

## Proposal for Amendment of the Broadcasting Act that Consolidates the Broadcasting Act and the IPTV Act Passes Cabinet Meeting

On November 24, 2015, the proposal to amend the Broadcasting Act, which consolidates the existing Broadcasting Act and the Internet Multimedia Broadcast Services Act (the "IPTV Act"), passed the cabinet meeting.

According to the existing legal regime, cable TV service operators ("SOs"), satellite broadcasting and IPTV were regulated by different statutes despite competing in the same paid broadcasting market – cable TV and satellite broadcasting were regulated by the Broadcasting Act and IPTV was regulated by the IPTV Act. However, due to the different scopes of regulations governing restriction on ownership, combined operation and prohibited acts, etc. associated with each statute, controversies regarding fairness among distinct types of broadcasting platforms were continuously raised. In order to improve such regulatory imbalance, the new Consolidated Broadcasting Act is anticipated to apply the same regulations on operation of announcement channels, obligation to separate accounting of corporate books, obligation to equally provide facilities and prohibited acts, etc. to all of the broadcasting platforms by consolidating all of the foregoing broadcasting platforms under one concept of "paid broadcasting business" (Article 2(2-2) and 2(3-2) of the proposed amendment were created).

Moreover, comprehensive programming and news channel IPTV contents providers, which were previously subject to separate application under the IPTV Act, will be consolidated into comprehensive programming and news channel broadcasting program providers ("PPs") under the Broadcasting Act and will be subject to identical regulations on ownerships (Article 8(3) of the proposed amendment).

Title of Statute	Broadcasting Act	IPTV Act	Consolidated Broadcasting Act
Subject of Regulation	• Terrestrial Broadcasting Business		• Terrestrial Broadcasting Business
	• Comprehensive Cable TV SOs • Satellite Broadcasting Service	• IPTV Provision Business	• SOs/Satellite/IPTV (Paid Broadcasting Business)
	• Broadcasting Channel PP	• IPTV Contents Business	• Broadcasting Channel PPs

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Meanwhile, the proposed Consolidated Broadcasting Act is part of the regulatory improvement and development policy implemented to vitalize the paid broadcasting industry. The proposed amendment also permitted channel-level M&A among general registered PPs, which was previously only possible through corporate-level merger or share acquisition, etc. (Article 15(1)4-2 of the proposed amendment was created). Moreover, in order to promote the advancement of the paid broadcasting market and engender shared growth among large and small to mid-sized companies, the new proposed amendment created a provision that imposes obligations on paid broadcasting enterprisers to program some of their channels with outstanding small to mid-sized channels (Article 70(10) through 70(12) of the proposed amendment was created). Additionally, the requirement for market entry by non-real time PPs, i.e., VOD or Karaoke services, etc., was relaxed from "registration requirement" (examination from relevant authorities required) to "reporting requirement" (Article 9(5)3 of the proposed amendment).

The proposed Consolidated Broadcasting Act was submitted to the National Assembly on November 26, 2015 after obtaining approval from the president. Once the proposed Consolidated Broadcasting Act passes the National Assembly, and is subsequently announced and enforced, the IPTV Act will be officially abolished.

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