

AUTHORITIES HOLD MEETING ON IMPROVING RULES ON THE SUSPENSION OF LICENSING REVIEW PROCESS

The FSC announced that the financial development review committee held a second subcommittee meeting on policy and global finance issues on April 13. Main issues discussed by the subcommittee meeting include the measures to improve rules on the suspension of licensing review process and current conditions on household debt.

The rules on the suspension of licensing review process applied to all financial sectors are aimed at preventing the issuance of license to legally disqualified entities that may be undergoing an investigation or lawsuit at the time of their licensing review process. However, as the financial authorities are unable to predict the outcome of their investigation or lawsuit, there has been a problem of delays in the licensing review process for indefinite periods of time. In this regard, the FSC put forward the following measures to improve the rules—(a) improving the consistency and predictability of suspension by introducing more specific criteria for suspending the review process, (b) preventing indefinite delays in the suspension period by requiring the authorities to regularly check the appropriateness of resuming the licensing review process and (c) continuing with the licensing review process after a certain period based on the facts available up to that point.

With regard to the current household debt situation, the subcommittee members emphasized the importance of managing gross debt level as household debt has increased amid the COVID-19 pandemic. At the same time, the subcommittee members also talked about the importance of continuing to provide financial support for non-homeowners to strengthen the housing ladder especially for the working class and young adults.

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