

FSC CHAIRMAN HOLDS MEETING WITH FOREIGN BANKER GROUP¹

FSC Chairman Yim Jong-yong held a meeting this morning with the CEOs of foreign banks' branches and representative offices in Korea to listen to their views and suggestions for improvement on Korea's financial regulatory environment and help resolve difficulties in doing business in Korea.

Prior to listening to suggestions made by foreign bankers, Chairman Yim pledged to lower entry barriers for foreign banks and introduce more flexibility in business licensing requirements for a foreign bank's branch. For example, foreign banks have been recommended to open a representative office before they file an application for a business license to set up a branch. It is now up to foreign banks' decision so that they are allowed to file an application for a business license to launch a local branch without opening a representative office. In practice, Indonesia's BNI and China's Guangda Bank have recently filed an application for launching its Korean branch respectively, which is now under review for regulatory approval.

Currently, foreign banks are required to meet at least one of three requirements to start business in Korea in regard with credit ratings, asset levels and the number of foreign branches. In reviewing such requirements, the FSC will introduce more flexibility depending on the scope and nature of their business.

As the FSC pushes forward its financial reform initiative to strengthen the financial sector's competitiveness, we welcome views and suggestions from foreign financial institutions. The FSC will continue to improve Korea's financial regulatory system in accordance with international standards.

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For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr

¹ The FBC is composed of the CEOs of 39 branches and 20 representative offices of foreign banks operating in Korea.