

# **ENFORCEMENT RULES OF THE ACT ON ACQUISITION OF AND COMPENSATION FOR LAND, ETC. FOR PUBLIC WORKS PROJECTS**

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 1, Mar. 23, 2013

Amended by Ordinance Of the Ministry of Ministry of Land, Infrastructure  
and Transport No. 4, Mar. 14, 2008

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 5, Apr. 25, 2013

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 7, Apr. 18, 2008

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 180, Nov. 13, 2009

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 344, Dec. 31, 2002

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 411, Nov. 29, 2004

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 422, Sep. 27, 2007

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 424, Feb. 5, 2005

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 427, Jan. 2, 2012

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 456, Apr. 13, 2012

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 504, Mar. 17, 2006

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 551, Mar. 19, 2007

Ordinance Of the Ministry of Ministry of Land, Infrastructure and  
Transport No. 556, Apr. 12, 2007

## **Article 1 (Purpose)**

The purpose of these Rules is to prescribe matters delegated by the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects and the Enforcement Decree of the same Act, and matters necessary for the enforcement thereof. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

## **Article 2 (Definitions)**

The definitions of terms used in these Rules shall be as follows: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

1. The term "objects" means objects subject to appraisal, which are land, goods and rights under the provisions of subparagraph 1 of Article 2 of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects (hereinafter referred to as the "Act");
2. The term "zone where public works are performed" means a zone where public works under the provisions of subparagraph 2 of Article 2 of the Act are performed;
3. The term "obstacles" means objects not directly necessary for performing the relevant public works among buildings, structures, facilities, standing trees, bamboos, farm products and other fixtures on land in a zone where public works are performed;
4. The term "expenses for removal" means expenses incurred in removal, relocation or transplantation of objects which require appraisal to an area outside the relevant zone where public works are performed while maintaining their utility identically (including expenses incurred in demolition of objects, construction expenses including expenses generally incurred in obtaining a building permit and the cost of transport to the reasonable distance, but excluding expenses incurred in the improvement of facilities required by related Acts and subordinate statutes, such as the Building Act, etc.);
5. The term "pricing point" means a point of time which becomes the basis for the computation of the compensation amount under the provisions of Article 67 (1) of the Act;
6. The term "sales comparison method" means a method for computing the price of an object as of the pricing point in comparison with examples of transactions of other objects which are identical or similar to the object (referring to comparison after appropriately supplementing according to the transaction circumstances and time; hereinafter the same shall apply);
7. The term "rented comparative method" means a method for computing a rental fee of an object in comparison with rented examples of other objects which are identical or similar to the object;
8. The term "estimation method" means a method for computing a rental fee of an object by adding all expenses incurred in the continuous use of an object to the amount computed by multiplying the price of the object by the expected interest rate at the pricing point;
9. The term "cost approach" means a method for computing the price of an object as of the pricing point by write-back from the cost of reproduction of the object at the pricing point.

## **Article 3 (Service)**

Service of a document under the provisions of Article 6 of the Act in accordance with the provisions of Article 4 (1) of the Enforcement Decree of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects (hereinafter referred to as the "Decree") may be provided by means of special service under the provisions of Article 25 (1) 6 of the Enforcement Rules of the Postal Service Act.

*<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

#### **Article 4 (Forms of Identification Cards and Permits)**

An identification card in accordance with the provisions of Article 13 (4) of the Act (including cases where it is applied mutatis mutandis in Articles 27 (1) and 58 (2) of the Act) shall be in accordance with attached Form 1 and a permit in accordance with the provisions of the same paragraph shall be in accordance with attached Forms 2 and 3.

#### **Article 5 (Forms of Protocol of Land and Protocol of Goods)**

A protocol of land and protocol of goods under the provisions of Article 7 (6) of the Decree shall be in accordance with attached Forms 4 and 5, respectively.

#### **Article 6 (Forms of Request for Arrangement of Compensation and Explanatory Notes of Arrangement)**

(1) A request for arrangement of compensation in accordance with the provisions of Article 8 (1) of the Decree shall be in accordance with attached Form 6.

(2) An explanatory note of an arrangement in accordance with the provisions of Article 8 (5) of the Decree shall be in accordance with attached Form 7.

#### **Article 7 Deleted.**

#### **Article 8 (Form of Application for Approval of Project)**

(1) An application for approval of a project in accordance with the provisions of Article 10 (1) of the Decree shall be in accordance with attached Form 10.

(2) The following matters shall be stated in a plan of operation in accordance with the provisions of Article 10 (2) 1 of the Decree:

1. An outline of a project and the legal basis thereof;
2. The scheduled date of commencement and completion of a project;
3. Expenses incurred and a report on financial resources;
4. The details of land and goods required for a project;
5. The necessity of a project and the effect thereof.

(3) Drawings in accordance with the provisions of Article 10 (2) 2 of the Decree shall be prepared as follows:

1. Drawings indicating a planned area of a project: To color a planned area of a project pink on a topographical map drawn on a scale of 1 : 5,000 through 1 : 25,000;
2. Drawings indicating a plan of operation: To specify locations of facilities intended to be built on a map drawn on a scale of 1 : 100 through 1 : 5,000 and to attach a ground plan on such facilities thereto.

(4) A protocol on land, etc. under the provisions of Article 10 (2) 3 of the Decree shall be prepared in accordance with attached Form 11, and drawings on land, etc. in accordance with the provisions of the said paragraph shall indicate locations of land, etc. (referring to land, goods, rights under the provisions of subparagraph 1 of Article 2 of the Act; hereinafter the same shall apply) on a map drawn on a scale of 1 : 100 through 1 : 1, 200.

(5) A document in which the details of land to be expropriated or used in accordance with the provisions of Article 10 (2) 7 of the Decree are stated shall be in accordance with attached Form 12.

(6) Where a project operator submits an application for approval of a project and documents and drawings attached thereto pursuant to Article 10 (1) and (2) of the Decree, he/she shall submit one original and duplicates in the number of copies by adding three to the number of Si (including an administrative Si under Article 15 (2) of the Special Act on the Establishment of Jeju Special Self-Governing Province and the Development of Free International City; hereinafter the same shall apply)/Gun/Gu (including a Gu that is not an autonomous Gu; hereafter in Articles 10 (3) and 11 (3) the same shall apply) included in a zone where public works are performed. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

#### **Article 9 (Fees)**

(1) Fees referred to in Articles 20 (2), 28 (2), 29 (2) and 30 (2) of the Act shall be as prescribed in attached Table 1.

(2) Fees referred to in paragraph (1) shall be paid by revenue stamps or revenue certificate stamps (limited to where a project operator files an application for adjudication or for verification of agreement under Article 28 (1), 29 (1) or 30 (2) of the Act with the Minister of Land, Infrastructure and Transport or the competent land tribunal): Provided, That the Minister of Land, Infrastructure and Transport or the competent land tribunal may allow a project operator to pay fees in electronic cash or by means of electronic settlement, etc. through the information and communication networks. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 411, Nov. 29, 2004; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

#### **Article 10 (Form of Application for Adjudication)**

(1) An application for adjudication in accordance with the provisions of Article 12 (1) of the Decree shall be in accordance with attached Form 13.

(2) The provisions of Article 8 (2) and (3) shall apply mutatis mutandis to the preparation of a plan of operation and drawings indicating a planned area of a project and plan of operation under the provisions of Article 12 (2) 3 and 4 of the Decree.

(3) Where a project operator submits an application for adjudication and documents and drawings attached thereto, in accordance with the provisions of Article 12 (1) and (2) of the Decree, he/she shall submit one original and duplicates in the number of copies equal to the total of the number of Si/Gun/Gu included in a zone where public works are performed.

#### **Article 11 (Form of Application for Confirmation of Arrival at Arrangement)**

- (1) An application for confirmation of arrival at an arrangement in accordance with the provisions of Article 13 (1) of the Decree shall be in accordance with attached Form 14.
- (2) The provisions of Article 8 (2) shall apply mutatis mutandis to the preparation of a plan of operation in accordance with the provisions of Article 13 (2) 4 of the Decree.
- (3) Where a project operator submits an application for confirmation of arrival at an arrangement and documents and drawings attached thereto, in accordance with the provisions of Article 13 (1) and (2) of the Decree, he/she shall submit one original and duplicates in the number of copies equal to the total of the number of Si/Gun/Gu included in a zone where public works are performed: Provided, That in cases of an application for confirmation of arrival at an arrangement in accordance with the provisions of Article 29 (3) of the Act, he/she needs not submit a duplicate.

#### **Article 12 (Methods of Submission of Request for Application for Adjudication)**

A request for application for adjudication in accordance with the provisions of Article 14 (1) of the Decree shall be submitted to a project operator directly or via a certified mail in accordance with the provisions of Article 25 (1) 4 (c) of the Enforcement Rules of the Postal Service Act. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

#### **Article 13 (Daily Allowances, Travel Expenses and Appraisal Fees of Witnesses)**

The Central Land Tribunal or a regional land tribunal shall determine a daily allowance, travel expenses and an appraisal fee for a witness and an appraiser in accordance with Article 58 (3) of the Act: Provided, That an appraisal fee for an appraisal business operator under the Public Notice of Values and Appraisal of Real Estate Act (hereinafter referred to as "appraisal business operator") shall be the sum of the fees determined and announced publicly by the Minister of Land, Infrastructure and Transport in accordance with Article 25 of the same Act, and actual expenses. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

#### **Article 14 (Allowances and Travel Expenses of Members)**

The Central Land Tribunal or a regional land tribunal shall determine an allowance and travel expenses for members of the relevant land tribunal in accordance with the provisions of Article 59 of the Act within budgetary limits.

#### **Article 15 (Methods of Establishment of Fact of Residence of Nonresident Owner of Real Estate)**

(1) The fact of residence under Article 26 (3) 2 of the Decree shall be established by the following methods: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 180, Nov. 13, 2009>*

1. A method for establishing the fact of residence with confirmation by the Governor of a Special Self-Governing Province or the head of a Si/Gun/Gu who takes charge of business concerning resident registration of the relevant district pursuant to Article 2 of the Resident Registration Act or the head of

an Eup/Myeon/Dong or the head of a branch office to whom such authority has been delegated;

2. A method for establishing the fact of residence by means of objective materials, such as receipts of public utilities charges.

(2) Conducting business in accordance with Article 26 (3) 3 of the Decree shall be proved by methods of submitting all of the following materials: *<Newly Inserted by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 180, Nov. 13, 2009; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

1. Where a business license under Article 7 of the Enforcement Decree of the Value-Added Tax Act and a permit, license, report, etc. (hereinafter referred to as "permission, etc.") are required in accordance with related Acts and subordinate statutes, a document proving that a person has obtained a permit, etc;

2. Objective materials, such as a tax payment certificate or receipts of public utilities charges attendant upon the relevant business.

#### **Article 15-2 (Project Operator's Change to Indemnity in Cash)**

"Grounds prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport" in the former part of Article 63 (5) of the Act means any modification of the relevant project plan. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

#### **Article 15-3 (Landowner's Change to Indemnity in Cash)**

"Cases prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport" in Article 63 (6) 3 of the Act means the following cases: *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

1. Where the cash indemnity is unavoidable for the repayment of debt borne by the landowner;

2. Where it is apparently recognized that the cash indemnity is unavoidable for the medical treatment of an injury or disease suffered by the landowner.

#### **Article 16 (Request for Appraisal for Compensation and Appraisal)**

(1) Where a project operator intends to request appraisal on an object in accordance with Article 68 (1) of the Act, he/she shall request an appraisal business operator to appraise such object by a written request for appraisal for compensation in attached Form15 in which the following matters are stated:

1. Indication of the object;

2. The pricing point of the object;

3. The deadline for submission of an appraisal report;

4. The classification of the acquisition or use of the object which requires appraisal;

5. With regard to the object, such as a building, the classification of the removal or acquisition thereof;

6. Where he/she compensates a business loss, the classification of the discontinuance or suspension of business;

7. Matters concerning the prior gathering of consensus for appraisal of the amount of compensation in accordance with the provisions of Article 82 (1) 1 of the Act;

8. Other conditions of appraisal and matters for reference.

(2) A period for submission of an appraisal report in accordance with paragraph (1) 3 shall be within 30 days: Provided, That this shall not apply to cases where objects or the details of appraisal are special.

(3) Where an appraisal business operator receives a request for appraisal in accordance with paragraph (1), he/she shall conduct a field survey and appraisal of an object and the surroundings thereof. In such cases, with regard to an object he/she is unable to appraise at firsthand for reasons that it requires a high degree of skill, etc., he/she may appraise it through the consultation or service of a specialized institution with the consent of a project operator.

(4) An appraisal business operator shall prepare an appraisal report for compensation (hereinafter referred to as "appraisal report for compensation") in attached Form 16 after conducting appraisal, and undergo an examination of more than one examiner (referring to a commercial appraiser; hereafter in this Article the same shall apply) and receive the relevant examiner's signature and seal to an appraisal report for compensation, and then submit such appraisal report for compensation to a project operator within the period of submission under paragraph (1) 3.

(5) An examiner referred to in paragraph (4) shall examine the following matters in a faithful manner:

*<Amended by Ordinance of the Ministry of Land, Infrastructure and Transport No. 5. Apr. 25, 2013>*

1. Whether a false computation or clerical error exists in an appraisal report for compensation;

2. Whether the object has been appraised properly in accordance with Articles 70 (1) and 76 (1) of the Act and other relevant Acts and subordinate statutes;

3. The validity of the appraised value of the object, including the appropriateness of the reference land for comparison.

(6) The amount of compensation shall be computed based on the arithmetic mean value of appraised values appraised by each appraisal business operator.

#### **Article 17 (Reappraisals, etc.)**

(1) Where a project operator finds, as a result of the review of an appraisal report for compensation submitted pursuant to Article 16 (4), that the appraisal violates a relevant Act or subordinate statute, that the appraised price significantly differs from the officially announced land price for the reference land for comparison without any reasonable ground, or that the appraisal is unreasonable on any other ground, the project operator shall request the appraisal business operator to conduct a reappraisal, specifying the reasons therefor. In such cases, the project operator may request the institution acknowledged and publicly notified by the Minister of Land, Infrastructure and Transport as specializing in appraisal for compensation to review whether the appraisal in question has been made in an illegal or unreasonable manner, if necessary. *<Amended by Ordinance of the Ministry of Land, Infrastructure and Transport No. 5. Apr. 25, 2013>*

(2) Where an object falls under any of the following cases, a project operator shall request at least two other appraisal business operators to reappraise the object: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 504, Mar. 17, 2006; Ordinance of the Ministry of Construction and*

*Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Infrastructure and Transport No. 5. Apr. 25, 2013>*

1. Where the object falls under any ground provided for in the former part of paragraph (1), and there exists a special cause that he/she is unable to request the relevant appraisal business operator to conduct an appraisal;
  2. Where the highest appraised value of the appraised values of the object which requires appraisal exceeds 110 percent of the lowest appraised value, if the object is an obstacle, a comparison between the highest and the lowest appraised value shall be made based on the total amount of all the appraised values of obstacles classified by the owner;
  3. Where a contract for compensation is not concluded until one year after an appraisal.
- (3) Where a project operator is required to conduct a reappraisal under paragraph (2), and the previous appraisal has been conducted by an appraisal business operator recommended by the relevant Mayor/Do Governor and landowners pursuant to Article 28 of the Decree, he/she shall notify that the Mayor/Do Governor and landowners (referring to landowners who have not entered into an indemnity contract; hereafter in this paragraph the same shall apply) shall recommend another appraisal business operator pursuant to Article 28 of the Decree. If the Mayor/Do Governor and landowners fail to recommend another appraisal business operator within 30 days from the date of notification, it shall be deemed that no appraisal business operator is recommended. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Infrastructure and Transport No. 5. Apr. 25, 2013>*
- (4) Where appraisal business operators have conducted a reappraisal in accordance with paragraphs (1) and (2), the indemnity amount shall be computed based on the arithmetic mean value of the appraised values reappraised by each appraisal business operator.
- (5) Where an object which requires appraisal falls under paragraph (2) 2, a project operator shall notify the Minister of Land, Infrastructure and Transport of the details of the appraisal and the relevant appraisal business operator, and the Minister of Land, Infrastructure and Transport shall investigate as to whether the relevant appraisal has been conducted in a lawful manner as prescribed by related Acts and subordinate statutes. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

#### **Article 18 (Practical Principles of Appraisal Methods)**

- (1) An object shall be appraised by a method prescribed by these Rules, and an appraisal business operator shall review the rationality of the price and rental fees (hereinafter referred to as "price, etc.") found by such method compared with the price, etc. found by other methods.
- (2) Where an appraisal business operator conducts appraisal by a method prescribed by these Rules, if a factor makes appraisal substantially inappropriate through that method, he/she may conduct appraisal by other methods deemed appropriate. In such cases, he/she shall state such reasons in an appraisal report for compensation.



(3) An appraisal business operator shall objectively determined and appraise an object not prescribed by these Rules in accordance with the effect of these Rules and the general theory of appraisal.

#### **Article 19 (Appraisals Based on Change of Objects)**

(1) Where objects added according to a change in a plan of public works are deemed identical with objects already appraised in accordance with the provisions of Article 16 in the substance and the conditions of utilization thereof, etc., and in prices, etc., an appraisal business operator may compute the amount of compensation based on the result of appraisal of objects already appraised, without further appraisal.

(2) Where some objects are excluded from the objects which require compensation according to a change in a plan of public works, a project operator shall notify owners, etc. of such objects of the details thereof, without delay. In such cases, where a contract for compensation has been concluded, he/she shall cancel or amend such contract, and take the necessary measures, such as the withdrawal of the amount of compensation, according to the cancellation or change thereof.

(3) Where an appraisal business operator conducts reappraisal in accordance with the provisions of Article 17 (2) 3, and the quantity or details of an object have been changed at the reappraisal time, he/she shall appraise an object based on the changed conditions.

#### **Article 20 (Split Appraisal)**

(1) Where there exist buildings, standing trees, structures and other fixtures (hereinafter referred to as "buildings, etc.") on land to be acquired, an appraisal business operator shall appraise land and such building, etc. respectively: Provided, That where there exists an example or customary practice that a building, etc. is transacted along with land, he/she shall appraise such building, etc., and land in a lump, In such cases, he/she shall state the details thereof in an appraisal report for compensation.

(2) The area or a scale of a building, etc. shall be computed as prescribed by related Acts and subordinate statutes. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

#### **Article 21 (Form of Notice of Issuance of Compensation Bonds and Current Status of Redemption)**

(1) A notice of issuance of compensation bonds and the current status of redemption under the provisions of Article 34 (4) of the Decree shall be served in accordance with attached Form 17.

(2) A notice of a decision for payment of compensation bonds under the provisions of Article 35 (1) of the Decree shall be served in accordance with attached Form 18.

(3) A book of issuance of compensation bonds under the provisions of Article 36 of the Decree shall be in accordance with attached Form 19.

#### **Article 22 (Appraisal of Land being Acquired)**

(1) Appraisal of land being acquired shall be based on the officially announced land price of more than one parcel of the reference land deemed to have a similar utility value to land subject to appraisal.

(2) Where there is a building, etc. on land, an appraisal business operator shall appraise land on the assumption that there are no buildings, etc.

(3) The reference land referred to in paragraph (1) shall be determined in accordance with the following standards, except in special circumstances; *<Newly Inserted by Ordinance of the Ministry of Land, Infrastructure*

*and Transport No. 5. Apr. 25, 2013>*

1. Restrictions on the reference land under public law, such as special-purpose areas, special-purpose districts, and special-purpose zones defined in Articles 36 through 38, 38-2, and 39 through 42 of the National Land Planning and Utilization Act, shall be identical with or similar to those on the land subject to appraisal;
2. The actual state of use of the reference land shall be identical with or similar to that of the land subject to appraisal;
3. The surrounding environment, etc. of the reference land shall be identical with or similar to those of the land subject to appraisal;
4. The reference land shall be geographically close to the land subject to appraisal.

#### **Article 23 (Appraisal of Land Subject to Restriction in Public Law)**

(1) An appraisal business operator shall appraise land subject to restriction in public law as in the state subject to restriction: Provided, That where such restriction in public law is imposed for the direct purpose of the performance of the relevant public works, he/she shall appraise land on the assumption that no restriction exists.

(2) An appraisal business operator shall appraise land, the specific use area or specific use zone, etc. of which has been changed for the direct purpose of the performance of the relevant public works based on a specific use area or specific use zone, etc. before it is changed.

#### **Article 24 (Appraisal of Unlicensed Building Site or Land, Form and Quality of which Have Been Changed Unlawfully)**

An appraisal business operator shall appraise a site for a building built or the purpose of which has been changed without a permit or reporting (hereinafter referred to as "unlicensed building, etc."), which should be built or the purpose of which should be changed by obtaining permission or filing a report in accordance with related Acts and subordinate statutes, such as the Building Act, etc., or land, the form and quality of which have been changed without a permit or reporting (hereinafter referred to as "land the form and quality of which have been changed unlawfully"), which should be changed by obtaining permission or filing a report in accordance with related Acts and subordinate statutes, such as the National Land Planning and Utilization Act, supposing the conditions of utilization as at the time an unlicensed building, etc. is built or the purpose of which is changed, or as at the time the form and quality of land are changed.

*<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

#### **Article 25 (Appraisal of Uncompensated land)**

(1) An appraisal business operator shall appraise land, the amount of compensation for which has not been paid (hereafter in this Article referred to as "uncompensated land") as a site for public works performed previously, supposing the conditions of the utilization thereof as at the time uncompensated land is included in the previous public works: Provided, That where he/she cannot know the conditions of the utilization thereof as at the time uncompensated land is included in the previous public works, he/she shall

appraise uncompensated land in consideration of the classification of land category as at the time uncompensated land is included therein and the conditions of the utilization of neighboring land, etc.

(2) Where a project operator requests an appraisal business operator to appraise uncompensated land under the provisions of paragraph (1), he/she shall indicate that it is uncompensated land in a request for appraisal for compensation under the provisions of Article 16 (1).

#### **Article 26 (Appraisal for Sites for Roads and Culverts)**

(1) An appraisal business operator shall appraise a site for a road as prescribed by the following subparagraphs: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

1. A site for a private road under the Private Road Act shall be within one fifth of the appraised value on neighboring land;
2. A site for a virtual private road shall be within one third of the appraised value on neighboring land;
3. He/she shall appraise a site for a road other than roads pursuant to subparagraph 1 or 2 as prescribed by the provisions of Article 22.

(2) "Virtual private road" in paragraph (1) 2 means any of the following roads (excluding a road that has been used as a road after it was defined as a road in an urban or Gun management plan under the National Land Planning and Utilization Act), other than private roads defined in the Private Road Act: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 456, Apr. 13, 2012>*

1. A road constructed personally by a landowner as at the time a road is opened for the benefit of his/her own land;
2. A road on which a landowner cannot limit the traffic of others against their will;
3. A road, the location of which has been designated and announced publicly by a person who has authority to grant permission to build pursuant to Article 45 of the Building Act;
4. A road constructed by a landowner as at the time a road is opened to prepare a building site or a site for a factory, etc.

(3) An appraisal business operator shall appraise a site for a culvert within one third of the appraised value on neighboring land: Provided, That he/she shall appraise a site for a waterway (excluding a site for a waterway prepared personally by a landowner as at that time of the opening for the benefit of his/her own land) for the use of water in accordance with the provisions of Article 22.

(4) "Neighboring land" in paragraphs (1) and (3) means the land similar to the standard conditions of utilization expected where the relevant site for a road or the relevant site for a culvert is not used as a road or culvert, which is adjacent to the relevant land.

#### **Article 27 (Appraisal of Expenses Incurred in Clearing)**

(1) Where a person who has cleared (including filling-up and reclamation; hereinafter the same shall apply) state land or public land lawfully in accordance with related Acts and subordinate statutes continues possessing the relevant land lawfully from the time of the clearing to the time of compensation (where a

person who has cleared land has died, including cases where his/her successor is continuously possessing the relevant land lawfully from the time a person who cleared land has died), a project operator shall appraise and compensate expenses incurred in clearing the land. In such cases, the compensation amount shall not exceed an amount computed by subtracting the land price before the clearing from the land price after the clearing. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

(2) When appraising expenses incurred in the clearing in accordance with the provisions of paragraph (1), a project operator shall comprehensively consider the physical aspect, geological features, soil fertility, the conditions of utilization and degree of difficulty before and after the clearing.

(3) Where a project operator compensates expenses incurred in the clearing in accordance with the provisions of paragraph (1), the amount of compensation for land shall be the amount computed by subtracting expenses incurred in the clearing from the land price after the clearing.

#### **Article 28 (Appraisal of Rights other than Ownership over Land)**

(1) A project operator shall appraise a right, other than the ownership established over land he/she acquires, in consideration of a kind of the relevant right, the term of existence and expected profits, etc. comprehensively. In such cases, such possession shall not be deemed a right.

(2) A project operator shall make it a principle to appraise a right, other than the ownership over land under the provisions of paragraph (1) in accordance with the sales comparison approach, however, where there is no negotiability in the general, he/she shall appraise it based on the price difference of land due to the existence of the relevant right or a contract for the creation of a right.

#### **Article 29 (Appraisal of Land that Becomes Objective of Rights other than Ownership)**

A project operator shall appraise land that becomes the objective of a right, other than the ownership established over land he/she acquires with the amount computed by subtracting the value of a right other than the ownership appraised in accordance with the provisions of Article 28 from the amount appraised in accordance with the provisions of Articles 22 through 27 considering the relevant right does not exist.

#### **Article 30 (Appraisal on Use of Land)**

A project operator shall appraise a rental fee of land by the rented comparative method: Provided, That where no appropriate rented example exists or it is not reasonable to appraise a rental fee of land by the rented comparative method in light of characteristics of land subject to appraisal, he/she may appraise it by the estimation method.

#### **Article 31 (Appraisal of Use of Underground or Aboveground Space of Land)**

(1) Where a project operator actually permanently uses underground or aboveground space of land, he/she shall appraise a rental fee on the relevant space with the amount computed by multiplying the price of the relevant land computed in accordance with the provisions of Article 22 by a reasonable rate (hereafter in this Article referred to as "space use hindrance rate") according to the degree that the use of land is hindered due to the use of the relevant space.

(2) Where a project operator uses underground or aboveground space during a given period, he/she shall appraise a rental fee on the relevant space with the amount computed by multiplying a rental fee of the relevant land computed in accordance with the provisions of Article 30 by the space use hindrance rate.

### **Article 32 (Appraisal of Loss in Remaining Land)**

(1) A project operator shall appraise a loss in remaining land in cases of a fall in the price of remaining land due to the acquisition of part of a parcel of land belonging to the same landowner with the amount computed by subtracting the price of remaining land after it is included in a zone where public works are performed from the amount of remaining land before it is included in the zone where public works are performed (where the price of remaining land has been changed because the relevant land is included in the zone where public works are performed, referring to the price before the change).

(2) A project operator shall appraise a loss where the construction of a passageway, culvert, wall, etc. or other construction work is required due to the acquisition or use of part of a parcel of land belonging to the same landowner as expenses incurred in the construction of such facilities or other construction works.

(3) A project operator shall appraise remaining land which he/she has remarkable difficulty in using for the original purpose due to the acquisition of part of a parcel of land belonging to the same landowner with the amount computed by subtracting the price of land included in a zone where public works are performed from the price of the whole of such parcel of land.

### **Article 33 (Appraisal of Buildings)**

(1) A project operator shall appraise a building (including subsidiary facilities, such as a wall, well, etc.) in consideration of the structure, conditions of utilization, area, term of durability, utility, possibility of removal and all other factors related to the formation of the price thereof comprehensively.

(2) A project operator shall appraise the price of a building by the cost approach: Provided, That he/she shall appraise a residential building by the sales comparison approach where the amount appraised by the sales comparison approach (where a project operator establishes and executes measures for migration or gives an owner of the relevant building a right to reside in house, etc., or permits him/her to move in the limited development district according to the performance of public works, referring to the amount appraised excluding a rise in price by the relevant reason) is larger than the amount appraised by the cost approach, and a building subject to condominium ownership under the Act on Ownership and Management of Condominium Buildings. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

(3) A project operator shall appraise a rental fee of a building by the rented comparative method: Provided, That where appraisal by the rented comparative method is inappropriate, he/she may appraise it by the estimation method.

(4) A project operator shall bear expenses incurred in the removal of a building compensated with the price of an object: Provided, That where an owner of a building removes a building for the purpose of the use or disposal of constituent parts of the relevant building, the owner of the building shall bear expenses incurred in removal.

#### **Article 34 (Appraisal of Rights other than Ownership to Buildings)**

The provisions of Articles 28 and 29 shall apply mutatis mutandis to appraisal of a right other than the ownership to a building which should be compensated with the price of an object in accordance with the provisions of the proviso to Article 75 (1) of the Act, and appraisal of a building that becomes an objective of a right other than ownership, respectively. In such cases, "Articles 22 through 27" in Article 29 shall be construed as "Article 33 (1), (2) and (4)".

#### **Article 35 (Appraisal of Remaining Buildings)**

(1) A project operator shall appraise a loss in a remaining building where the price of a remaining building has been reduced due to the acquisition or use of part of a group of buildings belonging to the same owner of buildings with the amount computed by subtracting the price of a remaining building after part of a group of buildings is included in a zone where public works are performed from the price of a remaining building before part of a group of buildings is included in a zone where public works are performed (where the price of a remaining building is changed because the relevant building is included in the zone where public works are performed, referring to the price before it is changed).

(2) A project operator shall appraise the cost for repair and maintenance where a remaining building requires repair and maintenance due to the acquisition or use of part of a group of buildings belonging to the same owner of buildings as expenses incurred in repair and maintenance work (no expenses incurred in the improvement of facilities required in accordance with related Acts and subordinate statutes, such as the Building Act, etc. shall be included) which may be deemed ordinarily required to maintain the identical utility so that remaining parts of a building may be used for the original purpose.

#### **Article 36 (Appraisal of Structures)**

(1) The provisions of Articles 33 through 35 shall apply mutatis mutandis to appraisal of a structure and other facilities (hereinafter referred to as "structure, etc.").

(2) No project operator shall appraise a structure, etc. falling under any of the following subparagraphs as one that has a special value:

1. Where there exists no economic value because uses of a structure, etc. have been discontinued or functions thereof have been lost;
2. Where the price of land, etc. has been raised because the value of a structure, etc. has been fully reflected in the value of other land, etc. to be compensated;
3. Where a project operator builds facilities replacing a structure, etc. included in public works.

#### **Article 37 (Appraisal of Fruit Trees, etc.)**

(1) A project operator shall appraise fruit trees and other profit-making trees (hereafter in this Article referred to as "profit-making trees") or decorative trees (excluding saplings; hereafter in this Article the same shall apply) in consideration of the kind of trees, standards, the age of trees, quantity, the area of land where trees are planted, the conditions of management, profitability, possibility of transplantation, degree of difficulty in transplantation and all other factors related to the formation of prices comprehensively.

(2) A project operator shall appraise fruit trees which are obstacles in accordance with the following classification. In such cases, he/she shall take the standards specified in attached Table 2 into consideration concerning the possibility of transplantation, a suitable season for transplantation, the rate of withered loss and the rate of decrease in income:

1. Fruit trees that can be transplanted:

(a) Fruit trees in the fruiting season:

(b) Fruit trees not in the fruiting season:

2. Fruit trees that cannot be transplanted:

(a) Where an example of transactions exists: The amount appraised by the sales comparison approach;

(b) Where no example of transactions exists:

(3) A project operator shall appraise fruit trees compensated by price in accordance with the provisions of the proviso to Article 75 (1) of the Act according to examples under paragraph (2) 2 (a) and (b).

(4) The provisions of paragraphs (2) and (3) shall apply mutatis mutandis to appraisal of profit-making trees and decorative trees other than fruit trees, and in cases of decorative trees, he/she shall not consider the rate of decrease in income. In such cases, he/she may fix the rate of withered loss within the extent of not exceeding 10 percent of the total number of the relevant profit-making trees and decorative trees, and where the season is not suitable for transplantation, he/she may fix the rate of withered loss up to 20 percent.

(5) A project operator shall bear expenses incurred in felling of profit-making trees or decorative trees that cannot be transplanted: Provided, That where an owner of trees fells the relevant trees for the purpose of disposal thereof, he/she shall bear expenses incurred in such felling.

#### **Article 38 (Appraisal of Saplings)**

(1) A project operator shall appraise saplings in consideration of whether the commercialization thereof is possible, the rate of withered loss following the transplantation thereof, the degree of growth and the conditions of management, etc. comprehensively.

(2) A project operator shall deem that there is no loss in saplings that may be commercialized: Provided, That where an amount of loss exists in sale (referring to the loss according to the fall of prices due to selling in a lump; hereinafter the same shall apply), a project operator shall appraise and compensate the loss, and in such cases, the amount of compensation shall not exceed the amount appraised in accordance with the provisions of paragraph (3).

(3) A project operator shall appraise saplings which are difficult to be commercialized and which have not come to a season for commercialization with the total amount of expenses incurred in removal and the amount of withered loss in consideration of the rate of withered loss. In such cases, he/she shall appraise expenses incurred in removal as expenses incurred in the temporary transplantation of saplings, and fix the rate of withered loss within the extent of not exceeding one percent, and may fix the rate of withered loss up to two percent where there are special grounds, such as the surroundings, seasonal conditions, etc.

(4) A project operator shall appraise saplings in the course of seeding or sprouting with the amount of the current price of expenses incurred up to the pricing point.

(5) A project operator shall appraise saplings compensated by price in accordance with the proviso to Article 75 (1) of the Act by the sales comparison approach where there is an example of transactions, by the current value of expenses incurred in the pricing point where there is no example of transactions.

### **Article 39 (Appraisal of Standing Trees)**

(1) A project operator shall appraise standing trees (including bamboos; hereafter in this Article the same shall apply) in consideration of the age of final cutting (referring to the standard age of final cutting provided for in attached Table 3 of the Enforcement Rules of the Creation and Management of Forest Resources Act; hereafter in this Article the same shall apply), the kind of trees, main trees, the land area, profitability and all other factors related to the formation of prices comprehensively. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

(2) A project operator shall deem that there is no loss in a timber forest that attains the age of final cutting among the timber forests afforested which is an obstacle: Provided, That where expenses ordinarily incurred in felling and taking out are increased or prices of timber fall because timber forests are felled at a time, a project operator shall appraise and compensate for such loss.

(3) A project operator shall appraise a timber forest which has not attained the age of final cutting among the timber forests afforested which are obstacles, in accordance with the following classification:

1. Where timber of the relevant timber forest is traded in a neighboring market: The amount computed by subtracting expenses incurred in felling and transportation from the market price. In such cases, where a loss has been incurred due to sale of timber which has not attained to the age of final cutting, such amount of loss shall be included;

2. Where timber of the relevant timber forest is not traded in a neighboring market: The current value of expenses incurred up to the pricing point. In such cases, the amount of compensation shall not exceed the amount computed by subtracting the current value of expenses to be invested in the future from the current value of the expected total income of the relevant timber forest.

(4) The term "timber forest afforested" in paragraphs (2) and (3) means a group of standing trees registered pursuant to Article 8 of the Standing Timber Act or a forest corresponding thereto, being a forest a person afforested with approval of a forest management plan under Article 13 of the Creation and Management of Forest Resources Act, or manages and controls production factors of a forest enterprisingly. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

(5) In the application of the provisions of paragraphs (2) and (3), in cases of standing trees, the age of which has lapsed not less than 9/10 of the age of final cutting and which are similar to standing trees attaining the age of final cutting because the growth and the conditions of management of such standing trees are good, they shall be deemed to have attained the age of final cutting.



(6) A project operator shall bear expenses incurred in felling standing trees under the provisions of paragraph (3).

(7) The provisions of paragraphs (2), (3) and (6) shall apply mutatis mutandis to appraisal of a natural forest, the kind of trees, age of trees, land area, main trees, degree of stocking, condition of management, degree of growth and profitability, etc. of which are similar to a timber forest.

(8) The provisions of paragraphs (3) and (6) shall apply mutatis mutandis to appraisal of standing trees acquired by a project operator.

#### **Article 40 (Methods of Computation of Quantity of Trees)**

(1) A project operator shall survey trees subject to appraisal by the number of trees and compute quantities of trees under the provisions of Articles 37 through 39: Provided, That where there is a special reason that he/she cannot survey trees by the number of trees, he/she shall compute quantities of trees by the sampling method based on the unit area.

(2) The amount of compensation for loss in trees shall not exceed the appraised amount based on normal tree planting (referring to the state of planting of trees economically corresponding with the purpose of tree planting and the normal growth of which is possible).

#### **Article 41 (Appraisal of Farm Products)**

(1) A project operator shall appraise a loss of farm products where he/she uses land before harvesting farm products according to the following classification in consideration of the kind of farm products and the degree of maturity thereof, etc. comprehensively:

1. Farm products in the course of seeding or sprouting, or in a seedbed: The current value of expenses incurred up to the pricing point;

2. Farm products other than farm products pursuant to subparagraph 1: The amount computed by subtracting the current value of expenses incurred up to the pricing point from the current value of the anticipated total income. In such cases, where there are farm products, such as green cayenne peppers, wild sesame leaves, pumpkins, etc., possible for commercialization at the time of compensation, the amount thereof shall be excluded.

(2) The term "anticipated total income" in paragraph (1) 2 means the average total income of the relevant farm products for the last three years (excluding years of a remarkable rich harvest or poor harvest).

#### **Article 42 (Computation of Amount of Compensation for Graves)**

(1) A project operator shall appraise the amount of compensation for a grave to which a relative exists (hereafter in this Article referred to as "relative") under subparagraph 16 of Article 2 of the Act on Funeral Services, etc. with the total amount of the following subparagraphs: Provided, That where a project operator has difficulty in computing the amount of compensation at firsthand, he/she may entrust an appraisal business operator with appraisal. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

1. Expenses for the relocation of a grave: The prices of one-quarter wooden plank, 24 meters of hemp cloth and 100 sheets of whole paper, expenses for memorial services, wages for five people (in cases of burying together, 50 percent of expenses for each body shall be added) and expenses for a funeral car;
2. Expenses for the relocation of stonework: Actual expenses for the relocation of a stone altar in front of a grave and a gravestone (where it is impossible to use stonework by relocation because a prospect is indicated thereon or for other reasons, referring to expenses incurred in manufacturing and transportation);
3. Miscellaneous expenses: The amount equivalent to 30 percent of the amount computed pursuant to subparagraphs 1 and 2;
4. A grant for relocation: One million won.

(2) A project operator shall compute expenses for a funeral car under the provisions of paragraph (1) 1 based on a fare and rate applicable in the relevant area among fares and rates applicable to special passenger transport service under subparagraph 2 (b) of Article 3 of the Enforcement Decree of the Passenger Transport Service Act. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

(3) A project operator shall compute the amount of compensation for a grave to which no relative exists within the extent of not exceeding 50 percent of the amount computed in accordance with the provisions of paragraph (1) 1 through 3.

#### **Article 43 (Appraisal of Mining Right)**

(1) Appraisal of a loss in a mining right shall be as prescribed by Article 19 of the Enforcement Rules of the Mining Act. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 422, Sep. 27, 2007>*

(2) A project operator shall appraise a loss in cases of the suspension of business of an operational mine due to his/her use of land, based on operating profits falling under the period of suspension of business. In such cases, operating profits shall be based on the yearly mean operating profits for the preceding three years.

(3) A project operator shall deem that a mine under the suspension of business has no loss due to nonexistence of mineral reserves (including the state in which reserves are too small to the extent that mining is unprofitable or the state corresponding thereto).

#### **Article 44 (Appraisal of Fishery Rights)**

(1) Where a fishery right is restricted, suspended or cancelled due to the performance of public works, or the extension of the term of validity of a fishery license under Article 14 of the Fisheries Act or Article 13 of the Inland Water Fisheries Act is not permitted, appraisal of losses in the relevant fishery right, fishing vessel, fishing tackle or equipment shall be as prescribed in attached Table 4 of the Enforcement Decree of the Fisheries Act. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

(2) Where a fishery right is cancelled due to the performance of public works, or the extension of the term of validity of a fishery license under Article 14 of the Fisheries Act or Article 13 of the Inland Water Fisheries Act is not permitted, and it is possible to engage in fishing industry when equipment is moved to another fishery, appraisal of a loss in the relevant fishery right shall be in accordance with the method and standards of computation of the amount of loss in cases of the suspension of a fishery right in Table 4 attached to the Enforcement Decree of the Fisheries Act. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

(3) The provisions of paragraphs (1) and (2) shall not apply to a person who obtains a license of a fishery right after the date a public announcement of a plan of compensation under the provisions of the main sentence of Article 15 (1) of the Act is made (where it is made in accordance with the provisions of the proviso to the same paragraph, referring to notice of a plan for compensation of a landowner and the persons concerned) or an announcement of approval of a project under the provisions of Article 22 of the Act is made (hereinafter referred to as "date of an announcement of approval of a project").

(4) The provisions of paragraphs (1) through (3) shall apply mutatis mutandis to appraisal of losses in permitted fishery and reported fishery (excluding reported fishery under the provisions of Article 11 (2) of the Inland Water Fisheries Act). *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

(5) Article 52 shall apply mutatis mutandis to compensation for fisheries in this Article. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

#### **Article 45 (Business Subject to Compensation for Operating Loss)**

(1) Business, the operating loss of which should be compensated pursuant to Article 77 (1) of the Act shall be business falling under the following subparagraphs: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 180, Nov. 13, 2009>*

1. Business conducted continuously with human resources and material facilities in a lawful place (referring to a place which is not a unlicensed building, etc., land, the form and quality of which have been changed unlawfully, other places where piling of goods is prohibited by other Acts and subordinate statutes) from the date of an announcement of approval of a project: Provided, That where a lessee conducts a business in an unlicensed building, etc., referring to the business he/she is conducting with a business license registered under Article 5 of the Value-Added Tax Act from one year before the date of an announcement of approval of a project;

2. Where a permit, etc. is required under related Acts and subordinate statutes to conduct a business, referring to the business conducted in accordance with the details of permission, etc. obtained before the date of an announcement of approval of a project.

## **Article 46 (Appraisal of Loss in Discontinuance of Business)**

(1) A project operator shall appraise an operating loss in cases of the discontinuance of business due to the performance of public works with the amount computed by adding the amount of loss in sale of fixed assets, raw materials, products and commodities, etc. for business to operating profits (in cases of business of a private person, referring to his/her income) for two years.

(2) The discontinuance of business under paragraph (1) shall be any of the following cases: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

1. Where a person cannot conduct the relevant business by moving to another place in a Si/Gun/Gu (referring to an autonomous Gu; hereinafter the same shall apply) where the relevant business office is located or in the area in a neighboring Si/Gun/Gu due to the special characteristics of the place of business or the hinterland (referring to the area where customers of the relevant business are located; hereinafter the same shall apply);

2. Where a person cannot obtain a permit, etc. of the relevant business in another place in a Si/Gun/Gu where the relevant business office is located or in a neighboring Si/Gun/Gu;

3. Where the Governor of a Special Self-Governing Province or the head of a Si/Gun/Gu (referring to the head of an autonomous Gu) deems that a person faces remarkable difficulty in relocating his/her place of business, as business facilities, such as a slaughterhouse, etc., that give neighboring residents a sense of aversion due to powerful stink, etc., to another place in a Si/Gun/Gu where the relevant place of business is located or in a neighboring Si/Gun/Gu, based on the objective facts.

(3) A project operator shall appraise an operating profit under paragraph (1) based on the mean operating profit of the relevant business for the preceding three years (excluding years in which normal business has not been conducted due to special circumstances), and where an operating profit decreases because a public announcement or announcement of a plan of public works or the execution thereof has been made, he/she shall appraise an operating profit based on the mean operating profits for the preceding three years before the date of the relevant public announcement or announcement. In such cases, where the mean operating profits for the preceding three years, as a private business, is less than the yearly operating profits computed according to the following formula, such yearly operating profits shall be deemed the mean operating profits for the preceding three years: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

Yearly operating profits = the unit price of wages of ordinary workers in the field of manufacturing, prepared and published by a statistics compiling agency under subparagraph 3 of Article 3 of the Statistics Act with approval under Article 18 of the Act  $\times 25$  (days)  $\times 12$  (months)

(4) Notwithstanding the provisions of paragraph (2), where a business operator conducts the same business in the area in a Si/Gun/Gu where the relevant business office is located or in a neighboring Si/Gun/Gu within two years after the discontinuance of business, a project operator shall withdraw compensation for

the discontinuance of business, and compensate for loss incurred in the suspension of business under Article 47. <Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>

(5) Notwithstanding the provisions of paragraph (1), the amount excluding the amount of loss from sale of fixed assets, raw materials, products, commodities, etc. for business among the amount of compensation for business of a lessee under the proviso to subparagraph 1 of Article 45 shall not exceed ten million won. <Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>

#### **Article 47 (Appraisal of Losses Incurred during Suspension of Business)**

(1) A project operator shall appraise an operating loss where a person should relocate his/her place of business due to the performance of public works with the amount computed by adding the following expenses to the operating profits corresponding to the period of suspension of business:

1. Fixed expenses, such as depreciation expenses and maintenance and administrative expenses on business assets during the period of suspension of business and personnel expenses for the minimum number of persons who should work normally during the period of suspension of business also, etc.;
2. Expenses incurred in the removal of business facilities, raw materials, products and commodities and the amount equivalent to the loss following the removal thereof;
3. Expenses incidental to the relocation of a place of business, such as relocation advertising expenses and the initial cost of business, etc.

(2) The period of suspension of business under the provisions of paragraph (1) shall be within three months: Provided, That where the period of suspension of business falls under any of the following subparagraphs, such period shall be the actual period of suspension of business, however, such period of suspension of business shall not exceed two years:

1. Where a business operator cannot conduct his/her business for a period of not less than three months due to the prohibition of or restriction on his/her business for the relevant public works;
2. Where a project operator deems the relocation of a business operator's place of business to other place within three months difficult objectively due to the intrinsic special characteristics of the relevant business, such that the size of business facilities is large or the relocation thereof requires a high degree of accuracy, etc.

(3) A project operator shall appraise an operating loss where a business operator cannot continue conducting his/her business without installing facilities in the remaining facilities or repairing the remaining facilities because part of business facilities is included in public works, and an operating loss according to the reduction of the size of business as the total of amounts falling under the following subparagraphs. In such cases the amount of compensation shall not exceed the amount appraised pursuant to paragraph (1): <Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>

1. An operating profit during the period required for the installation of the relevant facilities, etc.;
  2. Expenses incurred in the course of the installation of the relevant facilities, etc.;
  3. The amount of loss by sale of fixed assets, raw materials, products and commodities for business based on the reduction of the size of business.
- (4) A project operator shall appraise an operating loss where a business operator continues conducting his/her business by opening a temporary business office without the suspension of business as expenses for the opening of the temporary business office. In such cases, the amount of compensation shall not exceed the amount appraised pursuant to the provisions of paragraph (1).
- (5) The forepart of Article 46 (3) shall apply mutatis mutandis to appraisal of operating profits under this Article. In such cases, where an operating profit corresponding to the period of suspension of business, as a private business, is less than household expenses of a three-person household during the period of suspension of business (where the period of suspension of business exceeds three months, household expenses shall be based on household expenses for three months) computed based on the monthly average household expenses of urban salary and wage earners' households in the household budget survey and statistics surveyed and published by a statistics compiling agency under subparagraph 3 of Article 3 of the Statistics Act, a project operator shall appraise such household expenses as an operating profit falling in the period of suspension of business. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*
- (6) Notwithstanding the provisions of paragraph (1), the amount excluding expenses under paragraph (1) 2 of the amount of compensation for business of a lessee under the proviso to subparagraph 1 of Article 45 shall not exceed ten million won. *<Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

#### **Article 48 (Compensation for Loss in Farming)**

(1) A project operator shall pay, as compensation for a loss in farming, the amount computed by multiplying the gross income for two years from agricultural products (the statistics of Gyeonggi-do shall apply to Seoul Special Metropolitan City and Incheon Metropolitan City, the statistics of Chungcheongnam-do to Daejeon Metropolitan City, the statistics of Jeollanam-do to Gwangju Metropolitan City, the statistics of Gyeongsangbuk-do to Daegu Metropolitan City, and the statistics of Gyeongsangnam-do to Busan Metropolitan City and Ulsan Metropolitan City, respectively) per unit average cultivated area per year for each farm household in each Do, which shall be computed by dividing income from agricultural products out of the gross agricultural income for each Do according to the farm household economy survey and statistics compiled and published by a statistics compiling agency referred to in subparagraph 3 of Article 3 of the Statistics Act by the cultivated area according to a report on the current status of sample farm households in each Do, by the cultivated area of the farmland (referring to land as defined in subparagraph 1 (a) of Article 2 of the Farmland Act and Article 2 (3) 2 (a) of the Enforcement Decree of the aforesaid Act; the same shall apply hereafter in this Article and Article 65)

included in the zone where the relevant public works will be executed. <Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 5, Apr. 25, 2013>

(2) Notwithstanding paragraph (1), a project operator shall pay compensation for any loss in farming to a person who proves his/her actual income earned by cultivating the farmland that will be included in the zone where the relevant public works shall be executed, in the amount computed by multiplying the area of the farmland incorporated into the zone by his/her actual income per unit cultivated area for two years, as prescribed by the standards for approval of actual income from agricultural products published by the Minister of Land, Infrastructure and Transport in the Official Gazette (hereinafter referred to as "standards for approval of actual income from agricultural products"), in consultation with the Minister of Agriculture, Food and Rural Affairs thereon in advance: Provided, That an amount computed by any of the following formula, whichever is relevant, shall be paid as compensation for farming losses in any of the following cases: <Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013; Ordinance of the Ministry of Land, Infrastructure and Transport No. 5, Apr. 25, 2013>

1. Where the actual income per unit cultivated area exceeds two times the average income from a kind of crop listed in the database about income from agricultural and livestock products annually compiled and published by a statistics collecting agency referred to in subparagraph 3 of Article 3 of the Statistics Act: The amount computed by multiplying the amount of sales, determined by regarding the amount of sales equivalent to two times the average production of the relevant kind of crop per unit cultivated area (if the standards for approval of actual income from agricultural products prescribe a specific multiplier, by regarding that the actual income per unit cultivated area is significantly high, such specific multiplier shall apply) as the actual income per unit cultivated area, by two years;

2. Where it is determined possible, according to the standards for approval of actual income from agricultural products, to continue farming by relocating the cultivated crop without directly depending upon the fertility of soil in the land involved: The amount computed by multiplying the actual income per unit cultivated area (referring to the actual income per unit cultivated area, determined pursuant to subparagraph 1, where the conditions specified in subparagraph 1 are met) by three months.

(3) None of the following land shall be deemed farmland under the provisions of paragraphs (1) and (2):

<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>

1. Land utilized as farmland from the date of an announcement of approval of a project;
2. Land temporarily utilized as farmland in light of a land utilization plan, surroundings, etc.;
3. Land cultivated by a person who unlawfully occupies land under the ownership of another person;
4. Land cultivated by a person who is not a farmer (referring to an agricultural corporation under the provisions of subparagraph 3 of Article 2 of the Farmland Act or farmer under the provisions of subparagraphs 1 and 2 of Article 3 of the Enforcement Decree of the Farmland Act; hereafter in this

Article the same shall apply);

5. Land a project operator permits a farmer to cultivate continuously for not less than two years after the compensation for the acquisition of land.

(4) A project operator shall pay the following amount as compensation for a loss in farming for farmland, if the farmland is not self-cultivated: *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 5, Apr. 25, 2013>*

1. Where the farmland owner is a farmer living in the relevant area (referring to an area falling under any of the subparagraphs of Article 26 (1) of the Act; hereafter in this Article the same shall apply):

(a) Where the farmland owner and the actual farmer defined in paragraph (7) (hereinafter referred to as "actual farmer") reach an agreement: To compensate according to the details of the agreement;

(b) Where the farmland owner and the actual farmer fail to reach an agreement: To compensate in any manner described below:

1) Where the farming loss has been determined in accordance with paragraph (1): To pay an amount equivalent to 50 percent of the farming loss to the farmland owner and the actual farmer, respectively, for compensation;

2) Where the farming loss has been determined in accordance with paragraph (2): To pay an amount equivalent to 50 percent of the farming loss determined in accordance with the standards prescribed in paragraph (1) and pay the balance of the farming loss determined in accordance with paragraph (2) after deducting the amount paid to the farmland owner;

2. Where the farmland owner is not a farmer living in the relevant area: To compensate the actual farmer.

(5) Notwithstanding the provisions of paragraph (4), a project operator shall compensate an owner of farmland, limited to where the farmland owner is a farmer living in the relevant area, for the amount of farming loss where the farmland owner does not cultivate farmland as at the date of arrangement of compensation or the date of adjudication of expropriation for reasons, such as an actual farmer's relinquishment of farming of his/her own accord, the cancellation of lease according to transfer of the ownership of the relevant farmland, etc. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

(6) Where it becomes impracticable to continue farming with farm machines in the area because an area of no less than two thirds of the cultivated area of the farmland is included in the zone where public works will be executed (referring to cases where it becomes impracticable to continue farming a specific kind of crop in the area involved, irrespective of how large the area included in the zone where public works will be executed is, if specific farming machines are used for farming the specific kind of crop, such as fruit growing), the amount of loss on sale of such farming machines shall be appraised for compensation: Provided, That if it is impracticable to appraise the amount of loss on sale, such loss on sale may be determined within no more than 60 percent of the price computed by the cost approach. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of*



*Land, Infrastructure and Transport No. 5, Apr. 25, 2013>*

(7) An actual farmer referred to in Article 77 (2) of the Act means where a person recognizes that he/she occupies farmland under the ownership of another person on lawful grounds, such as lease, on the date of announcement of approval of a project, etc. in accordance with the following materials, and cultivates his/her own farm products: *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 180, Nov. 13>*

1. A lease of farmland;
2. A written confirmation of the fact of cultivation confirmed by a farmland owner;
3. A written confirmation of the fact of cultivation confirmed by the head of a Lee/Tong in the zone where relevant public works are performed;
4. Other objective materials proving him/her to be an actual farmer.

#### **Article 49 (Appraisal of Loss in Livestock Industry)**

(1) The provisions of Articles 45 through 47 (excluding the latter part of Article 46 (3) and the latter part of Article 47 (5)) shall apply mutatis mutandis to appraisal of loss in livestock industry. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

(2) Livestock industry subject to compensation for loss under paragraph (1) shall be any of the following cases: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

1. An incubation business, egg gathering business, breeding stock business or stock raising business registered pursuant to Article 22 of the Livestock Industry Act;
2. Where a person raises livestock of more than the base head by domestic animal prescribed by attached Table 3;
3. Where a person raises livestock of less than the base head by domestic animal prescribed by attached Table 3, and the total rates of head by domestic animal he/she actually raises to the base head by domestic animal is more than 1.

(3) In addition to livestock prescribed by attached Table 3, a project operator may appraise livestock similar thereto according to examples under paragraph (2) 2 or 3.

(4) A project operator shall appraise livestock not subject to compensation for loss under the provisions of paragraphs (2) and (3) with relocation expenses, and where a decrease in weight, decline in the rate of egg-laying, miscarriage, and other losses are expected due to relocation, he/she shall appraise relocation expenses including the same.

#### **Article 50 (Appraisal of Loss in Sericulture)**

The provisions of Articles 45 through 47 (excluding the latter part of Article 46 (3) and the latter part of Article 47 (5)) shall apply mutatis mutandis to appraisal of losses in sericulture. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

### **Article 51 (Compensation for Temporary Retirement or Loss of Employment)**

A project operator shall compensate a worker who has worked for not less than three months (limited to a person whose income tax under the Income Tax Act has been withheld) at a place of business in a zone where public works are performed as at the date of an announcement of approval of a project, etc. according to the following classifications: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005>*

1. Where he/she has been temporarily retired from office for a given period due to move of his/her place of work: The amount computed by multiplying the number of days of temporarily retirement (where the number of days of temporary retirement exceeds 90 days, it shall be deemed 90 days) by the amount equivalent to 70 percent of average wages under the Labor Standards Act: Provided, That where the amount equivalent to 70 percent of average wages exceeds normal wages under the Labor Standards Act, normal wages shall be the basis;
2. Where a person loses a job due to the closing of his/her place of work: The amount equivalent to 90 day wages of average wages under the Labor Standards Act.

### **Article 52 (Special Cases concerning Compensation for Loss in Business not Permitted)**

Where a person who has been conducting a business without a permit, etc. from the date of an announcement of approval of a project, which he/she may conduct after obtaining a permit, etc., cannot continue conducting his/her business in a lawful place under the main sentence of subparagraph 1 of Article 45 due to the performance of public works, notwithstanding the provisions of subparagraph 2 of Article 45, a project operator shall pay him/her the amount equivalent to three-month household expenses of a three-person household, computed based on the monthly average household expenses of urban salary and wage earners' households in the household budget survey and statistics surveyed and published by a statistics compiling agency under subparagraph 3 of Article 3 of the Statistics Act as compensation for his/her operating loss, and pay separately compensation for expenses incurred in the relocation of business facilities, raw materials, products and commodities under Article 47 (1) 2 and the amount equivalent to a loss following such relocation (hereafter in this Article referred to as "expenses for the relocation of business facilities, etc."): Provided, That where the person or his/her lineal ascendant, descendant and spouse in the same household who live together has been compensated for other business due to the relevant public works, a project operator shall compensate him/her for expenses incurred in the relocation of business facilities, etc. only. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

### **Article 53 (Resettlement Stipends)**

(1) "An inevitable situation specified by Ordinance of the Ministry of Land, Infrastructure and Transport" in Article 40 (2) of the Decree means any of the following situations: *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

1. Where there exists no land suitable for the preparation of a housing site in the vicinity of a zone where public works are performed;
  2. Where a project operator faces impracticability in performing the relevant public works due to the establishment and execution of relocation measures, such as expenses incurred in the relocation measures exceed expenses incurred for the original purpose of the relevant public works.
- (2) A resettlement stipend under the provisions of Article 41 of the Decree shall be the amount equivalent to 30 percent of the appraised amount of a residential building subject to compensation, and where the amount is less than six million won, it shall be six million won, and where the amount exceeds 12 million won, it shall be 12 million won. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

#### **Article 54 (Reimbursement of Relocation Expenses)**

- (1) Where a project operator reimburses an owner of a residential building to be included in a zone where public works are performed for the relevant building, he/she shall reimburse relocation expenses for two months according to the number of persons of a household: Provided, That this shall not apply to cases where an owner of a building does not actually live in the relevant building or the relevant building is an unlicensed building.
- (2) A project operator shall reimburse a person, as a tenant of a residential building to be migrated due to the performance of public works, who has lived in the relevant zone where public works are performed for not less than three months as at the time of the date of an announcement of approval of the project or as at the time an announcement is made under related Acts and subordinate statutes for public works, for relocation expenses for four months according to the number of persons of a household: Provided, That he/she shall reimburse a person, as a tenant living in an unlicensed building, etc., who has lived in the zone where public works are performed for not less than one year as at the date of an announcement of approval of the project, etc. or as at the time an announcement is made under related Acts and subordinate statutes for public works, for relocation expenses pursuant to the main sentence. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*
- (3) A project operator shall compute relocation expenses under paragraphs (1) and (2) based on the monthly average nominal household expenses (hereafter in this paragraph referred to as "monthly average household expenses") by the number of persons of a household of urban salary and wage earners' households in the household budget survey and statistics surveyed and published by a statistics compiling agency under subparagraph 3 of Article 3 of the Statistics Act. In such cases, where the number of persons of a household is five, he/she shall apply the monthly average household expenses on the basis of not less than five persons to relocation expenses, and where the number of persons of a household is not less than six, he/she shall compute relocation expenses made by adding the amount computed by multiplying the number of persons of a household exceeding five by the average expenses for each person computed according to the following formula to the monthly average household expenses based on not less than five persons: *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 180, Nov. 13, 2009;*

*Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

Average expenses for each person = (monthly average household expenses of urban salary and wage earners' households based on not less than five persons ? monthly average household expenses of urban salary and wage earners' households based on two persons) ÷ 3.

#### **Article 55 (Reimbursement of Expenses Incurred in Removal of Movable Property)**

(1) A project operator shall reimburse a person for expenses incurred in the removal of movable property (excluding movable property subject to reimbursement of relocation expenses under paragraph (2)) which should be removed according to his/her acquisition or use of land, etc. and the amount equivalent to loss according to such removal. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

(2) Where a resident in a residential building to be included in a zone where public works are performed moves outside the relevant zone where public works are performed, a project operator shall reimburse him/her for relocation expenses (referring to expenses incurred in transporting movable property, such as household effects, etc.; hereafter in this Article the same shall apply) computed in accordance with the standards in attached Table 4. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

(3) Where a person who has been reimbursed relocation expenses moves to an area in the relevant zone where public works are performed, a project operator shall not reimburse him/her for relocation expenses.

#### **Article 56 (Reimbursement of Expenses for Relinquishment of Farming or Expenses for Relinquishing Fishery)**

(1) "An amount prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport" in Article 78 (6) of the Act means the yearly national average household expenses in the farm household economy survey and statistics compiled and published by a statistics compiling agency referred to in subparagraph 3 of Article 3 of the Statistics Act and average living expenses for one year based on the number of persons of a household computed by the following formula based on national average farm household population per household in the basic agricultural statistical survey: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>*

Average living expenses for one year based on the number of persons of a household = yearly national average household expenses ÷ national average farm household population × the number of persons of a migrated household.

(2) A project operator shall reimburse a farmer (referring to a person, as a farmer under subparagraph 1 of Article 3 of the Enforcement Decree of the Farmland Act, who is regularly engaged in farming of farm products or cultivating perennial plants, or farms or cultivates not less than one half of farming by his/her own labor) or fisherman (referring to a person engaged in fishery for not less than 200 days a year) who

moved to an area other than any of the following subparagraphs because he/she cannot continue farming or fishery he/she has been conducting due to the performance of public works, for expenses incurred in relinquishment of farming or expenses incurred in relinquishment of fishery under paragraph (1): <Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>

1. A Si/Gun/Gu same as the location of farmland (in cases of a fisherman, referring to his/her domicile) to be included in public works;
2. A Si/Gun/Gu adjacent to an area under subparagraph 1.

#### **Article 57 (Reimbursement for Discontinuance of Business)**

Where a project, etc. for which procedures under related Acts and subordinate statutes, such as a building permit for construction of a building, etc., are performed, are discontinued, changed or suspended due to the performance of public works, a project operator shall reimburse a person who has promoted such project, etc. for losses, such as legal fees incurred in such project, etc. and other expenses.

#### **Article 58 (Special Cases concerning Reimbursement for Residential Buildings)**

(1) Where the amount of a building appraised pursuant to Article 33, as a residential building, is less than five million won, the appraised amount thereof shall be five million won: Provided, That this shall not apply to an unlicensed building. <Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>

(2) Where a residential building owned by a person, who was reimbursed for a residential building due to the performance of public works, by purchasing or constructing it thereafter in an area outside the relevant zone where public works are performed, is included in another zone where public works are performed within 20 years from the date of such reimbursement, a project operator shall reimburse him/her for the residential building and building site (where he/she constructed the residential building on the site he/she had owned before he/she was reimbursed or a site of another person, limited to the residential building only) by adding 30 percent of the relevant appraised amount thereto: Provided, That this shall not apply to cases where he/she has purchased or constructed an unlicensed building and has purchased or constructed a residential building after the date of an announcement of approval of the project for other public works or the date of an announcement under other Acts and subordinate statutes for other public works is made. <Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>

(3) Where the additional amount under the provisions of paragraph (2) exceeds 10 million won, it shall be 10 million won.

#### **Article 59 (Reimbursement for Building Sites outside Zones where Public Works are Performed)**

Where traffic to a building site (referring to a building site prepared), building, grave or farmland (including an orchard and bamboo estate prepared intentionally), located outside a zone where public works are performed, is interrupted or farming is impossible because it is surrounded by a mountainous district, river, etc. due to the performance of public works, a project operator shall deem that it is included in a zone where the public works are performed at the request of its owner and reimburse him/her: Provided, That where such compensation exceeds expenses incurred in construction of a road or ferrying

facilities, construction of a road or ferrying facilities may take the place of reimbursement.

#### **Article 60 (Reimbursement for Buildings outside Zones where Public Works are Performed)**

Where most of farmland owned is included in a zone where public works are performed and only a building (including a building site and remaining farmland; hereafter in this Article the same shall apply) is excluded from the zone where public works are performed, and it is impossible for an owner to sell such building and he/she is compelled to move, a project operator shall deem that the building is included in the zone where public works are performed at the request of the owner thereof and reimburse him/her for the building.

#### **Article 61 (Reimbursement for Few Remainders)**

Where owners of remaining residential buildings are compelled to move because most of the residential buildings in one village are included in a zone where public works are performed due to the performance of public works and the living conditions of residents in the remaining residential buildings become inconvenient markedly, a project operator shall deem that land, etc. of such owners are included in the zone where public works are performed at the request of the owners of the relevant buildings and reimburse them for land, etc.

#### **Article 62 (Reimbursement for Buildings outside Zones where Public Works are Performed)**

Where a structure, etc. outside a zone where public works are performed cannot fulfill its intrinsic function due to the performance of public works, a project operator shall deem that it is included in the zone where public works are performed at the request of its owner and reimburse him/her for it.

#### **Article 63 (Reimbursement for Damage to Fishery outside Zones where Public Works are Performed)**

(1) Where the performance of public works causes damage to fishery in the vicinity of the relevant zone where public works are performed, when a project operator can verify the actual damage, he/she shall reimburse for such damage. In such cases, he/she shall appraise the actual damage in consideration of a catch of fish decreased and the amount of average year earnings in Table 4 attached to the Enforcement Decree of the Fisheries Act. *<Amended by Ordinance of the Ministry of Construction and Transportation No. 424, Feb. 5, 2005; Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

(2) No amount of reimbursement pursuant to paragraph (1) shall exceed the amount of reimbursement where a fishery right, permitted fishery or reported fishery in accordance with Table 4 attached to the Enforcement Decree of the Fisheries Act is revoked or the term of validity of a fishery license is not extended. *<Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008; Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>*

(3) The provisions of paragraphs (1) and (2) shall not apply to a person who obtains a license of a fishery right or to a person who obtains permission of or reports fishery after the date of an announcement of approval of a project. *<Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556,*

*Apr. 12, 2007>*

**Article 64 (Reimbursement for Operating Loss outside Zones where Public Works are Performed)**

(1) Where a person who conducts a business entitled to reimbursement for operating loss under Article 45 outside a zone where public works are performed falls under any of the following subparagraphs due to the performance of public works, a project operator shall deem that the relevant business is included in the zone where public works are performed at the request of such business operator and reimburse him/her for such business: *<Amended by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

1. Where he/she cannot continue his/her business in such place because more than two-thirds of the hinterland is lost;
2. Where he/she is compelled to suspend his/her business during a given period due to the interruption of the access road and other extenuating reasons.

(2) Notwithstanding the provisions of paragraph (1), where a business operator conducts the same business within the period for which he/she has been reimbursed in the place of such business after he/she was reimbursed, a project operator shall withdraw reimbursement for an operating loss excluding reimbursement for the actual period of suspension of business. *<Newly Inserted by Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>*

**Article 65 (Reimbursement for Loss in Farming outside Zones where Public Works are Performed)**

A project operator shall reimburse a farmer, who cannot continue farming in the area (referring to an area falling under any of the subparagraphs of Article 26 (1) of the Decree) because the land area equivalent to more than two-thirds of farmland he/she cultivates is included in a zone where public works are performed, for the amount of loss in farming under the provisions of Article 48 (1) through (3) and (4) 2 on farmland he/she cultivates outside the zone where public works are performed as well.

**Article 66 (Form of Application for Adjudication of Compensation for Loss)**

An application for adjudication of compensation for loss under Articles 6-2 and 42 (1) of the Decree shall be as specified in attached Form 20. *<Amended by Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>*

**Article 67 (Form of Statements of Objection)**

A statement of objection under the provisions of Article 45 (1) of the Decree shall be as specified in attached Form 21.

**Article 68 (Form of Request for Certified Confirmation of Adjudication)**

A request for certified confirmation of adjudication under the provisions of Article 47 (1) of the Decree shall be as specified in attached Form 22.

**Article 69 Deleted.**

ADDENDA

**Article 1 (Enforcement Date)**

These Rules shall enter into force on January 1, 2003.

## **Article 2 (Repeal of Other Acts)**

The Enforcement Rules of the Land Expropriation Act and the Enforcement Rules of the Act on Special Cases concerning the Acquisition of Land for Public Use and the Compensation for their Loss is hereby repealed.

## **Article 3 (Examples of Application to Fees on Application for Adjudication)**

The provisions of Article 9 shall apply beginning with an application for adjudication of approval of a project, expropriation or use and application for confirmation of arrival at an arrangement after these Rules enter into force.

## **Article 4 (General Transitional Measures)**

Disposition conducted, procedures performed and other acts done in accordance with the former Land Expropriation Act and subordinate statutes and the former Act on Special Cases concerning the Acquisition of Land for Public Use and the Compensation for their Loss and subordinate statutes as at the time these Rules enter force shall be deemed to have been conducted, performed and done in accordance with the provisions of these Rules.

## **Article 5 (Transitional Measures concerning Unlicensed Buildings, etc.)**

(1) Notwithstanding the provisions of Article 24, the proviso to Article 54 (1), the proviso to Article 54 (2), the proviso to Article 58 (1) and the proviso to Article 58 (2), an unlicensed building, etc. as of January 24, 1989 shall be deemed a lawful building for the purpose of making compensation as prescribed by these Rules. *<Amended by Ordinance of the Ministry of Land, Infrastructure and Transport No. 5, Apr. 25, 2013>*

(2) In the case of making compensation for an unlicensed building, etc. deemed lawful under paragraph (1), the area of the building site for such unlicensed building, etc. shall not exceed the area calculated by applying the building coverage ratio specified in Article 77 of the National Land Planning and Utilization Act. *<Newly Inserted by Ordinance of the Ministry of Land, Infrastructure and Transport No. 5, Apr. 25, 2013>*

## **Article 6 (Transitional Measures concerning Land Form and Quality of which has been Changed Unlawfully)**

Notwithstanding the provisions of Article 24 or 27 (1), a project operator shall compensate for land, the form and quality of which were changed unlawfully, or unlicensed developed land (referring to land developed without obtaining a permit or approval, which should be developed with a permit or approval in accordance with related Acts and subordinate statutes) included in a zone where public works are performed as of January 7, 1995, according to the actual conditions of utilization, or for expenses for the clearing.

## **Article 7 (Transitional Measures concerning Computation of Compensation)**

Among land, etc. included in a zone where public works are performed for which a plan of compensation has been announced publicly or notified in accordance with the provisions of Article 15



(1) of the Act, or an announcement of approval of the project under the provisions of Article 22 of the Act has been made, or an announcement under related Acts and subordinate statutes for public works has been made as at the time these Rules enter into force, where compensation under these Rules for land, etc. for which compensation has not been made is less than compensation under the provisions of the Act on Special Cases concerning the Acquisition of Lands for Public Use and the Compensation for their Loss and subordinate statutes, compensation shall be computed in accordance with the provisions of Act on Special Cases concerning the Acquisition of Lands for Public Use and the Compensation for their Loss and subordinate statutes.

**Article 8 Omitted.**

**Article 9 (Relationships with other Acts and Subordinate Statutes)**

Where the former Enforcement Rules of the Land Expropriation Act and the former Enforcement Rules of the Act on Special Cases concerning the Acquisition of Land for Public Use and the Compensation for their Loss and the provisions thereof are cited by other Acts and subordinate statutes as at the time these Rules enter into force, if the provisions corresponding thereto exist in these Rules, these Rules or the relevant provisions of these Rules shall be deemed cited.

ADDENDUM <Ordinance of the Ministry of Construction and Transportation No. 411, Nov. 29, 2004>

These Rules shall enter into force on the date of their promulgation.

ADDENDA <Ordinance of Ministry of Construction and Transportation No. 424, Feb. 5, 2005>

(1) (Enforcement Date) These Rules shall enter into force on the date their promulgation.

(2) (Transitional Measures concerning Appraisal of Buildings and Compensation for Loss in Farming) Among buildings and farmland included in a zone where public works are performed for which a plan of compensation has been announced publicly or notified in accordance with the provisions of Article 15 (1) of the Act, or an announcement of approval of the project under the provisions of Article 22 of the Act has been made, or an announcement under related Acts and subordinate statutes for public works has been made as at the time these Rules enter into force, in cases of buildings and farmland for which compensation has not been made, compensation shall be made in accordance with the amended provisions of Articles 33 (2) and 48 (3) 2.

ADDENDA <Ordinance of the Ministry of Construction and Transportation No. 504, Mar. 17, 2006>

(1) (Enforcement Date) These Rules shall enter into force on the date of their promulgation.

(2) (Examples of Application to Reappraisal) The amended provisions of Article 17 (2) 2 shall apply beginning with appraisal for compensation entrusted to an appraisal business operator by a project operator after these Rules enter into force.

ADDENDUM <Ordinance of the Ministry of Construction and Transportation No. 551, Mar. 19, 2007>

These Rules shall enter into force on the date of their promulgation.

ADDENDA <Ordinance of the Ministry of Construction and Transportation No. 556, Apr. 12, 2007>

**Article 1 (Enforcement Date)**

These Rules shall enter into force on the date of their promulgation.

**Article 2 (Examples of Application to Reappraisal)**

The amended provisions of Article 17 (2) shall apply beginning with an object for which an appraisal business operator submits an appraisal report for compensation to a project operator after these Rules enter into force.

**Article 3 (Transitional Measures concerning Unlicensed Buildings)**

Notwithstanding the amended provisions of subparagraph 1 of Article 45, Articles 46 (5), 47 (6), 52 and the proviso to Article 54 (2), when making compensation prescribed by these Rules, an unlicensed building as of January 24, 1989 shall be deemed a lawful building.

**Article 4 (Examples of Application to Standards for Payment of Compensation)**

The amended provisions of Articles 42 (1) 4, 44 (5), 45, 46, 47, 49, 50, 52, 54 (2) and (3), 55 (1), 56, 58, 63, 64 and 65 shall apply beginning with compensation for which a project operator announces a plan of compensation publicly and notifies a landowner and the relevant persons of a plan of compensation pursuant to Article 15 of the Act (including cases where it is applied mutatis mutandis pursuant to Article 26 (1) of the Act) after these Rules enter into force.

**Article 5 (Examples of Application to Fees)**

The amended provisions of attached Table 1 shall apply beginning with an application for adjudication made after these Rules enter into force.

ADDENDA <Ordinance of the Ministry of Construction and Transportation No. 422, Sep. 27, 2007>

**Article 1 (Enforcement Date)**

These Rules shall enter into force on the date of their promulgation.

**Article 2 and Article 3 Omitted.**

ADDENDUM <Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 4, Mar. 14, 2008>

These Rules shall enter into force on the date of their promulgation.

ADDENDUM <Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 7, Apr. 18, 2008>

These Rules shall enter into force on April 18, 2008: Provided, That the amended provisions of the main sentence of the main body of Article 42 (1) shall enter into force on May 26, 2008.

ADDENDUM <Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 180, Nov. 13, 2009>

These Rules shall enter into force on the date of their promulgation: Provided, That the amended provisions of Article 48 (7) 3 shall enter into force on November 28, 2009.

ADDENDA <Ordinance of the Ministry of Land, Transport and Maritime Affairs No. 427, Jan. 2, 2012>

**Article 1 (Enforcement Date)**

These Rules shall enter into force on the date of their promulgation.

**Article 2 (Examples of Application to Unlicensed Buildings)**

The amended provisions of Article 24 shall apply beginning with the first public works a project operator of which announces a plan of compensation publicly or notifies landowners and the relevant persons of a plan of compensation after these Rules enter into force.

**Article 3 (Examples of Application to Resettlement Stipends)**

The amended provisions of Article 53 (2) shall apply beginning with the first zone where public works are performed a project operator of which pays resettlement stipends after these Rules enter into force.

ADDENDA <Ordinance of the Ministry of Construction and Transportation No. 456, Apr. 13, 2012>

**Article 1 (Enforcement Date)**

These Rules shall enter into force on April 15, 2012. <Proviso Omitted.>

**Articles 2 and 3 Omitted.**

ADDENDA <Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, Mar. 23, 2013>

**Article 1 (Enforcement Date)**

These Rules shall enter into force on the date of their promulgation. <Proviso Omitted.>

**Articles 2 through 6 Omitted.**

ADDENDA <Ordinance of the Ministry of Land, Infrastructure and Transport No. 5, Apr. 25, 2013>

**Article 1 (Enforcement Date)**

These Rules shall enter into force on the date of their promulgation.

**Article 2 (Applicability to Notice by Project Operator to Mayor/Do Governor regarding Recommendation of Appraisal Business Operator)**

The amended provisions of Article 17 (3) shall also apply where notice was given to request re-recommendation for the re-appraisal of the compensation appraised by an appraisal business operator recommended by a Mayor/Do Governor before these Rules enter into force.

**Article 3 (Applicability to Considerations in Examination of Appraisal for Compensation and Standards for Selection of Reference Land)**

The amended provisions of Articles 16 (5) 2 and 3 and 22 (3) shall apply to any request for the appraisal of compensation on or after the date these Rules enter into force.

#### **Article 4 (Applicability to Standards for Compensation for Loss in Farming)**

(1) The amended provisions of Article 48 (2) shall apply to any public works for which an indemnity plan is publicly announced pursuant to Article 15 (1) of the Act (including cases to which the aforesaid provisions shall apply mutatis mutandis pursuant to Article 26 (1) of the Act) and landowners and persons concerned are notified of the indemnity plan on or after the date these Rules enter into force.

(2) The amended provisions of Article 48 (4) and (6) shall apply to any notice of consultation given pursuant to Article 16 of the Act (including cases to which the aforesaid provisions shall apply mutatis mutandis pursuant to Article 26 (1) of the Act) on or after the date these Rules enter into force.

#### **Article 5 (Applicability to Computation of Area of Building Site of Unlicensed Buildings, etc.)**

The amended provisions of Article 5 (2) of the Addenda to the Enforcement Rule of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects (Ordinance of the Ministry of Construction and Transportation No. 344) shall apply to any public works for which an indemnity plan is publicly announced pursuant to Article 15 (1) of the Act (including cases to which the aforesaid provisions shall apply mutatis mutandis pursuant to Article 26 (1) of the Act) and landowners and persons concerned are notified of the indemnity plan on or after the date these Rules enter into force.

