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THE AMENDED GAME INDUSTRY PROMOTION ACT EXPANDS PRIVATE SECTOR ROLE IN RATING GAMES

I. BACKGROUND OF THE BILL

Currently, 99.9% of game ratings are classified by independent rating classification business entities (including Google, Apple and 8 other business entities), and games rated not suitable for youths and games for use by game providing businesses, which represent only 0.06%, are classified by the Game Rating and Administration Committee.

On May 1, 2024, the Government issued a Comprehensive Plan for Promotion of the Game Industry (2024-2028) (the "Comprehensive Plan") jointly with relevant ministries and departments. The Government announced a policy to further develop the game industry through regulatory innovation, and that it would reduce government involvement in game content and expand the autonomy of the private sector by gradually transferring the rating classification of games to the private sector.

Under the current law, any revision of content in a game that has been rated must be reported to the Game Rating Management Committee within 24 hours regardless of the degree of modification, and if the reported modification is deemed to require a change in the rating classification, a new rating must be obtained.

More than 3,000 reports on content revision of games are filed annually, yet the vast majority do not require a change in the rating classification, with only a small number of cases requiring a rating reclassification.

Therefore, it has been pointed out that the obligation to file a report on content revision in all cases is an unnecessary burden on game businesses and results in a waste of administrative resources. In response, the Government announced plans to amend the Game Industry Promotion Act to exempt reporting obligations for content revisions—such as game items or design changes—that do not affect the existing rating.

Against this backdrop, the bill to partially amend the Game Industry Promotion Act was passed the plenary session of the National Assembly on March 20, 2025.

II. KEY POINTS OF THE BILL

1) **Entrustment of the rating classification of games not suitable for youths to the private sector**

In order to transfer the rating classification of games to the private sector and expand the private sector's autonomy in game contents, even games not suitable for youth will now fall within the scope of those that can be entrusted from the Game Rating and Administration Committee to private rating classification entities, and the Game Rating

and Administration Committee will directly examine the games for game providing businesses and games that replicate a speculation business or are otherwise likely to be speculative (Article 24-2(1) of the Proposed Amendment).

2) Relaxed reporting on content revision

A business entity will no longer be obligated to file a report on content revision if the revision is obviously deemed not to affect the existing rating classification (including matters concerning the information about the contents of games), or otherwise falls under minor matters as prescribed by Ordinance of the Ministry of Culture, Sports and Tourism (MCST). In addition, a report may be filed either after the fact within 24 hours or in advance prior to the revision (Article 21(5) of the Proposed Amendment). This will start to apply to reports on content revision of games filed after the amendment comes into effect.

3) Relaxed criteria for designation of independent rating classification businesses

The “propriety of the plan for contributing to the development of the game industry and creation of a healthy game culture” will be deleted from the examination criteria for the designation of independent rating classification businesses (Article 21-2(1) of the Proposed Amendment). In addition, businesses eligible as independent rating classification businesses will be required to have an average sale for the recent three years or capital that is equal to or greater than the amount prescribed by Ordinance of the MCST, rather than just an average sale for the recent three years that is equal to or greater than the amount prescribed by the Ordinance (Article 21-2(2) of the Proposed Amendment). Independent rating classification businesses will be required to be re-designated every five years, rather than every three years (Article 21-6(2) of the Proposed Amendment). This re-designation period also applies to re-designation of any business designated as an independent rating classification business before the amendment comes into effect. Meanwhile, for an independent rating classification business re-designated any given year, the re-designation examination may replace the evaluation of the propriety of performance of independent rating classification work for the year (Article 21-3(1)10 of the Proposed Amendment)

4) Restrictions on the business closure reports

A business entity will not be allowed to file a report to close its business while the suspension of business or other administrative sanctions and any relevant procedure are in progress (i.e. during the period from the time of prior notice of disposition until the disposition is finalized under Article 21 of the Administrative Procedures Act) (Article 30(1) of the Proposed Amendment).

5) When the amendment comes into effect

The amendment will take effect six months after its promulgation. Provided, however, that the restriction on the business closure reports will be effective from the date of its promulgation

III. IMPLICATIONS

In major foreign jurisdictions, such as the U.S. and the EU, games are often rated by private organizations or through self-regulation. For example, non-profit organizations, Entertainment Software Rating Board (ESRB) in the U.S., and Pan European Game Information (PEGI) in the EU, classify ratings of games, and such rating classifications are self-regulatory and therefore not legally compulsory.

In line with such global trends, the proposed amendment to the Game Industry Promotion Act, which allows even games not suitable for youths to be rating classified by a private institution, is likely to be helpful in promoting the game industry.

In addition, by exempting the obligation to file a report on content revision of any matters unrelated to the rating classification, such as partial changes in game characters or simple addition of item types, and introducing the prior report scheme, the proposed amendment will help reduce the burden on game businesses and improve administrative efficiency.

Since the Government has stated in the Comprehensive Plan that it will fully liberalize the rating classification of games by 2027, excluding games replicating speculation business or for game providing businesses, it is necessary to monitor the legislative trends of the relevant bills.

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