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KOREA MARKET-ENTRY COMPLIANCE

REGULATORY APPLICABILITY ASSESSMENT

Korea Market-Entry Compliance Scan

PREPARED FOR	NovaPlay Interactive Ltd. (Hong Kong SAR) · fictional company (sample report)
REFERENCE	MTK-SCAN-2026-0142
REPORT DATE	12 July 2026
PREPARED BY	Munteok — Korea Market-Entry Compliance

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Regulatory applicability assessment

Prepared for	NovaPlay Interactive Ltd. (Hong Kong SAR)
Product in scope	*Astral Vanguard* — mobile role-playing game (iOS + Android)
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Classification	Confidential — for the named recipient only

This report maps the Korean regulatory obligations that apply to NovaPlay Interactive based on the operating profile supplied at intake. It is a regulatory-information product: it tells you which rules apply, what they require, and in what order to act. It is not legal advice, and it does not itself make any filing on your behalf. Where a statutory filing or a formal legal opinion is required, we identify it and coordinate the work with partnered licensed Korean professionals.

How to read this report

Your profile, as we assessed it. Every verdict below is measured against the numbers you gave us at intake, not against a generic company. Where a threshold is close, we say so; where you are clearly over or under, we say that too.

FIELD	VALUE ON RECORD
Legal entity	NovaPlay Interactive Ltd. (Hong Kong SAR)
Korean corporate entity	None
Designated domestic agent (any regime)	None
Product in scope	*Astral Vanguard* — mobile RPG (iOS + Android)
Korean-language localization	Full (in-game UI, store listing, customer support)
Estimated daily downloads in Korea	~2,500
Monetization	In-app purchases; probabilistic ("loot-box") items
AI service features	None
Korean daily users / data subjects	Below 1 million
Korean revenue (prior year)	Below KRW 1 trillion; AI-service revenue: not applicable

The traffic lights. Each regime gets one of three verdicts:

- **RED —** a legal obligation is triggered now and is unmet. Action is required, and the associated enforcement is active.
- **AMBER —** an obligation probably applies, or a duty applies but one input needs confirmation before we can close it out. Verify, then act.
- **GREEN —** no obligation is triggered on your current numbers. Re-check if the numbers move materially.

What we relied on. Thresholds, effective dates, regulator names, penalty ceilings, and the enforcement record cited here are drawn from the Korean statutes and from public Korean-government and press reporting current to mid-2026. Sources are listed in the Appendix. Figures in Korean won (KRW) are the binding figures; US-dollar equivalents are approximate and given only for orientation.[1]

Scope boundary. This scan covers the domestic-agent regimes, game-sector duties (ratings and probabilistic-item disclosure), consumer-protection duties, and the near-term legislative outlook. It does not cover Korean corporate tax, withholding on cross-border payments, employment, or a full personal-data audit; those sit outside a market-entry scan and are flagged where they intersect a duty below.

1. Executive summary

NovaPlay is distributing a fully Korean-localized game to Korean players at roughly **2,500 downloads a day**, monetized through in-app purchases and probabilistic items, with **no Korean entity and no designated agent of any kind**. Two obligations are triggered and unmet today; both carry active, publicly documented enforcement. A third duty needs one confirmation. The remaining regimes do not reach you on your current numbers.

#	REGIME	VERDICT	WHY — AGAINST NOVAPLAY'S NUMBERS
1	**Game Industry Act — domestic agent**	● RED	~2,500 downloads/day is about **2.5x** the 1,000/day designation threshold. No agent is designated. The obligation is live and being inspected.
2	**Probabilistic-item ("loot-box") disclosure**	● RED	*Astral Vanguard* sells probabilistic items. On the intake record, obtainment-probability disclosure is not confirmed in-game or in ads — the exact gap regulators are penalizing.
3	**Game ratings / classification**	● AMBER	Your title appears to carry a platform self-classification rating. The route, and whether the ratings correctly reflect the paid probabilistic content, need confirmation.
4	**AI Framework Act — domestic agent**	● GREEN	*Astral Vanguard* has no AI service feature. The AI-service-revenue threshold is not engaged.
5	**PIPA — domestic representative**	● GREEN	Korean users and revenue are below the 1-million-daily / KRW-1-trillion thresholds.
6	**E-Commerce & Network Acts**	● AMBER	You run a consumer-facing paid storefront in Korea. The agent-designation trigger here is still pre-enforcement, but consumer-protection duties attach to your sales now.

Bottom line. The two RED items — designating a Game Industry Act domestic agent, and bringing probabilistic-item disclosure into line — are the priorities for the next 90 days. They are also linked: the agent is the party through whom a Korean regulator will reach you, and the absence of that channel is precisely what has turned recent enforcement against foreign publishers into public-notice actions (Section 4). The AMBER items are confirm-then-close: neither is likely to require heavy work, but each needs one input we could not verify from intake alone. The GREEN items should simply be re-checked when your Korean scale or product feature-set changes.

Sections 2 through 4 set out the obligations, the sector duties, and the enforcement record. Section 5 is a 90-day plan sequenced so that the highest-exposure item (the agent) is addressed first. Section 6 covers pending legislation that would raise your exposure if enacted.

2. Domestic-agent obligations map

Korea has been layering "domestic agent" and "domestic representative" duties across several laws, each with its own threshold, its own regulator, its own effective date, and its own penalty. There is no single filing that satisfies all of them, and a company can be caught by one while comfortably below another. The table below is the applicability picture for NovaPlay.

REGIME (PROVISION)	IN FORCE	DESIGNATION THRESHOLD	REGULATOR	MAX PENALTY	NOVAPLAY
Game Industry Act (domestic-agent duty; penalty Art. 48(1))	23 Oct 2025	Revenue ≥ KRW 1 trillion **OR** daily-average domestic downloads ≥ **1,000**	Ministry of Culture, Sports and Tourism (MCST) / Game Rating and Administration Committee (GRAC)	KRW 20 million (~USD 14K)	**TRIGGERED** — ~2,500/day
AI Framework Act (Art. 36)	22 Jan 2026	Revenue ≥ KRW 1 trillion **OR** AI-service revenue ≥ **KRW 10 billion** (~USD 7M) **OR** a domestic-user measure	Ministry of Science and ICT (MSIT)	KRW 30 million (~USD 21K)	Not triggered — no AI service
Personal Information Protection Act (Art. 31-2)	2019; strengthened amendment in force 2 Oct 2025	Revenue ≥ KRW 1 trillion **OR** ≥ **1 million** daily domestic data subjects (prior 3 months) **OR** upon a regulator's data-submission demand	Personal Information Protection Commission (PIPC)	New administrative fine (incl. management-and-supervision duty)	Not triggered — below thresholds
Telecommunications Business Act (Art. 22-8)	Jun 2019	High threshold; in practice only two global platform operators have been designated	Korea Communications Commission (KCC)	—	Not applicable in practice

REGIME (PROVISION)	IN FORCE	DESIGNATION THRESHOLD	REGULATOR	MAX PENALTY	NOVAPLAY
E-Commerce Act	Enforcement decree in legislative notice (not yet in force)	Revenue ≥ KRW 1 trillion **OR** ≥ **1 million** monthly domestic consumers	Fair Trade Commission (FTC)	—	Monitor — pre-enforcement

2.1 Game Industry Act — the one that reaches you

This is the trigger that matters for NovaPlay, and it is the reason the domestic-agent question is not optional. The duty took effect **23 October 2025**. It applies to a foreign game business that has no Korean address once either the revenue test **or** the download test is met, and the download test is deliberately low: a **daily average of 1,000 domestic downloads**. At roughly **2,500 a day**, *Astral Vanguard* is about two-and-a-half times over that line. Full Korean localization removes any argument that you are not targeting the Korean market.

The designated agent's function is to be the party a Korean regulator can serve, question, and hold to account inside the jurisdiction — for ratings matters, for probabilistic-item disclosure, and for consumer complaints. The penalty ceiling for non-compliance is modest on its face (KRW 20 million under Article 48(1), ~USD 14K), but the ceiling understates the exposure. The real cost sits in what the missing agent enables downstream: public-notice enforcement, ratings and disclosure findings you never had a chance to answer, and — under the pending amendments in Section 6 — a distribution-suspension power. The agent is the channel; without it, every other duty is harder to discharge and every enforcement step lands without warning.

2.2 AI Framework Act — not triggered, but worth watching

The AI Framework Act's domestic-agent duty (Article 36) came into force **22 January 2026**. It reaches foreign AI-service providers over a revenue floor, an **AI-service-revenue floor of KRW 10 billion** (~USD 7M), or a domestic-user measure. *Astral Vanguard* has no AI service feature on the intake record, so the trigger is not engaged and the verdict is GREEN. This is a live area: a designation-notification wave is under way and the scope of the regime is under discussion in the National Assembly. If NovaPlay later ships an AI-driven feature (a generative companion, AI matchmaking sold as a service, an AI chat layer), the analysis changes and this regime should be re-scanned. Note also that the exact scope of "AI-service revenue" — domestic-only versus worldwide — is not yet fully settled, which is one more reason to re-check before shipping an AI feature rather than after.

2.3 PIPA and Telecommunications — high thresholds you sit under

The Personal Information Protection Act's domestic-representative duty (Article 31-2) was strengthened by an amendment in force **2 October 2025**, but its thresholds are set for the largest operators: prior-year revenue at the KRW-1-trillion level, or on the order of **1 million daily domestic data subjects** over the preceding three months. NovaPlay is well under both, so the verdict is GREEN. One caveat carries real weight: the same provision also bites **on demand —** if the PIPC issues a data-submission request, a representative obligation can attach regardless of size. That is a contingent trigger, not a current one, but it is why we do not treat "under the threshold" as "immune."

The Telecommunications Business Act representative duty (Article 22-8) has been in force since June 2019 with a threshold so high that, in practice, only two global platform operators have ever been designated, and field enforcement has been effectively dormant. It does not reach NovaPlay.

2.4 E-Commerce Act — pre-enforcement, but on the horizon

A domestic-agent duty under the E-Commerce framework is drafted and in the enforcement-decree stage of the legislative process; it is **not yet in force**. The contemplated thresholds (KRW-1-trillion revenue or roughly 1 million monthly domestic consumers) would not reach NovaPlay today. We flag it because the drafting momentum is real and because your consumer-protection duties as an online seller apply now regardless of the agent question — see Section 3.3.

3. Sector duties

Beyond the agent question, two game-specific duties apply to *Astral Vanguard* directly, plus a set of baseline consumer-protection duties that attach to any paid storefront. These are what a Korean regulator actually inspects once your agent is in place.

3.1 Ratings and classification — AMBER

Every game distributed in Korea must carry a rating. For mobile titles there are two routes, and which one applies to you determines whether ratings are already handled or still open:

- **Platform self-classification.** The major app stores operate in Korea as designated self-classification business operators. When a game is published through those stores, a rating is assigned through the self-classification system and the store notifies the Game Rating and Administration Committee (GRAC), which records the title, the registration date, and a classification number. For most mobile games, this is the route, and it happens as part of publishing rather than as a separate filing.
- **Direct classification by GRAC.** Certain categories cannot use self-classification and must be classified by GRAC directly. Content aimed at adults, or content with gambling-like characteristics, is the usual reason a title is pushed off the self-classification route.

Why this is AMBER, not GREEN. On the intake record, *Astral Vanguard* appears to have been rated through platform self-classification — but we could not confirm from the information provided (a) that your Korean-market title carries a valid, current classification number at each store it distributes through, and (b) that the assigned rating correctly reflects the game's paid probabilistic content. The second point is where ratings and disclosure meet: a rating that does not account for how the game monetizes probabilistic items is a rating that can be challenged. The action is small — confirm the classification numbers and confirm the rating basis — but it needs to be done before the disclosure work in Section 3.2, because the two are assessed together.

3.2 Probabilistic-item ("loot-box") disclosure — RED

This is the second RED item, and the one with the most active enforcement in the sector. Since **March 2024**, Korean law has required game companies to disclose the probabilities attached to probabilistic ("loot-box") items. In substance, the mandate requires a publisher to disclose the **types of probabilistic items and their obtainment probabilities**, presented **inside the game** and in **advertising and promotional materials**. The duty runs to the game business regardless of where it is incorporated; a Hong Kong domicile does not remove it for a title sold to Korean players.

Astral Vanguard sells probabilistic items, and on the intake record the obtainment-probability disclosure is not confirmed — we could not verify a compliant disclosure inside the Korean build or in the Korean-language marketing. That is the precise gap regulators have been acting on: enforcement in this area has centered on missing or inaccurate probability disclosure, and it has reached both undesignated foreign publishers and companies that *had* already designated agents (Section 4). Two points make this urgent for NovaPlay specifically:

1. **The disclosure has to be right, not just present.** A disclosure that omits an item type, or that states a probability the game does not actually apply, is treated as a false or defective disclosure — and false disclosure is the conduct the pending surcharge bill (Section 4) targets.
2. **It has to appear in the Korean marketing too, not only in-game.** Because *Astral Vanguard* is fully localized and advertised to Korean players, the advertising-side disclosure obligation is engaged, not just the in-game one.

Closing this item means auditing the live probability tables against what the game actually rolls, then reflecting them in the Korean build and in Korean-language promotional material. It is the single highest-value remediation in this report.

3.3 Baseline consumer-protection duties — applies now

Independent of the agent-designation question, selling in-app purchases to Korean consumers engages the standing consumer-protection duties under the E-Commerce and related frameworks: accurate purchase terms, a lawful refund and withdrawal policy, clear identification of the seller, and complaint handling. These are not size-gated; they attach to the transaction. For a foreign seller with no Korean entity, the practical exposure is that a consumer complaint or an FTC inquiry has no domestic party to land on — which, again, is why the agent (Section 2.1) is load-bearing across more than one regime. We recommend a terms-of-sale and refund-policy review as part of the same workstream that stands up the agent.

4. Enforcement reality

The most common reason foreign publishers under-weight these duties is a belief that they are not really enforced against companies with no Korean presence. The Korean record from late 2025 into 2026 says the opposite — and it says something more specific that bears directly on NovaPlay: **the absence of a domestic agent does not stop enforcement; it changes its form into something you cannot answer.**

Enforcement is active and it names names. Following the effective date of the Game Industry Act agent duty, the game regulator ran an inspection sweep of foreign game companies over the domestic-agent requirement. Public reporting in early 2026 described a target set of **87 foreign game companies**, of which **75** had completed the required steps and **6** remained outstanding and were identified in the reporting. Being on the wrong side of that count is a public event, not a private letter.

The public-notice problem. In **December 2025**, Korea's culture ministry issued corrective orders to **two foreign game publishers** over probabilistic-item disclosure violations. Neither company had a Korean address on file, so the ministry could not serve the orders in the ordinary way — it resorted to *gongsi songdal* (service by public notice), effectively posting the action on a public board because there was no domestic party to serve. The lesson for a company in NovaPlay's position is direct: without a designated agent, the first you may hear of an enforcement action is when it is already public and already deemed served. You lose the window to respond, and the fact of the action is on the record. This is the mechanism that converts a modest paper penalty into a reputational and operational event.

Disclosure enforcement reaches even the compliant-on-paper. The record also shows that designating an agent is necessary but not sufficient: publishers that had already registered agents have been found with probabilistic-item disclosure omissions. Enforcement here is about the substance of the disclosure, not merely the existence of an agent — which is why Section 3.2 stresses that NovaPlay's disclosure must be accurate, not just present.

The direction of travel is toward heavier penalties. In **late December 2025**, a bill was introduced that would add a surcharge of up to **3% of revenue** for false disclosure of probabilistic-item information. It is pending, not law, but it signals where the ceiling is heading: today's KRW-20-million maximum understates tomorrow's exposure, and a revenue-based surcharge would make an inaccurate probability table materially expensive rather than nominally so.

Private pressure is rising too. Enforcement is not only top-down. In **February 2026**, a Korean game-users association referred **five game companies** to the Fair Trade Commission over alleged probability manipulation. Consumer and civil-society pressure adds a second channel through which disclosure practices get scrutinized.

What this means for NovaPlay. You are a fully localized, mid-scale foreign publisher, over the download threshold, selling probabilistic items, with no domestic agent — which is the exact profile the December 2025 public-notice actions were brought against. The enforcement machinery is running, it is public, and its current soft spot (no domestic party to serve) is the very condition designating an agent removes.

5. 90-day action plan

The plan is sequenced so the highest-exposure item is addressed first. Weeks 1–4 stand up the domestic agent and get the designation on record; weeks 5–8 fix the probabilistic-item disclosure; weeks 9–12 put a light monitoring cadence in place so the AMBER items and the pending legislation do not drift. Where a step requires a formal filing or a legal judgment, it is handed to partnered licensed Korean professionals — Munteok scopes and coordinates the work; the filing is made by a licensed administrative agent (*haengjeongsa*) or the relevant licensed professional.

WEEKS	WORKSTREAM	KEY STEPS	WHO DOES IT
1–2	Select and engage a domestic agent	Shortlist candidate agent providers; compare scope, liability terms, and price; execute an agent-service agreement	NovaPlay decides; Munteok shortlists and compares
3–4	File the designation; reflect it in terms	Complete the domestic-agent designation on record; update store listing, in-game notices, and terms of sale to name the agent and contact route	Licensed administrative agent (*haengjeongsa*) files; Munteok coordinates
5–8	Fix probabilistic-item disclosure	Audit live probability tables against actual game behavior; correct any mismatch; publish obtainment probabilities in the Korean build and in Korean-language advertising; confirm ratings basis (the AMBER ratings item)	NovaPlay's product/live-ops team; Munteok specifies the compliant disclosure standard
9–12	Stand up monitoring	Put a recurring check on enforcement notices, ratings filings, and the pending amendment bills; set a re-scan trigger for AI-feature launches and for material changes in Korean scale	Munteok (monitoring subscription); NovaPlay acts on flags

5.1 Sequencing notes

- **The agent comes before the disclosure fix, deliberately.** The agent is the domestic party that receives any regulator communication about your disclosure. Standing it up first means that if a disclosure inquiry arrives while you are mid-remediation, it reaches you rather than a public notice board.
- **Ratings confirmation folds into the disclosure work.** Because a rating that ignores paid probabilistic content is challengeable, confirm the classification basis in the same weeks-5–8 window as the disclosure audit, not separately.
- **The E-Commerce consumer-protection review rides along with weeks 3–4**, since updating terms of sale to name the agent is the natural moment to also confirm the refund/withdrawal policy is compliant.

5.2 Indicative cost ranges

For budgeting only, based on Munteok's market observation of comparable providers:[2]

- **Domestic-agent service:** roughly **USD 3,000–8,000 per year**, depending on scope (pure service-of-process versus a fuller representative package) and on how many of Korea's regimes the same provider covers.
- **Designation-filing support:** roughly **USD 500–2,000**, one-time, for preparing and lodging the designation through a licensed administrative agent.

These ranges cover the agent and the filing only. The disclosure-remediation effort (weeks 5–8) is primarily internal product work; its cost depends on how far your current probability tables are from a compliant, verified state, which the audit determines.

6. What changes next

The two RED items above are assessed against the law as it stands today. Two pending developments would raise NovaPlay's exposure if enacted, and both are moving in the same direction — toward closing the "no domestic party to serve" gap and toward heavier penalties for disclosure failures.

Amendments to the Game Industry Act framework are pending in the National Assembly. As reported through early 2026, the proposals would (a) allow the authorities to prioritize designating a *domestic entity* rather than accept a lighter agent arrangement, (b) add a **distribution-suspension** power — the ability to order a non-compliant foreign game pulled from distribution — and (c) add a **data-submission-request** authority. Read together, these would remove the current soft spots that the December 2025 public-notice actions exposed. The distribution-suspension power in particular changes the risk calculus: a modest paper fine is a cost of doing business; an order to stop distributing *Astral Vanguard* in Korea is an existential event for the title. Passage timing is the variable to watch, because the enforcement posture will harden the moment it becomes law.

The 3% revenue surcharge for false probabilistic-item disclosure remains on the docket. As noted in Section 4, this bill would replace a fixed, nominal ceiling with a revenue-linked surcharge for false disclosure. For a publisher whose disclosure is accurate, this is a non-event; for one whose probability tables do not match actual game behavior, it converts a paperwork issue into a percentage of Korean revenue. This is the strongest argument for doing the weeks-5–8 disclosure audit properly rather than superficially.

Recommended posture. NovaPlay's exposure is not static, and the changes in flight all point the same way. The two RED items should be closed on the 90-day timeline regardless of legislative timing, because doing so also pre-empts the harder regime that is coming. Beyond that, the practical need is to know *when* these bills move and *whether* the AI regime or the E-Commerce agent duty grows to reach you — none of which is visible from outside without watching the enforcement notices and the bill trackers week by week.

That is the function of Munteok's **monitoring subscription**: a recurring watch on enforcement notices, ratings and disclosure findings, and the pending amendment bills, with a flag to you when something in this report's assumptions changes — a new effective date, a passed amendment, a shift in the enforcement sweep, or a threshold that moves under you. It is the difference between re-learning your position through a public notice and being told before the line moves. We would be glad to discuss adding it once the 90-day plan is under way.

Appendix — Basis and sources

Regulatory instruments referenced

- Game Industry Promotion Act ("Game Industry Act") — domestic-agent duty in force 23 October 2025; penalty provision at Article 48(1); probabilistic-item disclosure duty in force since March 2024. Regulators: Ministry of Culture, Sports and Tourism (MCST); Game Rating and Administration Committee (GRAC).
- AI Framework Act, Article 36 — domestic-agent duty in force 22 January 2026. Regulator: Ministry of Science and ICT (MSIT).
- Personal Information Protection Act, Article 31-2 — domestic-representative duty; strengthened amendment in force 2 October 2025. Regulator: Personal Information Protection Commission (PIPC).
- Telecommunications Business Act, Article 22-8 — domestic-representative duty in force since June 2019. Regulator: Korea Communications Commission (KCC).
- E-Commerce Act — domestic-agent duty at the enforcement-decree stage of the legislative process (not yet in force). Regulator: Fair Trade Commission (FTC).

Enforcement and legislative record (public reporting, de-identified)

- Foreign-game-company inspection sweep on the domestic-agent duty: a target set of 87 companies, 75 completed, 6 outstanding — public reporting, first quarter 2026.
- Corrective orders to two foreign publishers over probabilistic-item disclosure, served by public notice (*gongsi songdal*) for want of a Korean address — public reporting, December 2025.
- Bill introducing a surcharge of up to 3% of revenue for false probabilistic-item disclosure — introduced late December 2025; pending.
- Pending amendments to the game-regulation framework: domestic-entity-priority designation, distribution-suspension authority, and data-submission-request authority — public reporting through early 2026.
- Referral of five game companies to the Fair Trade Commission by a game-users association over alleged probability manipulation — February 2026.
- PIPC inspection activity under the strengthened personal-data regime — September 2025.

Company names are omitted by design; this is a sample deliverable and the enforcement record is summarized in de-identified form.

Methodology and limits. Threshold applicability is assessed deterministically against the numbers supplied at intake. Where an input could not be verified from intake (the ratings route, the current state of probability disclosure), the item is marked AMBER or flagged as unconfirmed rather than assumed compliant. Download-based triggers are assessed against your reported daily average; a material change in that figure, in your Korean revenue, or in your product feature-set (particularly the addition of any AI service) warrants a re-scan. This report states the regulatory position; it is not a legal opinion, and any filing described is made by a partnered licensed Korean professional, not by Munteok.

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NOTES

1. US-dollar figures are approximate conversions from Korean won at prevailing rates, provided only for orientation. The binding figures are stated in KRW. ↩
2. Cost ranges are Munteok's market estimates based on observation of comparable domestic-agent and filing-support providers; they are indicative for budgeting and are not quotes. Actual pricing depends on scope and provider. ↩