

GOVERNMENT APPROVES REVISED LAW TO SUPPORT INNOVATIVE FINANCIAL SERVICES

The government approved the revision to the Special Act on Support for Financial Innovation during a cabinet meeting held on April 13 to make improvements to the financial regulatory sandbox program and support ‘innovative financial service’ providers.¹

The revised Act allows ‘innovative financial service’ providers to file requests for regulatory improvements while extending the period of regulatory exemption for an additional year and six months if the authorities decide to accept the request and make relevant changes to the regulation.

KEY REVISIONS

(FILING REQUEST FOR REGULATORY IMPROVEMENT) The ‘innovative financial service’ providers may file a request for regulatory improvement to the FSC and other relevant authorities three months prior to the expiration of their designation status.

(ESTABLISHING SPECIFIC PROCEDURES FOR REVIEW PROCESS) Upon receiving a request for a regulatory improvement, the FSC or other relevant authority will introduce the matter to the relevant committee to decide the necessity of regulatory reform and make relevant changes to the regulation.

(EXTENSION OF REGULATORY EXEMPTION PERIOD) Upon the authority’s decision to make relevant changes to the regulation, the regulatory exemption period applied to the ‘innovative financial service’ will be extended for up to an additional year and six months² from the time of the expiration of their designation status.

SCHEDULE

The revised Act will take effect from July 21, 2021 after the promulgation on April 20. The FSC will work to ensure a smooth implementation of the revised law. At the same time, the authorities will help to better inform ‘innovative financial service’ providers about the changed rules taking place.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ The revised Act was passed by the National Assembly on March 24, 2021.

² For six months at a time