

## Amendment of the “Standard for Imposition of Administrative Surcharges for Violation of Personal Information Protection Laws”

The Korea Communications Commission deliberated and decided on a partial amendment to the “Standard for Imposition of Administrative Surcharges for Violation of Personal Information Protection Laws” (hereinafter the “Standard for Imposition of Administrative Surcharges”). The amendment included a provision that permits an enterpriser to receive partial reduction of the administrative surcharges imposed if such enterpriser voluntarily reports the personal information breach. The main substance of the amendment is as follows:

### Substance of Amendment:

- The amendment will add “in the case the personal information breach is voluntarily reported” as one of the grounds for reducing the discretionary adjusted administrative surcharge and set the adjustment range to within 30%.
  - The existing provision deemed voluntary reporting as “other grounds” and only permitted a reduction of administrative surcharges within the maximum range of 10%.
- At the time of calculating the mandatory administrative surcharge, if mandatory grounds for reductions exist based on the number of violations, the new amendment improves the calculation procedure so that the reduction is made from the basic administrative surcharge.
  - The existing Standard for Imposition of Administrative Surcharges provided reductions from the amount that resulted from the mandatory calculation if there are grounds for mandatory mitigation based on the number of violations.

(Continued)

## 2. Anticipated Effects:

- As indicated in the table below, the current Standard for Imposition of Administrative Surcharges was last amended on December 30, 2014, which substantially increased the basic administrative surcharge. However, the new amendment of the Standard for Imposition of Administrative Surcharges would permit an enterpriser experiencing leakage of data to receive a reduction of up to 30% of the administrative surcharge if such enterpriser voluntarily reports the leakage of data to the authorities.
- This new amendment to the Standard for Imposition of Administrative Surcharges will provide substantial incentives for voluntary reporting and expedient responses by the enterpriser with the leakage of data. Moreover, it is anticipated that the amendment will contribute in containing the spread of accidental leakage of personal information and preventing secondary damages.

	Prior to December 30, 2014 Amendment	After December 30, 2014 Amendment
<b>Very Serious Violations</b>	The lower amount between 0.09% of the relevant sales and KRW 90 million	2.7% of the relevant sales
		If relevant sales is difficult to define: KRW 360 million
<b>Serious Violations</b>	The lower amount between 0.07% of the relevant sales and KRW 70 million	2.1% of the relevant sales
		If relevant sales is difficult to define: KRW 280 million
<b>General Violations</b>	The lower amount between 0.05% of the relevant sales and KRW 50 million	1.5% of the relevant sales
		If relevant sales is difficult to define: KRW 200 million

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