

## FINANCIAL REGULATORS AND BANKS AGREE TO CLOSELY COOPERATE ON COVID-19 FINANCIAL SUPPORT

The FSC and the FSS along with the Korea Federation of Banks and its member institutions held a meeting on March 23, and signed a memorandum of agreement to closely cooperate in the provision of the COVID-19 financial support programs.

The officials agreed that providing reliefs to the SMEs and small merchants hit by the COVID-19 outbreak is a priority for the real economy. They also agreed on the importance of effectively implementing the recently announced financial support package for SMEs and small merchants. The following are the key points of the agreement.

### **Key Points**

- ▶ Banks will work to provide funding to SMEs and small merchants through super low interest loans (1.5%).
- ▶ Banks will work to provide SMEs and small merchants with information about appropriate financing products.
- ▶ Banks will provide active assistance to the regional credit guarantee institutions that are facing burdens of workloads in receiving and reviewing applications.
- ▶ Credit guarantee institutions will closely cooperate with banks in ensuring prompt delivery of necessary funding to SMEs and small merchants.
- ▶ Banks will work to ensure that the loan and guarantee extensions as well as the deferment of interest payments are seamlessly implemented beginning on April 1.
- ▶ Banks will refrain from collecting debt from businesses that are facing temporary difficulties due to the COVID-19 outbreak.
- ▶ Banks will contribute to the bond market stabilization fund and actively cooperate to raise the fund when deemed necessary afterwards.
- ▶ Banks will actively cooperate to promptly launch a stock market stabilization fund.
- ▶ The financial regulators will ease standards on sanctions for financial institutions' handling of the COVID-19 financial support and actively support banks' efforts to boost liquidity requirements.

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For any inquiry, please contact Foreign Press & Relations Team at [fsc\\_media@korea.kr](mailto:fsc_media@korea.kr).