



**Regulatory Burden of Proof**

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# 1. Regulatory Burden of Proof

# Regulatory Burden of Proof

## 1.1 Definition

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The burden of proof does not focus on why the people and businesses should lift regulations, but rather on improving regulations. The regulations to be updated, if the public officials have difficulties to providing a valid reason for maintaining them.

- Various stakeholders, including proposers and business organizations, can attend the Regulatory Certification Board meeting in person to communicate the problems and difficulties that they are facing to the government in detail.
- Through discussions with stakeholders and experts, public officials can have better understanding for the challenges that occur in the field and improve regulations by taking a deeper look at the need for regulatory revision from the public's perspective.

# Regulatory Burden of Proof

## 1.2 Policy Management

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1. The 40 central administrative government agencies that are in charge of regulations operate Regulatory Certification Board with a vice minister or civilian as the chairperson. At the same time majority of the board members are consist of civilians.
2. Experts from various fields, including business organizations, researcher institutes, and universities are participating as civilian members, and public officials who are in charge of regulations attend the Regulatory Certification Board meeting to prove the need for maintaining the regulations.

# Regulatory Burden of Proof

## 1.3 Operation Performance

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1. As a result of the introduction of the Regulatory Burden of Proof system that encourages improvement of regulations focused on consumers, the government has revised a total of 2,000 regulations in 2019.

The regulations that are outdated have been reformed under the burden of proof system.

2. Additionally, the Regulatory Certification Board reviewed regulations that had not been accepted among the tasks proposed to improve regulations by enterprises and business organizations.

# Regulatory Burden of Proof

## 1.4 Operation Performance Cases

### 1. Expansion of exemption subjects from waste charge system (Ministry of Environment)

#### Current

Limited to 9 types of medical devices exempted from waste charge system  
*(one-time use syringes, sap sets, blood collection sets, etc.)*



#### Revised

Added 7 types of medical devices subject to exemption  
*(Amendment of item notification for medical devices subject to exemption from waste charges, 2019/8)*  
*Tube-catheter for oxygen, tube-catheter for suction, anesthetic fluid injection tools, transfusion set, etc.*

### 2. Expansion of the use range of raw materials in bonded factories (Korea Customs Service)

#### Current

Raw materials used for production in bonded factories, such as bio-medicine, cannot be used after changing their purpose as raw materials for research at research institutes linked to bonded factories.



#### Revised

The use of raw materials brought into bonded factories as research materials through import clearance is allowed.  
*(Amendment of Notice on the Operation of the Bonded Factories, 2019/12) → Reduction of the cost and term due to the separate import of raw materials (approximately 2 months)*

### 3. Expansion of subjects to support technology development projects for small and medium-sized enterprises (Ministry of SMEs and Startups)

#### Current

If a small and medium-sized enterprise's debt-to-equity ratio has been established for more than three years and is more than 1,000% or the total amount of capital based on the recent settlement of accounts is not eligible for support for technology development projects



#### Revised

Exceptions are granted to small and medium-sized enterprises based in industrial crisis areas.  
*(Amendment of Management Guidelines for Small and Medium Enterprise Technology Development Support Projects 2019/2)*  
*\*Dong-gu, Ulsan; Tongyeong, South Gyeongsang Province; Goseong, Geoje, Changwon Jinhae-gu; Yeongam, Mokpo, Haenam, South Jeolla Province)*



## 2. Regulatory Burden of Proof Application



# Regulatory Burden of Proof Application

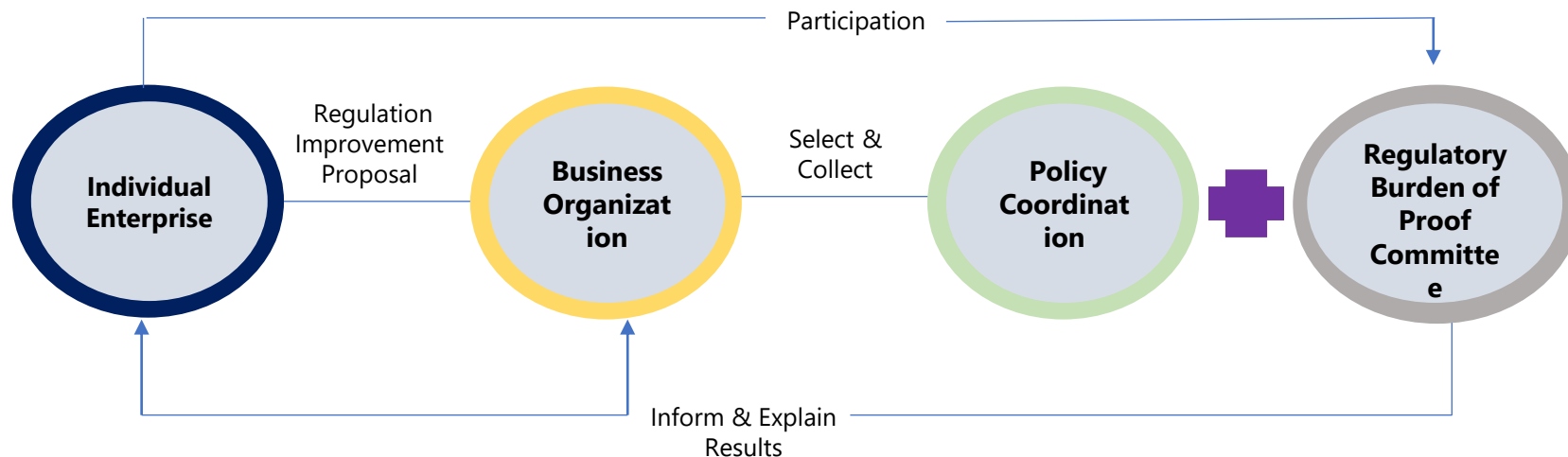
## 2.1 Citizen/Business Community 'Request for Proof' System

- Window: The government has created a window for citizens' and business communities' to encourage their involvement in the system.
  - \* Open windows for 'request for proof' on each ministry's website
- Audience: Anyone who has an objection to the response from the relevant ministries, such as hard to accept or need long term review, may request the ministries to host a regulatory verification board meeting.
- Method: In principle, the ministries that are requested to host the Regulatory Verification Board meeting must hold it within 60 days and ensure the participation of the proposer as well as the opportunity to express their opinions as freely as possible.

# Regulatory Burden of Proof Application

## 2.2 Business Organizations Cooperation & Support

1. The Office for Government Policy Coordination and five major economic organizations (Korea Chamber of Commerce, KBIZ Korea Federation of SMEs, Korea International Trade Association, Korea Employers Federation, and Federation of Middle Market Enterprises of Korea) form a public-private advisory board to support individual companies' participation in the system.
2. The Office for Government Policy Coordination will discuss the regulatory revision proposed by companies to business organizations with relevant ministries and revise them in an innovative way through the government's burden of proof.





### 3. Regulatory Burden of Proof 2020 Outlooks

# Regulatory Burden of Proof 2020 Outlooks

## 3.1 Expansion of Subject for Burden of Proof

### ➤ Expansion of Subjects: Expanded to Administrative Rules to Acts

Rules subjected to amendment (total 2,475)

- Law: 953
- Enforcement Degree: 847
- Enforcement Regulation: 675

### ➤ Prioritize agendas with the greatest impact on people's economic activities

- Problems revealed in the Covid-19 response process
- Necessary tasks to overcome the economic crisis
- Among the proposals on the Regulatory Reform Report that the Office of Government Administration requested an explanation
- Regulatory sandbox challenges that require legislative reform to expand the effectiveness of regulatory improvements

# Regulatory Burden of Proof 2020 Outlooks

## 3.2 Expansion of Regulation

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- Searching for solutions such as conflict tasks
  - Conflict assignments: Collect various opinions from companies, experts, consumers, etc.
  - Mid to long term assignments: Solve it with civilian and government joint committee
  - Multi-government departments: Collaboration with relative departments
  
- Expand to public offices and local governments
  - Local governments: Full-scale readjustment of local legislations
  - Public institutions: Applying the burden of proof of public institutions' regulations

# Regulatory Burden of Proof 2020 Outlooks

## 3.3 Operation Enrichment

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- Implementation of 'Requests for Proof' System (end of 2020)
  - A Burden of Proof committee to be formed within 60 days upon citizens and business communities request to verify regulations
  
- Reinforcement of the Method of Review by the Regulatory Certification Board
  - Operation: Provide sufficient information to the committee members of the public and private sectors in advance.
  - Composition: Involvement of experts in related fields
  - Formality: Proposer participation, face-to-face meeting



# Contact

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