



Mobility Legal Updates

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The Mobility Team at LIN LLC continuously monitors the latest news, legislative updates, and regulatory trends in the automotive industry and issues newsletters to clients on a periodic basis.

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The Mobility Team at LIN LLC tracks technological, legislative, and regulatory developments across the automotive and future mobility industries and summarizes the principal issues for our clients.

In this issue, we examine a proposed amendment to the Act on Promotion of and Support for Commercialization of Autonomous Vehicles, which would extend authority over autonomous driving demonstration projects to local governments, and a proposed amendment to the regulatory framework for motor vehicle greenhouse gas emissions, which would subject medium- and heavy-duty commercial vehicles to binding emission standards.

Amendment to the Autonomous Vehicles Act Set for Plenary Consideration

Decentralizing MOLIT's designation authority to enable region-specific demonstration projects

A proposed amendment to the Act on Promotion of and Support for Commercialization of Autonomous Vehicles, which would confer authority to designate autonomous vehicle pilot operation zones on Mayors and Provincial Governors, is awaiting consideration by the plenary session of the National Assembly.

Under the current framework, even where a local government applies for designation of a pilot operation zone, final designation authority rests with the Minister of Land, Infrastructure and Transport ("MOLIT"). Commentators have observed that this arrangement results in considerable delay and procedural complexity, leaving the government ill-equipped to respond promptly to demand for pilot programs from local governments and industry participants. The proposed amendment would permit a Mayor or Provincial Governor who determines that all or part of the area under his or her jurisdiction should be designated as a pilot operation zone to make that designation directly, subject to consultation with the Minister of MOLIT and deliberation and resolution by the relevant local committee.

The scope of the Minister's *ex officio* designation authority would likewise be expanded. Under existing law, the Minister may designate a pilot operation zone on his or her own initiative only with respect to areas spanning two or more cities or provinces; the proposed amendment would eliminate that geographic limitation. As a result, the Minister would be able to designate an area situated wholly within a single city or province where a national interest in conducting a pilot program is established.

The significance of this amendment lies not merely in the streamlining of designation procedures, but in the partial transfer of primary responsibility for autonomous driving demonstration policy from the central government to local governments. While the

amendment would lay the groundwork for more expeditious implementation of demonstration projects tailored to the transportation conditions and industrial base of each region, it is anticipated that operators will need to monitor not only MOLIT requirements but also the ordinances of each local government, the meeting schedules of the relevant local committees, and region-specific evaluation criteria.

Greenhouse Gas Emission Standards to Become Mandatory for Medium- and Heavy-Duty Commercial Vehicles

From voluntary management to a statutory compliance regime

On July 15, 2026, the Ministry of Climate, Energy and Environment issued for public comment a proposed amendment to the average greenhouse gas emission and fuel economy standards for motor vehicles, to take effect from 2027. The central feature of the proposal is the phased introduction of binding reduction obligations for medium- and heavy-duty commercial vehicles, which have to date been managed on a voluntary reduction basis. The reduction target for medium- and heavy-duty commercial vehicles is 30% by 2030, relative to average emissions in 2021–2022, and coverage will expand in sequence, beginning in 2027 with heavy-duty freight vehicles and truck tractors, followed by medium- and heavy-duty buses, and thereafter by medium-duty freight vehicles and dump trucks. The 2030 greenhouse gas standards for light-duty vehicles will be tightened as well.

The specific reduction levels and implementation timetable are to be established under separately pre-announced amendments to the public notices governing motor vehicle greenhouse gas standards. For medium- and heavy-duty commercial vehicles, mandatory reductions will apply on a vehicle-category basis in phases, commencing in 2027 with heavy-duty freight vehicles and truck tractors and targeting a 30% reduction from the 2021–2022 average by 2030. Failure to meet the applicable

standard will expose manufacturers to penalty surcharges; at the same time, the Ministry plans to introduce supporting measures to facilitate implementation, including incentives for electric and hydrogen vehicles and provisions for the carry-forward and repayment of reduction credits.

Manufacturers and importers should note that the regulation applies not to individual vehicles but to the average emissions of the vehicles sold in a given year. They should therefore confirm the date on which the emission standards become mandatory for the vehicle categories they sell, and should manage on an integrated basis their sales plans for internal combustion engine and electrified vehicles, their reduction credits, and their test data. In addition, they should monitor not only the Enforcement Rule but also the final text of the public notices and the Enforcement Decree, which will establish the detailed standards, penalty surcharges, and incentives required to implement the proposed amendment.

LIN LLC boasts extensive advisory and litigation experience within the mobility sector, ranging from administrative regulatory compliance to high-stakes patent and trade secret disputes. Our Mobility Team brings together attorneys and specialists with deep knowledge and hands-on experience in the automotive and future mobility industries.

Should you require further details regarding this newsletter or have any other inquiries, please do not hesitate to contact the **Mobility Team at LIN LLC**:

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