

ACT ON THE SPECIAL ACCOUNTS FOR ENERGY AND RESOURCES-RELATED PROJECTS

1. Purpose

- The purpose of this Act is to establish special accounts for projects related to energy and resources and provide for matters regarding the operation of the accounts in order to stabilize the supply and demand of energy and energy prices and to effectively implement projects related to energy and resources

2. Definitions

- Projects for the development, production, transportation, storage, supply, and quality control of energy and underground resources (including marine mineral resources; the same shall apply hereinafter)
- Projects for restructuring industries related to energy and underground resources
- Projects for saving energy and new and renewable energy
- Projects for safety control of gas and improvement of distribution structure
- Research and development related to projects under subparagraphs 1 through 4 and projects incidental to such projects

3. Operation and Management of Account

- The Minister of Knowledge Economy shall have the authority to operate and manage the special accounts for projects related to energy and resources (hereinafter referred to as the "Special Accounts")

4. Revenue and Expenditure of Investment Account

- The revenue of the investment account shall be as follows
 - Penalty surcharges under Articles 14 and 35 of the Petroleum and Petroleum Substitute Fuel Business Act
 - Dues and additional dues under Articles 18 and 37 of the Petroleum and Petroleum Substitute Fuel Business Act

- Penalty surcharges under Article 10-8 of the Urban Gas Business Act
- Charges and additional dues under Article 87 of the Mining Industry Act
- Charges for safety control and additional charges under Article 34-2 of the High-Pressure Gas Safety Control Act
- The Mining Damage Prevention Funds raised pursuant to Article 22 of the Mining Damage Prevention and Restoration Act and additional charges under Article 26 of the said Act
- Payments under Article 11 (1) 4 of the Korea National Oil Corporation Act
- Revenue from the sale or management of assets in the investment account
- The principal of deposits in the Special Accounts and interest accruing thereon
- Transfers from general accounts under Article 7
- Transfers and deposits from other special accounts or other funds
- Loans borrowed pursuant to Article 8
- Transfers from the loan account
- Revenue other than the revenue under subparagraphs 1 through 13
- The expenditure of the investment account shall be as follows
 - Project costs necessary for projects related to energy and resources (in principle, the Mining Damage Prevention Funds and additional charges under paragraph (1) 6 shall be used preferentially for projects implemented for the prevention of mining damage pursuant to the Mining Damage Prevention and Restoration Act)
 - Contributions to, or subsidies for, projects related to energy and resources (subsidies for guarantee of performance of obligations shall be included herein but, in principle, the Mining Damage Prevention Funds and additional charges under paragraph (1) 6 shall be used preferentially for the projects implemented for the prevention of mining damage pursuant to the Mining Damage Prevention and Restoration Act)
 - Contributions to, or investments in corporations, institutions, or organizations that perform projects related to energy and resources
 - Transfers to the loan account
 - Repayment of the principal of loans and deposits in the investment account and interest thereon
 - Expenses incurred by operation and management of the investment account
- Projects related to energy and resources under paragraph (2) 1 through 3 and the scope of the corporations, institutions, or organizations that shall perform such projects shall be prescribed by Presidential Decree

5. Revenue and Expenditure of Loan Account

- The revenue of the loan account shall be as follows
 - Principal of loans and interest accruing thereon
 - Principal of deposits in the Special Accounts and interest accruing thereon
 - Transfers from general accounts under Article 7
 - Transfers and deposits from other special accounts or other funds
 - Loans borrowed pursuant to Article 8
 - Transfers from the investment account
 - Revenue other than the revenue under subparagraphs 1 through 6
- The expenditure of the loan account shall be as follows
 - Loans extended to institutions eligible for loans for assisting in projects related to energy and resources
 - Transfers to the investment account
 - Repayment of the principal of loans and deposits in the investment account and interest thereon
 - Expenses incurred by operation and management of the loan account
- Institutions eligible for the loans under paragraph (2) 1 shall be prescribed by Presidential Decree
- If a business entity to which a loan is extended by an institution eligible for a loan under paragraph (2) 1 in connection with a project related to energy or resources is unable to repay the loan due to the failure of such project, the Minister of Knowledge Economy may release the business entity fully or partially from the obligation to pay the principal and interest thereon, as prescribed by Presidential Decree

Source: Ministry of Environment (www.me.go.kr)