construction business shall transfer both the rights and the duties of construction business that fall under the following subparagraphs:

1. Rights and duties relating to a contract for construction work still being carried out; or
 2. Rights and duties relating to repairs of said defects, where the term of guarantee for defects does not expire with regard to completed construction works.
- (2) In the case of Paragraph (1), when construction work is still being performed, the said construction business may not be transferred unless the project owner of the construction work gives consent or the contract for the construction work expires.

Article 20 Deleted. <Feb. 5, 1999>

Article 21 (Inheritance of Construction Business)

- (1) When a construction business operator is dead, his heir shall succeed to the position, rights and obligations of the said construction business operator under this Act.
- (2) Deleted. <Feb. 5, 1999>

Article 22 (Continuing Performance of Construction Work by Operator, etc. of Construction Business whose Registration is Canceled) <Amended, Feb. 5, 1999>

- (1) A construction business operator or his universal successor toward whom a disposition of suspension of business or cancellation of registration is taken under Article 66, may be allowed to continue to carry out the construction work that has been contracted before such a disposition was taken or that commenced with a permission or authorization, etc. as prescribed in relevant Acts and subordinate statutes. <Amended, Feb. 5, 1999>
- (2) A construction business operator or his universal successor toward whom a disposition of suspension of business or cancellation of registration is taken under Article 66, shall give notice of the contents of such a disposition to the project owner ordering the construction work concerned without delay. <Amended, Feb. 5, 1999>
- (3) A construction business operator shall be regarded as such until the construction work has finished, in cases where he has to continue to carry out the construction work pursuant to Paragraph (1) even after his construction business registration is canceled. <Amended, Feb. 5, 1999>
- (4) A project owner may terminate the contract within 30 days from the date on which he is notified by a construction business operator in accordance with Paragraph (2), or when he becomes aware of the fact, except where there are particular grounds to the contrary.

Article 23 (Reporting Obligation of Construction Business Operator)

- (1) A construction business operator shall file reports with a mayor or governor (including the report utilizing the information and communications network as referred to in Article 2 (1) 1 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc.; hereafter the same shall apply in Paragraph (2) under the conditions as prescribed by the Presidential Decree, when there are changes in trade names or title and other matters as prescribed by the Presidential Decree. <Amended, Jan. 29, 2004; Feb. 29, 2008>
- (2) Any person falling under any of the followings subparagraphs shall report a discontinuance of construction business to mayor or governor: <Amended, Jan. 29, 2004>
 1. An administrator in bankruptcy if a construction business operator is bankrupted;
 2. A liquidator if a corporation is dissolved for reasons other than merger or bankruptcy;

3. An heir who does not inherit the construction business when the construction business operator dies; and
4. An individual or representative of a corporation who was the operator of a construction business, if the construction business discontinued operation due to any cause other than those mentioned in Subparagraphs 1 through 3.

Article 24 (Prohibition of Leasing of Registration Certificate of Construction Business, etc.)

A construction business operator shall not allow another person to use his name or trade name for the making of a contract or the performance of construction work, and shall not lease his registration certificate or registration card. <Amended, Feb. 5, 1999>

Article 24-2 (Establishment of Policy to Foster Construction Business, etc.)

(1) The Korea Communications Commission may, if necessary for the sound development of construction business, establish and execute a fostering policy necessary therefor. <Amended, Feb. 5, 1999>

(2) The Korea Communications Commission may, if deemed necessary for the balanced fosterage of construction business, request the State, a local government and a public agency subject to Article 2 of the Act on Management of Public Agencies ordering the construction work to increase an participation opportunity for a small and medium construction business operator and to take other necessary measures. In this case, the State, a local government and a government-invested institution shall positively cooperate therefor unless there is any special ground. <Amended, Feb. 5, 1999> [This Article Newly Inserted, Feb. 5, 1999]

SECTION 2 Contract and Subcontract

Article 25 (Separation of Contract)

Construction work shall be contracted for separately from building construction under the Framework Act on the Construction Industry or electricity construction under the Electricity Construction Business Act, provided that the same shall not apply when it would be difficult to carry out construction work separately because of its nature or the purposes of technological management, as prescribed by the Presidential Decree.

Article 26 (General Principles, etc. of Contract for Construction Work)

(1) A contract for construction work shall be entered into between parties on equal terms and in fairness based on their consent, and shall be performed in good faith.

(2) Parties to contract for construction work shall indicate their written agreement when they conclude it of the contract, the period of construction work, and other matters prescribed by the Presidential Decree, and shall deliver sealed and dated written agreements to each other and keep them.

(3) A primary contractor shall not impose upon a subcontractor practices that are recognized as unfavorable to the latter, such as designation, etc. of the place where materials are purchased, in respect of performance of contract for construction work.

(4) The corresponding provisions of the Fair Transactions in Subcontracting Act shall apply in

about subcontracts unless otherwise provided by this Act.

Article 27 (Management of Information concerning Construction Business, etc.)

(1) The Korea Communications Commission shall comprehensively manage the information concerning the construction business including the current state of supply and demand of materials and manpower necessary for the construction work and that concerning the actual results per type of construction work, capital and technological capability of a construction business operator. <Amended, Feb. 29, 2008>

(2) The Korea Communications Commission shall, upon a request from a construction business operator, evaluate and publicly announce his performance capability on the basis of the actual results of construction work, capital and technological capability and the construction work quality reliability and level of quality control of the said construction business operator, under the conditions as prescribed by the Presidential Decree. <Amended, Jan. 16, 2001; Feb. 29, 2008>

(3) A construction business operator who intends to apply for obtaining the evaluation on his performance capability under Paragraph (2) shall, under the conditions as prescribed by the Presidential Decree, submit to the Korea Communications Commission the documents on the actual results of construction work, capital and other matters as determined by the Presidential Decree. <Amended; Jan. 16, 2001; Feb. 29, 2008>

(4) If a project owner, etc. requests the provision of any information which is comprehensively managed under Paragraph (1), the Information and Communications Committee may provide any such information. <Amended, Feb. 29, 2008>

(5) The contents of the information which may be provided under Paragraph (4), the methods and procedures of provision thereof, and other necessary matters, shall be prescribed by the Presidential Decree. <Amended, Feb. 29, 2008> [This Article Wholly Amended, Feb. 5, 1999]

Article 28 Deleted. <Feb. 5, 1999>

Article 29 (Contract for Construction Work)

A project owner shall give a contract for construction work to a construction business operator, provided that the same shall not apply to the cases falling under any subparagraph of Article 3. <Amended, Jan. 29, 2004> [This Article Wholly Amended, Feb. 5, 1999]

Article 30 (Restriction on Additional Restraints for Qualification as Primary Contractor)

The State, local government, or government-invested institutions as set forth in the provisions of Article 2 of the Framework Act on the Management of Government-Invested Institutions shall not require a construction business operator to apply for registration to be qualified as primary contractors, nor restrict them from entering into contract for reasons other than those specified in this Act, unless otherwise specifically provided by the Acts and subordinate statutes.

Article 31 (Restrictions on Subcontract, etc.)

(1) No construction business operator shall subcontract the contracted construction works to another construction business operator in excess of 50/100 of them, provided that the same shall not apply to the cases falling under any of the following subparagraphs:

1. Where the project owner deems it necessary for improving the quality of works or the efficiency of works; and
 2. Where a construction business operator who delivers the materials to be used for the work performs a work for installing the materials that have been delivered.
- (2) No subcontractor shall re-subcontract the subcontracted construction work to another construction business operator, provided that the same shall not apply to the cases where the portions falling short of 50/100 of the subcontracted amount are re-subcontracted within the limit as prescribed by the Presidential Decree.
- (3) When a construction business operator intends to subcontract a part of the contracted construction work to another construction business operator, or a subcontractor intends to re-subcontract a part of the subcontracted construction work to another construction business operator, he shall obtain a consent in writing from the project owner of relevant construction work, respectively.
- (4) Details and scope, etc. of a construction work that may be subcontracted by a construction business operator as referred to in Paragraph (1) shall be prescribed by the Presidential Decree. [This Article Wholly Amended, Jan. 29, 2004]

Article 31-2 (Status of Subcontractor, etc.)

- (1) The subcontractor shall, in performing a subcontracted construction work, be liable to the project owner identically with the primary contractor.
- (2) The provisions of Paragraph (1) shall not affect any legal relationship between the primary contractor and subcontractor. [This Article Newly Inserted, Jan. 29, 2004]

Article 31-3 (Hearing Opinions from Subcontractors)

Where there exists any subcontractor in the performance of subcontracted construction works, the primary contractor shall hear in advance the opinions from the subcontractor on the method and progress of construction works and other matters deemed necessary for the relevant subcontracted construction works. [This Article Newly Inserted, Jan. 29, 2004]

Article 31-4 (Payment, etc. of Price for Subcontract)

- (1) The primary contractor shall pay in cash to the subcontractor the whole of subcontract price when he has received from the ordering person the money for completion of a construction work, and pay the amount equivalent to the portion of a subcontractor's work execution when he has received the progress payment, respectively within 15 days from the date of payment (referring to the expiration date of relevant draft, when the primary contractor has received a draft for the price of works from the project owner).
- (2) When the primary contractor has received any advance payment amount from the project owner, he shall pay an advance payment amount to his subcontractor in accordance with the details and ratio of the advance payment amount that has been paid to him, so as to get his subcontractor be able to purchase the materials, to employ the workers at construction sites, and in addition to undertake the subcontracted works. In such case, the primary contractor may demand his subcontractor to make the guarantee in preparation for the case where the latter shall repay the advance payment amount.
- (3) Where the amount of a contract is to be adjusted due to such situations as an alteration

of designs or a fluctuation in the prices of commodities, etc. after the primary contractor has concluded a subcontract, the contractor may pay the price of subcontract to his subcontractor by increasing or decreasing the said price, in accordance with the adjusted amount of work prices and its ratio. [This Article Newly Inserted Jan. 29, 2004]

Article 31-5 (Direct Payment of Subcontract Prices)

(1) Where falling under any of the following subparagraphs, the project owner may directly pay to the subcontractor any subcontract price equivalent to the portion of construction works performed by the latter. In such case, an obligation of the project owner to the primary contractor for a payment of prices shall be deemed to have extinguished within the limit of his payment to the subcontractor:

1. Where an agreement has been made between the project owner and the contractor that clarifies the purport that a price of subcontract may be directly paid to the subcontractor and the methods and procedures for such a payment;
2. Where the subcontractor has obtained the final and conclusive judgment to order the primary contractor to make a payment of the subcontract prices for the portion of a subcontractor's work execution; and
3. Where the project owner deems that there exist the evident reasons for an inability of the primary contractor to pay the subcontract prices due to his payment suspension or bankruptcy, etc.

(2) Where falling under the provisions of Paragraph (1) 3, and where deemed that there exist any concerns over causing the damages to the primary contractor due to the causes imputable to the subcontractor, the primary contractor may demand the project owner to suspend his direct payment of the subcontract prices, by clarifying the reasons therefor.

(3) Methods and procedures for the case of a direct payment of the subcontract prices as referred to in the provisions of Paragraph (1) 3 shall be stipulated by the Presidential Decree. <Amended, Feb. 29, 2008> [This Article Newly Inserted, Jan. 29, 2004]

Article 32 (Requests for Changes in Subcontractors)

(1) When the project owner deems that subcontractors violate relevant Acts and subordinate statutes or fail to conform to design documents in performing construction work, he may request, indicating his reasons, a primary contractor to change subcontractors, under the conditions as prescribed by the Presidential Decree.

(2) When it is feared most likely that the results of construction work will be affected because the primary contractor fails to respond to such requests as referred to in Paragraph (1) without any justifiable cause, the project owner may terminate the contract for construction work.

SECTION 3 Performance Management of Construction Work and Pre-Service Inspection

Article 33 (Placement of Information and Communications Technicians)

(1) A construction business operator shall place not less than one information and communications

technician at a construction site so as to manage performance of construction work or other technical matters, under the conditions as prescribed by the Presidential Decree, and shall give notice of such fact to the project owner of such construction work.

(2) The information and communications technician placed as mentioned in the provisions of Paragraph (1) may not leave the construction site without reasonable grounds, unless the project owner of the construction work approves.

(3) If a project owner deems that the information and communications technician placed as mentioned in the provisions of Paragraph (1) is markedly incapable of carrying out his functions and duties, the ordering person may request the primary contractor to replace him. In such cases, the primary contractor shall comply with such request, unless there are justifiable grounds to the contrary.

Article 34 Deleted. <Feb. 5, 1999>

Article 35 (Liability for Compensation by Construction Business Operator)

(1) A construction business operator shall be liable for compensating other persons for damages caused intentionally or negligently by insufficient management of performance of construction work.

(2) A construction business operator may exercise rights of indemnification against a project owner, where damages referred to in Paragraph (1) are caused intentionally or through gross negligence by the latter.

(3) A primary contractor shall be under joint liability with a subcontractor for payment of compensation for damages, where the subcontractor intentionally or negligently causes damage to other persons because he insufficiently manages the performance of contracted construction work.

(4) A primary contractor may, if he compensates damages pursuant to the provisions of Paragraph (3), exercise rights of indemnification against the subcontractor who is liable for the payment of compensation.

Article 36 (Pre-service Inspection of Construction Works, etc.) <Amended, Dec. 30, 2005>

(1) The person who has ordered a construction work as prescribed by the Presidential Decree (including a construction business operator who has performed his own construction work himself, and a person who has performed his own construction work himself as referred to in Subparagraph 2, Article 3) shall submit the design drawings to the head of a city/county/district (referring to the head of a autonomous district; hereinafter the same shall apply) and have it confirmed whether or not it conforms to the technical standards as referred to in Article 6 before the commencement of the construction work concerned, and use the information and communications facilities after a pre-service inspection of the head of a city/county/district in case where the relevant construction work has been completed. <Amended, Jan. 29, 2004; Dec. 30, 2005>

(2) Procedures of the confirmation before the commencement of construction work and the pre-service inspection referred to in Paragraph (1), etc. shall be determined by the Presidential Decree. <Amended, Dec. 30, 2005; Feb. 29, 2008>

Article 37 (Warranty for Repair of Defects in Construction Works)

(1) A primary contractor shall be liable for providing a project owner with a warranty for repairs of defects that occur not later than the period prescribed by the Presidential Decree according to each category of construction works, not exceeding five years from the date on which the construction works are completed.

(2) With regard to defects caused for reasons falling under any of the following subparagraphs, a primary contractor is not liable for providing a warranty to repair such defects, notwithstanding the provisions of Paragraph (1) provided that the same shall not apply where the primary contractor does not notify the project owner even if the former has become aware that the materials or directives were not appropriate:

1. Where materials supplied by the project owner fail to meet requirements of quality, measurements, etc.; and

2. Where construction work is performed according to the directives of the project owner.

(3) Where there are particular provisions in other Acts as to warranty for repair of defects in construction works (excluding Articles 670 and 671 of the Civil Act), such Acts shall be applicable.

CHAPTER IV INFORMATION AND COMMUNICATIONS TECHNICIANS

Article 38 (Training and Education of Information and Communications Technology Manpower, etc.) <Amended, Feb. 5, 1999>

(1) For the purpose of the efficient utilization and quality improvement of information and communications technology manpower such as information and communications technicians, the Korea Communications Commission may carry out programs to train information and communications technology manpower and to educate and train any person to be recognized as information and communications technology manpower. <Amended, Feb. 5, 1999; Feb. 29, 2008>

(2) The Korea Communications Commission may designate institutes to train information and communications technology manpower for the stable supply of information and communications technology manpower, and support the necessary expenses out of the Information and Communications Promotion Fund, etc. pursuant to the provisions of Article 33 of the Framework Act on Informatization Promotion. <Amended, Feb. 5, 1999; Dec. 30, 2004; Feb. 29, 2008>

(3) Matters necessary for the training, education, etc. of information and communications technology manpower shall be determined by the Presidential Decree.

Article 39 (Recognition of Information and Communications Technicians, etc.)

(1) A person who intends to obtain a recognition of an information and communications technician shall file an application with the Korea Communications Commission under the conditions as determined by the Presidential Decree. <Amended, Feb. 29, 2008>

(2) Where an applicant as referred to in Paragraph (1) comes to fall under the qualifications of information and communications technicians as prescribed by the Presidential Decree, the Korea Communications Commission shall recognize him as an information and communications technician.

<Amended, Feb. 29, 2008>

(3) Where the Korea Communications Commission recognizes the applicant as referred to in Paragraph (1) as an information and communications technician, he shall issue a certificate of levels and careers, etc. as an information and communications technician (hereinafter referred to as the “career card”) to the relevant information and communications technician. <Amended, Feb. 29, 2008>

(4) Matters necessary for the issuance and management of career card as referred to in the provisions of Paragraph (3) shall be determined by the Presidential Decree. <Amended, Feb. 29, 2008>
[This Article Wholly Amended, Jan. 29, 2004]

Article 40 (Prohibition of Concurrent Holding of Offices by Information and Communications Technician, etc.)

(1) An information and communications technician shall not be allowed to work for two or more construction business entities at the same time. <Amended, Feb. 5, 1999>

(2) An information and communications technician may not allow other persons to use his name for carrying out construction work, and shall not lease his career card.

CHAPTER V GROUPS RELATED TO CONSTRUCTION WORKS

Article 41 (Establishment of Information and Communications Contractors Association)

(1) A construction business operator may establish the Information and Communications Contractors Association (hereinafter referred to as the “Association”) for quality maintenance, the improvement of technology and construction methods, and the sound development of construction business by obtaining authorization from the Korea Communications Commission. <Amended, Feb. 29, 2008>

(2) The Association shall be a corporation.

(3) Matters necessary for the establishment, monitoring, etc. of the Association shall be determined as prescribed by the Presidential Decree.

Article 42 (Qualification for Membership)

A person who registers the construction business under Article 14 (1) may be admitted to the Association. <Amended, Feb. 5, 1999>

Article 43 (Proposal)

For the purpose of the appropriate performance of construction work and the sound development of construction business, the Association may make a proposal to the Korea Communications Commission with respect to matters concerning the construction business. <Amended, Feb. 29, 2008>

[This Article Wholly Amended, Feb. 5, 1999]

Article 44 (Application of Civil Act)

The provisions on incorporated associations under the Civil Act shall apply in the matters concerning the Association unless otherwise provided by this Act.

Article 45 (Establishment of Information and Communications Financial Cooperative)

(1) A construction business operator may establish an Information and Communications Financial Cooperative (hereinafter referred to as the "Cooperative") with the authorization of the Korea Communications Commission in order to promote independent economic activities and to provide various assurances and the financial assistance necessary for carrying out construction business through a cooperative organization. <Amended, Feb. 29, 2008>

(2) The Cooperative shall be a corporation.

(3) Matters necessary for the establishment and monitoring of the Cooperative, etc. shall be determined by the Presidential Decree.

Article 46 (Projects of Cooperative)

The projects of the Cooperative shall be determined by its articles of incorporation.

[This Article Wholly Amended, Feb. 5, 1999]

Article 47 (Appointment of Representative)

The Cooperative may appoint a representative from among the directors or employees to take judicial or non-judicial actions with regard to its operation.

Article 48 (Transfer of Shares, etc.)

(1) A member or ex-member of the Cooperative may, pursuant to the articles of incorporation, transfer its shares to other members or to those who wish to be members of the Cooperative. <Amended, Feb. 5, 1999>

(2) The transferee of shares pursuant to the provisions of Paragraph (1) above shall succeed to rights and duties of the transferor relating to such shares.

(3) The transfer of shares and the establishment of rights of pledge (limited to the cases in which shares are transferred as security for performance of obligations to the Cooperative) shall be made in accordance with the methods of transferring registered stocks or establishing pledge rights as set forth in the provisions of the Commercial Act.

(4) Attachment or provisional attachment of shares by procedures of civil execution or by procedures of coercive collection of national tax in arrears shall be done in accordance with methods of attachment or provisional attachment of designated bonds under the provisions of the Civil Execution Act. <Amended, Jan. 26, 2002>

Article 49 (Acquisition, etc. of Shares by Cooperative)

(1) The Cooperative may acquire shares owned by members or ex-members for reasons falling under any one of the following subparagraphs provided that the cases where provisions of Subparagraph 1 or 3 apply, such shares shall be acquired:

1. Where the amount of contribution is to be reduced;
2. Where it is necessary to exercise rights of security against members;

3. Where a member intending to leave the Cooperative requires the latter to acquire shares owned by the former so as to recover the former's contributed money;
 4. Where two years elapse after a member withdraws; or
 5. Where a broken lot happens as a result from the conversion of reserve funds into a contribution.
- (2) The Cooperative shall, without delay, follow the procedures for reduction of the amount of contribution when it acquires shares pursuant to the provisions of Paragraph (1) 1, and shall dispose of shares without delay where Subparagraphs 2 through 5 of the said paragraph apply.
- (3) The Cooperative shall forthwith make payment of the amount of money to be paid to a member or ex-member where it acquires shares under the provisions of Paragraph (1).
- (4) Liquidated claims that a member or ex-member has for reasons of the acquisition of shares by the Cooperative pursuant to the provisions of Paragraph (1) shall lapse if they are not exercised within five years from the date on which the shares are acquired.

Article 50 (Liability of Cooperative)

- (1) The Cooperative shall pay a guaranty for money to the guaranteed creditor in cases where grounds of payment of the guaranty arise with regard to matters for which the Cooperative provides a guaranty according to Acts and subordinate statutes, contracts, etc.
- (2) Secured rights of guaranteed creditors against the Cooperative pursuant to the provisions of Paragraph (1) shall lapse if they are not exercised within five years from the date on which the period of guaranty expires.

Article 51 (Application to Other Acts)

The provisions of the Civil Act on an incorporate association and those of the Commercial Act on accounts of a stock corporation shall apply in, unless otherwise prescribed in this Act, with regard to the Cooperative.

CHAPTER VI Deleted.

Articles 52 through 62 Deleted. <Feb. 5, 1999>

CHAPTER VII Monitoring

Article 63 (Guidance and Monitoring on Construction Business Operators, etc.)

- (1) When a mayor or governor deems it necessary to judge whether or not being compatible with the registration standards, whether of not any subcontract is proper, and whether of not a faithful construction work has been made, etc., he may have the construction business operator make a report on his affairs and his construction situations, or order him to submit the data, and have the public officials under his command investigate the actual management status of the construction business operator or inspect the materials or installations for his construction works.
- (2) A person who performs such an investigation or inspection as prescribed in Paragraph (1) shall carry an identification indicating his authority, and present it to the interested parties.
- (3) Where the Mayor or governor deems it necessary, he may demand the project owner of an

information and communications construction work, the supervisor and other agencies related with the information and communications construction works to submit data on construction work situations of the information and communications construction works.

[This Article Newly Inserted, Jan. 29, 2004]

Article 64 (Suspension of Supervisor's Operations)

The Korea Communications Commission may, in case where any supervisor has another person conduct the supervision operations by using his name or leasing his qualification certificate in contravention of Article 8 (6), suspend his operations with fixing the period within one year.
<Amended, Jan. 29, 2004; Feb. 29, 2008>

[This Article Newly Inserted, Jan. 16, 2001]

Article 64-2 (Revocation of Recognition of Supervisors)

The Korea Communications Commission shall revoke a recognition of supervisor for the person who falls under any of the following subparagraphs: <Amended, Feb. 29, 2008>

1. A person who has obtained a recognition of qualifications as the supervisor as referred to in the provisions of Article 8 (4) in falsity or other illegal means; and
2. A person for whom the relevant national technical qualification has been revoked as referred to in the provisions of Article 16 (1) of the National Technical Qualifications Act.

[This Article Newly Inserted, Jan. 29, 2004]

Article 65 (Corrective Orders, etc.)

A mayor or governor may give orders for correction or other necessary directives by setting time limits, when a construction business operator falls under any of the following subparagraphs: <Amended, Jan. 29, 2004>

1. Where they perform construction work in violation of the provisions of Article 12;
2. Deleted; <Feb. 5, 1999>
3. Where they enter into subcontract in contravention of the provisions of Article 31;
- 3-2. Where they fail to pay the prices to the subcontractor in violation of the provisions of Article 31-4;
4. Where they fail to place information and communications technicians at construction sites pursuant to the provisions of Article 33 (1);
5. Where they cause concern insufficient construction work because of contravention the provisions of relevant Acts and subordinate statutes including the Framework Act on Telecommunications; and
6. Where they fail to perform contracted construction work without reasonable grounds.

Article 66 (Suspension of Business and Cancellation of Registration) <Amended, Feb. 5, 1999>

A mayor or governor may suspend businesses or cancel the registration by setting a time limit not exceeding one year, where construction business operators fall under any of the following subparagraphs provided that where they fall under Subparagraph 2, 2-2, 4, 6, or 13, the registration shall be canceled: <Amended, Feb. 5, 1999; Jan. 29, 2004; Feb. 29, 2008>

1. Deleted; <Feb. 5, 1999>
2. Where they make the registration as prescribed in Article 14 (1) by any wrongful means;

- 2-2. Where they make a false report on the matters as referred to in Article 14 (2);
- 2-3. Where they fail to make a report within the period as prescribed by the Presidential Decree on the matters as referred to in Article 14 (2);
3. Where they fail to meet requirements for registration under the provisions of Article 15;
4. Where they fall under any subparagraph of Article 16 provided that the same shall not apply where a corporation, though falling under Subparagraph 7, Article 16, changes directors within three months from the date on which it acknowledges there are such grounds to change them, and where a successor mentioned in the provisions of Article 21 (1) transfers the construction business concerned to others within three months from the date of succession;
5. Where they fail to file reports or reports on discontinuance of business under the provisions of Article 23, or they file false reports;
6. Where they lease their registration certificate or card to another person in violation of the provisions of Article 24, or use another person's registration certificate or card by lease;
- 6-2. Where they submit in falsity the documents concerning the actual records of construction works, the equity capital, and other matters as determined by the Presidential Decree, in violation of the provisions of Article 27 (3);
7. Where they enter into subcontract in violation of the provisions of Article 31;
8. Where they fail to place information and communications technicians pursuant to the provisions of Article 33 (1);
9. Deleted; <Jan. 29, 2004>
10. Where they fail to comply with corrective orders or directives pursuant to the provisions of Article 65;
11. Where they perform insufficient construction work in violation of the provisions of relevant Acts and subordinate statutes including the Framework Act on Telecommunications;
12. Deleted; <Feb. 5, 1999>
13. Where they fail to comply with measures having the effect of suspension of business or they are subject to measures having the effect of suspension of business at least three times in the recent five years;
14. Where the State or local governments make requests for suspension of business or cancellation of registration pursuant to the provisions of other Acts and subordinate statutes; or
15. Where they violates this Act or orders issued thereunder.

Article 67 (Requests by Persons Interested for Restraints)

In cases where a construction business operator falls under the provisions of Articles 65 and 66, persons interested may request a mayor or governor to take appropriate measures against the said construction business operator by submitting to him a report with their reasons for such requests. <Amended, Jan. 29, 2004>

Article 68 (Suspension of Duties of Information and Communications Technician)

The Korea Communications Commission may, in case where any information and communications technician comes to fall under any of the following subparagraphs, suspend his duties by prescribing the period within one year:

1. Where he is concurrently engaged in two or more construction businesses, in violation of

Article 40 (1); and

2. Where he has another person conduct the services or works by using his name, or leases his career card, in violation of Article 40 (2).

[This Article Newly Inserted, Jan. 16, 2001]

[Movement from Article 68-2; Movement of the previous Article 68 to Article 68-3 <Jan. 29, 2004>]

Article 68-2 (Revocation of Recognition of Information and Communications Technician)

The Korea Communications Commission shall revoke a recognition of the information and communications technicians against the persons falling under any of the following subparagraphs: <Amended, Feb. 29, 2008>

1. A person who has obtained a recognition of the information and communications technicians as referred to in the provisions of Article 39 (2) by falsity or other illegal means; and
2. A person for whom the relevant national technical qualification has been revoked as referred to in the provisions of Article 16 (1) of the National Technical Qualifications Act.

[This Article Newly Inserted, Jan. 29, 2004]

[Movement of the previous Article 68-2 to Article 68 <Jan. 29, 2004>]

Article 68-3 (Hearing)

Where the Korea Communications Commission, mayor or governor intends to make the dispositions falling under any of the following subparagraphs, he shall hold hearings: <Jan. 29, 2008>

1. Revocation of a recognition of the supervisor as referred to in the provisions of Article 64-2;
2. Revocation of a registration as referred to in the provisions of Article 66; and
3. Revocation of a recognition of the information and communications technicians as referred to in the provisions of Article 68-2.

[This Article Wholly Amended, Jan. 29, 2004]

[Movement to Article 68 <Jan. 29, 2004>]

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 69 (Delegation and Entrustment of Powers)

(1) Part of the powers of the Korea Communications Commission under this Act may be delegated to the head of an institution attached thereto pursuant to the Presidential Decree. <Amended, Feb. 5, 1999; Feb. 29, 2008>

(2) The Korea Communications Commission, mayor or governor may entrust the following affairs as referred to in the following subparagraphs to the Association pursuant to the Presidential Decree: <Amended, Feb. 5, 1999; Jan. 16, 2001; Jan. 29, 2004; Feb. 29, 2008>

1. Affairs concerning the acceptance of an application for recognition of the supervisor or his recognition and the delivery and management of the qualification certificate as referred to in the provisions of Article 8 (3) through (5);
2. Affairs concerning a report as prescribed in Article 23 (1);
3. Affairs concerning the comprehensive management of information, the evaluation of performance capability and the provision of information as prescribed in Article 27;

4. Deleted; <Feb. 5, 1999>
5. Affairs concerning the acceptance of an application for recognition or a recognition of an information and communications technician and the issuance and management of his career card as prescribed in Article 39 (1) through (3);
6. Affairs concerning a revocation of recognition of the supervisor as referred to in the provisions of Article 64-2;
7. Affairs concerning a revocation of recognition of the information and communications technician as referred to in the provisions of Article 68-2; and
8. Affairs concerning the hearings as referred to in the provisions of Subparagraphs 1 through 3 of Article 68-3.

(3) The Korea Communications Commission may entrust the Association or an institution to train information and communications technology manpower as designated and announced by him with affairs concerning programs to train information and communications technology manpower and to educate and train any person to be recognized as information and communications technology manpower as prescribed in Article 38 (1). <Newly Inserted, Feb. 5, 1999; Feb. 29, 2008>

Article 70 (Prohibition of Disclosure of Factual Knowledge Obtained from Duty)

A person falling under any of the following subparagraphs shall not disclose knowledge as to the current state of assets of and progress of works by service providers and construction business operators that he has obtained while working, unless there are special reasons to the contrary: <Amended, Feb. 5, 1999>

1. A public official who has carried out or carries out services of such registration, report or supervision as prescribed in this Act;
2. Deleted; or <Feb. 5, 1999>
3. A person to whom services are or used to be entrusted according to the provisions of Article 69 (2) and (3).

Article 71 (Presumption of Public Official in respect of Application of Penal Provisions)

A person who carries out such services as entrusted under Article 69 (2) and (3) shall be deemed to be a public official in the application of Articles 129 through 132 of the Criminal Act. <Amended, Feb. 5, 1999>

Article 71-2 (Prohibition of Seizures of Wages)

(1) Of the contract price of construction works that has been contracted by the construction business operator, the amount equivalent to the wages to be paid to the workers of relevant construction works (including the subcontracted construction works), shall not be seized.

(2) The scope and computing methods of the amount equivalent to the wages as referred to in the provisions of Paragraph (1) shall be prescribed by the Presidential Decree.

[This Article Newly Inserted, Jan. 29, 2004]

Article 72 (Announcement of Registration, etc.) <Amended, Feb. 5, 1999>

In such case as falling under any of the following subparagraphs, a mayor or governor shall publicly announce the contents of relevant documents under the conditions as prescribed by the Presidential

Decree: <Amended, Feb. 5, 1999; Jan. 29, 2004>

1. In case the registration of construction business is made;
2. In case the transfer of construction business and merger of corporations are reported;
3. In case a representative is changed due to the succession of construction business; or
4. In case the registration of construction business is canceled or a disposition of suspension of business is taken.

Article 72-2 (Report on Current Status of Construction Business, etc.)

(1) The Korea Communications Commission may demand a mayor or governor to make a report on the results of guidance and monitoring as referred to in the provisions of Article 63. <Amended, Feb. 29, 2008>

(2) A mayor or governor shall file a report on the registration status of construction business as referred to in the provisions of Article 14 with the Korea Communications Commission under the conditions as determined by the Presidential Decree. <Amended, Feb. 29, 2008>

(3) The head of a city/county/district shall file a report on the current status of pre-service inspection as referred to in the provisions of Article 36 with the Korea Communications Commission under the conditions as determined by the Presidential Decree. <Amended, Feb. 29, 2008>

[This Article Newly Inserted, Jan. 29, 2004]

Article 73 (Fees)

A person falling under any of the following subparagraphs shall pay fees under the conditions as prescribed by the Presidential Decree: <Amended, Feb. 5, 1999; Jan. 29, 2004; Feb. 29, 2008>

1. A person who intends to obtain a recognition of the supervisor as referred to in the provisions of Article 8 (3);
2. A person who applies for registration of construction business under the provisions of Article 14 (1);
3. A person who makes requests for reissuance of a registration certificate or card under the provisions of Article 14 (3);
4. A person who intends to undergo the evaluation of his performance capability under the provisions of Article 27 (2) and a person who intends to be provided with any information under the provisions of Paragraph (4) of the same Article;
5. A person who makes requests for pre-service inspection of construction works under the provisions of Article 36 (1);
6. Deleted; <Jan. 29, 2004>
7. A person who intends to obtain a recognition of the information and communications technician as referred to in the provisions of Article 39 (1); and
8. Deleted. <Feb. 5, 1999>

CHAPTER IX PENAL PROVISIONS

Article 74 (Penal Provisions)

A person falling under any of the following subparagraphs shall be punished by imprisonment for not more than three years or by a fine not exceeding 20 million Won: <Amended, Feb. 5,

1999>

1. A person who carries out construction work and supervision concurrently in violation of the provisions of Article 12;
2. A person who conducts construction business without making such registration as prescribed in Article 14 (1) or after making any registration by any wrongful means;
3. A person who conducts construction business without making such a report as prescribed in Article 17 (1) or after making any report by any wrongful means;
4. A person who leases a registration certificate or card to other persons in violation of the provisions of Article 24 or uses another person's registration certificate or card by lease; and
5. A person who, while subject to measures of suspension of business under the provisions of Article 66, conducts business during the period of suspension of business.

Article 75 (Penal Provisions)

A person falling under any of the following subparagraphs shall be punished by imprisonment for not more than one year or by a fine not exceeding 10 million Won: <Amended, Jan. 16, 2001; Jan. 29, 2004; Dec. 30, 2005>

1. A person who has requested a supervision to be done by those who are not qualified as supervisors, in violation of the provisions of Article 8 (2);
- 1-2. A person who has another person conduct the supervision duties by using his name, or leases his qualification certificate, in violation of Article 8 (6), or a person who has conducted the supervision duties by using another's name, or used the qualification certificate by leasing it;
2. A person who has entered into contract in violation of the provisions of Article 31 (1) or (2);
3. A person who has commenced a construction work without receiving a confirmation before the commencement of the construction work, or used without undergoing a pre-service inspection under the provisions of Article 36 (1);
4. A person who holds other jobs in violation of Article 40 (1); and
5. A person who has leased his career card in violation of the provisions of Article 40 (2) or has used another person's career card on lease.

Article 76 (Penal Provisions)

A person falling under any of the following subparagraphs shall be punished by a fine not exceeding five million Won: <Amended, Jan. 29, 2004>

1. A person who has carried out a design or supervision that fails to meet technological standards under the provisions of Article 6;
2. A person who has given orders of construction work in violation of the provisions of Article 7 (1);
3. A person who has given orders of construction work in violation of the provisions of Article 8 (1);
4. A person who has failed to enter into separate contracts in violation of the provisions of Article 25;
5. A person who has failed to place information and communications technicians at construction

sites under the provisions of Article 33 (1); and

6. A person who has made a contract with other person than a construction business operator in violation of the provisions of Article 29.

Article 77 (Joint Penal Provisions)

When the representative of a corporation, or an agent, an employee or any other worker in the service of a corporation or an individual has violated the provisions of Articles 74 through 76 with respect to the business of said corporation or individual, said corporation or individual shall be punished by a fine as stipulated in the respective article, in addition to the offender's being punished.

Article 78 (Fine for Negligence)

(1) A person falling under any of the following subparagraphs shall be punished by a fine for negligence not exceeding three million Won: <Amended, Feb. 5, 1999; Jan. 16, 2001; Jan. 29, 2004; Feb. 29, 2008>

1. A person who has failed to sign design documents, or to sign this name and affix his seal on them in violation of the provisions of Article 7 (2);
- 1-2. A person who has obtained a qualification certificate of the supervisor as referred to in the provisions of Article 8 (5) by falsity or other illegal means;
2. A person who has failed to notify the project owner of the results of supervision under the provisions of Article 11;
3. Deleted; <Feb. 5, 1999>
4. Deleted; <Jan. 29, 2004>
5. A person who has failed to file reports or reports on discontinuance of business under the provisions of Article 23, or who has filed false reports on it;
6. A person who has submitted the false documents on the actual results of construction work, capital and other matters as determined by the Presidential Decree of Article 27 (3);
7. A person who has left construction sites without justifiable grounds in violation of the provisions of Article 33 (2);
8. Deleted. <Feb. 5, 1999>
9. Deleted. <Feb. 5, 1999>
10. A person who has obtained an issuance of a career card of the information and communications technician as referred to in the provisions of Article 39 (3) by falsity and other illegal means;
11. A person who has refused, interfered with or avoided the investigation or inspection as referred to in the provisions of Article 63 (1), or has submitted the data or filed a report in falsity.

(2) A person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding one million Won: <Newly Inserted, Jan. 29, 2004>

1. A person who has failed to give a notice as referred to in the provisions of Article 22 (2); and
2. A person who has failed to submit the data or to make a report as referred to in the provisions of Article 63 (1).

(3) A fine for negligence under the provisions of paragraphs (1) and (2) shall be imposed and

collected by the Korea Communications Commission, mayor or governor (hereinafter referred to as the “imposing authority”) under the conditions prescribed by the Presidential Decree. <Amended, Jan. 29, 2004>

(4) A person who is dissatisfied with the disposition of fine for negligence under the provisions of Paragraph (3) may make a complaint to the imposing authority within 30 days from the date on which he received the notice. <Amended, Jan. 29, 2004>

(5) When a person subject to measures of fine for negligence under the provisions of Paragraph (3) has made a complaint according to the provisions of Paragraph (4), the imposing authority shall without delay notify the competent court of this fact, and the court shall commence legal proceedings as to fine for negligence in accordance with the Non-Contentious Case Litigation Procedure Act. <Amended, Jan. 29, 2004>

(6) When a complaint under the provisions of Paragraph (4) has not been made, and fines for negligence have not been paid, such fines shall be imposed and collected by referring to the practices of dispositions on default of national taxes or local taxes. <Amended, Jan. 29, 2004>

ADDENDA <Act No. 5386, Aug. 28, 1997>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 1998, provided that the provisions of Articles 27 (1), 36 and 42 shall enter into force on January 1, 1999.

Article 2 (Transitional Measures as to Existing Construction Business Operators)

(1) At the time of enforcement of this Act, a person who has been permitted to conduct Level I or II general construction business under the previous provisions shall be deemed to have been permitted to perform Level I or II information and communications construction business provided that he shall be issued a permission certificate or card under this Act within six months from the enforcement date of this Act.

(2) At the time of enforcement of this Act, a person with a registration under different categories of construction business under the previous provisions shall be deemed to have been permitted to conduct Level II information and communications construction business according to this Act for the effective periods of such registration provided that where the effective period of registration is not to expire in one year from the enforcement date of this Act, he shall be deemed to have been permitted to conduct Level II information and communications construction business according to this Act by the end of one year from the enforcement date of this Act, notwithstanding the effective period of registration.

(3) Different categorical construction business operators under the provisions of Paragraph (2) shall obtain permission from the Korea Communications Commission in satisfaction of requirements for a Level II construction business permission according to this Act within the effective period of registration or within one year from the enforcement date of this act.

Article 3 (Transitional Measures as to Grounds for Disqualification for Construction Business Permission) At the time of enforcement of this Act, if a person has applied for construction

business permission according to the previous provisions, said previous provisions shall apply, notwithstanding the provisions of Article 16.

Article 4 (Transitional Measures as to Those Who Applied for Authorization of Transfer of Construction Business, etc.)

At the time of enforcement of this Act, if a person has applied for authorization of transfer of construction business, etc. according to the previous provisions, said previous provisions shall apply, notwithstanding the provisions of Article 17.

Article 5 (Transitional Measures as to Change of Name)

(1) At the time of enforcement of this Act, the Telecommunications Work Association and the Telecommunication Financial Cooperative shall be deemed as the Information and Communications Contractor Association and the Information and Communications Financial Cooperative, respectively.

(2) At the time of enforcement of this Act, the Telecommunications Work Association and the Telecommunications Financial Cooperative shall be deemed in their activities or other legal relations as the Information and Communications Contractors Association and the Information and Communications Financial Cooperative, respectively.

(3) At the time of enforcement of this Act, designations of the Telecommunications Work Association, and the Telecommunications Financial Cooperative on registers or other public records shall be deemed as the Information and Communications Contractors Association and the Information and Communications Financial Cooperative, respectively.

Article 6 (Transitional Measures as to Commission on Conciliation of Disputes Arising from Telecommunications Construction Business)

At the time of enforcement of this Act, the Commission on Conciliation of Disputes Arising from Telecommunications Construction Business created according to the previous provisions shall be deemed as the Commission on Conciliation of Disputes Arising from Information and Communications Construction Business established by the provisions of Article 52.

Article 7 (Amendment of Other Acts)

(1) The Framework Act on Telecommunications shall be amended as the following:

In Article 13 (1), the "telecommunications construction business operator under the Telecommunications Construction Business Act" shall be "information and communications construction business operator under the "Information and Communications Construction Business Act."

(2) The Framework Act on the Building Industry shall be amended as the following:

Item ii, Subparagraph 4, Article 2 shall be amended as the followings:

ii. Information and communications construction work under the "Information and Communications Construction Business Act."

(3) The Construction Act shall be amended as the following:

In Article 18 (4) 2, the "Telecommunications Construction Business Act" shall be the "Information and Communications Construction Business Act."

(4) The Overseas Construction Promotion Act shall be amended as the followings:
In Article 3, the "Telecommunications Construction Business Act to telecommunications construction work" shall be the "Information and Communications Construction Business Act to information and communications construction work."

Article (2) 3 shall be amended as the followings:

3. A person who has been permitted for information and communications construction business pursuant to the Information and Communications Construction Business Act.

(5) The Fair Transactions in Subcontracting Act shall be amended as the followings:

In Article 2 (9) 3, the "Telecommunications Construction Business Act" shall be amended as the "Information and Communications Construction Business Act."

In Article 34, the "Telecommunications Construction Business Act" shall be amended as the "Information and Communications Construction Business Act."

Article 8 (Relation to Other Acts)

At the time of enforcement of this Act, if other Acts and subordinate statutes cite the provisions of the Telecommunications Construction Business Act or its provisions and where this Act contains corresponding provisions, this Act of its corresponding provisions shall be deemed to have been cited.

ADDENDA <Act No. 5791, Feb. 5, 1999>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 1998.

Article 2 (Transitional Measures as to Existing Construction Business Operators)

(1) At the time when this Act enters into force, a person who obtains a permission to conduct Level I and II information and communications construction business under the previous provisions, shall be deemed to register the information and communications construction business under this Act.

(2) At the time when this Act enters into force, a different categorical construction business operator who is deemed to obtain a permission to conduct Level II information and communications construction business under Article 2 (2) of the Addenda of Act No. 5386, shall be deemed to register the information and communications construction business under this Act for the period of validity of such registration. In this case, the scope of a contract for construction business of said different categorical construction business operator shall be governed by the previous provisions.

Article 3 (Transitional Measures as to Person Making Application for Permission to Conduct Construction Business)

(1) Notwithstanding the amended provisions of Article 14, the previous provisions shall apply to a person who makes an application for a permission to conduct the construction business under the previous provisions at the time when this Act enters into force.

(2) A person who obtains a permission to conduct Level I and II information and communications construction business under Paragraph (1), shall be deemed to register the information and communications construction business under this Act.

Article 4 (Transitional Measures as to Person Making Application for Authorization of Transfer of Construction Business, etc.)

At the time when this Act enters into force, a person who makes an application for an authorization of transfer of construction business, etc. under the previous provisions, shall be deemed to make a report under this Act.

ADDENDA <Act No. 6358, Jan. 16, 2001>

(1) (Enforcement Date)

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

(2) (Application Example to Provisions for Exceptions to Work Restrictions)

The amendments to Subparagraph 3, Article 3 concerning the exceptions to work restrictions shall be applicable to the construction work contracted on and after the date of the entry into force of this Act.

ADDENDA(Civil Execution Act) <Act No. 6627, Jan. 26, 2002>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 2002.

Articles 2 through 5 Omitted.

Article 6 (Amendment of Other Acts)

(1) through <40> Omitted.

<41> The Information and Communications Construction Business Act shall be amended as the following:

In Article 48 (4), the "Procedure of Civil Proceedings" shall be amended as the "Procedure of Civil Execution" and the "Civil Procedure Act" shall be as the "Civil Execution Act."

<42> through <45> Omitted.

Articles 7 Omitted.

ADDENDA <Act No. 7140, Jan. 29, 2004>

Article 1 (Enforcement Date)

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

Article 2 (Application Example concerning Restrictions, etc. on Subcontract)

The amended provisions of Articles 31, 31-2 through 31-5 and 71-2 shall apply to the portion of construction works for which a contract is to be concluded first after the enforcement of this Act.

Article 3 (Application Example concerning Pre-service Inspection)

The amended provisions of Article 36 shall apply to the portion of construction works for which an application for the pre-service inspection is to be filed first after the enforcement of this Act.

Article 4 (Transitional Measures concerning Registration of Construction Business Operator)

Any construction business operator who has made a registration to the Korea Communications Commission as referred to the previous provisions at the time of enforcement of this Act shall be deemed to have registered his construction business to the Mayor or governor as referred to in the amended provisions of Article 14.

Article 5 (Transitional Measures concerning Supervisor and Information and Communications Technician)

A person who has obtained an issuance of the qualification certificate of the supervisor or the career card of the information and communications technician as referred to the previous provisions at the time of enforcement of this Act shall be deemed to have obtained a recognition of the supervisor or the information and communications technician as referred to in the amended provisions of Articles 8 and 39.

Article 6 (Transitional Measures concerning Fine for Negligence)

The previous provisions shall govern any levy of the fine for negligence on the acts committed prior to the enforcement of this Act.

Article 7 (General Transitional Measures)

Any application or report, etc. and other acts by the administrative agencies performed as referred to in the previous provisions prior to the enforcement of this Act, or various applications and other acts against the administrative agencies, shall be regarded as the acts of the administrative agencies or the acts against the administrative agencies corresponding thereto, as referred to in this Act.

Article 8 (Amendment of Other Acts)

(1) The Act on Industrial Integration Promotion and Establishment of Factories shall be amended as the following:

Article 14-2 (1) 6 shall be deleted.

(2) The Support for Small and Medium Enterprise Establishment Act shall be amended as the following:

Article 22 (3) 5 shall be deleted.

ADDENDA (Framework Act on Informatization Promotion)

<Act No. 7265, Dec. 30, 2004>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 2005.

Articles 2 Omitted.

Articles 3 (Amendment of Other Acts)

(1) through (3) Omitted.

(4) The Information and Communications Construction Business Act shall be amended as the following:

In Article 38 (3), the "Informatization Promotion Fund" shall be amended as the "Information and Communications Promotion Fund."

ADDENDA <Act No. 7817, Dec. 30, 2005>

This Act shall enter into force on the date of its promulgation.

ADDENDA (Act on Establishment and Management of the
Korea Communications Commission)

<Act No. 8867, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. <Proviso omitted>

Article 2 through 7 Omitted.

Article 7 (Amendment of Other Acts)

(1) through (13) Omitted.

(14) Part of the Information and Communications Construction Business Act shall be amended as the following:

In Subparagraph 10 and 16 of Article 2, Article 8 (3) through (5), Article 39 (1) through (3), Article 64, any part other than each subparagraph of Article 64-2, any part other than each subparagraph of Article 68, any part other than each subparagraph of Article 68-2, any part other than each subparagraph of Article 68-3, any part other than each subparagraph of Article 69-2, Article 72-2 (1) through (3) and any part other than each subparagraph of Article 69-2, the "Minister of Information and Communications" shall be amended as the "Korea Communications Commission." In Subparagraph 1 of Article 3, Article 12-2 (1) and (2), the whole paragraphs of Article 24-2 (1) and (2), Article 27 (1) through (4), Article 38 (1) and (2), Article 41 (1), Article 43, Article 45 and Article 69 (1) and (3), the "Minister of Information and Communications" shall be amended as the "Korea Communications Commission."

In Article 6 (1), Article 11, Article 23 (1), Article 27 (3) and (5), Article 36 (2), any part other

than each subparagraph of Article 73 and Article 78 (1) 6, the "Ordinance of the Ministry of Information and Communications" shall be amended as the "Presidential Decree."

In Article 8 (3), Article 14 (2), Article 31-5 (3), Article 39 (1) and (4), Subparagraph 6-2 of Article 66 and Article 72 (2) and (3), the "Ordinance of the Ministry of Information and Communications" shall be amended as the "Presidential Decree."

In Article 69 (1), the "delegation to the head of a belonged agency" shall be "delegation or entrustment to the head of a belonged agency or head of the Post Office."

(15) through <20> Omitted.

Article 8 through 12 Omitted.