



Mobility Legal Updates

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LIN's Mobility Team monitors legal and regulatory trends in the automotive industry and periodically sends newsletters to our clients.

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Following the introduction of the so-called “Battery Certification System” and “Battery History Management System,” additional legislations concerning electric vehicle batteries continue to be enacted in succession. Additionally, there is a trend towards further strengthening obligations of manufacturers and sellers regarding automotive safety devices, as evidenced by, *inter alia*, the mandatory installation system for Event Data Recorders (EDRs) and proposed legislations aimed at preventing sudden unintended acceleration incidents. Furthermore, it is believed that environmentally-friendly issues such as recycling need to be taken into consideration with greater importance in the automotive industry in the future. This newsletter summarizes the contents of major bills that have been proposed or are under committee review, including those mentioned above.¹

¹ LIN Mobility Team's newsletter is published twice a month, alternating between discussing issues and covering legislative trends.

1. Bills on Automotive Safety

Mandatory Installation of Autonomous Emergency Braking Systems

Proposed Partial Amendment to the Motor Vehicle Management Act (Bill No. 7715, proposed by Lawmaker Ho-young Joo and 9 others)

This bill mandates that automobile manufacturers and sellers install autonomous emergency braking systems that automatically decelerate or stop vehicles when a frontal collision is anticipated. Violators of this obligation may face imprisonment for up to three years or a fine of up to 30 million won.

The bill was proposed on January 22, 2025, and has been referred to the Land, Infrastructure and Transport Committee.

Given that the bill enforces the obligation to install autonomous emergency braking systems through punitive measures for violations, it is advisable for automotive manufacturers and sellers to closely monitor the progress of this legislation.

2. Bills on the Automotive Industry

Permitting the Export of Flood-Damaged Vehicles

Proposed Partial Amendment to the Motor Vehicle Management Act (Bill No. 7302, proposed by Lawmaker Tae-young Yeom and 12 others)

The current Motor Vehicle Management Act prohibits the export of flood-damaged vehicles or devices fitted to such vehicles, or their sale to exporters (Article 26-2, paragraph 2 of the Motor Vehicle Management Act).

However, the newly proposed bill allows the export of flood-damaged vehicle devices for the purpose of recycling resources, or selling them to exporters upon written notice of the above purpose. Failure to provide such notice may result in the cancellation or suspension of the automotive management business license and may be punishable by imprisonment for up to two years or a fine of up to 20 million won.

The bill was proposed on January 7, 2025, and has been referred to the Land, Infrastructure and Transport Committee.

If passed, this legislation is expected to expand the export market for used cars by allowing the export of flood-damaged vehicles or devices mounted thereon for limited purposes.

Strengthening Requirements for Designation of Green Companies

Proposed Partial Amendment to the Environmental Technology and Industry Support Act
(Bill No. 7352, proposed by Lawmaker So-young Lee and 9 others)

The current Environmental Technology and Environmental Industry Support Act allows for the designation of companies and business establishments as green companies which significantly contribute to environmental improvement by improving "environmental impact of products," which refers to the degree of environmental impact in terms of pollutant and greenhouse gas emissions, as well as resource and energy consumption throughout the entire process of manufacturing, consuming, and disposing of materials and products (Article 16-2, paragraph 1). The Act also provides for eco-label certification (Article 17, paragraph 1). Furthermore, companies are prohibited from engaging in unfair labeling or false advertising regarding the "environmental impact of products" (Article 16-10).

However, the newly proposed bill expands the scope of environmental impact assessment by introducing new criteria. It now requires consideration of the degree of pollutant and greenhouse gas emissions as well as resource and energy consumption in service provision and overall business operations as well. By allowing designation as green companies or eco-label certification only for companies and business establishments that have demonstrated improvements in these newly considered aspects of environmental impact, this bill adopts stricter requirements therefor. Additionally, the bill introduces a provision prohibiting the designation as green companies for companies (including those operating through subsidiaries) that rely on power generation business using fossil fuels, such as coal, oil, natural gas,

etc., or on business including extraction, import, processing, and sales of fossil fuels for power generation, for 30% or more of their power generation or revenue. Moreover, business operators, including companies, must adhere to these expanded criteria when engaging in advertising activities.

The bill was proposed on January 8, 2025, and has been referred to the Environment and Labor Committee.

If passed, companies seeking green company designation or eco-label certification will need to reconsider their environmental impact not only in terms of products but also in the processes of their service provision or business operations. They may also need to adjust their reliance on fossil fuels in proportion to their power generation or revenue.

Establishing a Legal Basis for Used Batteries

Proposed Partial Amendment to the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles (Bill No. 6573, proposed by Lawmaker Sung-won Kim and 9 others)

This bill introduces a definition for "used batteries" in the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles, defining them as "batteries from electric vehicles, etc, that have reached the end of their use and are subject to remanufacturing, reuse, or recycling."

The bill was proposed on December 17, 2024, and has been referred to the Environment and Labor Committee.

If passed, this legislation is expected to establish a standardized management system for used batteries based on the newly introduced definition.

3. Strengthening the Obligations of Disclosing EV Battery Information

[Related Bills]

In addition to the implementation of the Battery Certification System and Battery History Management System, which complement and strengthen battery management systems (LIN Mobility Team's Newsletter, December 26, 2024), further legislations are being introduced to ensure that consumers have transparent access to battery information when researching and purchasing electric vehicles. Recently, the following additional legislative proposals have been introduced:

① **Mandatory Disclosure of EV Battery Model and Manufacturer Information** (Bill No. 6880, proposed by Lawmaker Geum-ju Moon and 12 others): This bill imposes an obligation on automobile manufacturers and sellers to disclose information about the model, manufacturer, and usage history (limited to reused drive batteries) of batteries for electrical vehicles. Violation of this obligation may result in imprisonment for up to three years or a fine of up to 30 million won.

The bill was proposed on December 24, 2024, and has been referred to the Land, Infrastructure and Transport Committee.

Given that this bill imposes a strong obligation to disclose information about EV batteries by introducing penal provisions, it is crucial to pay close attention to the progress of this legislation.

② **Mandatory Notification of Battery-Related Information When Selling Electric Vehicles** (Bill No. 6560, proposed by Lawmaker Yeon-hee Lee and 18 others): According to this bill, automobile manufacturers and sellers must provide written notification to purchasers of electric vehicles on information such as the capacity, rated voltage, and maximum output of the batteries, as well as the manufacturer, type, and main raw materials of the battery cells.

Furthermore, this bill introduces a provision to include full lifecycle history management information related to the safety and performance of EV batteries in the vehicle history management information that the Minister of Land, Infrastructure and Transport may provide to vehicle owners (Article 69-2, paragraph 1 of the Motor Vehicle Management Act).

The bill was proposed on December 17, 2024, and has been referred to the Land, Infrastructure and Transport Committee.

If this bill is passed, companies should note that they will be required to provide battery-related information to purchasers in writing, rather than verbally.

LIN has extensive experience in providing advisory and litigation services in the mobility industry, particularly in areas such as administrative regulations and patent and trade secret disputes related to motor vehicles. Our Mobility Team consists of attorneys and experts with a distinctive interest and passion for automobiles..

Should you wish to learn more about this newsletter or have any other inquiries, please do not hesitate to contact our firm's **Mobility Team**:

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