

## OVERALL RESILIENCE OF KOREA'S FINANCIAL SYSTEM OBSERVED BY IMF'S FSAP

The International Monetary Fund published the Financial System Stability Assessment for Korea<sup>1</sup> on April 21 in which it observed the overall resilience of Korea's financial system.

The FSSA report finds that the "Korean authorities have continued their efforts at upgrading the prudential, legal and supervisory framework for the financial sector," and "have been strengthening the system with micro and macroprudential measures against vulnerabilities, strengthening the crisis management framework, and upgrading the prudential and legal framework."

The report also noted a few vulnerabilities, including "growth related uncertainties and elevated household debt," and suggested twelve specific recommendations in four key policy areas.

Classified as one of the twelve countries with systemically important financial sectors, the IMF's Financial Sector Assessment Program (FSAP) conducts financial stability assessment on Korea every five years. Following previous assessments in 2003 and 2014, the current FSSA report is drawn from the conclusion of a FSAP mission which took place in 2019.

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<sup>1</sup> For full report and executive summary, please visit IMF's website [here](#).