



POLICY IN ACTION

Korea Adopts Balanced Regulation for In-App Billing

Market context

South Korea was one of the first countries to launch 5G, placing the country well ahead in 5G adoption compared to others in the region. Korean consumers are looking for additional digital services and content, with more than

half of 5G users adding gaming content to their mobile services. These new types of digital offerings can generate new revenue streams for mobile network operators.

Policy or regulatory action

In September 2021, the South Korean Parliament passed a law that prohibits app store providers from requiring the use of their payment channels for in-app purchases. Previously, app designers could pay up to 30 per cent commission on in-app purchases. The new law, the first of its kind in the world, is designed to promote fair

competition. The Korean Communications Commission issued an Enforcement Decree for the Telecommunications Business Act, offering interested parties regulatory clarity and predictability by outlining details related to the newly prohibited actions, consumer protection obligations and investigation methods.

Why this is good practice

A fair and balanced regulatory environment is key to unlocking the digitalisation and innovation driven by 5G.

These types of regulatory reforms foster competition which, in turn, drives innovation that ultimately benefits consumers.

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