

# FRAMEWORK ACT ON THE PROMOTION OF CULTURAL INDUSTRIES

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Wholly Amended by Act No. 6635, Jan. 26, 2002  
Amended by Act No. 6841, Dec. 30, 2002  
Act No. 6882, May 27, 2003  
Act No. 7417, Mar. 24, 2005  
Act No. 7604, Jul. 21, 2005  
Act No. 7940, Apr. 28, 2006  
Act No. 7943, Apr. 28, 2006  
Act No. 7995, Sep. 27, 2006  
Act No. 8014, Sep. 27, 2006  
Act No. 8337, Apr. 6, 2007  
Act No. 8352, Apr. 11, 2007  
Act No. 8362, Apr. 11, 2007  
Act No. 8370, Apr. 11, 2007  
Act No. 8555, Jul. 27, 2007  
Act No. 8635, Aug. 3, 2007  
Act No. 8852, Feb. 29, 2008  
Act No. 8863, Feb. 29, 2008  
Act No. 8976, Mar. 21, 2008  
Act No. 9071, Mar. 28, 2008  
Act No. 9424, Feb. 6, 2009  
Act No. 9677, May 21, 2009  
Act No.10369, Jun. 10, 2010  
Act No.10629, May 19, 2011  
Act No.10724, May 25, 2011  
Act No.11167, Jan. 17, 2012  
Act No.11845, May 28, 2013

## CHAPTER I GENERAL PROVISIONS

### Article 1 (Purpose)

The purpose of this Act is to lay the groundwork for the development of cultural industries and enhance the competitiveness thereof, thereby contributing to the improvement of the quality of national cultural life and development of the national economy, by providing for matters necessary for supporting and fostering cultural industries.

### Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows: <Amended by Act No. 10369, Jun. 10, 2010; Act No. 10724, May 25, 2011>

1. The term "cultural industries" means industries engaged in the planning, development, manufacturing, production, distribution, consumption, etc. of cultural products and services related thereto, including any of the following items:
  - (a) Industries related to movies or video materials;
  - (b) Industries related to music or games;
  - (c) Industries related to publishing, printing or periodicals;
  - (d) Industries related to broadcast pictures;
  - (e) Industries related to cultural properties;
  - (f) Industries related to cartoons, characters, animation, edutainment, mobile cultural contents, design (excluding industrial designs), advertising, performance, artworks or craftworks;
  - (g) Industries engaged in collecting, processing, developing, manufacturing, producing, storing, searching or distributing digital cultural contents, user-created cultural contents or multimedia cultural contents, or services related thereto;
  - (h) Industries in which products are produced and distributed by using traditional materials and techniques, which are related to costumes, sculpture, ornaments, props or household items;
  - (i) Industries related to exhibitions, expositions, sample fairs or festivals, etc. of cultural products: *Provided*, That industries related to exhibitions, expositions or sample fairs under subparagraph 2 of [Article 2 of the Act on the](#)

[Development of Exhibition Industry](#) shall be excluded herefrom;

- (j) Industries in which not less than two cultural industries falling under items (a) through (i) are combined;
2. The term "cultural products" means tangible or intangible goods which create the economic value added (including cultural contents, digital cultural contents and multimedia cultural contents), in which artistic value, originality, entertainment and popularity (hereinafter referred to as the "cultural elements") are embodied, the services related thereto and the combination thereof;
3. The term "contents" means materials or information, such as codes, letters, diagrams, colors, voices, sounds, images or videos (including the combination thereof);
4. The term "cultural contents" means contents in which cultural elements are embodied;
5. The term "digital contents" means materials or information, such as codes, letters, diagrams, colors, voices, sounds, images or videos (including the combination thereof), which are manufactured or processed in the digital form so as to enhance the usefulness of the preservation or utilization thereof;
6. The term "digital cultural contents" means digital contents in which the cultural elements are embodied;
7. The term "multimedia contents" means contents which have new functions of expression or storage by systematically combining media related to codes, letters, diagrams, colors, voices, sounds, images or videos, etc. (including the combination thereof);
8. The term "public cultural contents" means cultural contents owned, manufactured or managed by public agencies under subparagraph 3 of [Article 2 of the Official Information Disclosure Act](#) or national museums, public museums, national art gallery or public art gallery under [Article 3 of the Museum and Art Gallery Support Act](#);
9. The term "edutainment" means cultural contents planned or manufactured by systematically combining cultural contents, which may be used for educational purposes;
10. The term "investment association specializing in cultural industries" (hereinafter referred to as the "investment association") means the association under [Article 20 of the Support for Small and Medium Enterprise Establishment Act](#) or [Article 41 \(3\) of the Specialized Credit Finance Business Act](#), which invests not less than the proportion prescribed by Presidential Decree in founders or manufacturers;
11. The term "manufacturing" means making tangible or intangible cultural products through a series of processes, such as planning, development and production, which includes the conversion of cultural products to the electronic form, including digitization, or the handling of such products in the electronic form;
12. The term "manufacturers" means individuals, corporations or investment associations which manufacture cultural products;
13. The term "completion guarantee of cultural industries" (hereinafter referred to as the "completion guarantee") means guaranteeing debts owed by receiving necessary loans or benefits from financial institutions, etc. prescribed by Presidential Decree, to make sure that the manufacturers of cultural products are able to complete cultural products in accordance with a contract and deliver such products to the distributors of cultural products;
14. The term "distribution" means the processes of delivering cultural products from manufacturers to consumers, which include the processes via the information and communications network (hereinafter referred to as the "information and communications network") under [Article 2 \(1\) 1 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc.](#);
15. The term "companies specializing in distribution" means companies established for the smooth distribution of cultural products and the reduction of logistics expenses, which have made a report to the Minister of Culture, Sports and Tourism, or the Special Metropolitan City Mayor, the Metropolitan City Mayor, the Do Governor or the Governor of a Special Self-Governing Province (hereinafter referred to as the "Mayor/Do Governor") under [Article 14](#);
16. The term "value assessment" means indicating the economic value, which arises from or is likely to arise from the commercialization of cultural products or cultural technologies (referring to the technique or technology used for manufacturing cultural products) in price, grade or scores;
17. The term "facilities promoting cultural industries" means facilities to support the activities of business operators engaged in cultural industries by collectively attracting business operators engaged in the cultural industries and supportive facilities, which are designated under [Article 21 \(1\)](#);
18. The term "cultural industrial complex" means the industrial complex designated and developed under [Article 24 \(2\)](#), which is the aggregate of land, buildings and facilities created to help companies, colleges, research institutes and individuals to jointly take part in research and development related to cultural industries, technology training, information exchanges and joint manufacturing;
19. The term "cultural industry promotional zone" means an area where the concentration level of companies, colleges or research institutes related to cultural industries is higher than that of other areas, which refers to an area designated under [Article 28-2](#) so as to encourage and promote the business activities, research and development, training of human resources and joint production, etc. of companies, colleges and universities, etc., which are related to the cultural industries, through integration;
20. The term "independent producers of broadcast pictures" (hereinafter referred to as the "independent producers")

means persons who have made a report to the Minister of Culture, Sports and Tourism, as prescribed by Presidential Decree, so as to produce broadcast pictures and provide them to broadcasting business operators, relay operators, cable music business operators, electric signboard business operators under the [Broadcasting Act](#) or foreign business operators (hereinafter referred to as "business operators, etc.");

21. The term "companies specializing in cultural industries" means companies which operate assets in specific businesses of cultural industries and distribute the profits generated from such operation to investors, employees and shareholders.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### **Article 3 (Obligations of State and Local Governments)**

- (1) The State and local governments shall formulate and implement policies necessary for the promotion of cultural industries.
- (2) The State and local governments shall endeavor to support technology development or research and study projects and establish the cooperative system with international organizations related to cultural industries or foreign countries for the promotion of the cultural industries.
- (3) The State and local governments shall endeavor to provide justifiable conveniences under [Article 4 of the Act on the Prohibition of Discrimination against Disabled Persons, Remedy against Infringement of their Rights, etc.](#) to disabled persons to ensure that they are able to take part in relevant activities, in formulating and implementing various policies for the promotion of cultural industries. <Newly Inserted by Act No. 10724, May 25, 2011>

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### **Article 4 (Formulation of Mid-to Long-Term Basic Plans of Cultural Industries)**

- (1) The Minister of Culture, Sports and Tourism shall be in charge of policies on cultural industries.
- (2) The Minister of Culture, Sports and Tourism shall formulate and execute basic and comprehensive mid-to long-term basic plans (hereinafter referred to as "mid-to long-term basic plans") on the advancement of cultural industries and detailed implementation plans (hereinafter referred to as "detailed implementation plans") for each area or period of cultural industries, so as to achieve the purpose of this Act.
- (3) The Minister of Culture, Sports and Tourism may request local governments, public institutions, research institutes, corporations, organizations, colleges, private companies, individuals, etc. to extend cooperation in the formulation and execution of mid-to long-term basic plans and detailed implementation plans, if necessary.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### **Article 5 (Annual Reporting)**

The Government shall submit an annual report on policies and trends toward the advancement of cultural industries to the National Assembly before the regular session of the National Assembly begins.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### **Article 6 (Relations with other Acts)**

The advancement and support, etc. of cultural industries shall be governed by this Act, except as otherwise provided for by other Acts.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

## **CHAPTER II BUSINESS START-UP, PRODUCTION AND DISTRIBUTION**

### **Article 7 (Support for Business Start-Up)**

The Minister of Culture, Sports and Tourism may encourage business start-ups concerning cultural industries and provide necessary support to the growth and development of founders.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### **Article 8 (Support for Investment Companies)**

- (1) When any investment company for the establishment of small and medium enterprises registered under [Article 10 of the Support for Small and Medium Enterprise Establishment Act](#) and any specialized credit financial company (hereinafter referred to as "investment companies") which has been granted permission or registration under [Article 3 \(1\) and \(2\) of the Specialized Credit Finance Business Act](#), engaging in the following business, intends to receive support under this Act, it shall win recognition for its investments in cultural industries from the Minister of Culture, Sports and Tourism:

1. Investment in cultural industries and the relevant producers;
2. Investment in the producers of cultural products;
3. Recruitment and management of investors in cultural industries;
4. Management of the funds of investment associations;
5. Guarantee for the producers of cultural products and the arrangement of funding;

6. Recommendation for state-of-the-art technology, facilities and specialized personnel related to cultural industries and management consultations;
  7. Counseling for business start-ups and support for production activities;
  8. Marketing at home and abroad for facilitating the distribution of cultural products and the management of copyrights;
  9. Businesses attached to businesses falling under subparagraphs 1 through 8.
- (2) Necessary matters concerning the procedures for recognizing investments in cultural industries under paragraph (1) shall be prescribed by Presidential Decree.
- (3) The management of the funds of investment associations under paragraph (1) 4 shall include unsecured loans for the producers of particular cultural products.
- (4) Investment companies which receive support under this Act shall submit balance sheets of the settlement of accounts for each relevant fiscal year to the Minister of Culture, Sports and Tourism, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 9 (Investment Associations)**

- (1) When investment companies intend to manage the funds of an investment association, they shall form an investment association funded by the relevant investment companies and persons other than investment companies. In such cases, such investment companies shall publicly notify the outlines of business, investment plans, and profit distribution plans.
- (2) With regard to investments by investment companies in cultural industries, necessary matters concerning the scope and organization of an investment association shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 10 (Supporting Production of Producers)**

- (1) The Minister of Culture, Sports and Tourism or the Mayor/Do governor may lend necessary funds or provide other support to producers, so as to enhance the competitiveness of cultural industries and facilitate the production of exemplary cultural products.
- (2) Necessary matters concerning the scope of production eligible for receiving support under this Act and support for producers shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 10-2 (Establishment of Completion Guarantee Accounts, etc.)**

- (1) The Minister of Culture, Sports and Tourism may establish a completion guarantee account in an organization which meets the standards prescribed by the Minister of Culture, Sports and Tourism, from among the following organizations which carry out the duties of completion guarantee, so as to boost the production of cultural products and investments in cultural industries, and entrust the operation and management of the account to such organization:
1. Korea Credit Guarantee Fund under the [Credit Guarantee Fund Act](#);
  2. Korea Technology Credit Guarantee Fund under the [Korea Technology Credit Guarantee Fund Act](#).
- (2) Necessary matters concerning investments in completion guarantee accounts and revenues, operation or management, etc. of guarantee fees shall be prescribed by Presidential Decree.
- (3) Organizations which manage completion guarantee accounts under paragraph (1) may allow principal obligors to entrust the management of manufacturing and accounting of cultural products to organizations related to the advancement of cultural industries, from among the public institutions under [Article 4 of the Act on the Management of Public Institutions](#).

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

#### **Article 11 (Support for Production by Independent Producers)**

- (1) The Government may provide support necessary for boosting the production of independent producers, as prescribed by Presidential Decree.
- (2) Broadcasting business operators, etc. shall endeavor to support the production of independent producers, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 11-2 (Closure of Business of Independent Producers and Ex Officio Obliteration)**

- (1) When an independent producer closes its business, such independent producer shall report such closure of business within 14 days, as prescribed by Presidential Decree.
- (2) When a closure of business referred to in paragraph (1) has been reported, the Minister of Culture, Sports and Tourism shall obliterate the reported matters regarding the independent producer concerned: *Provided*, That when a closure of business has been confirmed, as prescribed by Presidential Decree, the Minister of Culture, Sports and Tourism may obliterate such matters *ex officio*.

[This Article Newly Inserted by Act No. 11167, Jan. 17, 2012]

#### **Article 12 (Facilitation of Distribution)**

- (1) The Government shall endeavor to boost the distribution of cultural products and promote the informatization of distribution, so as to facilitate the advancement of cultural industries.
- (2) Cultural products may be marked with international standard barcodes, as prescribed by Presidential Decree, so as to facilitate the informatization of distribution under paragraph (1).
- (3) Cultural products, which shall be marked with international standard barcodes, shall be prescribed by Presidential Decree.
- (4) The Minister of Culture, Sports and Tourism or the Mayor/Do Governor may encourage the quality certification of cultural products and support activities needed for the certification, so as to secure the quality of cultural products and facilitate the distribution thereof.
- (5) The Minister of Culture, Sports and Tourism or the Mayor/Do Governor may designate a certification institution, as prescribed by Presidential Decree, so as to carry out the quality certification of cultural products under paragraph (4).
- (6) Matters necessary for carrying out the quality certification of cultural products under paragraph (4) shall be prescribed by Presidential Decree.
- (7) The Government shall endeavor to protect intellectual property rights, such as preventing the illegal copying and distribution of cultural products, encouraging the consumption of authentic cultural products, and providing relevant education, and may provide necessary support thereto. <Amended by Act No. 10629, May 19, 2011>

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 12-2 (Establishment of Order in Fair Transactions)**

- (1) No person engaged in the production, sale, distribution, etc. of cultural products shall force any one to conclude an unfair contract or gain any unfair profit by using his/her position, such as requests for the gratuitous transfer of intellectual property rights, without any reasonable ground. <Amended by Act No. 10629, May 19, 2011>
- (2) The Minister of Culture, Sports and Tourism may conduct the following projects, so as to establish order in fair trade of cultural industries:
  1. Analysis and evaluation of the current status of the competitive environment of cultural industries;
  2. Organization and operation of a consultative body participated by business operators engaged in cultural industries;
  3. Other projects necessary for creating a fair trade environment.
- (3) The Minister of Culture, Sports and Tourism may enact or amend standard form agreements or standard form contracts related to cultural industries and recommend the enforcement thereof, in consultation with the Chairman of the Fair Trade Commission, the Minister of Science, Information and Communications Technology (ICT) and Future Planning and the Chairman of the Korea Communications Commission, so as to establish the order in fair trade of cultural industries. <Amended by Act No. 11690, Mar. 23, 2013>

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

#### **Article 13 Deleted. <by Act No. 10369, Jun. 10, 2010>**

#### **Article 14 (Establishment and Support of Specialized Distribution Companies)**

- (1) When any company engaged in the following business related to the distribution of cultural products intend to receive support under this Act, it shall make a report to the Minister of Culture, Sports and Tourism or the Mayor/Do Governor, as prescribed by Ordinance of the Ministry of Culture, Sports and Tourism:
  1. Operation of facilities for joint purchase and joint sale;
  2. Operation of a joint computer network (including the management of electronic orders, inventories and returned goods);
  3. Establishment and operation of a joint logistics warehouse;
  4. Businesses attached to businesses falling under subparagraphs 1 through 3.
- (2) Necessary matters concerning the establishment and support, etc. of specialized distribution companies shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 15 (Designation and Indication of Exemplary Cultural Products)**

- (1) The Minister of Culture, Sports and Tourism, a Mayor/Do Governor, or the head of a *Sil/Gun/Gu* may designate exemplary cultural products. <Amended by Act No. 11167, Jan. 17, 2012>
- (2) Products designated under paragraph (1) may be attached with a label showing that they have been designated as exemplary cultural products by the Minister of Culture, Sports and Tourism, a Mayor/Do Governor, or the head of a *Sil/Gun/Gu*. <Amended by Act No. 11167, Jan. 17, 2012>
- (3) The Minister of Culture, Sports and Tourism, a Mayor/Do Governor, or the head of a *Sil/Gun/Gu* may allow corporations or organizations for the advancement of cultural industries to perform duties under paragraph (1) on

his/her behalf. <Amended by Act No. 11167, Jan. 17, 2012>

(4) Necessary matters concerning the designation, mark and support, etc. of exemplary cultural products shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 15-2 (Designation of Exemplary Cultural Projects, etc.)**

(1) The Minister of Culture, Sports and Tourism may designate projects for producing cultural products with the high levels of creativity and potential for success as exemplary cultural projects, and producers of cultural products which create significant economic and technological ripple effects or developers of cultural technology as exemplary cultural business operators, respectively.

(2) The Minister of Culture, Sports and Tourism may implement projects necessary for discovering and fostering exemplary cultural projects or exemplary cultural business operators.

(3) Necessary matters concerning the standards and procedures for designating exemplary cultural projects or exemplary cultural business operators or the support, guidance and supervision thereof shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

#### **Article 15-3 (Revoking Designation of Exemplary Cultural Projects, etc.)**

(1) The Minister of Culture, Sports and Tourism may revoke the designation of exemplary cultural projects or exemplary cultural business operators designated under [Article 15-2](#) (1), in cases falling under any of the following subparagraphs: *Provided*, That he/she shall revoke such designation in cases falling under subparagraph 1:

1. When they have been designated as exemplary cultural projects or exemplary cultural business operators by fraud or other fraudulent means;
2. When they have fallen short of designation standards under [Article 15-2](#) (3).

(2) The Minister of Culture, Sports and Tourism shall, when he/she intends to revoke designation under paragraph (1), hold hearings under the [Administrative Procedures Act](#)

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

## **CHAPTER III LAYING GROUNDWORK FOR CULTURAL INDUSTRIES**

#### **Article 16 (Fostering Specialized Human Resources)**

(1) The State or local governments shall endeavor to foster specialized human resources necessary for the advancement of cultural industries.

(2) The Minister of Culture, Sports and Tourism or the Mayor/Do governor may designate research institutes, colleges or other institutions as institutions for fostering personnel specializing in cultural industries, as prescribed by Presidential Decree, so as to foster specialized human resources under paragraph (1).

(3) The State or local governments may fully or partially subsidize expenses incurred in fostering specialized human resources for institutions fostering personnel specializing in cultural industries under paragraph (2), as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 16-2 (Designation of Value Rating Institutions, etc.)**

(1) The Minister of Culture, Sports and Tourism may designate value rating institutions (hereinafter referred to as "rating institutions") to rate the value of cultural products and cultural technology in a professional and efficient manner.

(2) Any person who intends to receive value rating of cultural products or cultural technology may file an application to rating institutions designated under paragraph (1).

(3) Rating institutions, upon receiving an application for value rating under paragraph (2), shall rate the value of cultural products or cultural technology and notify applicants of outcomes thereof without delay.

(4) Rating institutions shall notify the Minister of Culture, Sports and Tourism of the value rating report for the relevant year, by not later than the end of January of the following year, unless any extraordinary ground prescribed by Presidential Decree exists to the contrary, such as maintenance of confidential business information.

(5) The heads of rating institutions shall consult on the following matters with the Minister of Culture, Sports and Tourism:

1. The subjects of rating;
2. The scope of rating;
3. The fees of rating.

(6) Necessary matters concerning the standards and procedures for designating rating institutions and procedures for filing an application for value ratings shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

### Article 16-3 (Support for Rating Institutions and Rating Fees)

- (1) The Minister of Culture, Sports and Tourism may fully or partially subsidize expenses necessary for the following business conducted by rating institutions within budget limits:
1. Fosterage of human resources specializing in value ratings;
  2. Research on value rating techniques;
  3. Collection and provision of information related to value ratings;
  4. Other matters prescribed by Presidential Decree as necessary for value ratings.
- (2) The Minister of Culture, Sports and Tourism may fully or partially subsidize rating fees for persons who have received value ratings from rating institutions under [Article 16-2](#) (3) within budget limits.

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

### Article 16-4 (Revoking Designation of Rating Institutions)

- (1) The Minister of Culture, Sports and Tourism may revoke the designation of rating institutions, which fall under any of the following subparagraphs: *Provided*, That he/she shall revoke such designation, when rating institutions fall under subparagraph 1:
1. When they have been designated as rating institutions by fraud or other fraudulent means;
  2. When they have fallen short of designation standards for rating institutions under [Article 16-2](#) (6).
- (2) The Minister of Culture, Sports and Tourism shall, when he/she intends to revoke the designation of rating institutions under paragraph (1), hold hearings under the [Administrative Procedures Act](#).

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

### Article 17 (Promoting Development of Technology and Cultural Content)

- (1) The Minister of Culture, Sports and Tourism may formulate and implement policies to facilitate the development of technology related to cultural industries and cultural content (hereinafter referred to as "projects for developing technology"), and subsidize expenses incurred in conducting projects for developing technology or make donations to the projects within budget limits.
- (2) The Minister of Culture, Sports and Tourism may designate institutions (hereinafter referred to as "institutions in charge of projects for developing technology") which can be entrusted to assume full responsibility for the projects for developing technology, from among the corporations, institutions or organizations falling under any of the following subparagraphs, so as to efficiently facilitate projects for developing technology:
1. The Korea Creative Content Agency under [Article 31](#);
  2. Other corporations, institutions or organizations engaged in cultural industries.
- (3) Institutions in charge of projects for developing technology may allow the producers of cultural products or the developers of technology (hereinafter referred to as "implementers of projects for developing technology") to implement part of their tasks, so as to efficiently implement projects for developing technology.
- (4) Necessary matters concerning the following subparagraphs shall be prescribed by Presidential Decree:
1. The scope of projects for developing technology eligible for support under paragraph (1);
  2. The scope of tasks entrusted to institutions in charge of projects for developing technology under paragraph (2);
  3. Methods and procedures for selecting implementers of projects for developing technology under paragraph (3).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 17-2 (Collection of Technology Royalties)

- (1) The Minister of Culture, Sports and Tourism may collect the amounts (hereinafter referred to as "technology royalties") corresponding to the whole or part of profits generated from projects for developing technology, to which he/she has provided support or made donations, from implementers of projects for developing technology, when the projects, to which he/she has provided support or made donations under [Article 17](#) (1), have been complete.  
<Amended by Act No. 11845, May 28, 2013>
- (2) Necessary matters concerning the subjects, amounts and methods of collecting technology royalties shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 17-3 (Corporate Affiliated Creative Research Institutes)

- (1) The Minister of Culture, Sports and Tourism may recognize corporate-affiliated research institutes or the research and development departments in companies, which satisfy the standards prescribed by Presidential Decree, such as human resources or facilities, etc., as corporate-affiliated creative research institutes or departments in charge of creation in companies (hereafter referred to as "creative research institutes, etc." in this Article), so as to facilitate the creative development of cultural industries.
- (2) Necessary matters concerning the procedures for recognizing creative research institutes, etc. under paragraph (1) shall be prescribed by Presidential Decree.
- (3) The Minister of Culture, Sports and Tourism may provide necessary support to the operation of creative research institutes, etc.

(4) The Minister of Culture, Sports and Tourism may revoke the recognition of creative research institutes, etc. under paragraph (1), in cases falling under any of the following subparagraphs: *Provided*, That he/she shall revoke such designation in cases falling under subparagraph 1:

1. When they have been recognized as creative research institutes, etc. by fraud or other fraudulent means;
2. When they have violated the standards for recognition under paragraph (1).

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

#### **Article 17-4 (Application *mutatis mutandis* of Act on Special Measures for Promotion of Venture Businesses)**

With regard to strategic alliances of small and medium enterprises (excluding corporations listed on the securities market under [Article 8-2 \(4\) 1 of the Financial Investment Services and Capital Markets Act](#); hereinafter referred to as "creative small and medium enterprises") which are stock companies owning corporate-affiliated creative research institutes under [Article 17-3 \(1\)](#), the provisions of [Articles 15, 15-2 through 15-10](#) and [16-3 of the Act on Special Measures for the Promotion of Venture Businesses](#) shall apply *mutatis mutandis*. In such cases, "venture businesses" shall be deemed "creative small and medium enterprises." <Amended by Act No. 11845, May 28, 2013>

[This Article Newly Inserted by Act No. 9424, Feb. 6, 2009]

#### **Article 17-5 (Designation, etc. of Supervising Institute for Research of Cultural Technology)**

- (1) In order to carry out research and development of compound technology on cultural industry based on the mutual exchange and fusion among various fields of studies, such as scientific technology, design, cultural art, humanities and society, the Minister of Culture, Sports and Tourism shall designate the *Gwangju* Institute of Science and Technology under the *Gwangju* Institute of Science and Technology Act as the supervising institute for the research of cultural technology (hereinafter referred to as "supervising institute for research").
- (2) The supervising institute for research designated under paragraph (1) shall carry out the following projects:
  1. The research and technical development of cultural technologies;
  2. The research of standardization in the fields of cultural technology;
  3. Technical support of small and medium enterprises working in the fields of cultural technology;
  4. Joint research and technical cooperation among domestic and foreign industrial-educational organizations working in the fields of cultural technology;
  5. Projects related to the development and propagation of cultural technology that are commissioned by the Government;
  6. Other projects necessary to attain the goals designated by the supervising institute for research.
- (3) The Government may subsidize expenses incurred in the operation, etc. of the supervising institute for research designated under paragraph (1) within its budget limits.
- (4) Matters necessary for the operation, etc. of the supervising institute for research shall be determined by Presidential Decree.

[This Article Newly Inserted by Act No. 11167, Jan. 17, 2012]

#### **Article 18 Deleted. <by Act No. 10369, Jun. 10, 2010>**

#### **Article 19 (Facilitation of Collaborative Development and Research, etc.)**

- (1) The Government shall endeavor to facilitate collaborative development and collaborative research through the joint use of human resources, facilities, equipment, funds and information, etc. for the development and research of cultural products.
- (2) The Minister of Culture, Sports and Tourism may fully or partially subsidize expenses to persons who facilitate collaborative development and collaborative research under paragraph (1).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 20 (Support for International Exchanges and Entry into Foreign Markets)**

- (1) The Government may support joint production with foreign nations, overseas marketing and public relations activities through broadcasting and the Internet, the attraction of foreign investments, participation in and opening of the international image festivals or prototype markets, and the establishment of an export-related cooperative system, so as to enhance the export competitiveness of cultural products and activate entry into foreign markets.
- (2) The Minister of Culture, Sports and Tourism may entrust business falling under paragraph (1) to institutions or organizations, or order the institutions or organizations to conduct such business on his/her behalf, as prescribed by Presidential Decree, and subsidize expenses incurred in conducting such business, so as to efficiently support business falling under paragraph (1).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 21 (Designation of Facilities for Promoting Cultural Industries, etc.)**

- (1) The Minister of Culture, Sports and Tourism may designate facilities for promoting cultural industries in consultation with the Mayor/Do governor, and fully or partially subsidize the budget necessary for the operation of such facilities, when it is deemed necessary for the advancement of cultural industries.
- (2) Any person who intends to be designated as a facility for promoting cultural industries under paragraph (1)



(including local governments) shall file an application for such designation, as prescribed by Presidential Decree.

(3) Facilities for promoting cultural industries designated under paragraph (1) shall be deemed to be designated as integrated facilities of venture business under [Article 18 of the Act on Special Measures for the Promotion of Venture Businesses](#).

(4) Necessary matters concerning the requirements for designating facilities for promoting cultural industries and support for such facilities shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 22 (Revoking Designation of Facilities for Promoting Cultural Industries)**

The Minister of Culture, Sports and Tourism may revoke the designation of facilities for promoting cultural industries, as prescribed by Presidential Decree, when such facilities fall short of designation requirements.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 23 (Integration of Facilities for Promoting Cultural Industries, etc.)**

(1) The Minister of Culture, Sports and Tourism or the Mayor/Do governor may allow facilities for promoting cultural industries to move into a cultural industrial complex in a cluster and allow existing buildings to be used as facilities for promoting cultural industries, or recommend support facilities to move into such buildings, when it is deemed necessary for promoting cultural industries.

(2) The Government may provide necessary support to non-government persons, etc. to ensure that they are able to easily establish facilities for promoting cultural industries.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 24 (Formation of Cultural Industrial Complex)**

(1) The Government or local governments may form a cultural industrial complex, so as to facilitate the efficient advancement of cultural industries through research on technology related to cultural industries, the development and production of cultural products and the fosterage of specialized human resources, etc.

(2) The formation of a cultural industrial complex under paragraph (1) shall follow the procedures for designating and developing a national industrial complex, a general industrial complex, or an advanced urban industrial complex under the [Industrial Sites and Development Act](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 25 (Formulation of Plans for Forming Cultural Industrial Complex)**

(1) The Minister of Culture, Sports and Tourism may formulate a plan for forming a cultural industrial complex and request the Minister of Land, Infrastructure and Transport to designate a cultural industrial complex, after listening to the opinions of the Mayor/Do governor which has jurisdiction over relevant areas, when it is deemed necessary for promoting the formation of a cultural industrial complex. <Amended by Act No. 11167, Mar. 23, 2013>

(2) The heads of local governments may file an application for the formation of a cultural industrial complex with the Minister of Culture, Sports and Tourism, as prescribed by Presidential Decree.

(3) Necessary matters concerning the formulation of a plan for forming a cultural industrial complex shall be prescribed by Presidential Decree.

(4) Matters on the designation, etc. of persons who implement plans for forming a cultural industrial complex (hereinafter referred to as "project implementers") shall be governed by the provisions of [Article 16 of the Industrial Sites and Development Act](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 26 (Support for Formation of Cultural Industrial Complex)**

The State or local governments may provide support to project implementers, when it is necessary for forming a cultural industrial complex.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 27 (Exemption from Various Charges, etc.)**

(1) Project implementers of a cultural industrial complex shall be exempted from the following charges:

1. Charges for creating alternative forest resources under [Article 19 of the Management of Mountainous Districts Act](#);
2. Charges for preserving farmland under [Article 38 of the Farmland Act](#);
3. Charges for creating alternative grasslands under [Article 23 \(6\) of the Grassland Act](#).

(2) Facilities for promoting cultural industries in a cultural industrial complex may be exempted from traffic congestion charges under Article 36 of the Urban Traffic Improvement Promotion Act.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 28 (Legal Fiction of Authorization or Permission)**

(1) Any person who has been designated as a project implementer by a person who is entitled to designate a cultural industrial complex under [Article 25](#) (4), shall be deemed to have obtained authorization or permission falling under the following subparagraphs:

1. Permission for the construction of the public sewerage under [Article 16 of the Sewerage Act](#);
  2. Permission for the occupation or use of the public waters under [Article 5 of the Public Waters Management Act](#);
  3. Permission for construction of rivers under [Article 30 of the River Act](#) and the occupation and use of such rivers under [Article 33 of the same Act](#);
  4. Permission for construction of roads under [Article 34 of the Road Act](#) and the occupation and use of roads under [Article 38 of the same Act](#);
  5. Permission for harbor constructions under [Article 9 \(2\) of the Harbor Act](#);
  6. Permission for opening private roads under [Article 4 of the Private Road Act](#);
  7. Permission for the diversion of farmland under [Article 34 of the Farmland Act](#);
  8. Authorization for designating the implementers of urban planning facility projects under [Article 86 of the National Land Planning and Utilization Act](#) and implementation plans under [Article 88 of the same Act](#);
  9. Authorization for the installment of the private-use waterworks and the private-use industrial waterworks under [Articles 52 and 54 of the Water Supply and Waterworks Installation Act](#).
- (2) In cases where any person entitled to designate a cultural industrial complex intends to designate a cultural industrial index, when matters falling under each subparagraph of paragraph (1) are included, he/she shall consult in advance with the heads of the relevant agencies.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 28-2 (Designating Zone of Promoting Cultural Industries, etc.)**

- (1) The Mayor/Do governor may designate a specific area under jurisdiction as a zone of promoting cultural industries, when it is necessary for promoting cultural industries.
- (2) The Mayor/Do governor shall, when he/she designates a zone of promoting cultural industries, formulate plans for forming a zone of promoting cultural industries and obtain approval from the Minister of Culture, Sports and Tourism. This shall also apply when the designation of a zone of promoting cultural industries is revised. <Amended by Act No. 9677, May 21, 2009>
- (3) The Mayor/Do governor shall implement plans for forming a zone of promoting cultural industries under paragraph (2).
- (4) The Mayor/Do governor shall, when he/she has designated a zone for promoting cultural industries or revised such designation under paragraphs (1) and (2), or has revoked such designation under paragraph (5), announce the details thereof, as prescribed by Presidential Decree.
- (5) The Mayor/Do governor may revoke the designation of a zone of promoting cultural industries, in cases falling under any of the following paragraphs. In such cases, he/she shall obtain approval from the Minister of Culture, Sports and Tourism: <Amended by Act No. 9677, May 21, 2009>
  1. When plans for forming a zone of promoting cultural industries are unlikely to be implemented;
  2. When it is impossible to achieve the objective of designating a zone of promoting cultural industries, due to delay in projects, poor management and other reasons.
- (6) Deleted. <by Act No. 9677, May 21, 2009>
- (7) Necessary matters concerning the requirements and procedures, etc. for designating a zone of promoting cultural industries under paragraph (1) shall be prescribed by Presidential Decree. <Amended by Act No. 9677, May 21, 2009>

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 28-3 (Support for Forming Zone of Promoting Cultural Industries)**

- (1) The State or local governments may provide support to persons who implement plans for forming a zone of promoting cultural industries, when it is necessary for forming a zone of promoting cultural industries.
- (2) The provisions of [Articles 27](#) and [28](#) shall apply *mutatis mutandis* to persons who implement plans for forming a zone of promoting cultural industries under paragraph (1).
- (3) A zone of promoting cultural industries designated under [Article 28-2](#) (1) shall be deemed a zone of promoting venture businesses under [Article 18-4 of the Act on Special Measures for the Promotion of Venture Businesses](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 29 (Lending and Using State or Public Property)**

- (1) The State or local governments may allow persons to lend, use or benefit from the State property or public property or sell such property pursuant to private contract, notwithstanding the provisions of the [State Property Act](#) or the Public Property and Commodity Management Act, when it is deemed necessary for expanding facilities for promoting cultural industries or forming and operating a cultural industrial complex.
- (2) The details and terms and conditions of lending, using, benefiting from and selling the State property and public property under paragraph (1) shall be governed by the provisions of the [State Property Act](#) or the Public Property and Commodity Management Act.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 30 (Tax Support, etc.)

- (1) The Government may provide tax support to persons who establish a business or those who support the establishment of a business under tax laws in order to promote cultural industries, when investments are made in facilities for the advancement of cultural industries, a cultural industrial complex and cultural industries by producers, investment companies and investment associations.
- (2) With regard to equipment, facilities and components directly used for forming and operating facilities for promoting cultural industries and a cultural industrial complex, customs duties may be reduced or exempted by the Government under the [Customs Act](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 30-2 (Supporting Facilities for Promoting Cultural Industries by Local Governments)

Local governments may make contributions to or make investments in, notwithstanding the provisions of the [Local Finance Act](#), persons who intend to establish a facility for promoting cultural industries, a cultural industrial complex or a zone of promoting cultural industries and public organizations which support the establishment of a business related to cultural industries, when it is necessary for promoting cultural industries.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 30-3 (Examination of Statistics on Cultural Industries)

- (1) The Minister of Culture, Sports and Tourism may tabulate statistics on cultural industries through the survey of actual states at home and abroad, so as to effectively formulate and implement mid-to long-term basic plans and promote the utilization of such plans for cultural industries.
- (2) Necessary matters concerning the tabulation and management of statistics on cultural industries shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 30-4 (Consumer Protection)

The Government shall formulate policies necessary for protecting the basic rights and interests of consumers related to cultural industries under the relevant Acts and subordinate statutes, such as the [Framework Act on Consumers](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 31 (Establishment of Korea Creative Content Agency)

- (1) The Government shall establish the Korea Creative Content Agency (hereinafter referred to as the "Agency"), so as to efficiently support the advancement and development of cultural industries.
- (2) The Agency shall be a corporation.
- (3) The Agency shall have executives and necessary employees in accordance with its articles of association.
- (4) The Agency shall conduct the following projects:
  1. Research, surveys and planning of policies and systems for the advancement of cultural industries;
  2. The survey on actual states of cultural industries and the tabulation of statistics;
  3. Support for the fosterage of specialized human resources engaged in cultural industries and the re-education of human resources;
  4. Technology development planning, management of developed technology and standardization thereof, which is necessary for promoting cultural industries;
  5. Activation of the production and distribution for the development of cultural industries;
  6. Support for the establishment or management of business related to cultural industries and entry into overseas markets;
  7. Support for the development of content, such as cultural prototypes, academic materials and historic materials;
  8. Laying the groundwork for the development of cultural industries, such as the establishment of support facilities for boosting cultural industries;
  9. Facilitating the preservation, distribution, and use of public cultural content;
  10. Collection, preservation and utilization of foreign and domestic content data;
  11. Support for the multi-level distribution, utilization and export of broadcast films by each broadcast medium;
  12. Support for the international joint production of broadcast films and re-production of broadcast films in local languages;
  13. Nullification of adverse effects produced by games and creation of a sound game culture;
  14. Activation of e-sports and advancement of international exchanges;
  15. Protection of the rights and interests of content users;
  16. Other projects necessary for achieving the purposes of establishing the Agency.
- (5) The Government may make contributions to, or subsidize expenses incurred for the establishment, facilities, and operation of the Agency within budget limits.
- (6) The Agency may have public institutions which intend to receive support to fully or partially cover costs incurred in providing such support.

(7) Provisions on a foundation in the [Civil Act](#) shall apply *mutatis mutandis* to the Agency, except as otherwise provided for expressly by this Act and the [Act on the Management of Public Institutions](#).

(8) No person, other than the Agency, shall use the name 'the Korea Creative Content Agency'.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### CHAPTER IV Deleted.

Article 32 Deleted. <by Act No. 9677, May 21, 2009>

Article 33 Deleted. <by Act No. 9677, May 21, 2009>

Article 34 Deleted. <by Act No. 9677, May 21, 2009>

Article 35 Deleted. <by Act No. 9677, May 21, 2009>

Article 36 Deleted. <by Act No. 9677, May 21, 2009>

Article 37 Deleted. <by Act No. 9677, May 21, 2009>

Article 38 Deleted. <by Act No. 9677, May 21, 2009>

#### CHAPTER V Deleted.

Articles 39 Deleted. <by Act No. 9424, Feb. 6, 2009>

Articles 40 Deleted. <by Act No. 9424, Feb. 6, 2009>

Articles 41 Deleted. <by Act No. 9424, Feb. 6, 2009>

Articles 42 Deleted. <by Act No. 9424, Feb. 6, 2009>

#### CHAPTER VI COMPANIES ENGAGED IN CULTURAL INDUSTRIES

##### Article 43 (Companies Engaged in Cultural Industries)

Companies engaged in cultural industries may be established, with a view to conducting the specific projects of cultural industries.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

##### Article 44 (Types of Companies)

(1) Companies engaged in cultural industries shall be limited liability companies or stock companies.

(2) The provisions of the [Commercial Act](#) shall apply to companies engaged in cultural industries, except as otherwise provided for expressly by this Act.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

##### Article 45 (Number of Employees)

With regard to the number of employees working for companies engaged in cultural industries, the provisions of [Article 545 of the Commercial Act](#) shall not apply.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

##### Article 46 (General Meeting of Employees)

The resolution of a general meeting of employees working for companies engaged in cultural industries may be made in writing, even without the consent of all employees, notwithstanding the provisions of [Article 577 \(1\) and \(2\) of the Commercial Act](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

##### Article 47 (Restrictions on Concurrent Engagement, etc.)

(1) No company engaged in cultural industries shall carry out tasks other than those under [Article 49](#).

(2) No company engaged in cultural industries shall establish a business office, other than a main office, and employ workers or have full-time executives.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

##### Article 48 (Prohibition against Using Similar Names)

(1) Companies engaged in cultural industries shall include companies engaged in cultural industries in their trade names.

(2) No person, other than companies engaged in cultural industries, shall use the name of companies engaged in

cultural industries or similar names thereto.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### Article 49 (Tasks)

Companies engaged in cultural industries shall carry out the following tasks:

1. Planning, development, production, manufacturing, distribution and consumption of cultural products belonging to cultural industries and other services related thereto;
2. Management, operation and disposition of cultural products belonging to cultural industries;
3. Conclusion of contracts necessary for carrying out tasks under subparagraphs 1 and 2;
4. Other tasks related to tasks under subparagraphs 1 through 3.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### Article 50 (Accounting)

The accounting of companies engaged in cultural industries shall be conducted in accordance with accounting standards determined by the Financial Services Commission.

[This Article Newly Inserted by Act No. 7940, Apr. 28, 2006]

#### Article 51 (Entrustment of Tasks, etc.)

(1) Companies engaged in cultural industries shall entrust tasks falling under each subparagraph of [Article 49](#) to persons falling under any of the following subparagraphs (including corporations; hereinafter referred to as "business managers") pursuant to business entrustment agreements:

1. Persons who conduct a business, which the relevant companies engaged in cultural industries intend to conduct, as a main business;
2. Main investors in the relevant companies engaged in cultural industries;
3. Other persons determined by the general meeting of employees or the general meeting of stockholders.

(2) Companies engaged in cultural industries shall entrust the tasks of keeping documents which verify tasks concerning the preservation and management of funds or assets and legal relationships to persons falling under any of the following subparagraphs (hereinafter referred to as "asset managers") pursuant to asset management entrustment agreements:

1. Trust business operators under the [Financial Investment Services and Capital Markets Act](#);
2. Law firms under the [Attorney-at-Law Act](#) or law firms (limited company)
3. Accounting corporations under the [Certified Public Accountant Act](#).

(3) Asset managers shall separate funds or assets entrusted by companies engaged in cultural industries from their inherent properties or assets, the custody of which has been entrusted by a third party, in accounting administration and the management of such funds or assets.

(4) No business manager and asset manager shall be the same person (including corporations).

(5) Entrustment agreements under paragraphs (1) and (2) shall obtain approval from the general meeting of employees or the general meeting of shareholders.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### Article 52 (Registration, etc.)

(1) Companies engaged in cultural industries shall register with the Minister of Culture, Sports and Tourism in a written application for registration, which contains the following matters, along with documents prescribed by Presidential Decree within three months after the date of establishment registration: <Amended by Act No. 10724, May 25, 2011>

1. Target business of the articles of association;
2. Names and resident registration numbers of directors and auditors;
3. Names of business managers;
4. Names of asset managers.

(2) A company engaged in any cultural industry which intends to make a registration under paragraph (1) shall meet the following requirements: <Amended by Act No. 10724, May 25, 2011>

1. It shall be a limited liability company or stock company established under this Act;
2. Business managers who have concluded a business entrustment agreement, shall be persons who fall under [Article 51](#) (1) and shall not be in the period of business suspension;
3. Asset managers who have concluded an asset management entrustment agreement, shall be persons who fit the provisions of [Article 51](#) (2) and shall not be in the period of business suspension;
4. Capital for establishing a business shall not be less than 10 million won;
5. Details of written applications for registration shall not violate this Act or orders under this Act;
6. No fictitious matter shall be included in written applications for registration nor important facts shall be omitted from such applications.

(3) When matters registered under paragraph (1) have been revised, companies engaged in cultural industries shall

make a registration of the revisions with the Minister of Culture, Sports and Tourism within two weeks.

- (4) When registrations have been made under paragraph (1), registrations or reports shall be deemed to have been made under [Articles 26 and 57 of the Promotion of the Motion Pictures and Video Products Act](#), [Article 25 of the Game Industry Promotion Act](#) and [Article 16 of the Music Industry Promotion Act](#).

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 53 (Dissolution)**

- (1) Companies engaged in cultural industries shall be dissolved on grounds falling under any of the following subparagraphs:
1. When the period for existence has expired or other grounds determined by the articles of association have occurred;
  2. When a resolution has been made by the general meeting of shareholders or the general meeting of employees;
  3. When companies went bankrupt;
  4. When the court has issued an order or gave a ruling.
- (2) Business managers who have concluded a business entrustment contract with companies engaged in cultural industries shall, when the relevant companies engaged in cultural industries have been dissolved, report the fact to the Minister of Culture, Sports and Tourism, within 30 days after the date on which the companies were dissolved.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 54 (Prohibition against Mergers, etc.)**

No company engaged in cultural industries shall merge with other companies or change its organization into that of other companies.

[This Article Newly Inserted by Act No. 7940, Apr. 28, 2006]

#### **Article 55 (Supervision and Inspection)**

- (1) The Minister of Culture, Sports and Tourism may request companies engaged in cultural industries, business managers or asset managers to submit data on tasks under this Act or make a report to him/her, when it is necessary for the sound operation of companies engaged in cultural industries.
- (2) The Minister of Culture, Sports and Tourism may allow public officials under his/her control to inspect matters on tasks under this Act of companies engaged in cultural industries, business managers or asset managers.
- (3) Any person who conducts an inspection under paragraph (2) shall carry a certificate indicating his/her authority and show such certificate to relevant persons.
- (4) The Minister of Culture, Sports and Tourism may take the following measures for companies engaged in cultural industries, when the outcomes of inspections under paragraph (2) showed that companies violated this Act (including the [Financial Investment Services and Capital Markets Act](#), in cases of public equity companies engaged in cultural industries under [Article 56-2 \(1\)](#)):
1. Revocation of registration made by the relevant companies engaged in cultural industries;
  2. Requests for disciplinary actions against the relevant executives;
  3. Measures determined by Presidential Decree as necessary for correcting violations.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 56 (Revocation of Registration)**

The Minister of Culture, Sports and Tourism may revoke registrations under [Article 52](#), when companies engaged in cultural industries fall under any of the following subparagraphs:

1. When they have been dissolved;
2. When they have obtained registration by fraud or other fraudulent means;
3. When they have failed to meet the registration requirements under this Act (including the [Financial Investment Services and Capital Markets Act](#), in cases of public equity companies engaged in cultural industries under [Article 56-2 \(1\)](#); hereafter the same shall apply in this Article) after registration;
4. When they have violated this Act, or orders and dispositions under this Act.

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

#### **Article 56-2 (Special Cases on Public Equity Companies Engaged in Cultural Industries)**

- (1) Public equity companies engaged in cultural industries (referring to companies engaged in cultural industries, which do not fall under private collective investment schemes under [Article 9 \(19\) of the Financial Investment Services and Capital Markets Act](#); hereinafter the same shall apply) shall entrust tasks falling under the subparagraphs of [Article 49](#) to persons who meet the following requirements and have registered with the Minister of Culture, Sports and Tourism, notwithstanding the provisions of [Article 51 \(1\)](#), they shall:
1. Be stock companies under the [Commercial Act](#);
  2. Have not less than 100 million won in their own equity capital, the amount of which shall not be less than an amount prescribed by Presidential Decree;
  3. Have abundant human resources and facilities to carry out the tasks of business managers;

4. Have a system to prevent conflicts of interests between business managers and investors, or between specific investors and other investors.
  - (2) Detailed matters necessary for registration requirements under paragraph (1) shall be prescribed by Presidential Decree.
  - (3) The provisions of [Articles 55](#) (4) and [56](#) shall apply *mutatis mutandis* to the business managers of public equity companies engaged in cultural industries.
  - (4) The provisions of [Articles 11 through 16, 22 through 27, 28](#) (limited to business managers prescribed by Presidential Decree, in consideration of the size of entrusted assets) [29 through 32, 34 through 43, 48, 50 through 53, 56, 58, 60 through 65, 80 through 83](#), subparagraphs 2, 3 and 6 through 8 of [Article 85, 86 through 95, 181 through 183, 184](#) (1), (2) and (5) through (7), [185 through 187, 194 through 212, 229 through 253](#) and [415 through 425 of the Financial Investment Services and Capital Markets Act](#) shall not apply to public equity companies engaged in cultural industries and business managers (excluding persons who have been entrusted with tasks falling under each subparagraph of [Article 49](#) only by companies engaged in cultural industries, other than public equity companies engaged in cultural industries).
  - (5) The Minister of Culture, Sports and Tourism shall, when he/she registers public equity companies engaged in cultural industries or business managers (excluding persons who have been entrusted with tasks falling under the subparagraphs of [Article 49](#) only by companies engaged in cultural industries, other than public equity companies engaged in cultural industries) consult in advance with the Financial Services Commission.
  - (6) The Financial Services Commission may order public equity companies engaged in cultural industries or business managers (excluding persons who have been entrusted with tasks falling under the subparagraphs of [Article 49](#) only by companies engaged in cultural industries, other than public equity companies engaged in cultural industries) to submit data on tasks or make reports to him/her, and allow the Governor of the Financial Supervisory Service to inspect such tasks, when it is necessary for protecting public interests or the shareholders and employees of public equity companies engaged in cultural industries.
  - (7) When public equity companies engaged in cultural industries or business managers (excluding persons who have been entrusted with tasks falling under the subparagraphs of [Article 49](#) only by companies engaged in cultural industries, other than public equity companies engaged in cultural industries) have violated this Act or orders and dispositions under this Act, or the [Financial Investment Services and Capital Markets Act](#) or orders and dispositions under the same Act, the Financial Service Commission may request the Minister of Culture, Sports and Tourism to take measures falling under the subparagraphs of [Article 55](#) (4), and the Minister of Culture, Sports and Tourism shall comply with such requests, unless any extraordinary ground exists to the contrary. In such cases, the Minister of Culture, Sports and Tourism shall notify the Financial Services Commission of the details of such measures.
- [This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

## CHAPTER VII SUPPLEMENTARY PROVISIONS

### Article 57 (Legal Fiction as Public Officials in Application of Penal Provisions)

Any person engages in business affairs, the authority for which is entrusted under [Article 58](#), shall be deemed public officials, for the purposes of provisions of [Articles 129 through 132 of the Criminal Act](#). <Amended by Act No. 9677, May 21, 2009>

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 58 (Delegation or Entrustment of Authority)

The Minister of Culture, Sports and Tourism may delegate a part of his/her authority under this Act to the Mayor/Do governor, as prescribed by Presidential Decree, or entrust a part of his/her authority under this Act to institutions, corporations or organizations established with the purpose of promoting cultural industries,

[This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

### Article 59 (Fines for Negligence)

- (1) Any of the following persons shall be punished by the imposition of fines for negligence of not exceeding 10 million won: <Newly Inserted by Act No. 10724, May 25, 2011>
  1. Any person who conducts a business under the subparagraphs of [Article 49](#) or attracts investors by using the name of a company specializing in cultural industries without making a registration under [Article 52](#);
  2. Any person who has failed to manage the assets of a company specializing in cultural industries without classifying them, in violation of [Article 51](#) (3).
- (2) Any of the following persons shall be punished by the imposition of fines for negligence of not exceeding five million won: <Amended by Act No. 10724, May 25, 2011>
  1. Any person who has obtained recognition under [Article 8](#) (1) in a fraudulent manner;
  2. Any person who has indicated exemplary cultural products without any designation under [Article 15](#) (1);

3. Any person who has used similar names, in violation of [Article 31](#) (8) or [48](#) (2);
  4. Any person who has failed to file an application for registration within a registration period under [Article 52](#) (1);
  5. Any person who has refused or obstructed the submission of data, reports or inspection under [Article 55](#) (1) and (2) or has submitted data or made a report in a fraudulent manner.
- (3) Fines for negligence under paragraphs (1) and (2) shall be imposed and collected by the Minister of Culture, Sports and Tourism or the Mayor/Do Governor, as prescribed by Presidential Decree. <Amended by Act No. 10724, May 25, 2011>
- [This Article Wholly Amended by Act No. 9424, Feb. 6, 2009]

## ADDENDA

### Article 1 (Enforcement Date)

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

### Articles 2 (Transitional Measures on Independent Broadcast Video Program Producers)

Independent broadcast video program producers reported under the previous provisions at the time this Act enters into force, shall be deemed independent broadcast video producers reported under the amended provisions of subparagraph 14 of [Article 2](#).

### Articles 3 (Transitional Measures on Korea Culture and Content Agency)

(1) The Korea Culture and Content Agency established with permission from the Minister of Culture and Tourism under [Article 32 of the Civil Act](#) at the time this Act enters into force, shall obtain permission from the Minister of Culture and Tourism after preparing the articles of association of the Agency under this Act within two months after this Act enters into force.

(2) When the Korea Culture and Content Agency has obtained permission under paragraph (1), it shall obtain registration of the establishment of the Agency under this Act.

(3) The Korea Culture and Content Agency shall, when it has completed a registration of establishment under paragraph (2), be deemed to have been dissolved, notwithstanding the provisions on the dissolution and liquidation of corporations in the [Civil Act](#).

(4) The Agency under this Act shall succeed to all rights, obligations and properties of the Korea Culture and Content Agency on the date when a registration of establishment is made.

(5) The executives and employees of the Korea Culture and Content Agency at the time this Act enters into force shall be deemed executives and employees of the Agency under this Act, and the terms of office of executives shall be reckoned from the previous date of appointment.

### Articles 4 (Relations with other Acts and Subordinate Statutes)

Any citation of the former [Framework Act on the Promotion of Cultural Industries](#) or the provisions of the Act by any other Act or subordinate statute in force at the time this Act enters into force shall be deemed a citation of this Act or the corresponding provision hereof in lieu of the former provisions, if such corresponding provision exists herein.

## ADDENDUM <Act No. 6882, May 27, 2003>

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

## ADDENDA <Act No. 7604, Jul. 21, 2005>

### Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

### Articles 2 through 7 Omitted.

## ADDENDA <Act No. 7940, Apr. 28, 2006>

### Article 1 (Enforcement Date)

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

### Article 2 (Valid Term of Provisions on Funds and Management of Funds)

(1) The provisions of [Articles 39 through 42](#) shall take effect not later than December 31, 2006.

(2) The Minister of Culture, Sports and Tourism shall manage all funds in separate accounts after January 1, 2007, and make investments in separate culture-industry accounts of the Fund of Funds for Small and Medium Enterprise Investments under Article 4-2 of the [Act on Special Measures for the Promotion of Venture Businesses](#), besides revenues and expenditures, notwithstanding the provisions of Article 17 of the [National Finance Act](#), and transfer tasks related to the collection of funds to organizations specializing in the management of investments under paragraph 1 of the same Article.



**ADDENDA <Act No. 7943, Apr. 28, 2006>****Article 1 (Enforcement Date)**

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

**Articles 2 through 15 Omitted.**

**ADDENDA <Act No. 7995, Sep. 27, 2006>****Article 1 (Enforcement Date)**

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

**Articles 2 through 6 Omitted.**

**ADDENDA <Act No. 8014, Sep. 27, 2006>****Article 1 (Enforcement Date)**

This Act shall enter into force one year after the date of its promulgation.

**Articles 2 through 11 Omitted.**

**ADDENDA <Act No. 8337, Apr. 6, 2007>****Article 1 (Enforcement Date)**

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

**Articles 2 through 9 Omitted.**

**ADDENDA <Act No. 8352, Apr. 11, 2007>****Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 16 Omitted.**

**ADDENDA <Act No. 8362, Apr. 11, 2007>****Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 10 Omitted.**

**ADDENDA <Act No. 8370, Apr. 11, 2007>****Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 20 Omitted.**

**ADDENDUM <Act No. 8555, Jul. 27, 2007>**

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

**ADDENDA <Act No. 8635, Aug. 3, 2007>****Article 1 (Enforcement Date)**

This Act shall enter into force 18 months after the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 44 Omitted.**

**ADDENDA <Act No. 8852, Feb. 29, 2008>****Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 7 Omitted.**

**ADDENDA <Act No. 8863, Feb. 29, 2008>****Article 1 (Enforcement Date)**

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

**Articles 2 through 5 Omitted.**

**ADDENDA <Act No. 8976, Mar. 21, 2008>****Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 10 Omitted.****ADDENDA <Act No. 9071, Mar. 28, 2008>****Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2009. (Proviso Omitted.)

**Articles 2 through 11 Omitted.****ADDENDA <Act No. 9424, Feb. 6, 2009>****Article 1 (Enforcement Date)**

This Act shall enter into force three months after the date of its promulgation: *Provided*, That the provisions of Articles 2 through 5 of the Addenda shall enter into force on the date of its promulgation.

**Article 2 (Preparing Establishment of Agency)**

(1) The Minister of Culture, Sports and Tourism shall establish the Agency Incorporation Committee (hereinafter referred to as the "Incorporation Committee"), to handle tasks concerning the establishment of the Agency and tasks concerning the appointment of directors at the time the Agency is established.

(2) The Incorporation Committee shall be comprised of and operated by five or less members appointed by the Minister of Culture, Sports and Tourism.

(3) The Incorporation Committee shall be deemed the Executives Recommendation Committee for appointing the first executives of the Agency, notwithstanding the provisions of Article 29 of the [Act on the Management of Public Institutions](#), and procedures for the appointment and dismissal of the first executives shall be governed by the [Act on the Management of Public Institutions](#).

(4) The Incorporation Committee shall obtain approval from the Minister of Culture, Sports and Tourism after preparing the articles of association of the Agency, make a registration of establishment of the Agency by the joint signatures of members without delay, and hand over business affairs to the head of the Agency.

(5) The Incorporation Committee or its members shall be deemed to have been dissolved or dismissed when the handover of business affairs under paragraph (4) is complete.

**Article 3 (Transitional Measures Following Establishment of Agency)**

(1) The Korea Culture and Content Agency under Article 31 of the former [Framework Act on the Promotion of Cultural Industries](#), or the Korea Game Development and Promotion Institute and the Korean Broadcasting Institute established with permission from the Minister of Culture, Sports and Tourism under Article 32 of the [Civil Act](#) (hereinafter referred to as "Korea Culture and Content Agency, etc.") from the date on which this Act is promulgated until the date on which registration of establishment is made, shall be deemed to have been dissolved, when a registration of the establishment of the Agency is complete under Article 2 (4) of the Addenda, notwithstanding the provisions on the dissolution and liquidation of corporations in the [Civil Act](#).

(2) The Agency shall be a general successor to all duties, rights, obligations and properties of the Korea Culture and Content Agency, at the same time the Agency is established.

(3) The value of properties to be succeeded by the Agency under paragraph (2) shall be the book value on the previous date of the succession.

(4) A register in the name of the Korea Culture and Content Agency or names expressed in other public records shall be deemed the names of the Agency.

(5) Acts committed by or for the Korea Culture and Content Agency, etc. before the Agency is established, shall be deemed acts committed by or for the Agency.

(6) The Agency may commit acts related to properties, rights and obligations after the Agency is established, until this Act enters into force.

(7) Employees of the Korea Culture and Content Agency, etc. shall become employees of the Agency.

**Articles 4 Omitted.****Articles 5 (Transitional Measures following Revisions to other Acts)**

Notwithstanding the amended provisions of the Online Digital Contents Industry Development Act revised under Article 4 of the Addenda, "Korea Creative Content Agency" shall be deemed "Korea Culture and Content Agency" from the date on which this Addenda enters into force until the date on which registration of the establishment of the Agency is made.

**Articles 6 (Relations with other Acts and Subordinate Statutes)**

Any citation of the former [Framework Act on the Promotion of Cultural Industries](#) and provision of the Act by any other

Act or subordinate statute in force at the time this Act enters into force shall be deemed to be a citation of this Act or the corresponding provision hereof in lieu of the former provision, if such corresponding provision exists herein.

**ADDENDA <Act No. 9677, May 21, 2009>**

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

(2) (Transitional Measures concerning Zone of Promoting Cultural Industries) Any zone of promoting cultural industries designated under the previous provisions at the time this Act enters into force, shall be deemed a zone for promoting cultural industries designated under the amended provisions of Article 28-2.

**ADDENDA <Act No. 10369, Jun. 10, 2010>**

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

**Articles 2 and 3 Omitted.**

**ADDENDA <Act No. 10629, May 19, 2011>**

**Article 1 (Enforcement Date)**

This Act shall enter into force two months after the date of its promulgation. (Proviso Omitted.)

**Article 2 Omitted.**

**ADDENDA <Act No. 10724, May 25, 2011>**

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

(2) (Transitional Measures concerning Unregistered Companies Specializing in Cultural Industries) Any unregistered company specializing in cultural industries, which is established or operated as at the time this Act enters into force, shall file an application for registration within three months after this Act enters into force.

**ADDENDUM <Act No. 11167, Jan. 17, 2012>**

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

**ADDENDA <Act No. 11690, Mar. 23, 2013>**

**Article 1 (Enforcement Date)**

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

(2) Omitted.

**Articles 2 through 7 Omitted.**

**ADDENDA <Act No. 11845, May 28, 2013>**

**Article 1 (Enforcement Date)**

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)

**Article 2 through 17 Omitted.**

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