

# EHS Newsletter

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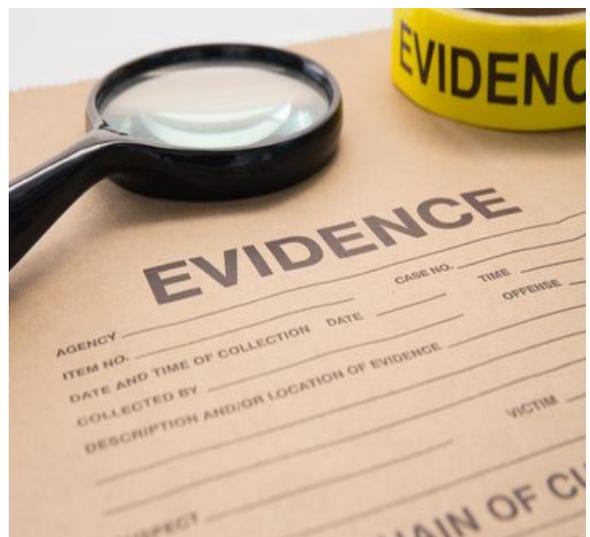
## Korean Environmental Enforcement

For the past five years, Korea witnessed ever more stringent enforcement of environmental regulations, impacting both Korean and foreign businesses in critical manners. With the increasing need for better environments by the public, the Korean government has been taking initiatives to send strong messages to both businesses and local governments on enforcement in every sense of the regulatory words.

An example of such initiatives would be the Central Environmental Crime Investigation Task Force formed in 2016, led by prosecutors and Special Judicial Police Officers in an attempt to tackle intelligently evolving violations in expedient manners. The government has been playing hard ball in adopting more stringent environmental regulations and its enforcement. This tide is not going to be reversed in Korea.

With the savvy investigators in local practices in Korea, it launched high-profile nation-wide crackdown on violations with wastewater, waste, air emission, drinking water and chemicals issues, etc., not only limited to Korean businesses but also global companies.

Violation of environmental regulations bring about not only administrative orders but also criminal charges. Collection of samples in air, wastewater, waste, chemicals are used as evidence for the governments to press criminal charges against businesses. The environmental agencies and local governments are not afraid of issuing orders for suspension of business operation and shut-down orders, no matter how detrimental the financial consequences are to the businesses.



## Fine line between non-compliance and inept understanding of regulation



One might think that violations of the regulatory requirements are something happening far away or at least not related with my company. However, observing recent trends on severity of penalties and administrative lawsuits over grey issues from the past years, foreign companies in Korea with high level of awareness for compliance and well-established compliance programs turned out to be non-exceptional, making it more worthwhile to revisit the compliance program. Causes of significant non-compliance can be categorized as below, which ends up jeopardizing business continuity:

- Inadequate environmental due diligence at the time of business merger & acquisition;
- Lack of knowledge on zoning restriction;
- Lack of knowledge on regulatory changes; and
- Inept understanding compliance and local practices.

Do you want to find out the current zoning of your business place in South Korea?

Please share the link with your local team (available only at local language):

<http://luris.molit.go.kr/web/index.jsp>

or

email us at [mhsuk@elps.co.kr](mailto:mhsuk@elps.co.kr)



# Rigorous Compliance and Business Continuity



What has been most contentious and nerve-breaking for businesses in Korea is the issue of zonings and environmental emissions. In Korea, zoning is not etched in stone. Depending on the needs by the local governments for urban development plans, certain zonings tend to change over time. If you have not checked the zoning of your business place recently, it would be a good idea to check that the zoning is still the same as the last time you checked. With hierarchical land-use plans at national, regional and city levels, a district unit plan, if any, is the most immediately applied to your location.

Depending on the local urban planning covering a broad range of land uses, environmental emissions on air emission, wastewater, and hazardous waste and the scale of the emissions are strictly restricted and regulated, with exceptions for existing businesses. For most cases except the ones where the government made procedural errors, the businesses have to be relocated. Our company has been heavily involved with companies receiving such administrative orders and relocating in compatible zonings.

Without clear understanding of the zoning restriction and one's own environmental emissions, there is a risk.

In-house environmental managers have limits in understanding regulatory climate let alone the regulatory requirements in grey areas.

Businesses in revised zoning are grandfathered up to the existing level of environmental emissions so that any significant business expansion is not be an option.

## Integrated Environmental Permit System in Korea



The government mandated integrated environmental permits for 20 industries from 2017 to 2021, incorporating 10 individual permits into one permit. In a response to the OECD recommendation, it is targeted to devise integrated response to rising complex environmental problems in Korea.

### What to prepare in advance?

With the new permit systems in place, technical expertise and consideration of complex environmental effects are introduced and reflected into the administrative procedures. If there are any inadvertent mistakes or omissions in the existing permits, they are bound to be exposed to the administrative authority resulting in various burdens on the business. Therefore, it is critical that you cure the problems before the consolidation of the permits. Since 4 years of grace period is granted to applicable existing businesses, rigorous review of the environmental permits is necessary to secure the smooth permit transition.

Manufacturing Industries subject to Integrated Environmental Permits by 2020 and 2021 in Korea:

2020

- Pulp
- Paper
- Electronic goods

2021

- Plastic
- Fabric
- Alcohol
- Automotive parts
- Semi-conductor



# ELPS

## Ultimate Advisory Group in Korea



ELPS has a track record of managing multifaceted and complex environmental and compliance projects in Korea. Our consultants with multiple disciplines consist of government relation specialists, technical consultants and environmental lawyers, assembling integrated approach to execute coordinated strategies for clients.

By combining strategic thinking and multidisciplinary perspectives with technical, governmental affairs and legal expertise, we tackle our clients' challenges most efficiently and sustainably.

- Environmental, health and safety due diligence and compliance Audit;
- Technical expertise and administrative advisory.;
- Solutions for mitigation strategies for development projects
- Customized risk quantification; and
- Technical support for legal disputes.

### More Information

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