



Laws and Regulations Announcement

Friday, November 13, 2015

Proposed Amendments to Lower Credit Card Merchant Fees

Agency:	Financial Services Commission
Amended Regulations:	Enforcement Decree of the Specialized Credit Finance Business Act Regulation on Supervision of Specialized Credit Finance Business
Announcement Date:	November 13, 2015
Summary:	The Financial Services Commission announced on November 13, 2015, amendments to the Enforcement Decree of the Specialized Credit Finance Business Act and the Regulation on Supervision of Specialized Credit Finance Business. The proposed amendments lower the member fees for small merchants and expand merchants that are to be barred from receiving rebates from value-added network (VAN) providers.
Key Provisions:	<ul style="list-style-type: none">• VAN providers are to be barred from giving rebates or other forms of benefits or incentives to large merchants with annual credit card sales in excess of KRW1 billion. (Currently, the annual sales threshold is KRW100 billion.)• The credit card merchant fee is to be lowered from 1.5% to 0.8% for small low-income businesses with annual credit card sales less than KRW200 million and from 2.0% to 1.3% for merchants with annual credit card sales less than KRW300 million.
Effective Date for the Amendments:	Enforcement Decree of the Specialized Credit Finance Business Act: By end of June 2016; Regulation on Supervision of Specialized Credit Finance Business: End of January 2016;
