



Legislative and Policy Trends in Online Platform Self-Regulation

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One of the core pillars of President Yoon’s pursuit of a fair market environment and dynamic innovative platform ecosystem is self-regulating industry players. For a little more than a year, the Ministry of Economy and Finance (“**MOEF**”) and member ministries of a Pan-government Platform Policy Council (“**Policy Council**”), including the Personal Information Protection Commission (“**PIPC**”), the Ministry of Science and ICT (“**MSIT**”), and the Korea Communications Commission (“**KCC**”), have been exploring effective means to prompt self-regulation in the platform industry, and the Policy Council recently reached a consensus on amending the current Telecommunications Business Act (“**TBA**”) to set forth the legal basis for the establishment and promotion of online platforms’ self-regulation.

To this end, the MSIT and the KCC are currently in the process of drafting a TBA amendment bill (the “**Bill**”), with the aim of officially introducing the Bill to the National Assembly by the end of the year.

Key provisions of the Bill

Article 22-11 of the Bill	
Paragraph 1	<p>Sets out the statutory basis for the establishment of a self-regulatory organization for online platforms.</p> <ul style="list-style-type: none"> • Encourages value-added telecommunications service providers (“VASPs”) and VASP associations to carry out self-regulatory activities for the creation of a safe environment for business transactions, promotion of innovation, user protection, and mutual cooperation. • Stipulates that self-regulatory activities may be performed by businesses themselves or by an independent self-regulatory body. This provides the legal foundation for the Self-Regulatory Organization for Online Platforms (“Self-Regulatory Organization”), a public-private partnership that has been up and running since August 19, 2022.
Paragraphs 2 & 3	<p>Authorizes the government to adopt public policies to support the implementation and the</p>

	<p>spread of self-regulation.</p> <ul style="list-style-type: none"> Permits the government to devise measures to encourage self-regulatory activities in the platform industry and to pursue its widespread adoption by, for example, sharing industry examples and holding training sessions or seminars.
Paragraph 4	<p>Secures transparency in online platforms' self-regulation.</p> <ul style="list-style-type: none"> Urges VASPs and VASP associations to endeavor to make opportunities, on a regular basis and at least once per year, for experts and stakeholders to share their thoughts on the online platforms' self-regulatory activities and their achievements.
Paragraphs 5 & 7	<p>Incentivizes participation in self-regulation.</p> <ul style="list-style-type: none"> Permits the government to support the self-regulatory activities of VASP associations that meet certain thresholds, considering the expertise of such associations and enforceability of their respective voluntary agreements with private businesses. Allows the Minister of Science and ICT and the KCC to consider VASPs' efforts to self-regulate and their achievements when determining the appropriate level of administrative sanctions following a finding of legal violations.

Self-Regulation Policy Trends of Government Agencies

A. Intragovernmental efforts by the Korea Fair Trade Commission, MSIT, and KCC

The Self-Regulatory Organization is primarily led by stakeholders from the private sector with the support of the government. It is divided into four divisions that, since the launch of the organization, have carried out in-depth discussions on various plans and measures to develop an effective self-regulatory system for online platforms, as follows:

Focus of the Divisions' Plan to Implement Self-regulation	
Fair Transactions	<ul style="list-style-type: none"> Self-regulation plan for delivery apps Self-regulation plan for open marketplaces Self-regulatory measures for vacation rental apps (discussion ongoing)
Consumers & Users	<ul style="list-style-type: none"> Collective redress plan for consumers of open marketplaces
Data and AI	<ul style="list-style-type: none"> Self-regulation principles for enhancing the transparency of platform's search and recommendation services
ESG	<ul style="list-style-type: none"> Eight major principles for enhancing the social value of online platforms

See [here](#) for more details of the announcements made by the four divisions to date.

B. Support by the PIPC for self-regulation organizations focused on data protection

In addition to the Self-Regulatory Organization referred to above, there are sector-specific self-regulatory organizations, whose primary focus is placed on data protection. The legal foundation for their establishment is grounded in data privacy laws, including the Personal Information Protection Act (“PIPA”) and its subordinate statutes, and they are offered various support from the PIPC, ranging from assistance with the drafting of the voluntary covenants to examining online systems (i.e., websites) for any vulnerabilities.

To date, voluntary covenants for the communications, broadcasting, shopping, and MVNO sectors have been set in place. Reflecting its commitment to these policy objectives, the PIPC continues to actively support the establishment of voluntary covenants in sectors that are part of the everyday lives of citizens and where businesses tend to process large amounts of personal information, as illustrated by a series of its recent approvals of the voluntary covenants for: online shopping platforms (July 13, 2022), seller tools (September 28, 2022), food delivery platforms (February 22, 2023), and HR recruiting platforms (July 12, 2023).

Key Takeaways

- Commitment to self-regulation hinges on the voluntary participation of businesses and development of detailed implementation plans. Many believe self-regulation offers businesses more practical and feasible solutions while granting the flexibility needed to adapt to market changes. Although its effectiveness has indeed been questioned, it is hoped that the incentives provided by the Bill to participating businesses will alleviate such concerns.
- Put differently, the MSIT’s and KCC’s joint announcement of the Bill is likely to provide much-needed momentum for the Yoon administration’s self-regulation policy for online platforms going forward, and we expect to see more proactive and expansive efforts made by the businesses toward implementing self-regulatory measures.
- Notwithstanding these directions toward self-regulation, calls for legislation to control suspected and potential monopolistic behavior of online platforms remain, and if self-regulation proves less effective than hoped by many, discussions on the need for more stringent legislation will be reignited. As such, online platforms should uphold their commitments and relevant covenants applicable to each sector, and it will be important to monitor related developments in the legislative and executive branches.

[\[Korean version\]](#) 플랫폼 자율규제 관련 입법 및 정책동향

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