LIN LLC

Mobility Legal Updates

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LIN's Mobility Team monitors the latest news, legislative updates, and regulatory trends in the automotive industry to provide our clients with regular newsletters.

The Mobility Team at LIN LLC tracks technological, legislative, and regulatory developments in the automotive and future mobility sectors to summarize key issues for our clients.

Recently, the mobility sector has moved beyond simple testing of new technologies outside of institutional boundaries, with a shift toward expanding demonstration policies to integrate them into actual transportation, purchasing, and urban traffic services. Accordingly, the government is introducing new business models—including autonomous logistics, electric vehicle (EV) battery subscription services, and city-wide autonomous driving demonstrations—while verifying their feasibility through frameworks premised on safety management and operator accountability.

First Authorization for Paid Autonomous Freight Transportation

Demonstration of Autonomous Delivery Services on the Seoul-Jincheon Expressway

On April 16, 2026, the Ministry of Land, Infrastructure and Transport (MOLIT)

announced the first authorization of paid autonomous freight transportation in Korea to accelerate the commercialization of high-speed, long-distance autonomous services. Starting in June 2026, the authorized operator will provide autonomous truck delivery services along a 112km long-distance route connecting the Seoul Southeast Logistics Complex to the Lotte Global Logistics Jincheon Mega Hub Terminal.

This policy is significant as it signals an expansion of autonomous driving demonstrations from a passenger-centric focus to arterial logistics and delivery services. The full-scale implementation of autonomous freight transport could lead to structural changes across the transportation industry. For repetitive, predictable long-distance routes—such as arterial transport between delivery hubs or logistics surrounding ports and airports—the adoption of autonomous driving may significantly alter operational efficiency and cost structures. Conversely, this may give rise to new regulatory, labor, and contractual issues, including a decline in demand for human drivers, conflicts of interest with existing freight operators, determination of liability in the event of accidents, and the allocation of responsibility for shipment delays or damage. Ultimately, as autonomous freight demonstration projects may necessitate the reorganization of existing transport labor structures, contractual relationships, and even the insurance and maintenance industries, continuous monitoring is advised.

Key issues to arise from commercialization include transportation contracts, liability for cargo damage, determination of liability in accidents, duty of care for remote supervisors, insurance coverage, and obligations regarding the preservation and submission of operational data. Logistics and delivery businesses should pre-emptively assess whether their existing transportation and insurance contracts can accommodate autonomous driving structures.

Special Provision for Demonstration of EV Battery Subscription Services

B2C Battery Subscription Model Based on Ownership Separation between Vehicle Body and Battery

On May 11, 2026, MOLIT announced at the 8th Mobility Innovation Committee that it had deliberated and approved 16 agenda items, including battery subscription services based on the separation of EV battery ownership. Special provision for demonstration allows for the testing and verification of new technologies or services that were previously hindered by regulations for up to four years; if successful, these can be incorporated into the regulatory framework through legislative refinement. The following are the key agenda items approved at this meeting:

- B2C Battery Subscription Service Based on the Separation of Ownership between Vehicle Body and Battery

The approved battery subscription model allows individual consumers to purchase an EV where the consumer owns the vehicle body while the battery is owned and leased by a leasing company. Previously, separating ownership of the vehicle body and the battery for sale was prohibited under the current Motor Vehicle Management Act, despite the fact that the battery accounts for approximately 40% of the total vehicle price and has been a primary cause of the high initial purchase burden for EVs. With this special provision for demonstration, ownership separation is now permitted. The demonstration is scheduled to commence around October 2026, following a preparation period, targeting 2,000 Hyundai EVs over a two-year period. This demonstration is expected not only to lower EV purchase prices but also, as leasing companies collect and reuse batteries, to enable the design of subscription fees reflecting the batteries' residual value and to establish a robust resource circulation structure.

When ownership of the vehicle body and battery differs, it is necessary to meticulously design vehicle sales contracts, battery lease agreements, responsibilities for maintenance, replacement, and recalls, residual value calculation, and liability for damages in the event of accidents. In particular, from a consumer protection perspective, the potential for disputes may increase if the division of responsibility among manufacturers, leasing companies, and sellers is not clearly defined.

However, MOLIT has stated its position that it will manage the process to ensure safety management and consumer protection are implemented under the responsibility of the EV manufacturer, even if ownership is separated.

- Designation of Autonomous Driving Field Response Vehicles as Emergency Vehicles

This measure allows field response vehicles deployed in the event of accidents or malfunctions on autonomous driving roads to be designated as emergency vehicles under the Road Traffic Act. Previously, such vehicles were treated identically to regular vehicles, limiting the ability to respond swiftly to accidents; this designation is expected to enhance the safety and responsiveness of autonomous road operations.

- Demonstration of Pedal Misoperation Prevention Devices

This project involves installing devices that analyze the output signal of the accelerator pedal in real-time, cutting off rapid acceleration if misoperation is detected and issuing a warning buzzer. MOLIT authorized this demonstration, expecting it to contribute to the prevention of accidents involving traffic-vulnerable groups, such as elderly drivers.

Launch of the Gwangju Autonomous Driving Demonstration City Project and the Korea Autonomous Driving Team

Level 4 Autonomous Driving Demonstration Covering 200 Vehicles in Gwangju

On May 13, 2026, MOLIT held a Memorandum of Understanding (MOU) ceremony for the 'Korea Autonomous Driving Team' to advance the Gwangju Autonomous Driving Demonstration City project. This project is a large-scale demonstration initiative that involves the deployment of 200 autonomous vehicles across 500.97㎢ of actual living environments in Gwangju, including residential and commercial districts. By iterating the virtuous cycle of accumulating driving data, training autonomous AI, and conducting real-world demonstrations, MOLIT aims to achieve E2E[1]-based Level 4 autonomous driving by 2027.

Under this agreement, Hyundai Motor Company will manage the production and supply of 200 software-defined vehicles (SDVs), beginning in June 2026 and completing the rollout by the end of the year. Following safety verification, these vehicles will be equipped with specialized sensors and software to commence road driving and data collection. Samsung Fire & Marine Insurance will be responsible for developing specialized autonomous driving insurance products, emergency dispatch, and accident cause analysis.

The 8th Mobility Innovation Committee also granted a special provision for demonstration, allowing these 200 autonomous vehicles to apply for temporary operation permits without undergoing individual self-certification. While software-defined vehicles faced constraints in road testing due to difficulties in obtaining self-certification identical to that for mass-produced vehicles, this special provision enables demonstrations within a certain scope.

This project is significant in that it expands autonomous driving demonstrations

[1] End-to-End (E2E) autonomous driving refers to a model architecture in which the AI integrates the entire process—from processing input sensor data to making final driving decisions—into a single, unified learning and execution system.

beyond individual vehicles or limited routes to entire living areas. Given the participation of vehicle manufacturers, autonomous software firms, insurance companies, traffic safety agencies, and local governments, it is expected to serve as an opportunity to verify the entire operational system of autonomous driving services—including vehicle supply, safety verification, insurance, accident response, data accumulation, and infrastructure operation—beyond simple driving technology.

Meanwhile, city-wide autonomous driving demonstrations extend beyond simple verification of driving technology; they inherently involve the issues of collecting and utilizing location data, video footage, operational logs, and data for accident root cause analysis. Given these implications, participating companies must preemptively refine their frameworks for processing personal and location information, defining the scope of data provision, outlining accident reporting procedures, and maintaining information-sharing systems with insurance companies.

LIN LLC possesses a wealth of experience in advisory and litigation services across the mobility sector, ranging from automotive-related administrative regulations to patent and trade secret disputes. Our Mobility Team, comprised of attorneys and industry specialists with deep insight and extensive practical experience, offers unparalleled expertise specifically tailored to the automotive and future mobility industries.

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