

# PROMOTION OF DISABLED PERSONS' ENTERPRISE ACTIVITIES ACT

Act No. 7632, Jul. 29, 2005

Amended by Act No. 8086, Dec. 26, 2006

Act No. 8362, Apr. 11, 2007

Act No. 8367, Apr. 11, 2007

Act No. 9012, Mar. 28, 2008

Act No. 9685, May 21, 2009

Act No. 9891, Dec. 30, 2009

Act No. 10220, Mar. 31, 2010

Act No. 10233, Apr. 5, 2010

Act No. 11240, Jan. 26, 2012

## Article 1 (Purpose)

The purpose of this Act is to contribute to the growth of the national economy by proactively facilitating business start-ups and entrepreneurial activities of disabled persons, improving the economic and social status of disabled persons, and endeavoring to enhance their economic strength.

## Article 2 (Definitions)

For the purposes of this Act:

1. The term "disabled person" means a person falling under any of the following items:
  - (a) A person who holds a disabled person registration certificate issued pursuant to Article 32 of the Welfare of Disabled Persons Act;
  - (b) A person who has been judged to fall under any of the ratings of injury pursuant to Article 6-4 of the Act on the Honorable Treatment and Support of Persons, etc. of Distinguished Services to the State;
2. The term "disabled enterprise" means an enterprise that satisfies each of the following requirements:
  - (a) An enterprise owned or run by a disabled person, which meets the criteria prescribed by Presidential Decree;
  - (b) An enterprise whose ratio of disabled persons to the total number of regular workers employed by the enterprise (hereafter referred to as "employment ratio of disabled persons" in this Article) is not less than 30/100: Provided, That the employment ratio of disabled persons shall not apply to a small enterprise as defined in Article 2 (2) of the Framework Act on Small and Medium Enterprises;

3. The term "disabled entrepreneur" means a disabled person who is the representative or an executive of a disabled enterprise and who participates in the highest decision-making body of the enterprise;
4. The term "public institution" means a public institution as defined in subparagraph 8 of Article 2 of the Small and Medium Enterprises Promotion Act.

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

The State and local governments shall make efforts to ensure that comprehensive support and opportunities for business activities are given priority in the fields such as finance, information, technology, human resources and markets in order to facilitate business start-ups and entrepreneurial activities of disabled persons. *<Amended by Act No. 10233, Apr. 5, 2010>*

### **Article 4 (Correction of Discriminatory Practice)**

- (1) The Administrator of the Small and Medium Business Administration may, if any public institution enforces an unfair, discriminatory practice or system against disabled enterprises, request the public institution to correct such practice or system.
- (2) Any public institution to whom the corrective action is requested pursuant to paragraph (1) shall correct such practice or system, unless it has any exceptional ground to the contrary.

### **Article 5 (Basic Plan for Facilitation of Disabled Persons' Entrepreneurial Activities)**

- (1) The Administrator of the Small and Medium Business Administration shall establish a basic plan for the facilitation of activities of disabled enterprises at the beginning of each year (hereinafter referred to as "basic plan") and implement the plan, subject to deliberation by the committee for the facilitation of entrepreneurial activities of disabled persons under Article 6.
- (2) The basic plan under paragraph (1) shall include the following matters:
  1. The fundamental goals and the direction of promotion for facilitating entrepreneurial activities of disabled persons;
  2. Matters for the assistance in business start-ups of disabled persons;
  3. Matters concerning the support of disabled enterprises in finance, information, technology, human resources, and markets;
  4. Matters necessary for facilitating activities of disabled enterprises and disabled entrepreneurs in addition to the matters prescribed in subparagraphs 1 through 3.
- (3) Where the Administrator of the Small and Medium Business Administration acknowledges it necessary for the establishment of the basic plan, he/she may request appropriate administrative agencies and any institution or organization involved in support of disabled enterprises to submit necessary data or present their opinions. In such cases, any appropriate administrative agency or an institution or organization involved in support of disabled enterprises shall, upon receiving such request, comply therewith, unless there is an exceptional reason to the contrary.

### **Article 6 (Installation of Committee for Facilitation of Entrepreneurial Activities of Disabled Persons)**

- (1) A committee for the facilitation of entrepreneurial activities of disabled persons (hereinafter referred to as the "Committee") shall be installed in the Small and Medium Business Administration in order to have

the Committee deliberate on the basic plan and important matters concerning the facilitation of entrepreneurial activities of disabled persons.

(2) Important matters under paragraph (1) and necessary matters concerning the organization and operation of the Committee shall be prescribed by Presidential Decree.

#### **Article 7 (Fact-finding Surveys)**

(1) The Administrator of the Small and Medium Business Administration shall conduct a fact-finding survey once every other year to grasp the current status and actual condition of activities of disabled enterprises and announce the results therefrom to the public.

(2) The Administrator of the Small and Medium Business Administration may entrust the Korean Disabled Entrepreneurs Association under Article 11 or any institution or organization related to disabled enterprises with the fact-finding surveys under paragraph (1).

(3) If necessary in conducting fact-finding surveys pursuant to paragraph (1), any disabled enterprise may be requested to submit data or make a statement of its opinion.

#### **Article 8 (Special Cases concerning Support of Disabled Persons in Business Startup)**

(1) The Administrator of the Small and Medium Business Administration shall include a plan for the facilitation of business start-ups of disabled persons in the plan for support of small and medium enterprises in business start-ups under Article 4 (1) of the Support for Small and Medium Enterprise Establishment Act.

(2) The Government may preferentially treat any disabled business starter or a person who runs a business of supporting business start-ups when it invests, or grants a loan for, funds or provide any other aid pursuant to Article 6 (1) of the Support for Small and Medium Enterprise Establishment Act.

(3) The Administrator of the Small and Medium Business Administration may, when he/she designates a start-up business support center under Article 6 (1) of the Support for Small and Medium Enterprise Establishment Act, may give priority in such designation to the operator of a start-up business support center whose main purpose is to provide disabled business starters with facilities and places necessary for business startup.

#### **Article 9 (Preferential Treatment in Financial Support)**

(1) The State and each local government shall treat disabled enterprises preferentially in providing financial support to small and medium enterprises.

(2) The Government may authorize the Korea Credit Guarantee Fund under the Credit Guarantee Fund Act, the Korea Technology Credit Guarantee Fund under the Korea Technology Credit Guarantee Fund Act, or credit guarantee foundations established pursuant to Article 9 of the Regional Credit Guarantee Foundation Act to establish and operate a guarantee system for disabled enterprises.

(3) The Government may subsidize the budget necessary for the establishment of a guarantee system under paragraph (2).

#### **Article 9-2 (Facilitation of Purchases of Public Institutions)**

(1) The head of each public institution shall facilitate purchases of goods that disabled enterprises produce.

(2) The head of each public institution shall include a separate purchase plan for goods (excluding goods, of which are given priority to purchases, pursuant to Article 44 of the Welfare of Disabled Persons Act) that disabled enterprises produce, in a purchase plan prepared pursuant to Article 5 (1) of the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets. *<Amended by Act No. 11240, Jan. 26, 2012>*

(3) The head of each public institution shall, when he/she prepares a plan for purchasing goods produced by disabled enterprises pursuant to paragraph (2), consult with the Administrator of the Small and Medium Business Administration in advance.

(4) In consulting about a purchase plan pursuant to paragraph (3), the Administrator of the Small and Medium Business Administration may request the head of the relevant public institution to increase purchases of goods produced by disabled enterprises. In such cases, the head of the public institution shall reflect such requests in his/her purchases plan, unless there is any exceptional reason to the contrary.

#### **Article 10 (Assistance in Improvement of Business Management Skills)**

The Administrator of the Small and Medium Business Administration may implement supportive programs for disabled entrepreneurs and employees of disabled enterprises, such as training, guidance, and business consulting programs for improving business management skills and technical level.

#### **Article 11 (Establishment, etc. of Korean Disabled Entrepreneurs Association)**

(1) The Korean Disabled Entrepreneurs Association (hereinafter referred to as the "Association") shall be established with the aim of pursuing the enhancement of common interests and the sound development of disabled entrepreneurs and efficiently carrying out affairs for the facilitation of entrepreneurial activities of disabled persons.

(2) The Association shall be a legal entity.

(3) The representative of persons who desire to incorporate the Association shall submit its articles of association and other necessary documents to the Administrator of the Small and Medium Business Administration to obtain permission for incorporation, as prescribed by Presidential Decree.

(4) The Association is duly formed upon completion of the registration of its incorporation with the registry office having jurisdiction over its principal place of business.

#### **Article 12 (Business Activities of Association)**

The Association shall undertake the following business activities:

1. Training disabled entrepreneurs and fostering professional, disabled entrepreneurs;
2. Providing information to disabled enterprises;
3. Supporting and facilitating disabled persons' business startup;
4. Assisting joint purchases and sales;
5. Assisting developing overseas markets for disabled enterprises and inducing foreign investments in disabled enterprises;

6. Cooperating with foreign disabled entrepreneurs' associations;
7. Carrying out projects entrusted by the Administrator of the Small and Medium Business Administration for facilitating activities of disabled enterprises and business start-ups of disabled persons;
8. Business activities for facilitating entrepreneurial activities of disabled persons in addition to the business activities prescribed in subparagraphs 1 through 7.

#### **Article 13 (Installation of Disabled Enterprise Business Center)**

(1) The Association may install a business center for supporting disabled enterprises (hereinafter referred to as the "Business Center") that shall provide services of information, technology, education, training, counselling, research, survey, recommendation for guarantee, etc. in order to proactively facilitate business start-ups of disabled persons and activities of disabled enterprises.

(2) The Government may subsidize funds necessary for the installation and operation of the Business Center.

(3) Necessary matters concerning the installation and operation of the Business Center shall be prescribed by Presidential Decree.

#### **Article 14 (Support in Taxation, etc.)**

(1) The Government may provide support in taxation to disabled enterprises, as provided for by the Restriction of Special Taxation Act, the Restriction of Special Local Taxation Act, and other tax-related Acts, in order to facilitate business start-ups of disabled enterprises, expand the foundation for their business operations, and upgrade their business structures. *<Amended by Act No. 10220, Mar. 31, 2010>*

(2) The Government may provide support in taxation to the Association (including the Business Center; hereafter the same shall apply in this Article) and its main business activities, as provided for by the Restriction of Special Taxation Act.

(3) The Government may reckon the full value or amount of property or money contributed or donated for the establishment and operation of the Association in necessary expenses or deductible expenses, as provided for by the Income Tax Act or the Corporate Tax Act.

#### **Article 15 (Gratuitous Loan of State-Owned or Public Property)**

(1) The State or a local government may loan State-owned or public property to the Association gratuitously when it is required for the establishment of the Association or its project thereof, notwithstanding the provisions of the State Property Act or the Public Property and Commodity Management Act.

(2) The State or a local government may, if the Association fails to implement a proposed project even after two years have lapsed since property was loaned to the Association pursuant to paragraph (1), cancel or terminate the relevant loan agreement.

#### **Article 16 (Civil Act to Be Applied Mutatis Mutandis)**

(1) The provisions of the Civil Act governing incorporated associations shall apply mutatis mutandis to the Association, except as otherwise provided for by this Act.

(2) The provisions of the Civil Act governing incorporated foundations shall apply mutatis mutandis to the Business Center, except as otherwise provided for by this Act.

**Article 17 (Prohibition against Use of Similar Names)**

Any person other than the Association under this Act shall not use the name "Korean Disabled Entrepreneurs Association" or any similar name.

**Article 18 (Guidance and Supervision)**

(1) The Administrator of the Small and Medium Business Administration may render guidance for, or supervise over, administrative affairs of the Association.

(2) The Administrator of the Small and Medium Business Administration may, whenever deemed necessary for the guidance and supervision under paragraph (1), demand the Association to submit documents as may be necessary.

**Article 19 (Entrustment of Business Affairs)**

The Administrator of the Small and Medium Business Administration may, if necessary, entrust an institution or organization related to disabled enterprises with business affairs for the implementation of this Act.

**Article 20 (Penal Provisions)**

Any person who has used the name of a disabled person with intent to benefit from any support under this Act or a disabled person who granted the use of his/her name for such purpose shall be punished by imprisonment with prison labor for not more than three years or by a fine not exceeding 30 million won.

**Article 21 (Fines for Negligence)**

(1) Any person who has used the name "Korean Disabled Entrepreneurs Association" or any similar name in violation of Article 17 shall be punished by a fine for negligence not exceeding one million won.

(2) The fine for negligence under paragraph (1) shall be imposed and collected by the Administrator of the Small and Medium Business Administration.

**ADDENDUM**

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

**ADDENDA <Act No. 8086, Dec. 26, 2006>**

**Article 1 (Enforcement Date)**

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

**Articles 2 through 4 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. 8367, Dec. 26, 2006>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 6 Omitted.**

ADDENDUM <Act No. 9012, Mar. 28, 2008>

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

ADDENDA <Act No. 9685, May 21, 2009>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 8 Omitted.**

ADDENDUM <Act No. 9891, Dec. 30, 2009>

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

ADDENDA <Act No. 10220, Mar. 31, 2010>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2011.

**Articles 2 through 5 Omitted.**

ADDENDUM <Act No. 10233, Apr. 5, 2010>

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

ADDENDA <Act No. 11240, Jan. 26, 2012>

**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.**