Framework Act on National Standards Revised to Introduce ‘KC’ Mark

KATS is set to introduce the nationally integrated certification mark, 'KC', in order to relieve enterprises of an economic burden caused by duplicate certifications and to enable consumers to choose quality products under a single certification mark. 'KC' stands for Korea Certification.

With promulgation of the revised Framework Act on National Standards, KATS decided to push ahead with establishment of an integrated management system on a full scale that can comprehensively control and coordinate pan-governmental national standards certification-related businesses systematically.

The core content of the integrated management system for certification of national standards is twofold: first, harmonizing 20 types of audit procedures for legal compulsory certifications with international standards (ISO/IEC Guide 67) and simplifying the types into nine to match domestic conditions and, second, integrating 13 existing legal compulsory certification marks into one KC mark.

Owing to simplified certification audit procedures and resolution of duplicate certifications following introduction of the KC mark, enterprises are expected to be able to reduce certification expenses to 13 million won from 38 million won on average and shorten the certification time required to four months from 5.5 months, bringing a 7.3 trillion won increase in sales, along with an employment effect of about 68,000 persons, according to Korea University's 2008 data.

For consumers, moreover, the KC mark will provide such advantages as eliminating confusion over the diverse kinds of certification marks attached to products and presenting sufficient data to choose quality products, while reducing wasted time spent in selecting appropriate products.

Nine Certification Systems That Completed Introduction of KC Mark (MKE: 8, Ministry of Labor: 1)

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Related Act and Subordinate Statute</th>
<th>Revision Date</th>
<th>Implementation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKE</td>
<td>Enforcement Rule of the High Pressure Gas Safety Control Act (Decree No. 49)</td>
<td>Dec. 31, '08</td>
<td>July 1, '09</td>
</tr>
</tbody>
</table>
|          | Energy Use Rationalization Act (Notice)  
- Labeling Regulations on Energy Consumption  
- Efficiencies and Ratings for Automobiles (No. 08-162)  
- Operating Regulations on Efficient Management of Equipment and Materials (No. 09-26) | Nov. 11, '08 | July 1, '09         |
|          | Enforcement Rule of the Electric Appliances Safety Control Act (Decree No. 44) | Dec. 31, '08 | Jan. 1, '09         |
|          | Quality Management and Safety Control of Industrial Products Act (Decree No. 36) | Oct. 21, '08 | July 1, '09         |
|          | Enforcement Rule of the Measures Act (Decree No. 47)  
Manufacture and Management of Elevators Act (Act No. 9384) | Dec. 31, '08 | July 1, '09         |
| MOL      | Enforcement Rule of the Industrial Safety and Health Act (Decree No. 308) | Sept. 18, '08 | Jan. 1, '09         |

* MOL: Ministry of Labor
Industrial Standards Regime

The detailed content of the revisions to the Framework Act on National Standards is summarized below.

- First, enhanced international harmonization for certification assessment and audit procedures by introducing a standard certification audit system if Acts and subordinate statutes stipulate that new products shall undergo certification and verification;

- Second, integrated 13 existing legal compulsory certification marks into KC, with the Ministry of Knowledge Economy (MKE) introducing the integrated mark into nine certification systems starting July 1, 2009, in advance, and implementing it at all ministries starting November 1, 2011.

- Third, prevented confusion of certifications and pursued harmony among certifications with establishment and revision of Acts and subordinate statutes in a way that requires prior discussion with the Minister of MKE regarding the content if intending to introduce new product certification systems or to label certification marks.

- Fourth, enabled full-time consultation and coordination between ministries and enhanced the practical efficiency of the National Standards Council by changing the council chairman from Prime Minister to MKE Minister and council members from ministerial-level to vice ministerial-level officials of related central administration agencies, while organizing an executive committee (chairman: KATS Administrator, members: Director Generals of respective ministries).

If revisions of 27 Acts and subordinate statutes of nine ministries, including the Framework Act on Telecommunications, establishment of regulations on the joint certification procedures for items requiring multiple certifications, revision of systems, such as preparation of common agenda for elimination of duplicate testing items among legal voluntary certification systems, etc., are completed by December 2010 on a step-by-step basis to introduce the KC mark, efficient management of national certifications will become possible.

Furthermore, if introduction of the KC mark and improvement of national standards and related certification systems are promoted as scheduled, the economic and time burdens on enterprises will be eased significantly and the technology development period also will be shortened. As a result, industrial competitiveness is expected to be further strengthened and certification-related industries are expected to grow remarkably with the recognition of the KC mark brand.

By promoting the KC mark linked to policy projects to enhance the value of 10 major national brands, KATS expects to nurture the mark into a global brand representing Korea and to possibly develop the domestic certification business into a profit-creation-type knowledge service industry.

To minimize confusion following system changes and for early establishment of new systems, the KC mark and standards certification audit system, etc., KATS plans to actively publicize them to the general public and stakeholders through diverse on-offline publicity networks, utilizing major events on World Standards Day, TV and subway publicities, provincial explanatory session tours, websites of the government and certification bodies, etc.