



Korea Communications Commission

NEWS RELEASE

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PREVENTING HARM FROM ONLINE STREAMING’S DIGITAL CURRENCY, “HEART BALLOONS”

*- Pursues amending Telecommunications Business Act to set payment cap and strengthen
protection of minors –*

The Korea Communications Commission (KCC, Chairman Han Sang-hyuk), along with the office of National Assembly member Han Junho, announced they will pursue amending the Telecommunications Business Act to take effective action towards preventing harm to users from online streaming platforms.

There have continuously been cases of financial harm to users from digital currency items (commonly known as “star balloons”) on online streaming platforms. Most notably, last year one elementary school student paid an online streamer approximately 130 million KRW without their parent’s permission.

On January 1st of 2019 the KCC announced the “Guidelines on Donation Payments for Online Streamers” and recommended operators comply with self-regulation. However, it was pointed out that this measure lacked effectiveness.

In response, in order to strengthen the rights of consumers of online streaming platforms, several obligations will be imposed on the platforms, including: setting a payment cap; strengthen protection of minors; operate a consumer protection window(service); prevent illegal transactions

(commonly known as “star balloon transactions or star balloon “ggang”).

First, internet individual broadcasting* (online streaming) will be classified from “value-added telecommunications service operator” to “special value-added telecommunications business” (reporting mandatory) and operators will be required to set a cap on payments for purchasable items, as well as have mechanisms in place to prevent users from bypassing the payment caps through abnormal transactions.

*One or two or more hosts mediate value-added telecommunications business to provide audio, video or audio and video through two-way IP protocol method using telecommunications network.

There are also protection measures for minors including setting a payment cap for minors and requiring consent of a legal guardian before minors can make a payment.

Additionally, the measures require streamers who meet certain standards (number of users, revenue) to prepare a window for consumer protection to handle consumer complaints and disputes. Also the practice of buying back users’ for-purchase items for cash (“ggang”) will also be prohibited.

Furthermore, in order to create a sound internet individual broadcasting platform, the KCC will check the operations/management of the platforms and the actual operations of a window for consumer protection, as well as require materials be submitted.

Chairman Han Sang-hyuk noted, “As we move faster into a contactless society due to Covid-19, and consumption of online streaming and one-person media rises, it’s become more necessary to have policies that strengthen the accountability of these platforms and to prevent consumer harm.” He added, “through continuous institutional improvements we will create a sound, one-person media environment.”

Moving forward, the KCC plans to support discussions in the National Assembly about relevant legislation.

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