SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON THE ESTABLISHMENT AND OPERATION OF SMALL AND MEDIUM BUSINESS SUPPORT FUND

Enactment No. 2658, Nov. 06, 1990
Partial Amendment No. 2920, May. 12, 1992
Whole Amendment No. 3016, Jul. 03, 1993
Partial Amendment No. 3039, Oct. 30, 1993
Partial Amendment No. 3172, Mar. 20, 1995
Partial Amendment No. 3204, Jun. 10, 1995
Partial Amendment No. 3271, Mar. 20, 1996
Partial Amendment No. 3381, Mar. 20, 1997
Partial Amendment No. 3478, Apr. 06, 1998
Amendment of Other Laws No. 3565, Mar. 15, 1999
Partial Amendment No. 3601, May. 10, 1999
Partial Amendment No. 3749, May. 20, 2000
Whole Amendment No. 3858, Apr. 16, 2001
Amendment of Other Laws No. 3923, Nov. 10, 2001
Partial Amendment No. 3981, Mar. 20, 2002
Amendment of Other Laws No. 4050, Jan. 10, 2003
Partial Amendment No. 4138, Sep. 25, 2003
Partial Amendment No. 4412, Jul. 19, 2006
Partial Amendment No. 4580, Nov. 01, 2007
Partial Amendment No. 4745, Mar. 18, 2009
Amendment of Other Laws No. 4908, Jan. 07, 2010
Amendment of Other Laws No. 5272, Mar. 15, 2012
Partial Amendment No. 5403, Dec. 31, 2012
Partial Amendment No. 5729, Jul. 17, 2014
Amendment of Other Laws No. 6016, Oct. 08, 2015
Partial Amendment No. 6616, Sep. 21, 2017
Partial Amendment No. 6712, Jan. 04, 2018
Amendment of Other Laws No. 6851, Mar. 22, 2018
Partial Amendment No. 6924, Oct. 04, 2018
Amendment of Other Laws No. 7217, Jul. 18, 2019
Amendment of Other Laws No. 7423, Dec. 31, 2019
Partial Amendment No. 7564, May. 19, 2020
Amendment of Other Laws No. 7782, Dec. 31, 2020
Amendment of Other Laws No. 7784, Dec. 31, 2020
Partial Amendment No. 7792, Dec. 31, 2020
Amendment of Other Laws No. 7918, Mar. 25, 2021
Amendment of Other Laws No. 8127, Sep. 30, 2021
Amendment of Other Laws No. 8235, Dec. 30, 2021

CHAPTER GENERAL PROVISIONS

Article 1 (Purpose)

CHAPTER GENERAL PROVISIONS

The purpose of this Ordinance is to provide for matters necessary for the establishment of the Small and Medium Business Support Fund of Seoul Metropolitan City for the promotion of healthy small and medium businesses located in Seoul Metropolitan City and the efficient management and operation of the aforesaid Fund pursuant to Article 142 of the Local Autonomy Act and Article 43 of the Balanced Regional Development and Support for Local Small and Medium Businesses Act.

[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 2 (Definitions)

The definitions of terms used in this Ordinance shall be as follows:

1. The term "small and medium business operator" means a small and medium business operator provided in Article 2 of the Framework Act on Small and Medium Businesses;

2. The term "business startup" means the establishment of a small and medium business. In this case, the scope of business

startup shall be as provided in Article 2 of the Support for Small and Medium Business Establishment Act;

3. The term "small and medium business support facilities" means facilities established and operated by the government of Seoul Metropolitan City (hereinafter referred to as the "City") in order to support business startup and incubation, research and development of new products and technology, and location of small and medium businesses;

4. The term "small and medium business startup investment company" (hereinafter referred to as the "business startup investment company") means a company the main business of which is investing in a person who starts a business, which is registered with the Administrator of the Small and Medium Business Administration pursuant to Article 10 (1) of the Support for Small and Medium Business Establishment Act;

5. The term "small and medium business startup investment association" (hereinafter referred to as "business startup investment association") means an association registered with the Administrator of the Small and Medium Business Administration pursuant to Article 20 (1) of the Support for Small and Medium Business Establishment Act for the purpose of investing in those who start a business and sharing of the outcomes thereof;

6. The term "small and medium business-related organizations" means small and medium business cooperatives, public institutions, corporations and organizations conducting business related to small and medium businesses and a group of at least three small and medium businesses.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

CHAPTER ESTABLISHMENT AND OPERATION OF FUND

Article 3 (Establishment of Fund)

CHAPTER ESTABLISHMENT AND OPERATION OF FUND
The Small and Medium Business Support Fund of Seoul Metropolitan City (hereinafter referred to as the "Fund") shall be established in order to raise and support necessary funds for the promotion and development of small and medium businesses.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 3-2 (Period of Existence of Fund)

The Fund shall exist until December 31, 2017: Provided, That where the Fund is needed to exist after the period of existence expires, the period of existence of the Fund may be extended by amending Ordinance.
[This Article Newly Inserted by Ordinance No. 5403, Dec. 31, 2012]

Article 4 (Raising of Fund)

(1) The Fund shall be raised by the following financial resources:

1. Contributions from the City;

2. Proceeds generated from the operation of the Fund;

3. Other contributions, subsidies, borrowings, deposits received, loan repayments, etc.; and

4. Recoveries of the Fund used pursuant to Article 5 (1) 4 and 5.

(2) The Mayor of Seoul Metropolitan City (hereinafter referred to as the "Mayor") may appropriate contributions of the City under paragraph (1) 1 in annual expenditure budget every fiscal year and make contributions.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 5 (Use of Fund)

(1) The Fund shall be used for the following purposes:

1. Granting loans to small and medium business operators, small and medium business-related organizations, etc.;

2. Covering the difference in interest on loans at low interest rates provided by financial institutions;

3. Repayment of the principal and interest on borrowings and deposits received of the Fund;

4. Repayment of the principal and interest on expenses for the establishment of small and medium business support facilities and borrowings;

5. Providing support to small and medium businesses via business startup investment companies and business startup investment associations;

6. Making up for losses in the permanent property in the settlement of the Seoul Credit Guarantee Foundation's accounts, which arise from special credit guarantee support; and

7. Providing other expenses necessary for the management and operation of the Fund.

(2) The Fund shall not be used for purposes other than the purpose of support to small and medium businesses.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 6 (Management and Operation of Fund)

(1) The Mayor shall manage and operate the Fund, and may operate the Fund after classifying it for each business he/she supports for the efficient support and management, as provided by rules.

(2) The Mayor shall deposit and manage the Fund in the City treasury, and may deposit funds of the Fund in the Financial Investment and Loan Fund of Seoul Metropolitan City.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 7 (Public Officials Managing Fund)

(1) For the efficient receipts and disbursements of the Fund, public officials managing the Fund shall be assigned as follows: <Amended by Ordinance No. 5137, Jul. 28, 2011; Ordinance No. 5272, Mar. 15, 2012>

1. An official operating the Fund: The policy officer in charge of the management of the Fund;

2. An official partly in charge of the operation of the Fund: The manager of startup microentrepreneur department; and

3. A teller of the Fund: A public official of Grade in charge of support to microentrepreneurs.

(2) Of the provisions concerning the responsibility of accounting-related officials under the Local Finance Act, the provisions concerning an accounting officer and a collection officer shall apply mutatis mutandis to an officer operating the Fund and the provisions concerning a paying teller and a receiving teller shall apply mutatis mutandis to a teller of the Fund, respectively.

(3) The provisions concerning non-appropriated funds in cash provided by the Rules of Financial Accounting of Seoul Metropolitan City shall apply mutatis mutandis to revenue and expenditure of the Fund not provided in this Ordinance.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

CHAPTER FUND OPERATION DELIBERATIVE COMMITTEE

Article 8 (Establishment of Fund Operation Deliberative Committee and Matters Subject to Deliberation)

CHAPTER FUND OPERATION DELIBERATIVE COMMITTEE
(1) The Fund Operation Deliberative Committee (hereinafter referred to as the "Deliberative Committee") shall be established in

order to manage and operate the Fund efficiently.

(2) The Deliberative Committee shall deliberate on the following matters:

1. A plan for the operation of the Fund;

2. Creation of the Fund and settlement of the Fund's accounts;

3. Analysis of the results of the operation of the Fund; and

4. Other matters referred to the Deliberative Committee because the Chairperson deems them necessary for the operation of the Fund.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 9 (Composition of Fund Operation Deliberative Committee)

(1) The Deliberative Committee shall be composed of not more than ten members including one Chairperson.

(2) The Fund management officer shall be the Chairperson, and those falling under any of the following shall be the members: <Amended by Ordinance No. 5137, Jul. 28, 2011; Ordinance No. 5272, Mar. 15, 2012; Ordinance No. 5403, Dec. 31, 2012>

1. The manager of microentrepreneur support department;

2. The manager of welfare economics department;

3. Persons commissioned by the Mayor among relevant experts, such as members of the Seoul Metropolitan Council, executives and employees of private economic organizations, persons engaged in the banking business, small and medium business operators, and professors.

(3) The term of office of ex-officio members shall be a period during which he/she holds the relevant post, and that of commissioned members shall be two years and they may be recommissioned: Provided, That the term of office of a member who fills a vacancy shall be the remainer of his/her predecessor's term.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 10 (Operation of Fund Operation Deliberative Committee)

(1) Meetings of the Deliberative Committee shall be classified into regular meetings and extraordinary meetings.

(2)Regular meetings shall be held twice a year and extraordinary meetings shall be convened in cases where the Chairperson deems them necessary.

(3) The Deliberative Committee shall hold meetings when a majority of its incumbent members are present and pass resolutions with the consent of a majority of the members present.

(4) Members who attend meetings may be reimbursed for allowances and travel expenses within the budgetary limits, as prescribed by Seoul Metropolitan City Ordinance on Reimbursement for Allowances and Travel Expenses of Committees. <Amended by Ordinance No. 5403, Dec. 31, 2012>
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

CHAPTER ASSISTANCE FROM FUND

Article 11 (Loan Assistance, etc.)

CHAPTER ASSISTANCE FROM FUND
(1) A person eligible for a loan from the Fund shall be a person who falls under any of the following among those who operate a

small and medium business in an area within the jurisdiction of the City, who meets standards prescribed by rules:
1. A small and medium business operator provided in Article 2 of the Framework Act on Small and Medium Businesses;

2. A small business and a microentrepreneur provided in Article 2 of the Act on Special Measures for Development of Small and Micro Enterprises;

3. A female-owned business provided in subparagraph 1 of Article 2 of the Act on Support for Female-owned Businesses;

4. A person who operates a business to which the Mayor deems that it is necessary to urgently provide financial assistance due to an accident, disaster, sudden change in economic circumstances, etc.;

5. A small and medium business-related organization provided in subparagraph 6 of Article 2 of this Ordinance; and

6. Other small and medium business operators provided by other Acts and subordinate statutes.

(2) The Mayor may provide loan assistance first from the Fund to a person who falls under any of the following:

1. A person who operates a small and medium business in a quasi industrial area under the Enforcement Decree of the National Land Planning and Utilization Act; and

2. A person who operates a small and medium business in the type of business recommended for each district prescribed by the Mayor in an industrial development promotion district and specific development promotion district under the Enforcement Decree of the National Land Planning and Utilization Act.

(3) Other matters necessary for loan assistance from the Fund, such as procedures for providing a loan from the Fund, conditions of a loan, repayment of a loan and criteria for taking measures concerning arrears, shall be provided by rules.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 12 (Loan Assistance in Cooperation with Financial Institutions)

(1) In order to stabilize the management of small and medium businesses, the Mayor may provide loan assistance to small and medium businesses from funds of a financial institution in cooperation with the relevant financial cooperation.

(2) The Mayor may require a financial institution which provides loans in cooperation with him/her under paragraph (1) to provide loans to small and medium business operators at an interest rate lower than the market interest rate, and may cover the difference of interest resulting from the low interest rate.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 13 (Support for Establishment of Small and Medium Business Support Facilities)

(1) The Mayor may subsidize expenses for the establishment of small and medium business support facilities to strengthen the competitiveness of small and medium businesses, such as business startup, information, technical development, locations, improvements in distribution, finding markets, and training of manpower.

(2) The Mayor may repay the principal and interest of funds borrowed from the outside among expenses for the establishment of small and medium business support facilities.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 14 (Support via Business Startup Investment Association, etc.)

(1) In order to relieve financial difficulties of venture businesses and small and medium businesses in the early stage of business startup which possess promising technology, the Mayor may provide support to small and medium business-related organizations for the purpose of making investments in a business startup investment association, etc.

(2) Where the Mayor provides support pursuant to paragraph (1), he/she shall formulate a business startup investment support

plan.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 15 (Making up for Losses of Seoul Credit Guarantee Foundation)

The Mayor may make up for losses in permanent property in the settlement of the Seoul Credit Guarantee Foundation's accounts incurred due to special credit guarantee support following the execution of a special funding plan under Article 17.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 16 (Public Announcement, etc. of Plan for Support Plan)

The Mayor shall formulate and publicly announce a plan for support under Articles 11 and 12 every year.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 17 (Special Funding Plan)

Where considerable numbers of small and medium businesses are facing serious difficulties in the management thereof due to sudden changes in the economic circumstances, etc., the Mayor may formulate and execute a special funding plan to stabilize the management of small and medium businesses, as provided by rules, in addition to a plan for support under Article 16.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

CHAPTER SUPPLEMENTARY PROVISIONS

Article 18 (Entrustment of Tasks)

CHAPTER SUPPLEMENTARY PROVISIONS
Where the Mayor deems it necessary for the efficient management and operation of the Fund, he/she may entrust all or part of the management and operation thereof to a financial institution, a corporation, an organization, etc. performing tasks that promote and support small and medium businesses (hereinafter referred to as "financial institution, etc."), as provided by rules.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 19 (Notification of Changed Matters)

Where a change occurs in the name, representative or location of a business and other business management, any person who receives loan assistance pursuant to Article 11 or 12 shall notify a financial institution of such change, and the relevant financial institution shall notify the Mayor of the details thereof without delay.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 20 (Post-Management)

The Mayor may investigate the actual conditions of the management of a loan by a person who receives loan funding or require him/her to submit data relating thereto for the effective promotion of business and evaluation of the results of business.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 21 (Inspection, etc. of Entrusted Business Affairs)

(1) Any financial institution, etc. entrusted with the management of the Fund pursuant to Article 18 shall submit matters concerning the management and operation of the Fund to the Mayor every month.

(2) For the effective promotion of business and the management of the Fund, the Mayor may request financial institutions, etc. to submit necessary data or have public officials under his/her control inspect matters thereon, and financial institutions, etc. shall comply with such request.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 22 (Closing Accounts and Reporting)

(1) The Mayor shall formulate a plan for the operation of the Fund every fiscal year and prepare a financial report of the Fund within eighty days after the closing of receipts and disbursements.

(2) The Mayor shall submit a plan for the operation of the Fund and a financial report of the Fund under paragraph (1) to the Seoul Metropolitan Council every fiscal year.
[This Article Wholly Amended by Ordinance No. 4745, Mar. 18, 2009]

Article 23 Deleted. <by Ordinance No. 4745, Mar. 18, 2009>

ADDENDA

(1) (Enforcement Date) This Ordinance shall enter into force on the date of its promulgation.

(2) (Transitional Measures) At the time when this Ordinance enters into force, a loan which has already been given or a person with respect to whom such loan is determined under the previous provisions of this Ordinance shall be gove

ed by such previous provisions.

ADDENDUM

This Ordinance shall enter into force on the date of its promulgation.

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Article 2 Omitted.

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ADDENDUM <Ordinance No. 4745, Mar. 18, 2009>

This Ordinance shall enter into force on the date of its promulgation.

ADDENDA <Ordinance No. 5137, Jul. 28, 2011>

Article 1 (Enforcement Date)

This Ordinance shall enter into force on the date of its promulgation.

Article 2 Omitted.

ADDENDA <Ordinance No. 5272, Mar. 15, 2012>

Article 1 (Enforcement Date)

This Ordinance shall enter into force on the date of its promulgation.

Article 2 Omitted.

ADDENDUM <Ordinance No. 5403, Dec. 31, 2012>

This Ordinance shall enter into force on January 1, 2013.