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**Agenda Item 3 a. Report on national and regional  
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Contribution by  
Korea Consumer Agency (KCA)  
*Report on the implementation of the United Nations Guidelines for Consumer  
Protection (UNGCP) in Korea*

## **Report on the implementation of the United Nations Guidelines for Consumer Protection (UNGCP) in Korea**

**2017**

### **I. The National and Regional Implementation of the United Nations Guidelines for Consumer Protection**

#### **A. Reinforcement of Functions to Provide Consumer Information**

1. For providing diverse consumer information on products, the Korea Fair Trade Commission (hereinafter referred to as “KFTC”) and Korea Consumer Agency (hereinafter referred to as “KCA”) operate the important information disclosure system, which obliges business operators to include information essential for consumers’ decision-making for labeling or advertising and also operates the Smart Consumer ([www.smartconsumer.go.kr](http://www.smartconsumer.go.kr)) which provides product comparison information and consumer evaluation information, as a component of proactive policies for provision of consumer information.

- In addition, the KFTC constantly oversees and corrects the misconduct of business operators in labeling and advertising. In 2015, the KFTC administered corrective actions, warnings or exceeding, for 151 instances of unjust labeling and advertising and also imposed fines for negligence on 29 instances that violated the duty to disclose important information.
  - To assist consumers with rational purchasing choices, the KFTC and KCA have been providing consumer information services to the public since 2012. The Smart Consumers is mainly comprised of three categories: 1) comparison and Sympathy' which provides comparative information about prices and quality of diverse products in real time, 2) 'consumer Tok Tok' which provides product information based on the evaluation of consumers who have actually used the products, 3) 'Safety and Recall Information' which provides integrated recall information, by items, by each ministry.
  - Also, the KCA runs T-price website and mobile application to provide price comparison information on necessities in various markets, such as supermarket, mall, on-line shopping, etc.
2. The KFTC has made a great effort to correct and prevent unjust labelling and advertising. It investigated and imposed sanctions, for matters interlinked with the daily lives of the general public to which consumer injury was caused by unjust labeling and advertising in 2015. In addition, the KFTC proactively prevented unjust labeling and advertising by issuing consumer injury alerts for areas in which consumer injury was likely to be caused.
- Sanctions for concealment of the fact of compensation for posting articles introducing or recommending products in blogs
  - Sanctions for false or exaggerated advertising of manufactures of electrical installations for industrial use
  - Sanctions for concealment of the collection and provision of personal information in gift events
  - Sanctions for false or exaggerated advertising of commercial real estate companies
  - Sanctions for false, exaggerated or fraudulent advertising of cosmetics importers and sellers
  - Issuance of consumer injury alerts by examining areas, beforehand, where which consumer injury was likely to occur
3. In 2016, the KFTC began the 'Happy Dream Open Consumer Portal' service, via a website or mobile app, so as to support all phases of consumption life from providing product and hazard information to consumer redress.
- It is a public-customized service that provides recall and hazard information with the citizen in real time by integrating the scattered information related to consumer issues in government, public and private organizations. And it helps consumers relatively easily relieve consumer damage by providing a window for damage relief and dispute mediation. Consumers can check the similar consumer problem cases through the portal and show the related cases, laws or regulations. And consumers can request damage relief or dispute mediation by submitting a request.

## B. Promotion of Consumer Education

4. The KFTC and KCA have tried to develop consumer education materials and supplementary teaching techniques.
  - In order to carry out consumer education systematically and effectively, the KFTC made it a three dimensional education by using visual study materials along with document-centered study materials.
  - The KFTC proactively created teaching materials, which included measures for injury prevention and injury compensation that were necessary for every educated group and also reflected detailed cases of injury concerning highly interested items by educated group to promote the helpfulness of education contents.

<Table> Major points of teaching materials by educated group

Educated groups	Major points of teaching materials
Elderly persons	<ul style="list-style-type: none"> <li>- Goods and services mostly used by the elderly and cases of injury (dietary supplements, medical instruments for home use, funeral services and public relations centers)</li> <li>- Application withdrawal periods, application withdrawal methods, contents certification postal services and methods of using counselling centers (1372)</li> <li>- Methods to respond to phone scams, and the necessity of personal information and methods of post-management</li> </ul>
Domestic engineers	<ul style="list-style-type: none"> <li>- Banking services in which domestic engineers have difficulties in using and cases of injury (savings and installment savings, insurance, credit cards and loan business)</li> <li>- Explanations on e-commerce transactions</li> <li>- Application withdrawal periods, application withdrawal methods, contents certification postal services, and methods of using counselling centers (1372)</li> <li>- Bank fraud and methods of protection of personal information</li> </ul>
Persons with disabilities	<ul style="list-style-type: none"> <li>- Explanation of cases of injury concerning diverse telecommunication services</li> <li>- Application withdrawal periods, application withdrawal methods, contents certification postal services, and methods of using counselling centers (1372)</li> <li>- Methods to respond to phone scams and the necessity of personal information and methods of post-management</li> </ul>
Children	<ul style="list-style-type: none"> <li>- Role of consumers and understanding of a market economy</li> <li>- Rational consumption (good consumption) and irrational consumption (bad consumption), and green consumption</li> <li>- Prior prevention of consumer injury and ex post facto solution, and consumers' rights and responsibilities</li> <li>- Market role-play with mom</li> <li>- Experiencing right methods of managing pocket money</li> </ul>
Married immigrants	<ul style="list-style-type: none"> <li>- Explanation of services in which marriage-based immigrants have difficulties in use (savings and installment savings, using financial institutions, methods of using credit cards, etc.)</li> <li>- Application withdrawal periods, application withdrawal methods, contents certification postal services, and methods of using counselling centers (1372)</li> <li>- Bank fraud and methods of protection of personal information</li> </ul>

- Financial services and telecommunication services necessary for consumers (matters to pay attention to when subscribing to insurance policies, management of credit information and use of credit cards, and use of telecommunication services)
  - Matters to pay attention to when using e-commerce transactions
  - Application withdrawal periods, application withdrawal methods, contents certification postal services, and methods of using counselling centers (1372)
  - Bank fraud and methods of protection of personal information
  - Matters to pay attention to when using telecommunication services and on-line mobile games
  - Matters to pay attention to when making e-commerce transactions
  - Application withdrawal periods, application withdrawal methods, contents certification postal services, and methods of using counselling centers (1372)
  - Bank fraud and methods of protection of personal information
- North Korean refugees (adults)
- North Korean refugees (adolescents)

5. The KFTC and KCA have carried out training of consumer education lecturers annually.

- To foster specialized lecturers to educate consumers at the site and to enhance capabilities, the KFTC and KCA conducted preliminary education for specialized lecturers belonging to consumer organizations or institutions.
- The preliminary education for children's camps for socially vulnerable groups was conducted with the participation of mentor instructors, education assistants, along with specialized lecturers. The education on the characteristics of children of socially vulnerable groups, relationship creation methods, etc. was given as well as consumer education, which resulted in a high degree of satisfaction of camp participants with education assistants and lecturers.
- The KFTC and KCA provide education to public officials of local governments by teaching about enforcement of correction of illegal conduct occurred in transactions of special-type sales, consumer-related legal frameworks, etc.

6. The KFTC has administered educational workshop to socially vulnerable groups every year, such as children, elderly persons, disabled persons, married immigrants, and North Korean refugees.

- In 2016, the KCA conducted 193 educational trainings or workshop to about 24,000 consumers of socially vulnerable groups.

7. In addition, in 2016, the KCA and KFTC launched a campaign to educate and sway consumers against the no-show for reservations or appointments, a pervasive phenomenon in Korea. As part of the campaign, they made a 90-second video to reduce no-show and diffuse responsible consumer culture, which distributed via websites of local governments, universities, and etc.

### **C. Securing Consumer Safety**

8. In 2016, the KCA and KATS (Korean Agency for Technology and Standard) conducted a 'Blind Cord Safety Campaign' to raise awareness of the potential dangers of looped cords among families with children or kids.
9. The KCA conducts various safety tests to strengthen the prevention of safety accidents. In 2016, the KCA focused on testing health hazards of household chemical products (i.e. spray type sunblock, tattoo cosmetics, wet baby wipes), children play equipment, operation of multi-use facility and its service (i.e. elevator, rental car, drive-thru, kindergarten, nursing home), and food. Based on the testing information, the KCA made adequate recommendations or notices on improving consumers' safety.
  - Also, the KCA conducted surveys on safety of outdoor leisure activities, such as water-related leisure activities, horse riding, etc, and proposed safety guidelines to enhance safety in outdoor leisure activities in 2016.
10. The KCA (Consumer Safety Center) collects diverse hazardous information through consumer safety centers (1372), fire stations, hospitals, etc. Based on such information, necessary measures against relevant business operators, such as recommendation of correction and notification to competent administrative agencies, were taken. 538 measures were taken for hazardous information in 2015, such as recommendation of correction to business operators and the provision of consumer information.
  - In addition, the KFTC provides various safety and hazard information (i.e. vehicles, household products, foods) by integrating information provided by each ministry and agency through 'Happy Dream Open Consumer Portal' and the 'Safety and Hazard Information' section within the Smart Consumer portal
11. In order to address the consumer safety matters related to food and products, the KCA conducts real-time monitoring via the Consumer Injury Surveillance System (CISS)
  - The KCA continues to cooperate with other government agencies for reinforcing the function of consumer injury surveillance. In 2016, the KCA provided various hazard information to consumers, in conjunction with other government agencies including Ministry of Public Safety and Security (rescue emergency information), Korean Agency for Technology and Standard (defective product information), Korea Transportation Safety Authority (information of vehicle safety defects), and etc. The Number of hazard information gathered increased by 272.9% in 2016, compared to 2015 [48,878 (as of august 2015) → 182,254 (as of august 2016)].
  - In addition, the KCA has tried to strengthen a monitoring system of hazard-related information by activating consumers' direct reports through the operation of Consumer Safety Monitor Agent and mobile apps.
12. The KFTC establishes comprehensive plans for consumer policy covering overall consumer policies including consumer safety every year. The action plan for

consumer safety for 2017 includes ‘inspection of consumer safety in multi-use facilities,’ ‘reinforcement of safety standards and education in the area of services,’ ‘reinforcement of safety testing, communication channel, origin marking (labeling) on foods and medicine,’ ‘reinforcement of safety management system based on the utilization of defective and hazardous information system,’ ‘improvement of food management systems in schools and children,’ and etc., as the main programs for ensuring consumer safety.

#### **D. Acts and Institution on the Consumer Protection**

There are already existing acts on the consumer protection under the KFTC that the Framework Act on Consumers, the Act on Fair Labeling and Advertising, the Act on Door-to-Door Sales, the Act on Installment Transactions, the Act on the Consumer Protection in Electronic Commerce, the Act on the Regulation of Terms and Conditions, Etc.

##### ○ The Act on Door-to-Door Sales

13. Regarding protection of rights and interests of consumers in Special-Type Sales, the KFTC has continued to investigate and correct illegal conduct in special-type sales, such as multi-level sales and door-to-door salespersons. Consumer complaints were prevalent for false information and delay or rejection of application cancellation by door-to-door sales and telemarketing companies that were selling language teaching materials, resort memberships, etc. The KFTC investigated the relevant companies and took corrective measures, such as accusation and imposition of fines, to alleviate consumer injury in the early stages and prevent any additional injury.

- To enable the consumers to make a transaction, by verifying information on special type sales business operators, the KFTC released major information about the business operators. The KFTC constantly releases information, such as trade name, address, telephone number, suspension of business or closure of business, etc. of multi-level sales business operators, sponsored door-to-door sales business operators, door-to-door sales business operators and telemarketing business operators through the website of the KFTC. Information special-type business operators can be read at any time through the section of release of business operator’s information and the section of business registration status in the homepage of the KFTC.
- The KFTC has been promoting various activities for public relations and education to prevent consumer injury in special-type sales, annually. To prevent injury suffered by the elderly in special-type sales, the KFTC has distributed posters containing tips, etc. to prevent injury in special-type sales to 63,000 senior citizen centers, lifelong education colleges, and assisted living facilities for senior citizens nationwide, and placed advertisements in senior citizens’ journals.

##### ○ The Act on Installment Transactions

14. The KFTC has begun to be regulated by the Act in the form of prepaid installment transactions since 1992.

- Through the complete amendment of the Act in 2010, funeral services have been regulated by the act. The funeral service is a representative example of installment transactions where prepayments from consumers was received with the provision of services occurring later and provide services later. Such a service using ways of prepaid transactions has a relatively high possibility of causing consumer damages due to closure, bankruptcy, etc. of business and moral hazard, compared to general transactions.
- In addition, the KFTC has tried to reduce consumer damages caused by reckless establishment of funeral service providers and unfair conduct of funeral service providers by reinforcing requirements for registration of funeral service providers and provision of significant information of funeral service provides to make an informed and rational decisions of consumers

○ The Act on the Consumer Protection in Electronic Commerce

15. As consumer issues constantly increase along with the growth of E-commerce transactions, the KFTC has made a great effort for efficient protection of consumers to cope with the recent changes in E-commerce transactions for reinforcement of consumer protection in E-Commerce transactions.

- The Korea government enacted the Act on the Consumer Protection in Electronic Commerce in 2002, in an effort to relieve consumer damages from greatly increasing issues emerging in the E-commerce industry.
- One of the most notable provisions of the Act is Article 17 which addresses the issue of contract termination or cooling off period. This provision enables e-consumers to terminate their online orders (contracts) without any conditions, provided that they do so within seven days from the day on which the written terms and conditions of the contract were received or within seven days from the day the product was delivered. Also, if the appearance of a product is significantly different from that used in the advertisement or the terms of the contract are differently performed, the consumer may terminate the contract within three months from the day he or she received the product or within 30 days from the day he or she was informed or could have been informed.
- The Act was amended on March 2016 including 1) the introduction of orders for temporary suspension to prohibit the diffusion of consumer injury which may be caused by fraudulent internet sites, etc., 2) new obligations of providers of electric bulletin board services for the prevention and reparation of consumer injury which may be caused by cafes, blogs, etc. in portal sites, and 3) reinforcement of liabilities of mediators of telemarketing, such as open markets, etc.

16. The KCA established the overseas transaction support team to address affairs



concerning international e-commerce transactions in 2015. The KCA has investigated and released lists of overseas internet shopping malls with frequent consumer complaints and provided domestic and overseas price comparison information of major products purchased overseas, such as chocolates and hope. Also, the KFTC issued a consumer injury alert which contains major cases, cautionary matters in conducting overseas purchase, etc. during the period of national holidays, Black Friday, etc. in which overseas purchases were concentrated (February, June, September and November).

17. Korea has put in place an ADR (Alternative Dispute Resolution) mechanism, which enable consumers and business operators to resolve their contractual disputes in a simple, fast and low cost manner outside court proceedings. As E-commerce is greatly increasing, the related complaints and disputes are also greatly increasing. In order to establish a consumer-oriented E-commerce environment, the KCA is currently trying to constructing the new Online Dispute Resolution (ODR) by applying the UNCITRAL Technical Notes on ODR to fit into Korea environment.

18. In order to reassure consumers of the trustworthiness of online shopping mall operators, the Ministry of Science, ICT and Future Planning has implemented the eTrust Certification measure to establish a secure E-commerce environment.

- This system aims to help ensure consumer confidence, establish a safe e-commerce environment through the rigorous operation of a certification mark system for excellent electronic transaction providers, provide business development opportunities by assigning e-trust marks to online shopping mall operators, and ensure the safety and convenience of consumers in online transactions through the operation of an eTrust certification mark.
- The eTrust certification is a comprehensive evaluation system which is awarded to of online shopping mall operators or retailers which meet the specified consumer protection standards, such as the convenience and safety of the website (order/payment process, product delivery, and exchange/return), company and product information (compliance with the product labeling guidelines of the Fair Trade Commission), system security, privacy protection, web accessibility, after-sales service, business model and website suitability, and etc.

19. Also, the KCA has recently concentrated on conducting research to apply consumer protection laws and policies to the newly emerging ICT and industries, 3D printing, artificial intelligence (AI), self-driving cars, etc., in order to effectively resolve new emerging consumer issues and preemptively react to the Fourth Industrial Revolution.

○ The Act on the Regulation of Terms and Conditions

20. The KFTC has been examining and regulating adhesion contracts including terms and conditions since 1992.

- Recently, the credit card conventionally use adherence contracts providing for automatic extinction of remaining points at the time of expiration of credit card use contract which could infringe upon the rights and interests of consumers. Accordingly, the KFTC advised credit card companies to inform consumers of the period of expiration and methods of using remaining points.
- After the personal information leakage incident involving large credit card companies, the KFTC has concerned to revise the standard e-commerce adherence contract for the minimal provision of essential items of personal information. In 2015, the KFTC revised the clauses providing that information for identification was to be necessarily collected at the time of membership subscription to provide for selective collection, or improved such clauses to provide for collection of essential information at the stage of purchase only when necessary.

○ The Customer-Centered management (CCM) certification system

21. For the efficient prevention and restitution of consumer injury, the KFTC operates Customer-Centered management (CCM) certification system. It is a national certification scheme which is evaluated by Korea Consumer Agency and certified by the Fair Trade Commission, evaluating whether corporate's activities are structured and make continued improvement for consumer. The certification evaluation is conducted every two years. It can be considered as the most effective method to prevent consumer problems through corporate efforts for the expeditious resolution of consumer complaints.
- The CCM certification has been provided for more industries, such as travel agencies, food services, gas supply, convenience stores, logistics, medical institutions, etc. As of 1 January 2016, 161 enterprises obtained CCM certification.

**E. Reinforcement of Regional Consumer Policy**

22. Since local governments can act as a touchpoint and frontline of consumer administration service, the State has been trying to support local governments so that consumer administration provides actual assistance to consumers. The roles and basic responsibilities of local governments are provided by the Framework on Consumers. The Framework Act on Consumers, which is currently in force, has a total of 86 provisions in which 21 provisions, or 25 percent, provides for the responsibilities and authority of local governments and heads of local governments.
- According to Article 6 of the Framework Act on Consumers, which provides for the basic responsibilities of local governments, local governments shall have responsibilities for enactment, revision and repeal of relevant Acts, subordinate statues and municipal ordinances; restructuring and operation of necessary administrative organizations; formulation and implementation of necessary policies; and supporting and promoting sound and autonomous organizational activities of consumers, like the State.

- Articles 7 through 17 of the same Act stipulate the duties of local governments by consumer policy, and in many areas, the local governments are delegated the same responsibilities as those of the State.
  - Article 83 of the Act and Article 68 of the Enforcement Decree of the Act provide that the heads of central administrative agencies may delegate their authority to City Mayors/Do Governors. For effective implementation of the Framework Act on Consumers, City Mayors/Do Governors are vested with authority to impose a fine for negligence not exceeding KRW 30 million on business operators in violation of the law under Article 86.
23. Each 17 metropolitan government has operated a consumer life center, according to Article 7 of the Enforcement Decree of the Framework Act on Consumers. Most consumer-related business, such as consumer education, disclosure of consumer information and dispute settlement are managed by professional contractual public officials, and employees assigned from civil organizations mostly deal with consumer counselling.
24. To strengthen the local consumer business, the KFTC provides government subsidies to support labor costs of counselling personnel assigned to local governments.
- In 2016, the KFTC provided 17 metropolitan local governments with subsidies in the amount of KRW 257 million by distributing KRW 3.78 million to each local government, each quarter.
25. The KFTC carried out 'project of assisting a leading local government in the area of consumer administration' for revitalizing local consumer administration.
- In 2016, the KFTC and KCA signed MOU with Incheon metropolitan city initiating consumer administration to cooperatively handle consumer issues occurred in Incheon and provide administrative and legal counseling.
26. The KFTC has held regional consumer administration workshops annually since 2008 to build networking with local officials and improve effectiveness of local consumer administration and policy.
- At the 2015 workshop, the KFTC provided explanation for the preparation of proposals of policy recommendation to strengthen consumer administration of local governments, selection of local governments initiating consumer administration, construction of educational portal sites, etc.
  - Also, the KCA announced the results of the fact-finding survey of consumer administration targeting metropolitan local governments and basic local governments in 2014 and 2015 respectively and suggested strategies by levels of government for the promotion of local consumer administration in the future, based on the results.
  - Recently, there has been a sharp rise in the number of consumer cooperative-related civil petitions resulting from the manipulation of law by medical

consumer cooperatives, such as administrator's hospitals which became a social problem in 2014. For replying to local government officials' inquiries about the interpretation of the Consumer Cooperatives Act, the KFTC provided education on the operation of the Act, focusing on the major provisions of the Consumer Cooperatives Act and of the response to civil petitions accumulated, and shared various civil petitions, methods to respond, etc. with the officials in charge.

27. To motivate local government to promote consumer administration, the Government awarded prizes to outstanding local governments by evaluating performance of local governments in the area of consumer policy since 2005.

- From 2007, the Government has given financial rewards for the promotion of regional consumer administration. Evaluation of results of promotion of consumer policy of local governments was conducted by the former Ministry of Finance and Economy from 2005 to 2007.
- Since 2008, the Ministry of Public Administration and Security has conducted the evaluation through the comprehensive government evaluation. Regional consumer policy, in the comprehensive government evaluation of 2015, was evaluated based on the results of law enforcement in special-type transactions.

## **F. Support for Consumer Organizations**

28. Consumer organizations conduct surveys and research concerning consumer issues; provide education and public relations targeting consumers and consumer activists; operate organizations and support events to foster sound consumer organizations; and publish periodicals to promote rational decision making by consumers. The Government has been providing subsidies by selecting programs to promote and develop consumer organizations since 1978.

29. In 2015, the Government supported 20 programs (KRW 446 million) selected through public offerings. The programs selected dealt with consumption life, such as the movement to settle consumption culture of consumer-friendly overseas direct purchase, the program catered to fitness centers for the improvement of consumption environment through fair transactions, survey of actual conditions of online transactions of used articles and actual conditions of internet sites for transactions of used articles.

## **G. Sustainable Consumption Policy**

30. The Korea government has set up the institutional framework for sustainable consumption and production. The key pillars are the Framework Act on Low-Carbon Green Growth, the Sustainable Development Act, the Presidential Commission on Sustainable Development, the Five-Plan for Green Growth, National Basic Plan for Sustainable Development, and etc.

- The Framework Act on Low-Carbon Green Growth (2010): to promote the development of the national economy by laying down the foundation necessary for low carbon discharge and green growth low carbon, green

growth and by utilizing green technology and green industries as new engines for growth, so as to pursue the harmonized development of the economy and environment and to contribute to the improvement of the quality of life of every citizen and to achieve the status of the take-off to a mature, top-class, advanced country that shall fulfill its responsibility in international community through the realization of a low-carbon society.

- The Sustainable Development Act (2007): to ensure that present and future generations enjoy a better quality of life, by accomplishing sustainable development and participating in international efforts to implement sustainable development.
- After the Korea government established the Presidential Commission on Sustainable Development (PCSD) in 2000, the PCSD has developed sectoral strategies for sustainable development in various areas (energy, water, gender, social welfare, land, climate change, transportation, conflict management, life styles and ODA) and integrated these sectoral strategies into national policies through effective coordination and consensus-building processes among different line ministries.
- Recently, the PCSD established the Third national Basic Plan for Sustainable Development (2016-2035) to envision a “harmonized development of the environment, Society and Economy” in 2016. The Plan outlines 14 strategies around four overarching goal areas.

1. Healthy Environment	2. Integrated Safe Society
- High quality environment service	- Socio-economic and gender equality
- Value increase of ecosystem services	- Reduction of regional gaps
- Clean water and effective management	- Strengthening of preventative health services
	- Expansion of safety control
3. Inclusive Creative Economy	4. Global Responsibility
- Inclusive growth and job expansion	- 2030 sustainable development agenda-strengthening partnership
- Environment-friendly circular economy	- Active response to climate change
- Formation of sustainable and safe energy system	- Strengthening environmental cooperation in Northeast Asia

- Also, the Second Five-year Plan for Green Growth (2014-2018) was established to envision a “realization of public awareness through the harmonized development of economy and environment” with the three main objectives including: 1) establishing low-carbon economy and social structure, 2) realizing a creative economy through the convergence of green technology and ICT, 3) and constructing living conditions and resilient to climate change

31. Green public procurement in Korea was generalized with the introduction of the Act on Encouragement of Purchase of Green Products in 2005. According to the Act, green public procurement should be implemented in connection with the eco-labelling, such as Korea Eco-label and Good Recycled Mark. Public organizations including central and local governments must submit an annual implementation

plan on green procurement and report the performance records of the previous to Ministry of Environment. About 870 agencies and their 30,000 subsidiaries are subject to the Act. Also, the Ministry of Environment establishes a Master Plan for Encouraging Purchase of Green Products every five years, elaborating a variety of policies aimed at promoting green production, distribution and consumption.

- The Ministry of Environment establishes a Master Plan for Encouraging Purchase of green Products every five years, elaborating a series of policies aimed at promoting sustainable consumption and production
32. The KFTC distributed the booklet “Green Life Guideline” to local government and NGOs as one of the consumer education projects. It also runs a green lifestyle model house in Korea Consumer Agency. Especially, Korea Consumer Agency has promoted consumer participation through program combination: research, education, testing, and cooperation with private organizations.
33. Local governments carry out various programs related to sustainable consumption. For example, the Seoul Metropolitan government has opened the Eco-mileage webpage to encourage households to save energy, water, and gas since 2009. This program was designed to offers incentives, such as friendly product coupons and planting trees, when households reach to save more than 10% of their average usage.

## **H. International Cooperation**

34. The KCA continues to establish bilateral cooperation with various countries in jointly resolving consumer disputes related to cross-border transactions, such as overseas travel and electronic commerce. In recent years, the KCA has proactively established agreements between various countries to address international consumer issues arising from the changing environments, such as the recent acceleration of global competition and rapid development of ICT technology.
- On June 17, 2015, the KCA signed a memorandum of understanding (MOU) with Vietnam Competition Authority.
  - On July 30, 2015, the KCA signed a memorandum of understanding (MOU) with the National Consumer Affairs Center (NCAC) of Japan to resolve consumer issues related to cross-border transactions between Korea and Japan.
  - On May 26, 2016, the KCA signed a memorandum of understanding (MOU) with the Council of Better Business Bureaus (CBBB) of U.S. to offer cross-border dispute resolution for Korean consumers who purchase goods and services from companies in North America, and for consumers in the U.S., Canada and Mexico who purchase from companies in the Republic of Korea.
  - On June 16, 2016, the KCA signed a memorandum of understanding (MOU) with the Office of Consumer Protection Board (OCPB) of Thailand to resolve consumer issues between Korea and Thailand.

- Also, there is an ongoing cooperation with China to establish a cooperative channel to address cross-border consumer issues. Moreover, we are planning to expand the cooperative channel to other countries, such as ASEAN member countries, EU, and so on.
  - KCA and KFTC are working cooperatively with the overseas consumer protection-related agencies to effectively resolve such consumer troubles. The KCA has been running a Cross-border Transaction Consumer Portal (<http://crossborder.kca.go.kr>) since 2015. The portal provides useful information to support consumers' rational overseas purchases for the prevention of consumer damage and guidance for dispute resolution methods for overseas on-line malls
35. Also, the Korea Fair Trade Commission (KFTC) continues to make an effort to reinforce bilateral cooperation in the area of competition policy with major countries.
- The KFTC extended the cooperation agreement with the National Development and Reform Commission (NDRC) of China in 2015. And, Korea and U.S. competition authorities concluded a cooperation agreement, which incorporated matters concerning the exchange information, case cooperation, etc. for competition policies and competition law enforcement in 2015. In addition, the KFTC has continued to exchange opinions on measures for competition law enforcement and cooperation, etc. with the Competition Policy Council of U.S., Canada, and Japan.
36. According to the 3<sup>rd</sup> basic plan (2015~2017) of consumer policy in Korea, the KCA will keep supporting for development and advancement of consumer policy and administration system of developing countries, such as Vietnam, Paraguay, and so on.
- The KCA, in cooperation with KOICA (the Korea International Cooperation Agency), conducted the consulting project for strengthening consumer administration systems and consumer policy in Vietnam from 2013 to 2015.
  - The KCA, in cooperation with KOICA, hosted invitational training programs for developing countries, such as Uzbekistan, Buthan, Paraguay, etc, for sound development of a consumer administration system in their countries. Also, the KCA dispatches trainers or specialists to developing countries to share the advanced consumer policy and administration of Korea.
37. The Korea Fair Trade Commission has been implementing various technical assistance activities for the competition law since mid-1990.
- (Technical assistance through training) including international workshops on competition policy, internships for the personnel of competition authorities of developing nations, KOICA competition policy training course, educational program of competition policy headquarters of OECD/KPC, etc.
  - (Technical assistance through consulting) including dispatch of competition

professional officers to developing nations and the knowledge sharing program (KSP)

38. For international cooperation in consumer-related areas, the KFTC and KCA participate in meetings, etc. of the OECD Committee on Consumer Policy (CCP), International Consumer Protection Enforcement Network (ICPEN), UN Commission on International Trade Law (UNCITRAL) and International Consumer Product Health and Safety Organization (ICPHSO).

- In addition, since 2007, the KFTC and KCA holds the Asian Consumer Policy Forum bi-annually for cooperation with East Asian countries, to exchange opinions on consumer protection and cope with consumer issues arising from the increasing mutual trade and travelers within the East Asian region.
- In 2016, he KFTC and KCA hosted the 7<sup>th</sup> Consultative Meeting on Consumer Policy among Korea, China, and Japan, which is held biannually and take turns hosting the meeting since 2004.

39. The KCA has been running a Cross-border Transaction Consumer Portal (<http://crossborder.kca.go.kr>). The portal provides useful information to support consumers' rational overseas purchases for the prevention of consumer damage and guidance for dispute resolution methods for overseas on-line malls. KCA and KFTC are working cooperatively with the overseas consumer protection-related agencies to effectively resolve such consumer troubles.

## **II. Policy measures for Socially Vulnerable and Disadvantaged Class**

○ Policy measures for improving information accessibility to elderly and persons with disabilities

40. The Korea government has been trying to improve web accessibility through various means, such as the enactment of web accessibility-related guidelines and standards, professional training courses, the development and distribution of evaluation tools, and quality certification.

- That is to say, the Korea government has paid attention to strategies for building an environment where all citizens, including the elderly and the disabled, can access the information provided by websites.
- A legal framework for making compliance with web accessibility mandatory was established by the 'Anti-Discrimination and Remedy for Disabled Persons' Act enacted in 2007. Also, 'Framework Act on National Information' was enacted in 2009 to ensure and strengthen web accessibility to all citizens, which was revised in 2013 to introduce a quality certification system for providing excellent web accessibility to the public.

41. The Ministry of Science, ICT and Future Planning (MSIP) of Korea recently announced the "Policy strategies for improving accessibility of information for the



socially vulnerable and disabled” in Jan. 2017.

- i. Improving accessibility of information in response to technology innovation
    - Support for improving web accessibility to the underserved areas or facilities which the vulnerable populations visit most often
    - Activation of the ‘Web Accessibility Quality Certification’
    - Spread of technology (i.e. universal design) for the disabled and elderly and development of contents on the Web that can be accessed by everyone regardless of their disabilities
  - ii. Promoting basic infrastructure and cultural spread for accessibility of information
    - Reinforcement of the legal requirement for accessibility of information
    - Enhancement of ICT literacy for groups with special needs by increasing
    - Raising social responsibility of corporate’ decision makers about accessibility of information to all customers
    - Promotion of the public relations(PR) to increase social awareness about ensuring access to information of the vulnerable class
  - iii. Reinforcing capacity-building for citizens’ access to information
    - Building public-private partnership for policy formation and coordination on accessibility of information
42. The KCA and KFTC provided mobile counseling and consumer education for the vulnerable class. That is, the KCA and KFTC has been trying to reduce blind area or underserved area where basic administration services in rural areas are less accessible, providing mobile counseling to the socially vulnerable.
- Consumer counseling related to various consumer issues, free service inspection for household appliances and automobiles, free health check-up services with local hospitals, etc., through voluntary mobile counseling.
43. Consumer education is considered as an important tool for protecting and empowering consumer. In particular, the KCA and KFTC conduct consumer education targeting the socially vulnerable groups including children, elderly persons, married immigrants, and North Korean refugees.
- The main contents of consumer education included the cases or types (i.e. door-to-door sales, e-commerce transactions) of damage mostly experienced by the vulnerable and disadvantaged, prior prevention of consumer injury, ways to respond to phone or mobile scams, ways to protect personnel

information, matters to pay attention to financial and telecommunication services, how to apply for compensation, role of consumers and understanding of a market economy, and etc.

- The Children's Safety Net running by the KCA aims at developing and distributing safety-related contents, conducting consumer education, and propagating safety culture to home and nearby schools. Also, the KCA, in cooperation with the EBS (Educational Broadcasting System), produced five episodes of the animation to prevent children's safety accidents which can occur in home, supermarket, school, playing facilities, and outdoor. The KCA provided the animation to elementary schools, childcare facilities (kindergartens), relevant institutions, and local governments for free in order to spread a safety culture for children.

44. The conduction of research for increasing the rights and interests of the vulnerable

- As consumer problems faced by the elderly and disable have been recently increasing, in 2016, the KCA conducted a research project, 'Study of the comprehensive plans for addressing elderly consumers' problems', that aims to figure out the elderly consumers' problems, provide a policy direction to set up long-term institutional arrangements for effectively addressing the elderly consumer, and ultimately prevent the elderly from being harmed in consumer problems. Also, in 2017, the KCA is conducting research on 'Improvement of rights and interests for information vulnerable groups' in order to suggest legal improvement, Web Accessibility Quality Certification system' improvement, and measures to facilitate consumer redress and promote consumer education infrastructure for information vulnerable class.
- Moreover, to help assist the vulnerable and elderly in making a better informed decisions, the KCA monitors and conducts various surveys on the provisions of service and goods, such as financial and health services, telecommunication services, etc., in which the vulnerable faces mostly consumer problems.

45. The KFTC, in cooperation with the KCA, has conducted a 'Consumer-oriented Assessment' projects to ensure 'consumer orientation', annually, in which it review the government's laws and institutions for each sector from consumers' perspectives and seek ways to improve them.

- On March 2016, the legal basis for the project was laid down in the Framework Act on Consumer (Article 25), with the establishment of a new management guideline for reviewing consumer-oriented laws and policies.
- In 2016, the KFTC and KCA found out 17 tasks which is room for improvement and consulted with ministries and local governments. Among 17 tasks, 10 tasks were accepted as feasible ones. Thus, the related ministries or local governments revised or corrected the provisions or notices which may violate the rights and interests of consumers.

\* Regarding consumer safety of children, the Ministry of Land,

Infrastructure and Transport (MOLIT) revised the 'Rules Regarding the Performance of Automotive and Auto Parts' to include a provision on the installment of a top speed limiter for children's transport vehicles.

- \* In 2017, in order to ensure children safety, the KCA and KFTC as part of the Consumer-oriented Assessment project are planning to test sound of fire alarms in home and public facilities, collaborating with other safety-related government agencies, universities, hospitals, etc, The KCA and KFTC will plan to investigate the reaction of children to fire alarms while they are sleeping. And they will plan to advise and recommend amendments of relevant laws and policies for fire safety on the basis of the result of research.
- ✓ Recent study conducted by Dundee University reported that children are easily waked up when fire alarms go off.

46. In 2016, the Consumer Policy Committee decided to extend the definitions of vulnerable class for consumer safety to include 'married immigrants' on the Framework Act on Consumer (Article 45).

- Because of language problems and cultural differences, married immigrants are more likely to be exposed to consumer problems than other classes for general consumption activities, such as use of products or services or claims for damage. This amendment included married immigrants in the vulnerable class for protective policies and preventive measures of such class, in the area of consumer safety.

### **III. Technical Assistance in UNCTAD's work**

47. The KFTC has been providing developing countries with our technical assistance by sending experts to convey our experiences and know-how regarding competition law and consumer policy to them.

- In 2012, it co-hosted an international policy workshop with the UNCTAD. Our dispatched official at the UNCTAD was active in providing technical support to the developing countries by attending the ASEAN Competition Law Experts Meeting in 2014 and participating in a project for reinforcement of ASEAN countries' consumer protection capabilities, etc.
- Also, the KFTC actively participated in activities of the UNCTAD by attending the 14th IGE Meeting in 2014, the international symposium co-hosted by the UNCTAD and ECUPL, and Sofia Forum co-hosted by the UNCTAD and Bulgarian competition authority, through which we shared our experiences with the developing countries.
- In 2015, the KFTC dispatched advisory officers to Myanmar's competition authorities to provide technical assistance for competition law enforcement of

Myanmar, by the request of UNCTAD.