SHIN & KIM

AIDC Infrastructure Center

Shin & Kim LLC's AIDC Infrastructure Center was established to proactively address the emerging legal and regulatory landscape shaped by the convergence of AI and data center infrastructure. Going beyond traditional legal issues associated with data centers, the Center provides strategic legal solutions that take into account emerging business models and regulatory developments surrounding AI infrastructure.

The rapid growth of the AI industry and the expanding use of data have heightened the importance of data centers capable of supporting large-scale computing demands. AI Data Centers (AIDCs), in particular, have distinct technical and commercial characteristics that set them apart from conventional data centers, requiring high-performance computing equipment such as GPUs, as well as extensive power and cooling infrastructure.

AIDC projects require coordinated execution across a wide range of areas, from site selection, acquisition of development rights, and permitting, to securing large-scale power supply and grid interconnection, as well as investment and financing. On top of these, AI infrastructure raises its own distinct issues, including AI and data regulation, intellectual property and technology protection, and contracts governing the use of computing resources and related services. Because infrastructure development and AI technology issues are closely intertwined within a single project, an integrated, cross-disciplinary approach is essential.

Building on its extensive experience advising on domestic and international data center projects, Shin & Kim has established an integrated advisory platform that brings together experts in real estate and alternative investment, projects and energy, finance, ICT, intellectual property, and trade and industrial policy. The Center advises on due diligence relating to sites and business rights, development structuring and permitting, power procurement and power grid impact assessments, project finance, and domestic and cross-border investment.

The Center also provides in-depth advice on AIDC-specific matters, including financing for computing equipment, such as GPU financing; leasing, colocation, and computing service agreements; AI and data regulation, including data privacy regulation; and AI training data, copyright, and technology protection. Its services extend across the entire project lifecycle, from regulatory matters during operations to refinancing and divestment.

In addition, government industrial policies and regulatory developments relating to AI and data centers are also critical considerations for AIDC projects. Shin & Kim also provides strategic legal and regulatory advice on relevant laws and regulatory frameworks, consultations with central and local government authorities and other relevant agencies, government support programs and public AI infrastructure projects, foreign investment and incentives, and overseas

expansion.

Key Services

Shin & Kim's AIDC Infrastructure Center provides the following services:

Data Center and AIDC Development and Real Estate

- Legal due diligence on data center sites and business rights
- Development and business structuring
- Review of investment structures, including project financing vehicles (PFVs), funds, real estate investment trusts (REITs), and joint ventures (JVs)
- Development and construction contracts
- Operational agreements, including leases, colocation agreements, and management contracts
- Data center divestments and related transactions

Power, Energy and Permitting

- Legal advice on power procurement and grid connection
- Power grid impact assessments and related permits and approvals
- Review of power purchase agreements and energy supply structures
- Legal advice on power procurement from renewable energy, natural gas-fired power generation, and nuclear power generation, including small modular reactors (SMRs)
- Development and operational permits and approvals, and consultations with relevant authorities

Investment and Finance

- Project finance (PF) for data center development
- Domestic and cross-border equity, debt, and fund investments
- Acquisition financing and refinancing
- Investment in and financing of computing equipment, including GPU financing
- Security and financing structuring
- Legal advice on domestic and cross-border investments and M&A

AI, Data and ICT

- Legal advice on AI development, adoption, and commercialization
- Regulatory compliance relating to AI, data, and telecommunications
- Legal advice on personal information and data utilization

- AI governance and internal policy development
- Contracts for computing resources and data center services
- AI service agreements, licensing agreements, and long-term use agreements

Intellectual Property and Technology Protection

- Legal advice on AI training data and copyright
- Technology development, use, and licensing agreements
- Trade secret and technology protection
- Legal advice on national core technologies
- Disputes involving AI, data, and technology

Government Policy and Public Sector Projects

- Legal and regulatory advice on AI and data center laws, policies, and regulatory developments
- Consultations with central and local government authorities and relevant agencies
- Government support programs and public AI infrastructure projects
- Legal advice on foreign investment and investment incentives
- Legal advice on public sector projects, including calls for proposals, agreements, and outsourcing contracts
- Overseas expansion and related policy support

Experience

Data Center and AIDC Development and Real Estate

- Conducted preliminary legal due diligence in connection with the acquisition of a company holding site rights, permits, and electricity use approvals for an AI and quantum data center project.
- Advised on an AI data center development project in Sejong.
- Advised a Korean telecommunications company on an AI data center project in Chungcheongnam-do involving a global Big Tech company.
- Advised on permitting for an AI data center development project in southern Gyeonggi-do.
- Advised on an AI data center development project in Daejeon.
- Advised on an AI data center development project in Chungcheongnam-do.
- Advised on an AI data center development project in Daegu.
- Advised on business development, permitting, investment, and regulatory matters relating to the establishment of a data center.
- Advised on a joint venture (JV) investment for an AI data center development project in Gumi.
- Advised on an AI data center development project in Korea through a JV between a U.S. investor and a Korean

company.

- Advised a public institution on the development and operation of an AI data center.
- Advised on an AI data center development project in Jeollanam-do.
- Advised on the development, operation, and sale of a data center in Hanam.
- Advised on the development of the Goyang Samsong Data Center.
- Advised on a data center development project in Pyeongtaek.
- Advised on a data center development project in northern Gyeonggi-do.
- Advised on a data center development project in Yongin.

Power, Energy and Permitting

- Advised on a power grid impact assessment for an internet data center (IDC) in southern Gyeonggi-do.
- Advised on a power grid impact assessment for an IDC in northern Gyeonggi-do.
- Advised on legal and regulatory matters under the Special Act on the Promotion of Distributed Energy and other relevant laws concerning electricity use at an IDC in northern Gyeonggi-do.
- Provided government relations support in connection with the Ministry of Climate, Energy and Environment's draft notice establishing regulations for the administration of the power grid impact assessment system for data centers under the Special Act on the Promotion of Distributed Energy.
- Advised on a project to improve the regulatory framework for power grid operations.
- Advised on the applicability of the Special Act on the Promotion of Distributed Energy and its Enforcement Decree to a data center in southwestern Seoul.
- Advised on participation in a project to develop an AI-powered energy storage system (ESS) for a power distribution network.
- Advised on the legality of electricity supply terms and conditions applicable to data centers.
- Advised on electricity trading regulations relating to hydrogen production using carbon-free electricity (nuclear power).
- Advised on a direct power purchase agreement (PPA).

Investment and Finance

- Advised on acquisition financing for the purchase of an equity interest in a data center in Ulsan.
- Advised a Korean private fund manager on acquisition financing for a data center operating company.
- Advised a global data center specialist on an investment in an AI data center in Gyeongsangbuk-do.
- Advised on an investment in the National AI Computing Center development project in Pohang.
- Advised on an investment in a data center facility in the Gwangju Research and Development Special Zone.
- Advised on an investment in a mezzanine loan for a data center in the United States.
- Advised on an investment in a data center in southern Gyeonggi-do.
- Advised on project financing for a greenfield data center development project in southern Gyeonggi-do.
- Advised on project financing for a data center in southern Gyeonggi-do.

- Advised on refinancing for a data center in southern Gyeonggi-do.
- Advised on the establishment of a special purpose company (SPC) in Korea and financing to secure GPUs.
- Advised on raising investment through the issuance of new shares for the development of an AI data center.

AI, Data and ICT

- Advised on personal information processing in connection with the development and launch of a new AI product.
- Advised on data privacy regulations relating to the launch of new AI features for a global photo and video management service.
- Advised on data protection issues under EU regulations in connection with the launch of an AI-powered call recording analysis service in the EU.
- Advised on legal issues under the AI Basic Act relating to the adoption of a large language model (LLM).
- Advised on legal issues under the Personal Information Protection Act relating to the adoption of an LLM.
- Advised on monitoring AI policy developments in Korea, stakeholder analysis, government relations support, and responses to National Assembly hearings.
- Advised on cross-border data transfer regulations relating to the relocation of a cloud region overseas.
- Advised on the establishment of an AI governance framework.
- Advised on internal AI ethics guidelines and checklists in connection with the entry into force of the AI Basic Act.
- Advised on reviewing and revising internal guidelines under the amended AI Basic Act and assessing obligations to appoint a domestic representative.
- Advised on data center service agreements, including MTSAs, CSSs, and WOs.
- Advised on reviewing and executing agreements, including statements of work (SOWs), relating to the adoption of AI in retail operations.
- Advised on various legal issues relating to the implementation of an outsourced AI-powered optical character recognition (AI-OCR) service, including security policies, data protection policies, and the legal nature of AI- and cloud-related security documentation.

Intellectual Property and Technology Protection

- Conducted a research project on measures to improve standard agreements concerning intellectual property rights to facilitate transactions involving AI training data.
- Advised on administrative procedures relating to the recovery of AI training data and the imposition of monetary sanctions.
- Advised on copyright and other legal issues relating to AI training data crawling and the development and commercialization of generative language models (GLMs).
- Advised on copyright infringement issues relating to AI training data and AI services.
- Advised on copyright issues arising from data crawling for the development of AI language models.
- Advised on the use of audiovisual works as AI training data.
- Advised a global Big Tech company on legal and policy responses to AI- and copyright-related issues in Korea.
- Represented a client in a dispute involving the alleged leakage by a former CEO of technical information relating to

AI semiconductors that constituted trade secrets and industrial technology.

- Advised on legal issues at the intersection of generative AI use and national core technologies.
- Advised a medical foundation on intellectual property and other legal issues relating to AI-based clinical algorithms.

Policy, Government and Public Sector Projects

- Provided comprehensive legal advice and regulatory support in connection with the enactment of the Enforcement Decree of the Special Act on the Promotion of the Artificial Intelligence Data Center Industry.
- Advised on legislative strategy and government relations aimed at securing an exemption from mandatory generator installation requirements for data centers.
- Advised on a project to support the development and dissemination of AI standards.
- Advised on contract documentation for the Ministry of Science and ICT's Independent AI Foundation Model Project.
- Jointly advised on the "AI Legal Assistance Service Expansion Project" led by the Ministry of Science and ICT and the National IT Industry Promotion Agency (NIPA).
- Advised on AI research and development for combating voice phishing undertaken by the Korean National Police Agency.
- Advised on a project to establish an integrated defense data center.
- Advised on the expansion of national AI computing infrastructure.
- Advised on the development of model text for APEC AI digital trade rules.
- Advised on a project to establish an integrated AI support service platform.
- Advised on regulatory matters relating to a government support program for the overseas expansion of Korean AI companies.
- Advised a local government on the establishment of a public cloud data center.

Key Contacts

Kyoung Soo Chang
Partner

+82-2-316-4066
kschang@shinkim.com

Sang-Hyun Lee
Partner

+82-2-316-4068
shlee@shinkim.com

Sinook Kang
Senior Partner

Jeoung Yeol Yu
Senior Advisor

+82-2-316-4740
jyyu@shinkim.com

Yun Seok Jang
Senior Partner

+82-2-316-4385
ysjang@shinkim.com

Bo Kyung Lim
Partner

+82-2-316-4059
sokang@shinkim.com

Sejin Kim
Senior Foreign Attorney

+82-2-316-7270
sejinkim@shinkim.com

+82-2-316-4041
bklim@shinkim.com

Hyunju Helen Pak
Senior Foreign Attorney

+82-2-316-4212
hpak@shinkim.com

Copyright SHIN & KIM LLC. All rights reserved.