

Public Rental Housing Initiative Aims to Ensure Housing Stability for Jeonse Fraud Victims

- A total of 26 laws, including the Special Act on Supporting Jeonse Fraud Victims and Housing Stability, coming into effect in November

In November, government measures to secure housing stability for victims of rental fraud will be expanded, and the monthly contribution limit for the Housing Subscription Savings will be raised to 250,000 won. The Ministry of Government Legislation (Minister Lee Wan-kyu) announced that a total of 26 statutes will come into effect in November. Some of the key details and implementation dates of the forthcoming statutes are as follows.

Public rental housing initiative aims to ensure housing stability for Jeonse* fraud victims(「THE SPECIAL ACT ON SUPPORTING JEONSE FRAUD VICTIMS AND HOUSING STABILITY」, 11. 11.)

* Jeonse: A housing rental system in Korea, where, instead of monthly rent, a large lump-sum payment is deposited to a landlord for the duration of the contract. The deposit is returned to the tenant in full upon the expiration of the contract.

At the request of a Jeonse fraud victim, the public housing provider may acquire the housing through auction after obtaining the victim's right of priority purchase, and offer the victim public rental housing first. Jeonse fraud victims will be able to live in the these homes for 10 years without paying rent, and any profits from auctions will be used to cover rental expenses. The government will bear the cost

associated with purchasing the housings, as well as any rental shortfalls that remain after using auction profits for rent. After 10 years of residence, victims can either extend their stay for up to another 10 years at a rent lower than the market rate or receive the remaining amount after deducting the rental support from the auction profits.

Expanding the scope of food vending machine business to strengthen hygiene management(「ENFORCEMENT DECREE OF THE FOOD SANITATION ACT」, 11. 15.)

From now on, the scope of the food vending machine business will be expanded to include the sale of food products that undergo automatic mixing and processing inside the vending machines to strengthen hygiene management. Previously, food vending machine business was defined as selling only finished products. However, with the increasing variety of food vending machines with various functions, such as those for robot coffee, meal kits, and cotton candy, it is necessary to strengthen the hygiene management of these vending machines as well, which has prompted the revision of the regulation.

Designation and promotion of standard agreements to establish the sound order of transactions effected on consignment and commission (「ACT ON THE PROMOTION OF MUTUALLY BENEFICIAL COOPERATION BETWEEN LARGE ENTERPRISES AND SMALL AND MEDIUM ENTERPRISES」, 11. 1.)

In order to establish the sound order of transactions effected on consignment and commission and to prevent unfair agreements from being widely used, the Minister of SMEs and Startups may formulate or amend standard agreements, or designate standard contracts in accordance with other laws, and promote their use among commissioning and commissioned enterprises. A list of recommended

standard agreements and contracts must be published on the official website of the Ministry. Furthermore, when formulating or amending standard agreements, the minister shall seek the opinions of relevant parties, including commissioning and commissioned enterprises or organizations of small-medium enterprises. This institutionalizes a process that allows transaction parties to actively participate, ensuring that the standard agreements reflect the characteristics of the industry and the realities of businesses.

Increase in the monthly contribution limit for the Housing Subscription Savings (「ENFORCEMENT RULE OF THE SUPPLY OF HOUSING」, 11. 1.)

Starting in November, the monthly contribution limit for the Housing Subscription Savings, which is calculated as part of the total savings amount, will increase from 100,000 won to 250,000 won. Additionally, the annual limit for income deductions based on contributions to the Housing Subscription Savings will be raised from 2.4 million won to 3 million won. With this increase in both the contribution limit and the income deduction limit, the benefits of income deductions will also be expanded.

The new statutes and the reasons for their enactment, including those stated above, can be found at Korean Law Information Center(www.law.go.kr).

(Unofficial Translation)

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