



Legislative Notice of Partial Amendment to the Enforcement Decree of the Circular Economic and Social Act

2024.10.11

On August 19, 2024, the Ministry of Environment (the “MOE”) formally announced a proposed (partial) Amendment to the Enforcement Decree of the Act on Promotion of Transition to Circular Economy and Society (the “**Amendment to the CES Enforcement Decree**”) (MOE Notice No. 2024-519, Period of legislative notice: August 19 to September 30). The purpose of the Amendment to the CES Enforcement Decree is to specify the scope of application and compliance requirements in preparation for the enforcement of the full amendment to the Act on Promotion of Transition to Circular Economy and Society (the “**Amendment to the CES Act**”), scheduled to take effect on January 1, 2025.

The key aspects of the Amendment to the CES Enforcement Decree and implications are as follows.

1. Key Aspects of the Amendment to the CES Enforcement Decree

1) Scope of Application and Compliance Requirements subject to the Circular Use of “*Products, etc.*”

The Amendment to the CES Act defines “*products, etc.*” as products, raw materials, materials, and containers necessary for people’s daily life or industrial activities (Article 6(2) of the Amendment to the CES Act), and provides that manufacturers or importers of products, etc. prescribed by the Presidential Decree must use its effort to comply with the circular use throughout the entire process of production, distribution, consumption, and disposal, etc. (Article 17 of the Amendment to the CES Act).

The Amendment to the CES Enforcement Decree specifies the scope of “*products, etc.*” governed by Article 17 of the Amendment to the CES Act as follows.

“Products, etc.” governed by Article 17 (Article 7(1) of the Amendment to the CES Enforcement Decree)

- **“Products and packing materials which must be recycled”** under the Enforcement Decree of the Act on the Promotion of Saving and Recycling of Resources
- **“Automobiles”** under the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles
- **“Electrical and electronic equipment which must be collected, transferred or recycled”** under the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles
- Other products, etc. publicly announced by the Minister of Environment as the Minister of Environment deems that circular use of such products to be necessary

In addition, the Amendment to the CES Enforcement Decree provides for compliance requirements more specifically, which the Amendment to the CES Act classified into four categories, as follows and delegates certain detailed matters to administrative regulations.

Amendment to the CES Act (Article 17)	Amendment to the CES Enforcement Decree (Article 7(2))
The use of recycled raw materials or eco-friendly materials and methods of products, etc.	<ul style="list-style-type: none"> • Expanded the use of recycled raw materials and eco-friendly materials. • Expanded the use of eco-friendly methods to minimize environmental loads.
Durability and ease of repair of products, etc.	<ul style="list-style-type: none"> • Compliance with the minimum period of duration and parts retention period according to the Consumer Dispute Resolution Standards.
Possibility of circular use throughout the entire process of production, distribution, consumption, and disposal	<ul style="list-style-type: none"> • Improvement of ease of reducing waste generation, reuse, recycling, and remanufacturing. • Improvement of materials and structure to improve circulation usage.
The impact of carbon emissions throughout the entire process of production, distribution, consumption, and disposal	Efforts to reduce carbon emissions, such as calculating carbon footprints.
Common application	Provision of information on the promotion of circular use of products, etc.

2) Scope of Application and Compliance Requirements subject to the Circular Use of Packaging Materials

Meanwhile, Article 19 of the Amendment to the CES Act requires distributors of a certain size or larger to make efforts to comply with matters prescribed by the Presidential Decree, including the reduction of packaging materials, in order to promote the circulation of packaging materials (Article 19(2) of the Amendment to the CES Act).

The Amendment to the CES Enforcement Decree specifies the regulation targets, scope, and compliance matters of the above regulations as follows (Article 10-2 of the Amendment to the CES Enforcement Decree).

<p>Persons Subject to the Act</p>	<ul style="list-style-type: none"> •Persons engaged in the distribution business or chain business as defined under the Distribution Industry Development Act. • Mail order distributors as defined under the Act on the Consumer Protection in Electronic Commerce. • Other persons publicly notified by the Minister of Environment.
<p>Compliance Matters</p>	<ul style="list-style-type: none"> •Minimize the use of disposable packaging materials and expand the use of reusable packaging materials. • Use of packaging materials including recycled materials. • Use of packaging materials with minimal inclusion of hazardous substances. • Minimize the use of packaging materials having structures, parts, materials, etc. that impede reuse and recycling. • Use of packing materials marked with information on whether they are reusable whether they contain hazardous substances, materials, structures, etc.

3) Scope of Use and Compliance Requirements of Sustainable Products

Article 20 of the Amendment to the CES Act imposes an obligation to manufacturers or importers of products to endeavor to comply with certain standards, such as procurement of spare parts, for the sustainable use of such products (Article 20 of the Amendment to the CES Act).

In the Amendment to the CES Enforcement Decree, the targets subject to the regulation and compliance requirements are specified as follows (Article 10-3 of the Amendment to the CES Enforcement Decree).

<p>Persons Subject to the Act</p>	<ul style="list-style-type: none"> •Among the industrial products to which the Consumer Dispute Resolution Standards apply, those products for which the manufacturers or importers are required to retain spare parts for three years or more. • Other products publicly notified by the Minister of Environment.
<p>Compliance Matters</p>	<ul style="list-style-type: none"> •Spare parts necessary for repair shall be retained for a period not less than the period set forth in the Consumer Dispute Resolution Standards. • Be designed in consideration of the ease of repair when manufacturing products. • Provide relevant information for products that can be self-repaired by consumers. • Provide information on repair services in an easily accessible and readily understandable manner.

2. Implications

As demonstrated by the approval of the EcoDesign for Sustainable Product Regulation, the European Packaging and Packaging Waste Regulation, and the Directive on Common Rules Promoting the Repair of Goods by the European Council in April 2024, strengthening the environmental sustainability of products and packaging materials have become an irreversible regulatory trend.

The Amendment to the CES Act aligns with this global movement, focusing on minimizing packaging waste by downsizing packaging and promoting the use of reusable materials, while enhancing the sustainability of products through repair, reuse, and remanufacturing.

At present, the above provisions of the Amendment to the CES Act only imposes an obligation on businesses to use efforts, with no direct penalties or sanctions for non-compliance. However, with the passing of certain transitional period, those obligations will turn to more realistic regulation through other specific laws like the Resource Recycling Act, etc. Thus, the relevant business operators need to closely monitor the regulatory developments and prepare for proper countermeasures in advance.

The Amendment to the CES Enforcement Decree specifies the scope of application and compliance requirements under the Amendment to the CES Act while delegating certain specific matters to administrative regulations. It is also noteworthy that chain businesses and mail order distributors are expressly specified as the targets of the regulations.

Unless there are other material disagreements, the proposed Amendment to the CES Enforcement Decree will be promulgated in the latter half of the year and come into effect on January 1, 2025, together with overhaul and public notice of administrative regulations to follow. Business operators need to actively monitor the legislative and regulatory developments and take proactive steps to ensure that the industry's position be adequately represented.

Please stay informed through our newsletter as Shin & Kim will continue to provide updates on the regulatory trends and developments related to the Circular Economic and Social Act.

[\[Korean version\]](#) 순환경제사회법 시행령 일부개정령안 입법예고

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