

PEER-TO-PEER LENDING CAP TO BE LOWERED TO PROVIDE INVESTOR SAFEGUARDS

The FSC and the FSS announced on March 27 their decision to lower the peer-to-peer lending cap through supervisory guidance from the previously set amount of KRW50 million to KRW30 million per year. For real estate investment products, the P2P lending cap will be lowered to KRW10 million from KRW30 million.

The decision was made amid growing concerns about damages to investors due to the possibility of an increase in defaults and delinquencies in the wake of the COVID-19 crisis.

The changes in the lending cap apply to retail investors and take into consideration public comments since the enforcement decree of the Act on Online-linked Financing was announced on January 28.

The government plans to gradually adjust the lending cap in the future, while promoting the sound development of the P2P lending industry and investor protection.

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