

SEOUL METROPOLITAN GOVERNMENT ENFORCEMENT RULE OF THE ORDINANCE ON URBAN DEVELOPMENT

Enactment No. 3232, Jan. 15, 2002
Partial Amendment No. 3284, Dec. 26, 2002
Partial Amendment No. 3368, Nov. 25, 2003
Amendment of Other Laws No. 3711, Dec. 10, 2009
Amendment of Other Laws No. 4143, Feb. 23, 2017
Amendment of Other Laws No. 4198, Jan. 18, 2018
Amendment of Other Laws No. 4238, Aug. 02, 2018
Amendment of Other Laws No. 4303, Oct. 10, 2019

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

CHAPTER I GENERAL PROVISIONS The purpose of this Rule is to provide for matters authorized under the Seoul Metropolitan Government Ordinance on Urban Development (hereinafter referred to as the "Ordinance") and matters necessary for the implementation thereof. <Amended by Rule No. 4143, Feb. 23, 2017>

CHAPTER II URBAN DEVELOPMENT PROJECTS

Article 2 (Request for Designation of Urban Development Area)

CHAPTER II URBAN DEVELOPMENT PROJECTS The head of a Gu who intends to request the Mayor of the Seoul Metropolitan Government (hereinafter referred to as the "Mayor") to designate an urban development area pursuant to Article 3 (4) of the Urban Development Act (hereinafter referred to as the "Act") shall not request designation on areas falling under any of the following subparagraphs: <Amended by Rule No. 3368, Nov. 25, 2003; Rule No. 4143, Feb. 23, 2017>

1. An area planned as land for preservation in the urban master plan of the Seoul Metropolitan Government pursuant to Article 18 of the National Land Planning and Utilization Act;
2. An area proposed for designation as an improvement area in the master plan for maintenance and improvement of urban areas and dwelling conditions for residents of the Seoul Metropolitan Government in accordance with the provisions of Article 3 of the Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents.

Article 3 (Special Cases on Period of Request for Designation According to Proposition)

"Extenuating circumstances" in the proviso to Article 4 of the Seoul Metropolitan Government Ordinance on Urban Development (hereinafter referred to as the "Ordinance") means where as a result of the conference for consultation referred to in Article 5 of the Enforcement Decree of the Urban Development Act, the Urban Planning Committee of a Gu decides to reconsider a proposal.

<Amended by Rule No. 4143, Feb. 23, 2017>

[This Article Wholly Amended by Rule No. 3284, Dec. 26, 2002]

Article 4 (Inspection of Completion)

(1) "Important structures prescribed by rule" in Article 7 (1) of the Rule means waste landfills which do not fall under Class 1 public structures and Class 2 public structures in accordance with the Special Act on the Safety Control of Public Structures (hereinafter referred to as "Act on the Safety of Public Structures").

(2) Where a project manager falls under any of the following subparagraphs, he/she need not undergo an inspection of completion by a specialized safety inspection agency (hereinafter referred to as "safety inspector") in accordance with the provisions of the proviso to Article 7 (1) of the Ordinance:

1. Where he/she undergoes a detailed safety inspection by a safety inspector in accordance with the Act on the Safety of Public Structures before the completion of a project;
2. Where he/she has the overall responsible supervision in accordance with Article 50 (1) of the Enforcement Decree of the Construction Technology Management Act.

(3) Where a project manager does not undergo an inspection of completion by a safety inspector pursuant to paragraph (2), he/she shall undergo an inspection of completion by an inspector selected in accordance with the provisions of Article 6.

Article 5 (Selection of Safety Inspector)

(1) A project manager who intends to undergo an inspection of completion in accordance with the provisions of Article 7 (1) of the Ordinance shall select a safety inspector and enter into a service contract with him/her. <Amended by Rule No. 4143, Feb. 23, 2017>

(2) Where a project manager selects a safety inspector referred to in paragraph (1), he/she shall not select a person falling under

any of the following subparagraphs: <Amended by Rule No. 4143, Feb. 23, 2017>

1. A person who is under suspension of business;
2. A person who is disqualified from bidding on a State or a local government project;
3. An affiliated company of a project manager (referring to an affiliated company in accordance with the provisions of subparagraph 2 of Article 2 of the Monopoly Regulation and Fair Trade Act; hereinafter the same shall apply);
4. A person who has designed or supervised a public structure subject to inspection of completion or his/her affiliated company;
5. A person who has constructed a public structure subject to inspection of completion (including a subcontractor) or his/her affiliated company.

(3) A safety inspector who has entered into a service contract referred to in paragraph (1) shall submit a plan for the performance of services to the Mayor before he/she starts his/her services and performs his/her services on the instructions of the Mayor by means of a detailed safety inspection pursuant to subparagraph 8 of Article 2 of the Act on the Safety of Public Structures.

(4) A safety inspector who has completed the performance of his/her services referred to in paragraph (3) shall send in an application for permit of completion to the Mayor and have his/her inspection of completion.

(5) In performing a service contract with a safety inspector, a project manager shall not interfere with or participate in an inspection of completion by a safety inspector except in matters relating to the conclusion of a contract and payment of the price.

Article 6 (Selection of Inspector of Completion Other Than Safety Inspector)

The Mayor shall appoint or commission an inspector of completion of construction for a project that is not subject to inspection by a safety inspector pursuant to Article 7 (1) of the Ordinance from among the relevant experts or relevant public officials.

Article 7 (Payment of Fees for Inspection of Completion)

(1) A project manager shall pay fees for inspection of completion directly to a safety inspector who has entered into a service contract pursuant to Article 5 (1) in accordance with the details of the contract. <Amended by Rule No. 4143, Feb. 23, 2017>

(2) Where the Mayor has appointed or commissioned a relevant expert or relevant public official as an inspector of completion in accordance with the provisions of Article 6, a project manager shall pay fees for inspection of completion to an inspector directly: Provided, That a project manager shall not pay fees for inspection of completion to an inspector appointed by the Mayor from among public officials under his/her control in direct connection with his/her duties. <Amended by Rule No. 4143, Feb. 23, 2017>

(3) Fees for inspection of completion referred to in paragraph (2) shall be calculated in accordance with standards of the fees for engineering services in accordance with the provisions of Article 31 of the Engineering Industry Promotion Act. <Amended by Rule No. 4143, Feb. 23, 2017>

(4) A project manager shall not fail to pay or withhold payment of fees for inspection of completion referred to in paragraph (1) or (2) on the ground of unfavorable inspection.

CHAPTER III SPECIAL ACCOUNTS FOR URBAN DEVELOPMENT

Article 8 (Agreement for Entrustment of Financing Business)

CHAPTER III SPECIAL ACCOUNTS FOR URBAN DEVELOPMENT Where the Mayor intends to entrust financing business in accordance with the provisions of Article 17-2 of the Ordinance, he/she shall enter into an agreement for entrustment of financing business (hereinafter referred to as "agreement") with a financial institution he/she intends to entrust (hereinafter referred to as "entrusted institution").

[This Article Newly Inserted by Rule No. 3232, Jan. 15, 2002]

Article 8-2 (Formulation of Financing Plan)

The Mayor shall formulate a financing plan of the relevant year every year and publicly announce the same in the Official Gazette of the Seoul Government and computerized information network. In such cases, a financing plan shall include matters referred to in the following subparagraphs: <Amended by Rule No. 4143, Feb. 23, 2017>

1. Persons eligible to apply for a loan;
2. Preferential financing areas;
3. The total amount of financing;
4. The limit of a loan;
5. The interest rate, a period and method of repayment;
6. A period and method of application, etc.

Article 9 (Qualifications for Application for Loan)

A person who is able to apply for a loan shall be a person who obtains approval of an execution plan of an urban development project pursuant to Article 17 of the Act or approval of an execution plan of an urban planning infrastructure project in accordance with the provisions of Article 88 of the National Land Planning and Utilization Act before a financing plan of the relevant year is announced pursuant to Article 8-2. <Amended by Rule No. 3284, Dec. 26, 2002; Rule No. 3368, Nov. 25, 2003; Rule No. 4143,

Feb. 23, 2017>

Article 10 (Preferential Financing Areas)

Where necessary for prompt performance for public purposes, the Mayor may designate a preferential financing area and finance it in preference to other areas.

Article 11 (Application for Loan)

A person who intends to get a loan as a person falling under Article 9 shall send in an application for a loan in attached Form 1 to the Mayor along with a plan for the use of a loan attached thereto.

Article 12 (Determination of Persons Eligible for Financing)

(1) The Mayor shall determine persons eligible for financing according to priority referred to in the following subparagraphs from among applicants referred to in Article 11:

1. A manager of a project in a preferential financing area pursuant to Article 10;
2. A manager of a project which has a high ratio of the area of land for public facilities vested in the Seoul Metropolitan Government or a Gu free of charge to the gross area of the project.

(2) The Mayor shall notify an entrusted institution of a list of persons eligible to apply for a loan determined pursuant to paragraph

(1). <Amended by Rule No. 3284, Dec. 26, 2002>

Article 13 (Revocation of Decision of Loan)

(1) Where a person eligible for financing falls under any of the following subparagraphs, the Mayor may revoke a decision of a loan: <Amended by Rule No. 3368, Nov. 25, 2003; Rule No. 4143, Feb. 23, 2017>

1. Where he/she obtains approval of the establishment of an association, is designated as a project manager, obtains authorization for implementation of a project, or obtains a loan by deceit or unlawful means;
2. Where approval of an execution plan in accordance with the provisions of Article 17 of the Act or Article 88 of the National Land Planning and Utilization Act is revoked.

(2) Where the Mayor revokes a decision of a loan in accordance with the provisions of paragraph (1), he/she shall notify an entrusted institution of such decision, and where there is a person who has already obtained a loan among the persons notified, the entrusted institution shall collect the principal and interest of the loan made without delay. <Amended by Rule No. 3284, Dec. 26, 2002; Rule No. 4143, Feb. 23, 2017>

Article 14 (Terms of Loan and Overdue Interest)

(1) The terms of a loan shall be as follows: <Amended by Rule No. 4143, Feb. 23, 2017>

1. Repayment of the principal: It shall be repaid in two years by equal installments with a three-year grace period and repaid on the last day of each quarter after the grace period elapses;
2. The interest rate: It shall be the basic rate for lending of a current fund of a financial institution designated as the Seoul Metropolitan Government treasury at the time of lending: Provided, That where the basic rate exceeds 7.5 percent a year, the interest rate shall be 7.5 percent.

(2) Overdue interest on a loan of a current fund of an entrusted institution in accordance with the provisions of Article 8 shall apply to overdue interest on a loan referred to in paragraph (1). <Amended by Rule No. 3368, Nov. 25, 2003; Rule No. 4143, Feb. 23, 2017>

Article 14-2 (Terms of Lending of Loans and Repayment)

(1) The lending rate on a loan to an entrusted institution shall be the interest rate after deduction of a fee following the conduct of entrusted business determined by an agreement from the interest rate on a loan pursuant to Article 14 (1).

(2) An entrusted institution shall request a fund for lending after it has taken measures for credit holding, such as security or guarantee of a debt, etc., on a person decided for a loan referred to in Article 12 (2), it shall lend the whole amount of a fund for lending within seven business days (referring to business days of an entrusted institution; hereinafter the same shall also apply).

(3) Where an entrusted institution intends to take out a loan, it shall submit a bond of debt of a loan in attached Form 5 to the Mayor.

(4) The principal of a loan shall be repaid in two years by equal installments four times a year with a three-year grace period and repaid on 20th of the last month of every quarter: Provided, That where the date for repayment is a holiday, it shall be repaid in the following day.

(5) An entrusted institution shall pay the principal of a loan referred to in paragraph (4) into an account designated by the Mayor every quarter irrespective of repayment of loans.

(6) The lending interest shall be calculated by the period of the number of days and paid on the 20th day of the last month of every quarter, but the first payment of interest shall be calculated from the date of lending to the day before the date of repayment.

(7) Where a person who has been financed repays a loan before the period of repayment comes, an entrusted institution shall repay the principal and interest within seven business days from the date he/she repays such loan, notwithstanding the provisions of paragraphs (4) and (6).

[This Article Newly Inserted by Rule No. 3284, Dec. 26, 2002]

Article 15 (Administration of Loans)

The Mayor shall prepare loan administration cards in attached Form 2 and administer details of repayment of a loan by business operator.

CHAPTER IV URBAN PLANNING BONDS

Article 16 (Entrustment of Sales Business)

CHAPTER IV URBAN PLANNING BONDS(1) The Mayor shall entrust the Seoul Metropolitan Government treasury (hereinafter referred to as "sales institution") with matters referred to in the following subparagraphs concerning urban planning bonds (hereinafter referred to as "bonds") in accordance with the provisions of Article 14 (2) of the Ordinance: <Amended by Rule No. 4143, Feb. 23, 2017>

1. Matters concerning sale of bonds and repayment of the principal;
2. Matters concerning the custody, administration and disposal of bills of purchase of bonds and certificates of purchase;
3. Other matters determined by an agreement.

(2) Where the Mayor deems it necessary for the efficient issuance and management of bonds, he/she may have a sales institution limit its selling shops.

(3) Where the Mayor deems it necessary for the appropriate management of bonds, he/she may have the relevant public official confirm and inspect the business of a sales institution referred to in paragraph (1).

Article 17 (Administration of Bills of Purchase and Certificates of Purchase)

(1) The retention period of bills of purchase and certificates of purchase of bonds in accordance with the provisions of Article 15 of the Ordinance shall be as follows: <Amended by Rule No. 4143, Feb. 23, 2017>

1. A specimen: One year from the closing date of sale;
2. Interim repayment and repayment at maturity : Two years from the date of repayment;
3. Unused: Six month from the date it becomes unused.

(2) A sales institution shall keep and manage bills of purchase and certificates of purchase of bonds corresponding to important deeds.

(3) A sales institution shall dispose of bills of purchase and certificates of purchase of bonds the retention period of which referred to in paragraph (1) has lapsed in the same manner important deeds are disposed of and shall keep the records of details of the disposition thereof.

(4) A sales institution may have the relevant institutions check and confirm details of the issuance of bills of purchase and certificates of purchase of bonds among themselves by means of transmission, etc.

Article 18 (Official Seal Used on Bills of Purchase and Certificates of Purchase)

A sales institution shall print forms of a bill of purchase and a certificate of purchase of bonds with approval of the use of the image of the official seal of the Mayor and manage them as important deeds, and an image of the seal printed on a bill of purchase and certificate of purchase shall be used in lieu of the official seal of the Mayor.

Article 19 (Date of Issue of Bonds)

The date of issue of bonds shall be the last day of the month in which the date of sales falls, and interest from the date of sales to the day before the date of issue shall be paid at the time of sale.

Article 20 (Procedures for Sales)

(1) A person who intends to purchase bonds shall prepare an application for purchase in accordance with attached Form 3 and submit the same to a sales institution.

(2) A sales institution shall sell by delivering bills of purchase of bonds in accordance with attached Form 4 and certificates of purchase of bonds in accordance with attached Form 20 of the Enforcement Rule of the Urban Development Act to purchasers: Provided, That where a purchaser sells bonds as soon as he/she purchases bonds, a sales institution shall not deliver bills of purchase of bonds.

Article 21 (Sales Report)

(1) A sales institution shall report the result of daily sales of bonds to the Mayor within three business days.

(2) A collecting officer of urban development special accounts shall handle proceeds of sales of bonds as revenue of urban development special accounts as of the end of every month in accordance with a report referred to in paragraph (1).

Article 22 (Repayment of Principal and Interest)

(1) The principal and interest of bonds shall be repaid in two years by equal installments with a seven-year grace period, and the date of repayment shall be the same day of each year as the date of issue of bonds.

(2) Interest shall not be paid for the delayed period without receiving the principal and interest on the date of repayment referred to in paragraph (1).

(3) The Mayor shall publicly announce a plan for repayment of the principal of and interest on bonds to be repaid in the relevant year in a daily newspaper and computerized information network by January 20 every year.