
CHAMBERS GLOBAL PRACTICE GUIDES

Gaming Law 2025

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South Korea: Law and Practice

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Kim & Chang



SOUTH KOREA



Law and Practice

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practice covers the entire spectrum of gaming companies' business, including government regulations on the gaming industry, foreign companies' entry into the Korean gaming market, mergers and acquisitions, regulatory work, protection of personal information, tax, IP-related work, and disputes between gaming companies. Based on such expertise, the gaming practice group provides clients with carefully planned, practical, solution-oriented legal services.

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1. Introduction

1.1 Current Outlook and Recent Changes

First, starting 23 October 2025, major overseas providers without a Korean address meeting user and revenue criteria must designate a domestic agent in writing (eg, by entering into a service agreement). Domestic agents handle reporting and disclosure obligations regarding games and loot-box item probabilities under the Game Industry Promotion Act (GIPA), and violations by agents are attributed to providers. The main legislative intent behind the amendment to the GIPA was to resolve “reverse-discrimination” against domestic game service providers. Specifically, it seeks to address situations where certain overseas game service providers (i) do not comply with the requirement to disclose loot box item probabilities and (ii) do not properly implement user protection measures, such as notice and refund, when officially closing down their game service.

Second, the amended GIPA came into effect on 31 January 2025 and now stipulates special litigation provisions between game service providers and game users with respect to claims relating to the game service providers’ violations of the duty to disclose loot-box item probabilities. The amended GIPA shifts the burden of proof to the game service providers to prove that there was no wilful misconduct or negligence on their part in the alleged violation of the disclosure requirements for loot-box items. The amended GIPA also allows the court to award punitive damages. Furthermore, the Measures to Establish Consumer Sovereignty, which were announced by the relevant government authorities in September 2025, empha-

sised the operation of the punitive damages system (as described above) for violations of the disclosure requirements for loot-box items.

Third, in the Korean game industry, there have been a series of legal disputes over potential “plagiarism” of games. Depending on the facts and nature of the dispute, issues such as trade secret infringement, copyright infringement and unfair competition can arise. In 2019, the Korean Supreme Court first recognised copyright infringement between games, but there have been few legal disputes since then. The ongoing cases are expected to present new standards for game IP protection.

Fourth, on 14 February 2025, an amendment to the Act on the Consumer Protection in Electronic Commerce (the “E-Commerce Act”), which strengthens regulations on dark patterns, went into effect, along with related amendments to the Enforcement Decree and Enforcement Rules of the E-Commerce Act (the “Enforcement Regulations”). The amended E-Commerce Act sets forth obligations and prohibitions concerning six types of dark patterns:

- hidden renewals;
- gradual disclosure of costs;
- pre-selection of purchase options;
- false hierarchies;
- obstruction of cancellation or withdrawal; and
- repeated interference.

Violations of these obligations may result in business suspension for up to 12 months or fines of up to KRW5 million. Recently, the Korea Fair Trade Commis-

sion (KFTC), the competent authority, has expressed its position that it will actively conduct ex officio investigations and take active measures against violations of the law. In addition to the KFTC, various regulatory agencies, including the Korea Communications Commission (KCC) and the Personal Information Protection Commission, are interested in dark pattern regulations.

2. Jurisdictional Overview

2.1 Online Gambling

Under Korean gaming law, whether certain games are permitted, prohibited or restricted is not specifically determined by the game type or genre, but instead is determined by whether there are speculative activities (ie, they can be considered gambling). In general, real-money betting is prohibited, and bingo, casino, lotteries and fantasy sports are often prohibited because of their speculative elements.

Under the GIPA, a speculative game refers to a game that:

- either:
 - (a) involves betting or allotment; or
 - (b) decides the outcome by coincidence; and
- causes monetary gain and loss.

Furthermore, according to the Act on Special Cases Concerning Regulation and Punishment of Speculative Acts (the “Speculative Acts Regulation Act”), a “speculative act” is “an act of causing profit or loss of property by collecting property or monetary gain from many persons and determining the profit or loss by coincidental means”.

South Korean court precedents also consider two major factors in determining if a game involves speculative activities:

- whether the outcome is determined by coincidence, and depending on the outcome of the game; and
- whether it is possible to directly obtain monetary gain.

Games with speculative elements are prohibited under the GIPA, the Speculative Acts Regulation Act, and the Criminal Code, and relevant conduct is punishable by imprisonment or a criminal fine.

Therefore, regardless of the type, games will be evaluated on a case-by-case basis for speculative activities, and the Game Rating and Administration Committee (GRAC) may refuse to provide an age rating or cancel a previous rating for the game. Even if there is no element of real-money betting or monetary gain, it is often the case that the game receives a 19+ rating when it is determined to be speculative, such as when it is similar to gambling or includes betting on goods within the game. In addition, as the GRAC tends to determine whether a game is speculative based on stricter standards than those imposed by the courts, games need to be reviewed on a case-by-case basis as they may be subject to rejection of rating on the grounds of their speculative nature.

The GRAC’s age rating categories are as follows:

- for all ages;
- 12+;
- 15+; and
- 19+.

The distribution of games without an age rating is punishable by imprisonment of up to five years or a fine. Among the games rejected for game ratings, speculative games account for the largest portion.

The type of betting games that are eligible for rating, according to past rating practices of the GRAC, is limited to poker, go-stop (ie, a Korean card game) and sports betting games (collectively, “Web-Board Game(s)”). Other gambling games, such as blackjack, roulette and slots, are typically not rated and cannot be serviced if such games require users’ payment.

2.2 Land-Based Gambling

General

Korean gaming laws generally do not differentiate between online gaming and land-based gaming, and the same rules for speculative games apply as those set out in **2.1 Online Gambling**. There are certain land-based gaming licence requirements for internet cafés

(ie, a PC bang, which is a gaming centre in which patrons can play multiplayer games for a fee) and casinos, which are further discussed in **5.1 Premises Licensing**.

Sports Betting

Sports betting, which is regulated by the National Sports Promotion Act, is permitted for a number of sports, including domestic and international football, basketball and golf. Sports betting is only allowed at facilities that are exclusively operated by the Korea Sports Foundation.

3. Legislative Framework

3.1 Key Legislation

The GIPA generally applies to all types of games. The Criminal Code and the Speculative Acts Regulation Act also apply to games with speculative elements.

3.2 Definition of Gambling

As mentioned in **2.1 Online Gambling**, the GIPA and the Speculative Acts Regulation Act regulate the scope of prohibited games (eg, gambling) for being “speculative” in nature. Furthermore, gambling is punishable under the Criminal Code.

Although the Criminal Code does not provide a specific definition of “gambling”, the Korean Supreme Court has defined “gambling” as an act of achieving monetary gain or loss through the wager of property on a game or activity based on chance: eg, the Korean Supreme Court held that golf betting games constitute gambling because, even if an individual golfer’s skills affect the winning or losing outcome, there is still an element of chance.

The Criminal Code prohibits all forms of gambling and lotteries, and their business operations, with the exception of certain types of permissible betting activities pursuant to separate legal provisions. Therefore, a game with gambling content may be punishable under the Criminal Code as a form of gambling.

3.3 Definition of Land-Based Gambling

See **3.2 Definition of Gambling** for a general definition of gambling.

In South Korea, casinos and/or internet cafés require certain licences for operation, as specified in **5.1 Premises Licensing**. Under the Tourism Promotion Act, in general, licensed casinos are not allowed to permit the entry of South Korean nationals. However, as an exception, Korean nationals are allowed to enter the Gangwon Land, located at Jeongseon-gun, Gangwon-do, South Korea, which is being operated under the Special Act on the Assistance to the Development of Abandoned Mine Areas.

3.4 Definition of Online Gambling

South Korean gaming laws do not differentiate between online gambling and land-based gambling. See **3.2 Definition of Gambling** for a general definition.

3.5 Key Offences

Key offences include unlawful gambling and habitual unlawful gambling under the Criminal Code, and unlawful speculative activity under the Speculative Acts Regulation Act.

3.6 Penalties for Unlawful Gambling

Unlawful gambling is generally regulated by the Criminal Code. According to Article 246 of the Criminal Code, unlawful gambling may be punished by a fine not exceeding KRW10 million, and habitual unlawful gambling is subject to imprisonment for not more than three years or a fine not exceeding KRW20 million. Also, Article 247 provides that any person who establishes a gambling facility for profit (eg, casino) is subject to imprisonment for up to five years or a criminal fine of up to KRW30 million. To be clear, Article 246 applies to the individual gamblers, while Article 247 applies to the gambling facility operator.

According to Article 30 of the Speculative Acts Regulation Act, the operation of a business with speculative activity without obtaining prior permission (ie, a licence) is punishable by imprisonment with labour for not more than three years or by a fine not exceeding KRW20 million.

4. Licensing and Regulatory Framework

4.1 Regulatory Authority

The Ministry of Culture, Sports and Tourism (MCST), the GRAC, and Jeju Special Self-Governing Province are the key regulatory authorities applicable to the gambling sector.

4.2 Regulatory Approach

The South Korean government adopts a prescriptive approach to regulation. Games that are not permitted, such as speculative games, are set out in advance and specific licences and age ratings are required for gaming business operators to provide or distribute games.

4.3 Types of Licences

Licences

In South Korea, casino business operators are required to obtain a casino business licence from the MCST or Jeju Special Self-Governing Province. For gaming business operators to provide or distribute games through their own channels, the following licences are required:

- game manufacturer or publisher registration under the GIPA; and
- value-added telecommunications business report under the Telecommunications Business Act (for the online distribution of games).

For in-app purchases or any relevant sales regarding games, an online retailer report under the E-Commerce Act is also required.

Age Rating

Games distributed in South Korea are subject to age rating requirements, and must obtain a rating from the GRAC or a self-rating entity (eg, Google or Apple) before release. However, 19+ games must be rated by the GRAC.

For games that obtained a rating from the GRAC, any modification of the content of a rated game product is required be reported to the GRAC in advance or within 24 hours after such modification. Provided, however, that if the content of the modified game product falls

under the “insignificant matters” category, as prescribed by Decree of the MCST (eg, where it is clear that the content of the game product has no effect on the existing rating decision), such modification can be exempted from the reporting obligation.

4.4 Availability of Licences

Although there is no statutory restriction on the number of issued casino business licences, in practice, a casino business licence is granted on a case-by-case and very limited basis. Game manufacturer/publisher registration and value-added telecommunications business report licences are readily available. There is no statutory limit on the number of licences.

While there are no restrictions under the applicable laws and regulations, currently, it is practically impossible for overseas business operators to obtain game manufacturer and publisher registration licences. In relation to a value-added telecommunications business report licence, there have been a few cases where foreign service providers have filed the application for such licence, but cases involving game service providers filing applications for these licences are rarely found. In relation to an online retailer report licence, if the principal place of business is located in South Korea, the application for such licence should be filed with the local government. However, if the principal place of business is located outside South Korea, the application for such licence should be filed with the KFTC. The KFTC made it clear that foreign online retailers are required to file such report as well. Recently, the KFTC has been actively enforcing the online retail business reporting requirement, as there have been increasing consumer complaints about certain foreign e-commerce platforms.

4.5 Duration of Licences

There is no set duration of the licences and the relevant laws are silent on an expiry date.

4.6 Application Requirements

For a casino business licence, many application documents, such as a business plan and documents demonstrating compliance with licensing requirements, need to be prepared. Additionally, prior to actual filing for application, consultation with the competent authorities, including the MCST and Jeju Province, will

also be required. In addition, there are disqualification criteria for corporations and executives, and if any of such disqualification criteria applies, a casino business licence application will likely be rejected.

For gaming licence, as mentioned in **4.4 Availability of Licences**, it is often recommended for overseas gaming business operators to establish a local entity (or a local subsidiary) because, in practice, it is practically impossible for foreign operators to obtain certain licences. For game developer registration, documents, such as a list of production facilities and equipment, are required. For game distributor registration, documents such as a business plan are needed. For registration as a value-added telecommunication service provider, there are no special requirements and, in principle, the documents and procedures are not particularly complicated. However, in practice, for foreign businesses, more documents are required and the review process generally takes longer.

Similarly, the application process for online retailer report licence is generally not complicated.

4.7 Application Timing

The processing period for a casino business licence is typically 60 days. The processing period for game manufacturer or publisher registration licences and online retailer report is three days, and for a value-added telecommunications business report licence, as part of the rule, the processing period is within three hours on a business day.

However, it should be noted that the aforementioned processing period is based on the assumption that all required documents for an applicable licence or reporting have been thoroughly prepared, and prior consultations with the relevant authorities have been completed. From the practical perspective, the processing period may take longer than the aforementioned processing period.

4.8 Application Fees

The application fee for a game manufacturer or publisher registration licence varies depending on the local government, but the application fee is approximately KRW20,000 to KRW30,000 per application.

There is no application fee for a value-added telecommunications business report licence or an online retailer report licence.

4.9 Ongoing Annual Fees

The registration licence tax varies by local government: approximately KRW12,000 to KRW40,500 for a game manufacturer or publisher licence, and for an online retailer report licence; and about KRW9,000 to KRW67,500 for a value-added telecommunications business report licence (depending also on the number of employees).

4.10 Personal Licensing

The regulations discussed in this chapter of the guide generally apply to all individuals and entities involved in the gaming industry. While individuals may directly be involved in certain regulated activities, such as self-publishing a game, they are required to comply with applicable gaming regulations. No additional personal authorisations or licences are required for individuals in their personal capacities, even if they are the directors, owners, senior officers or shareholders of the entities that publish game products in South Korea.

5. Land-Based Gambling

5.1 Premises Licensing

Internet Cafés – Venues That Provide Internet Computer Games

Internet cafés – defined as businesses that make gaming products available to the general public with necessary infrastructure, such as computers – are required to register for a licence as a provider of internet computer game facilities.

Casinos

Land-based casinos not located in Jeju Island are subject to the Tourism Promotion Act and the Casino Business Rules of the MCST. However, more than half of the casinos in South Korea are currently located in Jeju Island and a separate Ordinance on Management and Supervision of Casino Business in Jeju applies. These rules and regulations are much stricter than the rules and regulations for non-Jeju casinos.

For a casino business licence, the casino must be a part of an ancillary facility to a tourist hotel or international conference facility, or a passenger ship of a certain size that travels between South Korea and foreign countries. According to the Ordinance on Management and Supervision of Casino Business in Jeju, casinos in Jeju Island must be at a five-star hotel business facility located in an area where foreign investments are made.

Video Game Arcades

Any business that provides gaming products for public use (including minors) with necessary facilities at a certain physical location is required to register for a licence as a minor-game-providing business.

Businesses With Speculative Activities

Any business that makes speculative activities available to users needs to meet certain facility requirements – eg, the inside of the facility is not visible from the outside – and receive permission for business operation from the province or city police department.

6. Online Gambling

6.1 B2C Licences

As mentioned in **2.1 Online Gambling**, in principle, speculative online gambling is prohibited. Therefore, on the premise that the online gambling is not speculative, game manufacturer/publisher registration and value-added telecommunications business report licences can be considered B2C licences.

6.2 B2B Licences (Suppliers, Software, Etc)

Game manufacturer and publisher registration licences can be considered B2B licences. A game publisher licence is required to distribute any gaming content manufactured overseas within South Korea.

6.3 Affiliates

There is no specific regulation regarding affiliates.

6.4 White Labels

There are no specific licensing or regulatory requirements regarding the use of white-label providers.

6.5 Technical Measures

There are technical measures for unlawful gambling, including IP (internet protocol) blocking. The KCC and the GRAC are known to block access to non-Korean websites that enable unlawful gambling.

As mentioned in **3.5 Key Offences**, unlawful gambling is subject to criminal punishment.

7. Responsible Gambling (RG), Also Known as Safer Gambling (SG)

7.1 RG Requirements

Under the GIPA, gaming business operators, with limited exceptions, are required to take measures to prevent game addiction. These addiction prevention measures, however, do not apply to mobile or tablet games, and are only applied to computer and console games.

Such preventative measures include:

- verification of real name and age at the time of creating an account and identification;
- securing consent from legal guardians, including parents, when minors create accounts;
- restrictions on the method of using gaming products and the time of using gaming products upon a request from minors or their legal guardians;
- notification to minors and their legal guardians of basic matters, including the characteristics, rating and payment policy of game products, and details of their use of gaming products, such as the duration of use and payment information;
- posting warnings to prevent excessive use of gaming products; and
- indicating on the game screen the time a user has spent playing a game.

Gaming business operators are also required to set limits for responsible gambling, including monthly payment limits, to receive age ratings.

In addition, despite the absence of a clear legal basis, the GRAC imposes a monthly spending limit of KRW70,000 for minors on online PC games. Specifically, during the rating classification process, the

GRAC effectively enforces this spending limit by refusing to assign a rating to games that exceed such threshold (and thus, applicable games cannot be launched in Korea). Finally, web-board games can be offered for fees, but the operation of Web-Board Games remains subject to strict regulations under GIPA. For instance:

- a user is only allowed to spend up to KRW700,000 in the game per month (ie, monthly limit);
- the maximum in-game currency a user may spend in a single game round is KRW70,000 (ie, per-round limit);
- automatic betting is prohibited; and;
- selecting a counterparty in any game is prohibited to prevent users from illegally transferring in-game currency in a manipulative manner through match-fixing.

Web-board game regulations are subject to re-examination every two years but, so far, the regulations have not been dramatically amended due to the regulators' concerns about speculation.

7.2 Gambling Management Tools

As mentioned in 2.1 Online Gambling, in principle, online gambling with a "speculative" nature is prohibited. See 7.1 RG Requirements regarding game-related management tools that do not fall under speculative online gambling.

8. Anti-Money Laundering (AML)

8.1 AML Legislation

The Financial Services Commission (FSC) considers illegal gambling and speculative activities as major threats to financing in South Korea. General South Korean AML legislation applies to the gambling sector. The key pieces of AML legislation are:

- the Act on Reporting and Using Specified Financial Transactions Information (FTRA);
- the Act on Regulation and Punishment of Criminal Proceeds Concealment (POCA); and
- the Act on Prohibition Against the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (TFA).

The FTRA regulates money-laundering activities carried out by way of financial transactions by establishing a reporting scheme to enable the analysis of certain information relating to financial transactions.

The Korea Financial Intelligence Unit (KoFIU) was established as the primary national agency responsible for the regulation of AML operations and the control of suspicious transactions in order to effectively implement the AML system. The KoFIU is also responsible for establishing AML policies, the implementation of such policies, and the education of subject entities.

8.2 AML Requirements

Obligations under the FTRA apply to casino operators, as well as financial institutions, electronic financial business operators (eg, money transmitters, payment gateway service providers, and issuers of prepaid electronic payment means) and certain loan business operators.

Under the FTRA, the above entities are required to:

- designate persons responsible for the reporting and the establishment of an internal reporting system;
- prepare and implement procedures and work guidelines with which the management and the employees shall comply, while discharging their duties to prevent money laundering and the financing of terrorism; and
- educate and train the management and the employees to prevent money laundering and the financing of terrorism.

There are also reporting requirements under the FTRA and the following cases must be reported without delay to the KoFIU:

- where there are any reasonable grounds to suspect that an asset given or received in relation to a financial transaction is illegal;
- where there are any reasonable grounds to suspect that the other party to a financial transaction engages in money laundering, such as engaging in the financial transaction with a borrowed name;

- where an employee of a financial institution reports to the competent investigative agency under the POCA or the TFA; and
- where there are any reasonable grounds to suspect that a customer is dividing transaction amounts for the purpose of evading the currency transaction reporting obligation.

The POCA prohibits any person from receiving criminal proceeds or assets that originated from crime proceeds while such person has knowledge of the criminal nature of the proceeds or assets.

Anyone who conceals criminal proceeds may be subject to imprisonment for up to five years or a criminal fine of up to KRW30 million.

Anyone who receives criminal proceeds while having knowledge of the criminal nature of the proceeds may be subject to imprisonment for up to three years or a criminal fine of up to KRW20 million.

For violations committed by its representatives, officers, employees or agents during the course of its business, the employer may be held criminally liable and punished with a criminal fine of up to KRW30 million (for anyone who conceals criminal proceeds) or a fine of up to KRW20 million (for anyone who receives criminal proceeds while having knowledge of the criminal nature of the proceeds).

According to the amended TFA, effective from 22 January 2026, anyone who transacts with a person (or corporations that are directly or indirectly owned or controlled by such person) on the financial transaction prohibited list announced by the FSC, without an approval by the FSC, may be punished by imprisonment for up to three years or a criminal fine of up to KRW30 million.

9. Advertising

9.1 Regulatory/Supervisory Agency

The GRAC and the KFTC regulate false or misleading advertising.

9.2 Definition of Advertising

The GIPA contains regulations regarding advertising and promotional materials, but it does not provide a separate definition of advertising. The general definition of advertising applies to gaming laws. According to the Act on Fair Labelling and Advertising (FLAA), “advertising” means any public distribution or presentation of matters concerning a product through various methods, including newspapers, online newspapers, periodicals, broadcasting and telecommunication.

9.3 Key Legal, Regulatory and Licensing Provisions

There is no separate licence required for advertising and labelling. However, there is a separate labelling obligation for games. Under the GIPA, all games, with limited exceptions, have disclosure requirements and must indicate:

- their age rating;
- content information according to descriptors defined by the GRAC (eg, sexuality, violence, language, and gambling);
- the name of the game manufacturer or publisher; and
- types of loot boxes and the information relating to probability by types of loot boxes.

See **9.4 Restrictions on Advertising** for regulation on advertising by the GIPA.

9.4 Restrictions on Advertising

There is no specific statutory provision targeting advertisements for online gambling, betting or gaming. However, the FLAA generally prohibits false, exaggerated or misleading advertising, and is hence applied to unfair advertisements, such as those in which there is a false indication of the probability of random events in the game. A case where the FLAA has applied to a game company has not yet been observed.

Regarding game company advertisements, the E-Commerce Act and the GIPA are usually more relevant than the FLAA. The E-Commerce Act prohibits any act of solicitation or transactions with consumers by informing with false or exaggerated information or by using deceptive means.

In addition, the GIPA has specific restrictions on the game advertisement. The GIPA prohibits advertisements and promotions:

- where contents are actually different from the contents reviewed at the time when ratings were given to the game products;
- that indicate a different rating from the actual rating;
- that contain game content information that is different from the game content information required to be disclosed to users (which is determined at the time when ratings are given to the game products); and
- that encourage speculative conduct or act by, for example, offering free gifts.

Advertising related to illegal gambling is not permitted. First, advertising, marketing and customer solicitation activities conducted in South Korea with regard to illegal gambling may constitute “aiding and abetting of illegal gambling by individuals”, a criminal offence under the Criminal Code. Furthermore, under the Act on Promotion of Information and Communications Network Utilisation and Information Protection, no one may circulate any information containing content that amounts to “speculative activities” prohibited by laws and regulations, and such information may be subject to a takedown order.

However, the aforementioned restrictions do not apply to lawful gambling such as licensed casino operations.

9.5 Sanctions/Penalties

For violations of the E-Commerce Act, depending on the type of violation, the KFTC may impose not only administrative fines but also other sanctions such as corrective measures (eg, suspension orders or public announcement orders) and penalty surcharges. The KFTC has been actively enforcing the E-Commerce Act in relation to the loot boxes of major game companies. In 2018, the KFTC imposed certain corrective orders, public announcement orders and penalty surcharges on a couple of the major South Korean game companies for violating the E-Commerce Act relating to their conduct of selling loot boxes. In January 2024, the KFTC imposed the largest-ever penalty surcharge of KRW11.6 billion (approximately, USD8 million) on

one of the major South Korean game companies in relation to deceptive conduct relating to selling the loot boxes in their games to users.

Under the GIPA, the MCST may order the removal of the advertisement or promotional materials as a corrective measure. However, in practice, it is not common for companies to receive a corrective order – the MCST typically issues a recommendation for correction before imposing an actual corrective order. Gaming business operators can be subject to an administrative fine not exceeding KRW10 million for such charges.

10. Acquisitions and Changes of Control

10.1 Disclosure Requirements

There are no specific disclosure requirements for acquisitions or changes of control of gaming and gambling companies; instead, general rules on merger control in South Korea apply. A company with assets or revenues of KRW300 billion or more, if the assets or revenues of the target company are KRW30 billion or more, is required to file a business combination report to the KFTC. Listed companies are obligated to disclose acquisitions and change of control.

In certain industries, there is a reporting obligation when a business is transferred or undergoes a change in control, whether directly or indirectly, such as through mergers and acquisitions. For example, when a game production (distribution) business is transferred or undergoes a change in control, the transaction must be reported to the relevant local government in accordance with the GIPA. For casino businesses, there is a reporting obligation pursuant to the Tourism Promotion Act, while value-added telecommunications businesses have a reporting obligation under the Telecommunications Business Act upon such transfer or change in control.

10.2 Change of Corporate Control Triggers

There are no separate change of corporate control triggers for gaming and gambling companies. As mentioned in **10.1 Disclosure Requirements**, general rules

apply and change of control triggers would include assets or revenues standards.

10.3 Passive Investor Requirements

There are no passive investor requirements regarding acquisitions or changes of control of gaming and gambling companies.

11. Enforcement

11.1 Powers

Regulatory bodies – as mentioned in **2.1 Online Gambling**, **3.5 Key Offences** and **9.5 Sanctions/Penalties** – can enforce criminal referral or a fine.

11.2 Sanctions

Under the Tourism Promotion Act, casino operators may be subject to administrative orders such as suspension of business operations (for up to six months) or cancellation of registration for a variety of violations, including, but not limited to, the following:

- admission of any South Korean national into the casino;
- installation or use of any casino machine in violation of any relevant statute or regulation; and
- violation of casino business regulations (eg, violation of regulations on daily business operation hours, or engaging in any prohibited acts such as casino workers' participation in games).

Under the GIPA, a gaming business operator with a game manufacturer or publisher registration licence may be subject to business suspension (for a period of up to six months) or business closure for several violations, including:

- false registration of a licence or using fraudulent means to register;

- failure to register important licence changes;
- violation of the obligations of gaming business operators under the GIPA (eg, receive education on distribution; do not have, or let others engage in, gambling or other speculative acts using gaming products; do not promote speculation through operating methods, devices or equipment; and do not permit minor use at minor-game-providing businesses); and
- the distribution of unlawful speculative games.

11.3 Financial Penalties

Most of the financial penalties under the relevant laws and regulations, including the GIPA and the Criminal Code, are determined within statutory limits, taking into account the seriousness of the violation and number of violations. On the other hand, administrative fines may be imposed in the case of violation of specific laws such as the Monopoly Regulation and Fair Trade Law (FTL), the FLAA or the E-Commerce Act, which are calculated based on the revenue related to the violation. The KFTC has a history of imposing administrative fines for unfair business practices, including false or misleading advertising.

12. Tax

12.1 Tax Rate by Sector

There are no separate tax rates for gambling, and the general corporate income tax in South Korea will apply.

For reference, casinos licensed under the Tourism Promotion Act are required to make payments to promotional funds for tourism.

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