

AUTHORITIES TO CLOSELY MONITOR ILLEGAL & SUSPICIOUS ACTIVITIES LINKED TO PROPERTY MARKET SPECULATION

Vice Chairman Doh Kyu-sang presided over the kick-off meeting of the special financial response team on March 30 as a part of the government-wide effort to root out speculation in the real estate market.

The financial response team will be chaired by the Vice Chairman of the FSC and made up of about one hundred officials from the Korea Financial Intelligence Unit (KoFIU), Financial Supervisory Service, Korean Federation of Banks and Korea Credit Information Services. It will serve as a financial sector control tower in the government's efforts to prevent speculation in the real estate market. More specifically, the special financial response team will carry out inspections on lending practices, suspicious transactions and so on while also looking into areas for regulatory improvements.

At the meeting, Vice Chairman Doh stated that controlling speculation in the property market remains one of the top priorities of the financial sector and laid out following agendas for the operation of the team.

First, the authorities will carry out inspections on existing loans that are suspected to be linked to speculation and report immediately to the investigative authority upon finding any unlawful activities.

Second, in close coordination with the real estate market monitoring agency that is soon to be established, the authorities will set up a monitoring system that targets particular regions and financial institutions with sudden hikes in suspected cases. Until then, the KoFIU will maintain close monitoring and share relevant information with the investigative authority.

Third, there will be stringent penalties without exception when violations are found in the process of issuing land loans.

Fourth, the authorities will work to improve the relevant rules on non-housing mortgage loans and include the measures in the household debt management plan that is expected to be announced in April.

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