# DeepSeek AI suspends South Korea operations after unauthorized user data transfer to China and US companies



China’s generative artificial intelligence (AI) service, DeepSeek, which has temporarily suspended its domestic operations in South Korea, has been found to have transferred personal user information to several companies in China and the United States without obtaining user consent. This issue came to light during an investigation by South Korea's Personal Information Protection Commission (PIPC).

The PIPC held a briefing on 24 April at the Seoul Government Complex, revealing the findings of their preliminary inspection into DeepSeek. The AI service had been operating domestically since 15 January this year but was suspended on 15 February. During this period, DeepSeek transferred user data to four foreign companies: three based in China and one in the US. Crucially, users had not been asked for their permission for these overseas transfers.

According to the PIPC, the information shared included not only device, network, and app data but also content entered by users into the AI’s prompt system, which is used to receive answers from the generative AI. One of the Chinese recipients is Volcano, a company affiliated with Bytedance, the parent company of the social media platform TikTok. The commission clarified that, although Volcano is a Bytedance affiliate, it operates as a separate corporation. DeepSeek assured that the data entrusted to Volcano is used solely to operate and enhance the AI service, not for marketing purposes unrelated to service functioning.

The PIPC noted that DeepSeek's privacy policies lacked several mandatory elements required under Korea’s Personal Information Protection Act. For example, the documentation did not sufficiently address the procedures and methods for destroying personal information or the safety measures to protect user data.

Another point of concern was that, unlike other AI operators, DeepSeek did not provide an "opt-out" function allowing users to refuse the use of their prompt inputs for AI learning and development purposes. This feature was only introduced following the commission’s intervention.

It was also confirmed that although DeepSeek’s data collection guidelines initially referenced the collection of "key input pattern and rhythm" information—data which could potentially identify users based on typing habits—this information was not actually gathered when preparing to offer services in South Korea.

Following this investigation, the Personal Information Commission recommended that DeepSeek users who had their data transferred to Volcano should immediately delete their prompt input data. Furthermore, it advised that the company make improvements to its designation of domestic agents and enhance safety measures within its personal information processing system.

DeepSeek has until 10 days from the receipt of the commission’s recommendations to accept the correction order. Should the company comply, it will then need to report back to the PIPC within 60 days, outlining the implementation of the recommended corrective actions.

Earlier in January, at the time of DeepSeek’s domestic launch, the company faced criticism over excessive personal data collection. It acknowledged that it had insufficiently taken into account South Korea’s personal information protection laws and pledged cooperation with the PIPC’s ongoing investigation.

While DeepSeek’s app downloads remain temporarily suspended on South Korea’s domestic app markets, the Personal Information Commission has not announced when the service might resume. The commission continues to oversee the matter to ensure compliance with national data protection standards.

Source: [Noah Wire Services](https://www.noahwire.com)

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