

MERGER CONTROL IN KOREA Vol. 12 - KFTC's First Data Integration Remedy and Landmark Foreign Use of Remedy Proposal System

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On September 18, 2025, the Korea Fair Trade Commission (KFTC) conditionally approved the joint venture between AliExpress and Gmarket, imposing data-related remedies that mark a significant milestone in Korean merger review. The case is also notable as the first transaction between a foreign and a Korean company to make use of Korea's newly introduced remedy proposal system.

Shin & Kim represented Alibaba Group throughout the KFTC's merger review process.

1. Transaction Structure

Under the transaction, Alibaba Group's AliExpress International (Netherlands) B.V. and Shinsegae Group's Apollo Korea Inc. will each contribute 50% to establish a joint venture, Grand Opus Holdings. This joint venture will, in turn, wholly own both AliExpress Korea and Gmarket.

AliExpress will continue to operate as a global overseas direct purchase platform under Alibaba International Digital Commerce (AIDC), enabling consumers worldwide to buy products directly from sellers in China and other countries. Although it launched a domestic open market service in Korea in October 2023, its local market share remains limited.

Meanwhile, Gmarket is one of Shinsegae Group's leading domestic open market platforms. Operated alongside Auction, it is a major player in Korea's e-commerce sector and maintains a vast consumer database of 55 million users accumulated over more than two decades.

2. KFTC's Concerns about Anticompetitive Effects

Following the transaction, the joint venture would become the largest player in Korea's overseas direct purchase market, with a market share exceeding 40%, significantly ahead of its closest competitor. This gives rise to a presumption of anticompetitive effects under the Monopoly Regulation and Fair Trade Act.

The KFTC found that integrating AliExpress's advanced AI technologies with Gmarket's consumer database of 55 million users, accumulated over the past two decades, could significantly enhance the joint venture's market power. Specifically, it raised concerns that such integration would enable highly precise personalized targeting, facilitate exclusive lookalike marketing to attract new customers, raise barriers to entry for competitors, and reduce incentives to safeguard consumer privacy, thereby potentially weakening data security.

3. Imposed Remedies

The remedies are aimed at ensuring the technical separation of domestic consumer data between the online shopping platforms operated by Gmarket and those operated by AliExpress Korea. Neither Gmarket nor AliExpress Korea may use domestic consumer data from the other party's platform for the purpose of providing or operating their respective overseas direct purchase services. For services other than overseas direct purchase, consumers must be given a meaningful choice to consent to or refuse the use of their personal data.

AliExpress and Gmarket/Auction will continue to be operated independently by separate entities, and personal data protection efforts must not be weakened compared to the level maintained prior to the transaction. To ensure implementation, an independent monitoring committee composed of up to six experts, including those in the fields of competition law, personal data protection, and data security, will be established, with authority to access data systems. The parties must submit implementation status reports on a semiannual basis. The remedial measures will remain effective for three years but may be extended if deemed necessary in light of competitive conditions.

4. Implications

This decision reflects a data separation approach similar to the European Commission's Google-Fitbit case, but with more detailed and enforceable safeguards. The KFTC has made clear its intent to actively scrutinize data integration issues in merger reviews. Even where anticompetitive risks appear minimal, the Commission has increasingly issued RFIs (Requests for Information).

Notably, this was the first merger case between a foreign and a Korean company to utilize the newly introduced remedy proposal system, which was implemented in August 2024. The system enabled the parties to proactively address the KFTC's concerns, shorten the review period, and ensure that their proposals were meaningfully reflected in the final decision. Importantly, although corrective measures were imposed, the review was completed in under nine months from filing to approval—a notable acceleration compared to the usual timeline of nearly one year.

Going forward, foreign companies filing merger notifications in Korea should strongly consider using this system to

obtain more predictable outcomes and reduce uncertainties that may arise from prolonged reviews. (For further details on the system, please refer to [Merger Control in Korea Vol. 11](#))

We will continue to provide updates on Korean merger control developments. Please feel free to contact us at any time should you have any questions concerning Korean merger control regulations.

Key Contacts

John H. Choi

Senior Foreign Attorney / Chair of Global Cases
and Investigations

+82-2-316-4232

jhchoi@shinkim.com

Sangdon Lee

Partner

+82-2-316-4638

sdlee@shinkim.com

Minji Lee

Senior Foreign Attorney

+82-2-316-7265

mijlee@shinkim.com

Minjeong Lee

Associate

+82-2-316-4704

mjelee@shinkim.com

Haesung Lee

Foreign Attorney

+82-2-316-4443

hslee@shinkim.com