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AMENDMENT TO THE GAME INDUSTRY PROMOTION ACT, STRENGTHENING THE DOMESTIC AGENTS SYSTEM AND USER PROTECTION OBLIGATIONS

I. Introduction

Since October 23, 2025, the requirement for overseas game companies above a certain size to designate a domestic agent has been in effect. The current system primarily requires game distributors or game providers that do not have an address or place of business in Korea to designate a domestic agent, who then acts on their behalf to fulfill disclosure obligations such as liaising with the regulators and disclosing information on probability-based items.

On October 1, 2026, the National Assembly passed a partial amendment to the "Act on the Promotion of the Game Industry" (hereinafter the "GIPA") during a plenary session. This amendment focuses on refining the domestic agent system so that it goes beyond serving as a mere point of contact and actually fulfills a substantive role in protecting users. In particular, it explicitly stipulates the domestic agent's obligations to protect domestic users from harm and handle complaints; strengthens the requirements for the designation and operation of domestic agents as well as the management and supervisory responsibilities of overseas game companies; and establishes new provisions regarding the right to request the submission of materials and measures to restrict distribution via telecommunications networks.

Below, we will examine the key provisions of this amendment in comparison to the existing domestic agent system, as well as the preparations overseas game companies need to make.

II. Key Provisions of the Existing Domestic Agent System

1. Eligibility for Designation

Under the current GIPA, game distributors or game providers without an address or place of business in Korea must designate a domestic agent in writing if they meet any of the following criteria:

- Entities with total revenue of 1 trillion won or more in the previous year
- In the case of mobile games, entities that distribute or provide games with an average of 1,000 or more new domestic installations per day in the previous year
- Entities for which an incident or an accident causing significant harm to game users has occurred or is likely to occur, and which the Minister of Culture, Sports and Tourism has determined require the designation of a domestic agent

2. Existing Duties of Domestic Agents

Currently, domestic agents act on behalf of game publishers to fulfill labeling obligations—such as submitting post-distribution reports regarding the order of game distribution and the prevention of gambling activities, as well as disclosing information on probability-based items. Domestic agents must have an address or place of business in Korea, and details regarding their designation and contact information must be included in the terms of service.

III. Key Provisions of the Proposed Amendment

Category	Current System	Key Changes in the Proposed Amendment
User Protection	The statutory duties of domestic agents have focused primarily on liaising with the regulators and required disclosures	New obligations to protect domestic users from harm and handle complaints are established as compliance requirements for game-related businesses, and these are added to the duties of domestic agents
Designation of Domestic Agents	A person with an address or place of business in Korea	If there is a domestic corporation established by an overseas game company or a domestic corporation over which the overseas game company exercises controlling influence, the domestic agent shall be designated from among those corporations. If no such corporation exists, a corporation capable of performing the duties in good faith shall be designated
Operation and Management	No separate provisions regarding training, supervision, or maintenance of the designation No regulations regarding these obligations	New obligations established: compliance obligations for domestic agents, training and supervision obligations for foreign game companies, and the obligation to maintain the designation throughout the period of domestic service
Submission of Materials	Limited grounds for requesting general documentation, such as for verifying eligibility for designation as a domestic agent	The Minister of Culture, Sports and Tourism (MCST) or the Chairperson of the Game Rating and Administration Committee (GRAC) may request the submission of documents to confirm violations of the law, address public complaints, or verify compliance with domestic agent designation criteria
Sanctions	Failure to designate a domestic agent may result in a fine of up to 20 million won Administrative fines, etc.	The grounds for imposing administrative fines have been expanded to include improper designation and violations of management and supervision obligations; furthermore, orders to deny, suspend, or restrict access to telecommunications networks may be issued in the event of non-compliance with corrective orders regarding domestic agents or the mandatory labeling of probability-based items

1. New obligations established to protect domestic users from harm and handle complaints

The amendment adds “protecting domestic users from harm and addressing complaints” to the compliance requirements for game-related businesses. Since the protection of domestic users and the handling of complaints have been added to the statutory duties of domestic agents under the GIPA, overseas game companies subject to designation must establish a system that ensures these duties are effectively carried out through their domestic agents.

2. Specification of Requirements for Designating a Domestic Agent

The amendment specifies the procedure for designating a domestic agent in greater detail. If a foreign game company has a domestic corporation it established, or a domestic corporation over which it exercises dominant influence regarding executive composition or business operations, it must designate a domestic agent from among those corporations. If no such corporation exists, the company may designate a corporation capable of faithfully performing the statutory duties of a domestic agent.

Under the existing system, there were administrative guidelines stating that it was desirable to designate a domestic corporation established by a foreign game company—or one over which the foreign game company exercises dominant influence—as the domestic agent; however, this amendment is significant in that it codifies this as a statutory designation requirement. Therefore, if a domestic corporation exists, it must be designated as the domestic agent. If an external corporation was previously designated as the domestic agent, the domestic agent must be changed, and the governance structure must be adjusted so that the existing domestic agent acts as an agent of the domestic corporation.

3. Compliance Obligations of Domestic Agents and Management, Supervision, and Maintenance Obligations of Overseas Game Companies

The amendment imposes management and supervision obligations on overseas game companies that have designated a domestic agent, requiring them to train the domestic agent to faithfully perform their duties and to monitor the status of their operations. Furthermore, it mandates that the designation of a domestic agent be maintained without interruption for as long as the game is distributed or made available for use in Korea, and prohibits arbitrary changes to the designation status. Specific measures for training and management/supervision, as well as detailed procedures for maintaining and changing the designation, will be established in a future Presidential Decree.

4. New Authority for the MCST and the GRAC to Request Submission of Materials

The MCST or the GRAC may request that game-related business operators submit materials, such as goods and documents, in cases where a violation of the law is discovered or suspected, when a report of a violation or a complaint is received, or when it is necessary to verify compliance with the criteria for designating a domestic representative. Failure to submit materials without just cause or the submission of false materials is subject to an administrative fine.

5. Strengthening Rectification Orders and Measures to Restrict Domestic Distribution

The amendment authorizes the MCST to issue corrective orders for violations of obligations related to domestic agents and establishes the legal basis to order telecommunications service providers or bulletin board administrators and operators to refuse, suspend, or restrict the handling of relevant games and other content if such corrective orders are not complied with.

Furthermore, similar restrictions on the use of telecommunications networks will be possible if a corrective order regarding violations of the obligation to display information on probability-based items is not followed. This can be viewed as an effort to ensure the effectiveness of law enforcement at the domestic distribution stage—even for overseas game companies—separate from existing sanctions centered on administrative fines and criminal penalties.

IV. Effective Date and Transitional Measures

The amended law is scheduled to take effect six months after its promulgation. However, since the attached materials currently reflect the draft bill as it stood immediately after passage by the National Assembly's plenary session, the exact effective date will be determined based on the future date of promulgation.

After the amended law takes effect, the strengthened designation requirements will apply immediately to any new domestic agents. Even overseas game companies that have already designated a domestic agent at the time of enforcement must, if they have established a domestic corporation or exercise controlling influence over a domestic corporation, redesignate a domestic agent from among those entities within six months of the law's enforcement.

V. Implications

This amendment, pertaining to the domestic agent system implemented in October 2025, focuses on enhancing the system's effectiveness by specifying the qualifications and roles of domestic agents, as well as the management responsibilities and enforcement measures of overseas parent companies. In particular, since the protection of domestic users from harm and the handling of complaints have been explicitly added, and the designation process for foreign game companies with domestic subsidiaries has become a legal obligation, relevant businesses need to re-examine their existing domestic agent systems.

Overseas game companies need to prepare for the implementation of the amended law by focusing on the following matters:

- Verify whether the currently designated domestic agent meets the revised designation requirements and whether there is a domestic affiliate or a domestic legal entity over which the company exercises controlling influence
- Establish a division of duties between headquarters and the domestic agent, as well as communication, reporting systems, and internal procedures, to ensure the

domestic agent can effectively handle compensation for damages and complaint resolution for Korean users

- Establish a management and supervision system—including training for the domestic agent and monitoring of operational status—along with supporting documentation, and review contractual and operational structures to ensure the designation is not revoked
- Establish a management system for data related to the number of domestic users, revenue, the designation and operation of the domestic agent, and the labeling of probability-based items to ensure a prompt response to data submission requests from the MCST and the GRAC
- Continuously monitor the detailed standards and procedures to be established in the amended law and Presidential Decree to be promulgated in the future

Bae, Kim & Lee LLC has extensive experience advising on regulatory and compliance matters in the gaming sector, as well as on domestic agent operations. Please feel free to contact us at any time with inquiries regarding the review of domestic agent designation structures under the amended GIPA, the refinement of user protection processes, responses to data submission requests from regulatory agencies, or the performance of domestic agent duties.

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