



Korea Communications
Commission

NEWS RELEASE

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Consumer Policy Bureau

Telecommunications Market Investigation Division (02-2110-1531)

KCC Chairman Han Sang-hyuk meets with Google Senior Director of Public Policy

- *Confirmed Google's plans to change payment policy to comply with amended law prohibiting forcing certain in-app payment methods -*
- *Requested Google to realize the intent of the law by guaranteeing right of choice for users and developers -*

November 4, 2021 – Korea Communications Commission (KCC) Chairman Han Sang-hyuk met with Google Senior Director of Public Policy Wilson White today over teleconference. The chairman heard Google's plans to change their payment policies and exchanged opinions for the mutual growth of the mobile app ecosystem.

On October 25, the KCC ordered Google and Apple to resubmit their proposals to comply with the amended Telecommunications Business Act (Sep.14, 2021 amendment, enforcement) which prohibited app market operators from forcing certain payment methods.

Today's meeting was arranged following Google's request to explain specific implementation measures and timeline plans before resubmitting their proposal.

During the meeting, Senior Director Wilson White explained Google understood the intent of the amended law, and revealed the company is drawing up a new payment policy in order to comply with it. He went on to explain the objective of the new policy and specific implementation measures.

Google revealed that the objective of the new payment policy is to enhance both developer and consumer convenience by guaranteeing developers' right of choice for payment method and consumer choice as well.

Google explained that according to the upcoming policy changes, developers can offer their choice of a third-party payment system within their app alongside Google's in-app payment system. Consumers can choose to use the third-party payment system or the Google in-app system according to their preference

< Key points of Google Play's new payment policy >

- o **(Allow third party payment)** Developers can provide their choice of a third-party payment method in the app alongside Google Play's payment method, and consumers can choose between the third-party or Google Play payment system according to their preference.
- Consumers will see a payment screen which shows the third-party and Google Play payment option in equal size, shape and location, so that a certain payment method isn't forced.
- o **(Service fees)** Apply a lower service fee for payments on the third-party system than for Google Play's payment
- o **(Affected country)** Implement only in Korea in order to comply with the amended Telecommunications Business Act

Google plans to swiftly change its terms and conditions and notify developers with the aim of implementing the new payment policy within the year, the company revealed they will coordinate with the KCC in terms of the specific implementation timeline.

Chairman Han commented, “we were able to verify Google’s commitment to comply with the law, and I hope that Google will change their policy to faithfully realize the intent of the amended law.” He added, “I hope that through this, Google will fully carry out their societal responsibility as a big tech company, and be a model for other global operators doing business in Korea.”

In particular, the chairman noted, “considering the concerns that operators might undermine the intent of the law by circumventing the requirements, such as applying unreasonable service fee rates on external payments or making it difficult to use an external payment method, I hope Google will take the lead in quieting these worries by guaranteeing right of choice for consumers and developers.”

He added, “the KCC will respond strictly against any violations of the amended act, and work to create a fair and sound app market ecosystem where all players can coexist.”

Google will soon submit more detailed plans on the payment policy changes that were presented this day, and the KCC will carefully examine the plans to ensure the policies are carried out in a manner that aligns with the intent of the law.

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The Korea Communications Commission