



Mobility Legal Updates

April 25, 2025

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

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A new season has begun. The mobility industry is constantly changing, and legal standards and regulations are also rapidly evolving. In this newsletter, we briefly summarize recent noteworthy policy changes and industry trends. Amidst the flow of mobility innovation, we will provide information that can assist your business and planning.

Legal Basis Established for Designating Low-Emission Vehicle Zones

Designated by heads of local governments in accordance with the Special Act on the Improvement of Air Quality in Air Control Zones; only low-emission vehicles permitted.

The Special Act on the Improvement of Air Quality in Air Control Zones (hereinafter the 'Air Control Zone Act'), amended on October 22, 2024, takes effect on April 23, 2025. This amendment enables the designation of zones where only low-emission vehicles may operate ("Low-Emission Vehicle Zones").

According to the newly established Article 29-2 of the Air Control Zone Act, Metropolitan Mayors/Provincial Governors or Mayors/County Governors may designate Low-Emission Vehicle Zones. Within these designated zones, only 1) **low-emission vehicles** as defined under Article 2, Subparagraph 16(a) of the Clean Air Conservation Act or 2) **vehicles meeting the air pollutant emission grade standards** set by the local government's ordinance for that area may operate. Operating a vehicle prohibited within a Low-Emission Vehicle Zone may result in an administrative fine of up to KRW 100,000 (Article 49, Paragraph 5 of the Air Control Zone Act).

If Low-Emission Vehicle Zones are expanded, it is anticipated to help increase demand for low-emission vehicles, including electric vehicles (EVs). However, predictions also exist that local governments may not actively expand Low-Emission Vehicle Zones due to 1) the current low

penetration rate of low-emission vehicles, and 2) the requirement that if a designated zone spans two or more cities/counties, the head of the higher-level local government must establish it.

Performance Standards Raised for Subsidy-Eligible Electric Vehicles (Advance Notice of the Ministry of Environment Notification)

Performance standards raised for electric cargo trucks and electric buses.

Advance Notice of the Regulation on Evaluation of Electric Vehicles Eligible for Distribution.

EV subsidies under the Clean Air Conservation Act can only be provided if the EV meets performance evaluation criteria (Article 58, Paragraphs 3 and 19 of the Clean Air Conservation Act). These EV performance evaluation criteria are stipulated in the ‘Regulation on Evaluation of Electric Vehicles Eligible for Distribution’ (Ministry of Environment Notification). The performance standards for EVs under this notification are scheduled to be raised, with the proposed amendment pre-announced on March 21, 2025 (Ministry of Environment Notification No. 2025-199).

Changes according to the pre-announced notification are as follows: First, evaluation regulations for battery energy density for electric cargo trucks and electric passenger vans have been newly established, and the standards have been raised. Next, a criterion has been added requiring battery State of Charge (SOC) information to be provided in real-time to the charger while connected to fast or slow chargers.

The Ministry of Environment explains the reason for this notification amendment is ‘to encourage performance improvements in electric vehicles eligible for support from the national or local governments.’ Manufacturers or importers of electric cargo trucks or electric passenger vans need to carefully review whether the raised performance standards will affect their eligibility for subsidies.

Implementation of Motorcycle Usage Inspection and Tuning Inspection Systems (March 15, 2025)

Performance standards raised for electric cargo trucks and electric **passenger vans** following implementation of amended Motor Vehicle Management Act

Provisions related to motorcycle usage inspection in the Motor Vehicle Management Act, amended on September 14, 2023, took effect on March 15, 2025. Accordingly, when re-registering a motorcycle whose previous use was discontinued, a motorcycle usage inspection certificate must be attached (Article 51, Paragraph 1, Subparagraph 1 of the Motor Vehicle Management Act).

Additionally, when tuning a motorcycle, previously confirmation of compliance with safety standards for the tuned structure/devices was required within 45 days of receiving tuning approval; however, due to this amendment, this requirement has been changed to undergoing a tuning inspection (Article 51, Paragraph 1, Subparagraph 3 of the Motor Vehicle Management Act).

As discontinuation of use and tuning of motorcycles are common occurrences in daily life, attention should be paid to the changed obligations under the amended law.

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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