



Laws and Regulations Announcement

Wednesday, November 25, 2015

Amendments Proposed to Improve the Oversight of Moneylenders

Agency:	Financial Services Commission
Amended Regulation:	Enforcement Decree of the Act on Registration of Credit Business, etc., and Protection of Finance Users
Announcement Date:	November 25, 2015
Summary:	<p>The Financial Services Commission announced on November 25, 2015, newly proposed amendments to the Enforcement Decree of the Act on Registration of Credit Business, etc., and Protection of Finance Users. The proposed amendments provide for enhanced registration and supervision of moneylenders, caps moneylender's asset-capital ratio at 10 (1,000%) to prevent leveraged growth, and limits buyers eligible to acquire moneylenders' loans to financial firms and other regulated entities.</p>
Key Provisions:	<ul style="list-style-type: none">• A moneylender with assets in excess of KRW12 billion must register with the Financial Services Commission.• Minimum capital requirements are to be set for moneylenders (KRW300 million for moneylenders subject to FSC registration).• The assets of a moneylender may not exceed 10 times the amount of capital.• A moneylender with assets greater than KRW20 billion must provide for consumer protection standards and operate with a consumer protection monitor.
Effective Date for the Amendments:	July 25, 2016
