February 7, 2025

KEY CONTENTS OF THE「PARTIAL AMENDMENT TO THE TELECOMMUNICATIONS BUSINESS ACT ENFORCEMENT DECREE」

I. Background

The "(Proposed) Partial Amendment to the Enforcement Decree of the Telecommunications Business Act" (**Proposed Amendment**) was introduced by the Ministry of Science and ICT and received approval from the State Council on February 4, 2025. This amendment modifies Paragraph (2)(2)(a) of Article 30-8, which addresses service stability measures for value-added telecommunications service providers. The goal is to enhance the user rights and protections in telecommunications services by improving how the user requests are handled by major value-added telecommunications service providers (defined below). The amendment is set to take effect within one year of its promulgation.

This Proposed Amendment was introduced in response to the user inconveniences due to some value-added telecommunications service providers operating consultation desks merely as a formality. Specifically, concerns have been expressed regarding the difficulties Korean users encounter when using consultation services from the major overseas companies providing value-added telecommunications services in Korea. Some of these providers either operate only online without customer call centers or offer only automated response systems (ARS) in English.

In response, the Ministry of Science and ICT announced a revision on April 23, 2024, requiring real-time consultation functions for both online customer centers and ARS of major value-added telecommunications providers.

For this Proposed Amendment to be applicable, the service provider must qualify as a "major value-added telecommunications service provider" meeting the following criteria: (a) an average number of users of more than one million per day for the three months immediately preceding the end of the previous year and (b) an average daily traffic volume that exceeds one per cent of the total domestic traffic (as outlined in Article 22-7(1) of the Telecommunications Business Act and Article 30-8(1) of the Enforcement Decree of the same Act).

The section below outlines the key elements of this Proposed Amendment and examines its key implications.

II. Highlights of the Amendment

The current Telecommunications Business Act requires major value-added telecommunications service providers to have either an online or a telephone ARS to manage user requests (as outlined in Article 22-7(1) of the Telecommunications Business

Act and Article 30-8(1)(a) of its Enforcement Decree). However, under the Proposed Amendment, these providers must: (i) operate both an online and a telephone ARS, (ii) process user requests in real-time and in Korean during business hours, and (iii) if real-time processing is not feasible, user requests must be addressed within three business days from the date of receipt. If there are justifiable reasons for not completing the process within this timeframe, the user must be informed of the reason and provided with a processing schedule.

(i) Guaranteeing the User's Right to Choose Consultation Method

Previously, providers could operate either an online or telephone ARS. This Proposed Amendment requires major value-added telecommunications service providers to offer both options.

(ii) Real-Time Processing Requirement

In the past, it was sufficient for providers to accept user requests in Korean. With the Proposed Amendment, major value-added telecommunications service providers must process these requests in real-time during business hours.

(iii) Addressing within three business days if real-time processing is not feasible

Requests must now be processed within three business days from the date of receipt. If processing cannot be completed within this period for justifiable reasons (e.g., the matter requires legal interpretation or technical measures), users must be informed of the circumstances and the expected timeline for resolution.

III. Implications

This Proposed Amendment strengthens user rights and protections by facilitating better communication of their needs to major value-added telecommunications service providers. It also seeks to enable providers to process these requests more swiftly. As a result, this amendment is expected to increase user satisfaction among Korean online customers by allowing them to resolve their issues or inconveniences more effectively.

Additionally, domestic representatives of overseas major value-added telecommunications service providers lacking a physical address or business office in Korea must establish a domestic contact method to manage user requests as prescribed under Article 22-7(1) of the Telecommunications Business Act. As a result, once this Proposed Amendment takes effect, it is anticipated that these representatives will be required to implement both online and telephone ARS in compliance with the new requirements.

If the necessary measures outlined in this Proposed Amendment are not implemented, the Ministry of Science and ICT may issue a corrective order. Should a service provider fail to comply with this order, they could face an administrative fine of up to KRW 10 million, as stated in Article 92(1)(1) and Article 104(5)(17) of the Telecommunications Business Act. Major value-added telecommunications service providers and domestic agents will likely need to significantly enhance their processes for handling user requests ahead of the enforcement of this Proposed Amendment, which is scheduled to take place one year after its promulgation.

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