Korea Communications Commission

NEWS RELEASE

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KCC FOLLOWS UP ON ACT PROHIBITING FORCING CERTAIN IN-APP PAYMENTS

- *Swiftly draws up sub-decrees such as the enforcement decree and public notification -*

- *Takes measures to prevent illegal activity by app market operators which may disrupt the development of a sound app ecosystem -*

- *Will follow through with investigations if no clear action plans shown by operators –*

□ The Korea Communications Commission (KCC, Chairman Han Sang-hyuk) will begin follow-up measures to the Telecommunications Business Act amendments (enforcement date: Sep. 14, 2021) which prohibit app market operators from forcing certain payment methods.

o Recently the KCC had app market operators such as Apple and Google submit proposals demonstrating how they will comply with the new law; however, the submissions were deemed to not align with the intent of the law, so the KCC will require resubmissions.

O In addition to the submitted proposals, the KCC will investigate specifically into whether there are any violations of the law in terms of app stores forcing app developers to use certain payment methods, and carry out any necessary measures.

□ In order to draw up the sub-decrees and carry out the necessary investigations, the KCC will also meet with six app development related associations (Oct. 19)* and listen to the opinions of various stakeholders, such as app development companies and creators.

* Date/Time: October 19, 2021 / near Gangnam Station (Gonganduhage)

Attending: Korea Startup Forum, Korea Association of Game Industry, Korea Digital Enterprise Association, Korea Mobile Game Association, Korea Mobile Internet Business Association, Korea Internet Corporations Association

o First, the meeting will discuss revisions to the enforcement decree and public notification necessary to carry out the amended law effectively.

- The KCC will explain the main points of the enforcement decree and public notification drafts, which were drawn up through an 'institutional measures organization group' formed and operated since September 9, and listen to any opinions or other necessary legislative matters.

- The KCC will thoroughly review the points discussed and reflect them in the revised enforcement decree and public notification, swiftly carrying out notifications of legislation.

Direction of revisions to the Enforcement decree and Public notification regarding in-app payments (institutional measures organization group)

o **(Enforcement decree)** Considering the intent of the amended law, review prohibition of forcing certain payment methods, taking into account the characteristics of the different stages of the app market ecosystem.

- Actions which reject, delay, restrict or delete or block the registration, renewal, review of mobile content which uses different payment methods

- Actions which suspend or restrict the use of the app market by mobile content providers which use different payment methods

- Actions which use technical means to restrict use of different payment methods

- Actions which require significantly difficult procedure to use a different method of payment

- Actions which apply irrational or discriminatory conditions or restrictions for monetary profit

o **(Public notification)** Review the relative standing of parties, forced nature, or unfairness of a transaction in the conditions for determining violation of the law

o Additionally, the KCC will listen to any difficulties experienced in the current app market due to app market operators delaying policy changes.

□ The KCC will not only listen to the voices on the ground to ensure sound development of the app market ecosystem, but will also carry out investigations in the event that necessary actions are not carried out in the app market, and enforce strict measures in response to illegal activity.

The Korea Communications Commission