



Laws and Regulations Announcement

Enhanced prudential standards proposed for specialized credit finance companies

Agency:	Financial Services Commission
Regulation to be amended:	Regulations on Specialized Credit Finance Business
FSC Notice number:	2017-85
Announcement date:	March 24, 2017
Summary:	<p>The Financial Services Commission proposed amendments to the Regulations on Credit Finance Business that will set enhanced loan loss provisioning standards for high-risk loans and asset classification criteria for installment finance and lease assets. The proposed amendments also provide for biometric authentication of credit card consumers.</p>
Key provisions:	<ul style="list-style-type: none">• Loan loss provisions for specialized credit finance companies' high-risk loan assets with an annual interest rate of 20% or higher will be increased by 30 percent.• The asset classification standards for specialized credit finance companies' installment finance and lease assets will be raised so that they are comparable to those already in effect for banks and other financial services firms.• Biometric authentication, together with personal signature and PIN, will be permitted as a means to verify the identity of credit card consumers for transactional purposes.
Public comment for the proposed amendments:	The public comment period for the proposed rule changes ends on May 3, 2017.
