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KOREA INTRODUCES NEW MEASURES ON AI-DRIVEN FALSE AND MISLEADING ADVERTISING

On December 10, 2025, the government of the Republic of Korea announced a new set of measures aimed at curbing AI-driven false and misleading advertising, following discussions at the 7th National Policy Coordination Meeting. The measures respond to the rapid increase in false advertisements using AI and deepfake technologies, such as advertisements featuring AI-generated fake experts or celebrities, which have been spreading quickly via social media, particularly in high-risk sectors including food, pharmaceuticals, cosmetics, and medical devices.

The measures adopt a three-tier framework consisting of (i) ex-ante prevention before distribution, (ii) rapid blocking during distribution, and (iii) strengthened sanctions for violations. A key aspect is the planned amendment to the Act on Promotion of Information and Communications Network Utilization and Information Protection ("Network Act"), which would introduce mandatory labeling of AI-generated content, impose management obligations on platform operators, and introduce punitive damages.

I. KEY MEASURES

A. Ex-Ante Prevention of False and Misleading Advertising

1. Introduction of Mandatory Labeling of AI-Generated Content

To prevent consumer deception at the distribution stage of AI-generated content, the government plans to amend the Network Act to introduce a mandatory AI-generated content labeling regime.

By the first quarter of 2026, the following obligations are expected to be introduced:

- Any person who directly creates or edits AI-generated content and posts it online will be required to clearly indicate that the relevant image or video was generated using AI.
- Users will be prohibited from arbitrarily removing or damaging AI-generated content labels attached in accordance with the Network Act, the Framework Act on Artificial Intelligence ("AI Act"), and related laws.
- Portal and platform operators will be required to manage compliance with AI labeling obligations by content providers and users, including by providing labeling methods and notifying content providers and users of their obligations.

Failure to comply with these obligations may result in fines for platform operators or individuals who remove or damage AI labels. This initiative is intended to address limitations under the AI Act, which primarily regulates AI business operators.

2. Establishment of AI Transparency Guidelines

The Ministry of Science and ICT plans to finalize and implement AI transparency guidelines to support AI business operators in complying with disclosure and labeling obligations for AI-generated content, including deepfakes, under the AI Act, which is scheduled to take effect in January 2026.

B. Rapid Blocking of False and Misleading Advertising during Distribution

1. Expansion of Fast-Track Review and Written Review Procedures

The Korea Communications Standards Commission ("KCSC"), as the body responsible for reviewing online and broadcast advertising content for compliance with applicable advertising and consumer protection regulations, conducts content reviews and, where appropriate, requests platform operators to take corrective measures or block relevant content.

As false and misleading advertisements, particularly those generated using AI, can spread rapidly online, the government plans to expand the fast-track review process administered by the KCSC for high-risk sectors, including food, pharmaceuticals, cosmetics, and medical devices, in coordination with the Ministry of Food and Drug Safety ("MFDS").

To support the expansion of this fast-track review process, the government is also pursuing amendments to the Act on the Establishment and Operation of the Korea Media and Communications Commission ("KMCC Act") to introduce written (electronic) deliberation procedures, allowing review decisions to be made within 24 hours of a review request.

2. Introduction of Emergency Corrective Request Procedures

Where false or misleading advertising presents a clear and imminent risk to the life or property of the public, the government plans to amend the KMCC Act to empower the KMCC to request platform operators to take temporary blocking measures prior to the completion of a formal content review by the KCSC.

Under the proposed mechanism, the KMCC would be able to act on an expedited basis following referrals from relevant authorities, in order to prevent potential harm from materializing before the standard review process is concluded.

C. Strengthening Sanctions and Enforcement

1. Clarification of Illegality Standards for AI-Generated Endorsement Advertising

The Korea Fair Trade Commission ("KFTC") and the MFDS plan to clarify the standards for proper advertising in which AI-generated virtual humans or experts recommend products, and to revise the relevant guidelines, including the Guidelines on the Review of Labeling and Advertising of Endorsements and Guarantees.

Under the clarified standards, advertising that fails to disclose that the endorser is a virtual human would be treated as unfair labeling or advertising. In addition, advertising in which AI-generated doctors or other experts recommend food or pharmaceutical products would be considered deceptive advertising.

2. Introduction of Punitive Damages and Increase in Administrative Fines

The KMCC and the KFTC plan to strengthen monetary sanctions against violations involving false or misleading advertising.

In particular, amendments to the Network Act are being pursued to introduce punitive damages of up to five times the amount of actual damages for the malicious dissemination of false or manipulated information through information and communications networks. In addition, the level of administrative fines imposed for false or misleading advertising under the Act on Fair Labeling and Advertising ("Fair Advertising Act") is expected to be substantially increased.

II. IMPLICATIONS

These measures are notable for significantly broadening the range of parties subject to regulation across the lifecycle of AI-generated content, while formally establishing platform-level oversight obligations and rapid blocking mechanisms. Regulatory responsibilities that were previously focused primarily on AI business operators under the AI Act are now expected to extend to content providers, users, and platform operators.

At the same time, as both the use of AI and the manner in which AI-generated content is disclosed are likely to play a central role in assessing consumer deception under labeling and advertising laws, AI-driven advertising and marketing activities will require more careful and structured ex-ante review.

Against this backdrop, companies should consider strengthening internal compliance frameworks by reviewing AI content labeling practices, assessing the appropriateness of AI-based advertising expressions, and enhancing risk management at the platform and content distribution stages. Ongoing monitoring of legislative and regulatory developments, including amendments to the Network Act, Fair Advertising Act, and related review guidelines, will also be important.

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