



ICT Convergence Technologies to Benefit from Regulatory Sandbox Fast-Track Approvals

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Through the Deliberation Committee for Emerging Technologies and Services (“**Deliberation Committee**”) established and operating under the Special Act on the Promotion of Information and Communications Technology and Vitalization of Convergence Thereof (the “**Act**”), the Ministry of Science and ICT (the “**Ministry of Science**”) has been exploring means to reform the existing legal framework to expand regulatory sandboxes. ¹

As part of these efforts, the Ministry of Science pursued an amendment to the Act, which recently passed the National Assembly in September 2024. The amended Act, which was promulgated on October 22, 2024, and will take effect on April 3, 2025, lays out the legislative grounds for expedited review and approvals for projects that are identical or substantially similar to projects that have already been approved for the sandbox. Below, we examine key aspects of the regulatory sandbox regime under the amended Act, including incentives and exemptions surrounding proactive administration of the regulatory sandbox:

Key Aspects

A. Legislative Basis for Expedited Approvals and Proactive Administration

1. Streamlined process for temporary permit and regulatory exemption for demonstration and/or testing²

Technologies and services for ICT convergence that are substantially identical or similar to those previously granted temporary permits³ or regulatory exemptions for demonstration or testing⁴ can now apply for a streamlined review process. Specifically, the simplified process is available for technologies or services that share similar content, methods, or forms with those that have already undergone the full review process by the Deliberation Committee.

Under the amended Act, as for such technologies and services subject to the streamlined review process, the related agency must deliver its review outcome within 15 days (reduced from 30 days) to the Ministry of Science and the application for sandbox shall be deliberated and decided by a special committee to be formed under the Deliberation

Committee to shorten the period for decision.

	Current	Amended by the Act
Review Period of Related Agency	30 days	15 days
Decision Reviewing Authority	Deliberation Committee	Special Committee established under the Deliberation Committee

2. Protection from undue risks and incentives for proactive administration⁵

To prevent delays in regulatory reform related to regulatory sandboxes, the amended Act protects a public official from a disciplinary action or reprimand if he/she is found to have acted without any intentional misconduct or gross negligence in proactively processing sandbox applications for ICT convergence technologies and services.

In order to further encourage public officials to adopt a proactive approach, the amended Act also enables the Ministry of Science to grant ministerial commendations or monetary awards to individuals who have contributed to revitalizing the ICT convergence industry through proactive administration.

B. Regulatory Sandbox for Strategic Initiatives

1. Regulatory sandbox for the AI sector

With the goal of driving AI innovation, the Ministry of Science announced to seek “strategic planning-type” sandbox projects for businesses in the AI sector on June 28, 2024. The “strategic planning-type” sandbox means that, moving away from the “bottom-up” approach where the government simply reviewed applications received from businesses, the government in collaboration with the private sector, proactively identify areas necessary for regulatory improvement and find strategic solutions thereon in line with government policies.

Examples of “strategic planning-type” sandbox projects include launching an online wholesale market for agricultural products (September 2023, the Ministry of Agriculture, Food and Rural Affairs and the Ministry of Science) and enhancement of a blockchain-based electronic notarization system (December 2023, the Ministry of Justice and Ministry of Science).

Key Takeaways

To date, the ICT regulatory sandbox scheme has facilitated the rapid market entry of innovative ICT convergence technologies and services through grant of 69 temporary permits and 177 regulatory exemptions.

Nonetheless, operational challenges that arise in the operation of regulatory sandboxes, such as procedural delays and obstacles to regulatory reform, have prompted the Ministry of Science to pursue systemic improvements, which has

resulted in the recent legislative amendment that fast-track approvals for identical or substantially similar services or products and incentivize proactive administration.

To ensure sustainability of ICT technologies and services that have entered the market under the regulatory sandbox regime, timely legislative and regulatory reforms are crucial. Therefore, relevant businesses should actively present their opinions for timely legislative modification and regulatory improvement.

¹ Since its inception in February 2019, the Deliberation Committee convened 37 meetings in total (current as of October 17, 2024).

² Articles 37(4) and 38-2(7) of the amended Act.

³ Allow businesses to pursue business operations by releasing their services or products in the market under relaxed regulatory conditions.

⁴ Refers to situations where certain regulations are temporarily relaxed or exempted to allow businesses to test and verify new services or products, such as safety.

⁵ Articles 40-2 and 40-3 of the Act.

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