

# ACT ON SUPPORT FOR FEMALE-OWNED BUSINESSES

Act No. 5818, Feb. 5, 1999

Amended by Act No. 6415, Feb. 30, 2001

Act No. 6675, Mar. 25, 2002

Act No. 7557, May 31, 2005

Act No. 8086, Dec. 26, 2006

Act No. 8361, Apr. 11, 2007

Act No. 8362, Apr. 11, 2007

Act No. 9684, May 21, 2009

Act No. 9685, May 21, 2009

Act No. 9892, Dec. 30, 2009

Act No. 11967, Jul. 30, 2013

## Article 1 (Purpose)

The purpose of this Act is to seek actual gender equality in the economic realm by actively supporting the activities of female-owned businesses and women's establishment of business and to contribute to the development of the national economy by facilitating women's economic activities and elevating the status of businesswomen.

## Article 2 (Definitions)

The terms used in this Act shall be defined as follows:

1. The term "female-owned business" means a business owned or managed by a woman, which meets the criteria determined by Presidential Decree;
2. The term "businesswoman" means a female executive officer of a company who participates in making final decisions of the relevant company;
3. The term "public institution" means a public institution under subparagraph 8 of Article 2 of the Small and Medium Enterprises Promotion Act.

## Article 3 (Responsibility of State and Local Governments)

The State and local governments shall, in order to facilitate women's establishment of business and business activities of female-owned businesses, endeavor to guarantee equality in business opportunities and comprehensive support in the fields of financing, manpower, information, technology, market development, etc.

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

(1) The Administrator of the Small and Medium Business Administration may, when a public institution implements an irrational and discriminatory practice or system on female-owned businesses, request such public institution to correct the same.

(2) Any public institution that is requested to make a correction under paragraph (1) shall make such correction, unless there is a compelling reason not to do so.

#### **Article 5 (Basic Plan for Facilitating Activities of Female-Owned Businesses)**

(1) The Administrator of the Small and Medium Business Administration shall develop and promote a basic plan to facilitate the activities of female-owned businesses (hereinafter referred to as "basic plan") each year as prescribed by Presidential Decree.

(2) A basic plan shall contain the matters in each of the following subparagraphs:

1. Basic goals for facilitating the activities of female-owned businesses and the direction of the promotion thereof;
2. Matters to support women in establishing business;
3. Matters concerning support to female-owned businesses in terms of financing, information, technology, manpower, market development, etc;
4. Matters necessary to facilitate the activities of female-owned businesses and businesswomen, other than those described in subparagraphs 1 through 3.

(3) The Administrator of the Small and Medium Business Administration may, when deemed necessary for developing a basic plan, request relevant administrative agencies, and institutions or organizations relevant to support of female-owned businesses to submit necessary materials, opinions, etc. In such cases, the relevant administrative agencies and institutions or organizations relevant to support of female-owned businesses that have received such request shall comply therewith, unless any special circumstances exist.

#### **Article 6 (Establishment of Balanced Growth Promotion Committee)**

(1) A Balanced Growth Promotion Committee (hereinafter referred to as the "Committee") shall be established within the Small and Medium Business Administration to deliberate on a basic plan and important matters concerning the facilitation of women's business activities.

(2) Necessary matters regarding the organization, management, etc. of the Committee shall be determined by Presidential Decree.

#### **Article 7 (Investigation of Actual Conditions)**

(1) The Administrator of the Small and Medium Business Administration shall, in order to ascertain the current and actual conditions of activities of female-owned businesses, conduct an investigation of actual conditions every two years and make public the results thereof.

(2) The Administrator of the Small and Medium Business Administration may entrust the investigation of actual conditions under paragraph (1) to the Korean Women Entrepreneurs Association under Article 13 or to small and medium business-related institutions or organizations.

(3) Public institutions, female-owned businesses or women's associations may be requested to submit materials, statements of opinions, etc. when necessary to conduct the investigation of actual conditions under paragraph (1), and the public institutions, female-owned businesses or women's associations so requested shall cooperate therewith.

#### **Article 8 (Special Cases of Support for Women in Establishing Businesses)**

(1) The Administrator of the Small and Medium Business Administration shall include a plan for facilitating women's establishment of businesses in the plan for supporting the establishment of small and medium enterprises under Article 4 (1) of the Support for Small and Medium Enterprise Establishment Act.

(2) The Government may, when supporting those who establish businesses and those who engage in the business of supporting business start-ups pursuant to Article 4 (2) of the Support for Small and Medium Enterprise Establishment Act, give preferential treatment to female establishers of businesses and start-up business supporting business entities with outstanding records in supporting women establishing businesses.

(3) The Administrator of the Small and Medium Business Administration may, when designating the proprietor of a start-up business support center under Article 6 (1) of the Support for Small and Medium Enterprise Establishment Act, preferentially designate the proprietor of a start-up business support center for women in order to facilitate women establishing businesses.

#### **Article 9 (Preferential Purchase by Public Institutions)**

(1) The heads of public institutions shall facilitate the purchase of products (hereafter referred to as "female-owned business-manufactured products" in this Article) manufactured and supplied directly by female-owned businesses (limited to small and medium business proprietors under Article 2 of the Framework Act on Small and Medium Enterprises; hereafter the same shall apply in this Article).

(2) Purchase plans prepared by the heads of public institutions 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 shall include sectionalized plans for purchasing female-owned business-manufactured products.

(3) Plans for purchasing female-owned business-manufactured products under paragraph (2) shall include a goal for purchasing products with not less than the percentage determined by Presidential Decree of such products and the heads of public institutions shall implement the relevant purchase plan. *<Amended by Act. No. 11967, Jul. 30, 2013>*

(4) With respect to matters deemed to be improved as a result of checking purchase plans under paragraph (3), the Administrator of the Small and Medium Business Administration may advise the head of the relevant public institution to make improvements thereto. In such cases, the head of the relevant public institution shall reflect them in purchase plans, unless any special circumstances exist.

(5) The provisions of Article 5 (3) of the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets shall apply mutatis mutandis to

matters necessary for notification of purchase plans and records under paragraphs (2) through (4).

**Article 10 (Preferential Treatment in Financial Support)**

The State and local governments shall, when providing funds to companies, give preferential treatment to female-owned businesses in order to facilitate the activities and establishment of female-owned businesses.

**Article 11 (Support for Improvement of Business Management Capability)**

The Administrator of the Small and Medium Business Administration may provide training, guidance programs, etc. to businesswomen and employees of female-owned businesses for the improvement of their business management capabilities and their levels of technology.

**Article 12 (Support for Design Development)**

The Korea Institute of Design Promotion under Article 11 of the Industrial Design Promotion Act shall endeavor to facilitate the development of design by female-owned businesses.

**Article 13 (Establishment, etc. of Korean Women Entrepreneurs Association)**

(1) A Korean Women Entrepreneurs Association (hereinafter referred to as the "Association") shall be established to advance the public interest and sound development of businesswomen and to efficiently carry out the duties of facilitating women's business activities.

(2) The Association shall be a legal entity.

(3) When it is intended to establish the Association, the representative concerned shall obtain approval for the establishment thereof, by submitting the articles of association and other necessary documents to the Administrator of the Small and Medium Business Administration as prescribed by Presidential Decree.

(4) The Association shall be established by completing registration of incorporation at the seat of its principal office.

**Article 14 (Duties of Association)**

The Association shall conduct each of the duties listed in the following subparagraphs:

1. Training of businesswomen and fostering of professional businesswomen;
2. Provision of information to female-owned businesses;
3. Activities to support and facilitate women's establishment of business;
4. Support for joint purchase and sales businesses;
5. Support for the development of overseas markets and attraction of foreigners' investments by female-owned businesses;
6. Cooperation with foreign businesswomen's groups;
7. Projects entrusted by the Administrator of the Small and Medium Business Administration to facilitate the activities of female-owned businesses and women's establishment of business;
8. Works to facilitate women's business activities, other than those described in subparagraphs 1 through 7.

**Article 15 (Establishment, etc. of Integrated Support Center for Female-Owned Businesses)**

(1) The Association may establish an Integrated Support Center for Female-Owned Businesses (hereinafter referred to as the "Support Center") capable of providing various kinds of information and services, such as education, training, research study and counselling, in order to actively facilitate women's establishment of business and activities of female-owned businesses.

(2) The Government may provide financial support, etc. necessary for the establishment and management of the Support Center.

(3) Matters necessary for the establishment and management of the Support Center shall be determined by Presidential Decree.

#### **Article 16 (Lending of National and Public Property without Compensation)**

The State or local governments may, when necessary for the businesses of the Association, lend national and public property to the Association without compensation, notwithstanding the provisions of the State Property Act or the provisions of the Public Property and Commodity Management Act.

#### **Article 17 (Tax Benefits)**

The Government may offer tax benefits to the Association and the major businesses thereof as prescribed by the Restriction of Special Taxation Act.

#### **Article 18 (Prohibition of Use of Similar Name)**

No person other than the Association under this Act shall be allowed to use the name 'Korean Women Entrepreneurs Association' or any other name similar thereto.

#### **Article 19 (Mutatis Mutandis Application of Civil Act)**

Except as otherwise provided for in this Act, the provisions of the Civil Act, which pertain to incorporated associations, shall apply mutatis mutandis to the Association.

#### **Article 20 (Guidance and Supervision)**

(1) The Administrator of the Small and Medium Business Administration may guide and supervise the affairs of the Association.

(2) The Administrator of the Small and Medium Business Administration may, when deemed necessary for the guidance and supervision under paragraph (1), request the Association to submit necessary documents, etc.

#### **Article 21 (Administrative Fines)**

(1) Any person who uses the name 'Korean Women Entrepreneurs Association' or any other name similar thereto in violation of Article 18 shall be subject to an administrative fine of not exceeding one million won.

(2) The administrative fine 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 on June 1, 1999.

ADDENDA <Act No. 6415, Feb. 3, 2001>

**Article 1 (Enforcement Date)**

This Act shall enter into force on April 1, 2001.

**Articles 2 and 3 Omitted.**

ADDENDA <Act No. 6675, Mar. 25, 2002>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 7 Omitted.**

ADDENDUM <Act No. 7557, May 31, 2005>

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

**Articles 2 through 4 Omitted.**

ADDENDA <Act No. 8361, 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. 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.**

ADDENDUM <Act No. 9684, May 21, 2009>

This Act shall enter into force on the date prescribed by Presidential Decree within the scope not exceeding six months after its promulgation.

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

**Article 1 (Enforcement Date)**

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

**Articles 2 through 8 Omitted.**

ADDENDUM <Act No. 9892, Dec. 30, 2009>

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

ADDENDUM <Act No. 11967, Jul. 30, 2013>

This Act shall enter into force on January 1, 2014.

