SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON THE SUPPORT AND PROMOTION OF FAIR TRADE

Enactment No. 5384, Nov. 01, 2012
Amendment of Other Laws No. 6386, Jan. 05, 2017
Partial Amendment No. 6642, Sep. 21, 2017
Amendment of Other Laws No. 8530, Dec. 30, 2022
Partial Amendment No. 8533, Dec. 30, 2022

Article 1 (Purpose)

The purpose of this Ordinance shall be to prescribe matters necessary for Seoul Metropolitan City to support and promote fair trade, improve citizens' awareness of ethical consumption and encourage citizens' activities therefor.

Article 2 (Definitions)

The terms used in this Ordinance are defined as follows:

1. The term "fair trade" refers to trades that pursue fair and righteous relations in international trades and contribute to the development of sustainable local communities by providing better terms and conditions for alienated producers and laborers in underdeveloped countries and by protecting their rights.
2. The term "fair trade organization" refers to an entity that pursues the social economy by performing various activities to provide publicity and practice the fair trade of subparagraph (1) above based on projects related thereto.
3. The term "fair trade product" refers to goods and services developed or distributed by a fair trade organization under subparagraph (2) above.

Article 3 (Principles)

The Mayor of Seoul Metropolitan City (hereinafter referred to as the "Mayor") shall promote the policy for the support and promotion of fair trade under the following fundamental principles:

1. Develop a social system where the dignity of producers, consumers, etc. and the value of labor are respected based on fair trade relation and mutual respect among fair trade organizations and producers in underdeveloped countries;
2. Endeavor to lay a foundation to encourage citizens to lead and participate in the invigoration of the fair trade movement; and
3. Promote the fair trade movement with cooperation and mutual trust among citizens and administrative agencies.

Article 4 (Relation with Other Statutes and Ordinances)

Except in cases specifically prescribed by relevant statutes or ordinances concerning the support and promotion of fair trade, what is prescribed by this Ordinance shall be followed.

Article 5 (Duties of the Mayor)

The Mayor shall actively support fair trade projects with focus on citizens and continue to promote the policy for the invigoration of fair trade projects.

Article 6 (Implementation Plan)

(1) The Mayor shall formulate and enforce the fair trade project implementation plan of Seoul Metropolitan City (hereinafter referred to as the "Implementation Plan").

(2) The Implementation Plan under paragraph (1) above shall include the following:

1. The direction and main plan for fair trade projects;
2. Matters concerning foundation development and conditions for the invigoration of fair trade projects;
3. Organization and operation of private-public partnerships, such as the fair trade committee;
4. Establishment and operation of the Seoul fair trade center; and
5. Other matters that the Mayor recognizes as necessary for fair trade projects.

(3) The Mayor shall formulate and enforce an annual enforcement plan based on the Implementation Plan.

Article 7 (Scope of Support)

The Mayor may provide administrative and financial support for the following fair trade projects:

1. Public procurement projects for fair trade products;

2. Fair trade marketing projects;
3. Education, promotion, and campaign projects for the expansion of fair trade bases;
4. Domestic and foreign exchange projects for the development of fair trade; and
5. Other projects that the fair trade committee recognizes as necessary to promote fair trade projects.

Article 8 (Clawback of Project Costs)

The Mayor may order to return project costs in the following cases:
1. When project costs are used for purposes other than the purpose above or conditions for support are violated;
2. When relevant statutes or ordinances are violated;
3. When project costs are provided in improper ways, such as falsity, etc.;
4. When a project is delayed for 6 months or more without justifiable reasons; or
5. When matters stipulated by this Ordinance are violated or falsely reported.

Article 9 (Application, Reception, etc.)

(1) A head of the fair trade organization that desires to be supported by Seoul Metropolitan City (hereinafter referred to as the "City") shall prepare and file an application with the Mayor in accordance with the Seoul Metropolitan Government Ordinance on the Management of Local Subsidies. <Amended on Sep. 21, 2017>
(2) The Mayor shall receive an application filed under paragraph (1) above unless there is a compelling reason not to do so. If required, the Mayor may request the head of the fair trade organization who files the application to supplement the same.
(3) Where an application is received under paragraph (2) above, the Mayor shall review the necessity, validity, etc. of the application through documentary examination, hearing of opinion, etc. and refer the application with his/her written opinion thereon to the fair trade committee under Article 10.
(4) Where the fair trade committee under paragraph (3) above examines and selects organizations to be supported, the Mayor shall notify without delay such facts to a head of the relevant fair trade organization.

Article 10 (Organization of the Fair Trade Committee, etc.)

(1) The Mayor shall organize the City's fair trade committee (hereinafter referred to as the "Committee") to promote fair trade projects without any problem.
(2) The Committee shall comprise about 10 members including 2 co-chairpersons, of whom shall be Vice-Mayor I for Administrative Affairs and 1 member elected from commissioned members.
(3) The Mayor shall appoint or commission members from persons who are knowledgeable and experienced in fair trade, such as members of the Seoul Metropolitan Council, heads of relevant departments or divisions of the City, fair trade organizations, relevant experts, etc.
(4) A term of office of members who are also public officials shall be the same as their term of office as public officials. A term of office of other members shall be 2 years from the date when they are commissioned and may serve consecutive terms. <Amended on Jan. 5, 2017>
(5) The Committee shall have 1 secretary to handle its affairs and the secretary shall be an officer or a head of department in charge of fair trade.

Article 11 (Functions of the Committee)

The Committee shall perform the following:
1. Formulate and evaluate the Implementation Plan and an annual enforcement plan;
2. Consult and deliberate policies for fair trade projects under Article 7;
3. Select fair trade organizations to be supported and deliberate on how to support them;
4. Consult and deliberate on the operation of the Seoul fair trade center; and
5. Other matters that the Mayor recognizes as necessary to promote fair trade projects.

Article 12 (Meetings, etc.)

(1) Meetings of the Committee are classified into regular meetings and special meetings. The former shall be held twice a year and the latter shall be convened in the following cases:
1. When the Mayor requests to convene a meeting;
2. When one-third or more of registered members request to convene a meeting; or
3. Where the chairperson recognizes as necessary.
(2) A meeting of the Committee shall be started when a majority of registered members are present and resolved by vote of a

majority of members present.
(3) Where a chairperson cannot perform his/her duties due to unavoidable reasons, a vice-chairperson shall become an acting chairperson.
(4) Minutes shall be drafted and prepared when a Committee meeting is held.

Article 13 (Hearing of Opinion, etc.)
When it is required in relation to the deliberation, the Committee may have the related public officials and experts present and hear their opinions or request them to explain or submit materials.

Article 14 (Allowances)
Allowances and travel expenses may be provided for members, experts, etc. (excluding public officials) present in the Committee within a scope of budgets in accordance with the Seoul Metropolitan Government Ordinance on the Provision of Allowances and Travel Expenses to Committees.

Article 15 (Reports, Evaluations, etc.)
(1) The Mayor may be submitted every year from fair trade organizations with materials for projects eligible for fair trade subsidies.
(2) When a fair trade project which is subsidized is completed or terminated, a fair trade organization head shall submit, within 30 days, a report which contains the following: project results; calculation of project costs; self-evaluation; and other matters prescribed by the Mayor.
(3) The Mayor may determine whether to support a fair trade organization depending on the findings from the analysis of materials submitted by a fair trade organization head.
(4) The Mayor may award a prize to citizens, private organizations, etc. that contribute to any fair trade project.

Article 16 (Separate Accounts)
A fair trade organization head which is given subsidies shall open a separate account for the subsidy received and account for revenues and expenditures in a transparent way. <Amended on Jan. 5, 2017>

Article 17 (Preferential Purchase of Fair Trade Products, etc.)
(1) The Mayor shall purchase fair trade products on a preferential basis.
(2) Notwithstanding paragraph (1) above, a public institution head may not purchase fair trade products on a preferential basis in the following cases:
1. Where users of fair trade products continue to raise complaints as to their quality and it is determined that such complaints are reasonable;
2. Where it would take a long time to supply the fair trade products due to stock shortage and thus difficult to achieve a purpose of purchase;
3. Where fair trade products are urgently needed due to procurement of emergency relief supplies;
4. Where it is impossible to purchase fair trade products as planned with budgets in the relevant fiscal year;
5. Where fair trade products are goods or services that can be purchased by a private contract under related laws and regulations; or
6. Other cases where a public institution head reasonably determines that it would not be proper to purchase fair trade products on a preferential basis.

Article 18 (Education and Training)
The Mayor shall formulate and enforce, more than once a year, an education and training plan for purchase managers in public institutions to improve the understanding of fair trade.

Article 19 (Provision of Information on Fair Trade Products)
(1) The Mayor may collect information necessary to promote the production and purchase of fair trade products and make available the information for businesses, private institutions, organizations, etc.
(2) Where it is required to collect information, the Mayor may request professional organizations to collect information regarding production, sales, etc. of fair trade products. In such cases, the Mayor may support costs thereof within the scope of the budget.

Article 20 (Fair Trade Consumption Promotion Projects)

(1) The Mayor may request schools, religious facilities, sports facilities, etc. to purchase fair trade products on a preferential basis.
(2) Where it is necessary to promote the production and purchase of fair trade products, the Mayor may enter into agreement with heads of public institutions, private organizations, business, etc. to promote the of purchase of fair trade products.
(3) The Mayor may provide public institutions, private organizations, etc. with administrative supports or part of costs necessary for education and training projects to promote the consumption of fair trade products.

Article 21 (Establishment and Operation of the Seoul Fair Trade Center)

(1) The Mayor may establish and operate the Seoul fair trade center (hereinafter referred to as the "Center") to systematically promote fair trade projects.
(2) The Center shall perform the following:
1. Formulate and enforce a project plan of the Center;
2. Check fair trade and analyze, evaluate and research projects;
3. Support the formulation and enforcement of a fair trade project plan;
4. Educate, promote, and disseminate fair trade R&D; and
5. Other matters that are recognized as necessary to support fair trade projects.

Article 22 (Management and Operation)

(1) The Mayor may consign related non-profit corporations, organizations, etc. to systematically operate the Center.
(2) A term of consignment under paragraph (1) above shall be 3 years. And where the Mayor recognizes as necessary, the consignment may be extended after being deliberated by the relevant committee.
(3) A consigned organization shall formulate an annual project plan that shall be approved by the Mayor after being deliberated by the relevant committee.
(4) The Mayor may support, within the scope of his/her budget, expenses, project costs, etc. necessary to operate the Center.
(5) Where it is recognized as necessary, the Mayor may send relevant public officials to the Center under Article 30-4 of the Local Public Officials Act.
(6) The Mayor may inspect documents, facilities, etc. necessary to instruct and supervise consigned affairs.
(7) Where it is recognized from the inspection findings under paragraph (6) above that the consigned affairs are handled unlawfully or unfairly, the Mayor may take necessary measures.
(8) Where the Mayor takes measures under paragraph (7) above, he/she shall notify such facts to the consigned organization and provide an opportunity for it to state its opinion thereon in advance.

Article 23 (Cancellation of Consignment Agreement, etc.)

(1) The Mayor may cancel an consignment agreement, where a consigned organization falls under any of the following subparagraphs:
1. When the consigned organization violates statutes or ordinances; or
2. When the consigned organization violates the consignment agreement.
(2) Where the Mayor intends to cancel a consignment agreement under paragraph (1) above, he/she shall provide an opportunity for the organization to state their opinion thereon in advance.
(3) Where a consignment agreement is canceled under paragraph (1) above, the consigned organization shall return, without delay, consigned facilities and accumulated intellectual property.

Article 24 (Designation of Fair Trade Sales Mark)

(1) The Mayor may designate a mark representing shops and stores of fair trade products (hereinafter referred to as the "Sales Mark") to invigorate the distribution of fair trade products.
(2) The Sales Mark is determined after being deliberated by the Committee.
(3) The Mayor may select agencies or organizations that could use the Sales Mark for free after being deliberated by the Committee.
(4) Where agencies or organizations that use the Sales Mark cause civil complaints to be filed or violate the spirit of fair trade, the Mayor may forfeit a right to use the Sales Mark without delay after being deliberated by the Committee.

Article 25 (Mutatis Mutandis)

The Seoul Metropolitan Government Ordinance on the Management of Local Subsidies shall apply mutatis mutandis, other than matters prescribed by this Ordinance, to matters necessary to support, manage, etc. fair trade organizations. <Amended on Jan. 5, 2017>

Addenda <Ordinance No. 5384, Nov. 1, 2012>

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

Addenda <Ordinance No. 6386, Jan. 5, 2017> (Seoul Metropolitan Government Ordinance on the Comprehensive Reorganization of Local Statutes)

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

Addenda <Ordinance No. 6642, Sep. 21, 2017>

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