

GOVERNMENT TO STAMP OUT ILLEGAL PREDATORY LENDING

The government discussed ways root out illegal predatory lending at a meeting on anti-corruption policy led by President Moon Jae-in on June 22. The FSC and other relevant ministries have drawn up a joint framework for combating loan sharking, specifically focusing on the following key policy areas. The government-wide task force will regularly monitor developments and work on improvements.

(PREVENT ILLEGAL SALES ACTIVITIES) Set up a rapid alert system for both online and offline illegal predatory loan advertisements

(ENHANCE CRACKDOWNS) Enhance monitoring and detection of sophisticated sales activities, including online and offline illegal advertisements, suspicious reports filed at the FSS and criminal investigation cases led by law enforcement agencies

(ASSIST VICTIMS & PREVENT RECURRENCE) Provide comprehensive and tailored supports to victims of loan sharking in the form of financial, legal, welfare and employment assistance to help them recover

(RAISE PUBLIC AWARENESS) Provide information to the public about the widely used tactics and harmful effects of loan sharks, how to report illegal activities to authorities as well as the availability of government-backed microloan products

The FSC will soon announce a revision bill to the Credit Business Act to bar profit making from illegal loan sharking activities and push for the enactment of more punitive penalties.

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