ENFORCEMENT DECREES OF THE ACT
ON REGISTRATION OF CREDIT
BUSINESS, ETC. AND PROTECTION OF
FINANCE USERS

Article 1 (Purpose)
The purpose of this Decree is to provide for the matters delegated by the
Act on Registration of Credit Business, etc. and Protection of Finance
Users and the matters necessary for the enforcement thereof.

[This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009]

Article 2 (Scope of Exclusion from Credit Business)
“Cases provided for by Presidential Decree” in the proviso to subparagraph
1 of Article 2 of the Act on Registration of Credit Business, etc. and
Protection of Finance Users (hereinafter referred to as the “Act”) other
than each item means any of the following subparagraphs:
1. Where an employer lends a loan to his/her employee;
2. Where a trade union established under the Trade Union and Labor
Relations Adjustment Act lends a loan to its member;
3. Where the State or a local government lends a loan;
4. Where a nonprofit legal entity established pursuant to the Civil Act
or any other Act lends a loan within the scope of the purposes stipulated
in its articles of association.
Article 2-2 (Scope of Investors)

"Standards prescribed by Presidential Decree" in Article 3 (2) 2 of the Act means 1/100 of the total number of outstanding shares or the total amount of contribution.

Article 2-3 (Procedures for Registration and Renewal of Registration)

(1) Any person who desires to register a credit business or loan brokerage business (hereinafter referred to as "credit business, etc.") pursuant to Article 3 (1) of the Act shall file an application for registration of credit business, etc. prescribed and publicly notified by the Financial Services Commission, with the Special Metropolitan City Mayor, a Metropolitan City Mayor, a Do Governor, or a Governor of Special Self-Governing Province who has jurisdiction over the place of business (hereinafter referred to as the "Mayor/Do Governor"), along with a copy of a certificate of completion of the educational course under Article 2-5 (4) and other documents specified and publicly notified by the Financial Services Commission. Provided, That a person who falls under the proviso to Article 3-4 (1) of the Act and who completed the educational course shall submit a copy of the certificate of completion of the educational course under Article 2-5 (4) within one week from the date on which he/she has completed the educational course.

(2) Each copy of a certificate of completion of the educational course submitted in accordance with paragraph (1) shall be a copy of a certificate of completion of the educational course (including such certificates issued by a Mayor/Do Governor who has no jurisdiction over the place of business) that has been completed not more than six months before the date of filing a registration application.

(3) The form of the registration certificate under Article 3 (3) of the Act shall be prescribed and publicly notified by the Financial Services Commission.

(4) "Matters prescribed by Presidential Decree" in the proviso to Article 3 (4) of the Act means the following matters:

1. Address of the registration applicant under Article 3 (2) 1 of the Act;
2. Addresses of investors and executive officers under Article 3 (2) 2 of the Act;
3. Address of the employee under Article 3 (2) 3 of the Act.

(5) Any person who desires to have a registration certificate reissued pursuant to Article 3 (6) of the Act shall submit a report on the loss of the registration certificate for credit business, etc., in the form prescribed and publicly notified by the Financial Services Commission to the Mayor/Do Governor who has jurisdiction over his/her place of business.

[This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009]

Article 2-4 (Procedure for Renewal of Registration)

(1) Any person who intends to apply for renewal pursuant to Article 3-2 (1) of the Act shall file an application for renewal of registration of credit business, etc., in the form prescribed and publicly notified by the Financial Services Commission with the Mayor/Do Governor who has jurisdiction over his/her place of business, along with a copy of a certificate of completion of the educational course under Article 2-5 (4) and other documents specified and publicly notified by the Financial Services Commission.

(2) The proviso to Article 2-3 (1) and paragraph (2) of the aforesaid Article shall apply mutatis mutandis to the cases of paragraph (1).

[This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2009]

Article 2-5 (Educational Course on Credit Business, etc.)

(1) "Inevitable circumstances" in the proviso to Article 3-4 (1) of the Act means any of the following subparagraphs:

1. A natural disaster;
2. An unavoidable event, such as the trainee's illness, accident, or business travel abroad;
3. Where it is difficult to attend an education course due to the education institution's circumstances in human resources or physical facilities.

(2) "Period of time prescribed by Presidential Decree" in the proviso to Article 3-4 (1) of the Act means one month after registration or renewal of registration.

(3) The education course on obligations of credit businesses, etc. under Article 3-4 (1) of the Act shall be a collective educational course conducted by each Mayor/Do Governor for representatives and employees who have overall control over business affairs (hereinafter referred to as "general managers") on the following matters: <Amended by Presidential Decree No. 21673, Aug. 5, 2009>

1. Limitations on interest rates of credit service providers under Article
8 of the Act and the calculation method of interest rates:
2. Prohibition of unlawful acts for debt collection under the Fair Debt Collection Practices Act;
3. The method of preparing the report under Article 12 (9) of the Act;
4. Other matters considered necessary for credit service providers or loan brokers (for convenience, hereinafter referred to as "credit service providers, etc.") to run credit business, etc.

(4) Each Mayor/Do Governor shall issue a person who completes the educational course under paragraph (3) a certificate of completion of the educational course in the form prescribed and publicly notified by the Financial Services Commission.

[This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2008]

Article 3 (Amended Registration)

(1) Any credit service provider who intends to apply for amended registration pursuant to the body of Article 5 (1) of the Act shall file an application for amended registration of credit business in the form prescribed and publicly notified by the Financial Services Commission with the Mayor/Do Governor who has jurisdiction over his/her place of business, along with documents certifying changes.
(2) "Miscellaneous changes prescribed by Presidential Decree" in the proviso to Article 5 (1) of the Act means addresses of the representative, executive officers, investors, and general managers.
(3) Any credit service provider who intends to close down his/her credit business, etc. pursuant to Article 5 (2) of the Act shall file a report on closedown of credit business, etc. in the form prescribed and publicly notified by the Financial Services Commission (including an electronic document under subparagraph 1 of Article 2 of the Framework Act on Electronic Commerce) with the Mayor/Do Governor who has jurisdiction over his/her place of business within 15 days from the date of business closedown.

[This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009]

Article 3-2 (Trade Names)

(1) "Standards prescribed by Presidential Decree" in Article 5-2 (3) of the Act means a case where the ratio of operating income accruing from credit business, etc. to gross operating income is less than 50/100.
(2) In cases where a credit service provider who does not use the term "credit business" or "loan brokerage" in his/her trade name because he/she
falls under paragraph (1) conducts any business activity, such as advertisement, in relation to credit business, he/she shall put words “credit business” or “loan brokerage” conspicuously together with his/her trade name.

(3) The ratio of the operating income under paragraph (1) for credit business, etc. shall be calculated on the basis of the interest income stated on the profit and loss statement as at the end of the immediately preceding business year, while the ratio for any business other than credit business, etc. shall be calculated on the basis of the sales stated on the same profit and loss statement. In such cases, gains on management of financial products, such as investment in securities and deposits in financial companies, shall be excluded from the calculation of the ratio of operating income.

[This Article Newly Inserted by Presidential Decree No. 21466, Apr. 21, 2009]

Article 4 (Mandatory Descriptions of Loan Agreement)

(1) “Matters prescribed by Presidential Decree” in Article 6 (1) 11 and (3) 7 of the Act means the following matters:

1. Registration number of credit business, etc.;
2. Overdue interest rates;
3. Terms and conditions concerning acceleration clause, if any;
4. Terms and conditions concerning the repayment order of the principal and interests of a loan, if any.

(2) “Documents related to an agreement as prescribed by Presidential Decree” in Article 6 (5) and the former part of paragraph (6) of the same Article means the following documents:

1. Loan agreement ledger;
2. Records of principal, interests, and incidental expenses disbursed to and received from a debtor on each date;
3. Documents submitted by a counter-party (including a guarantor) in connection with the execution of a loan agreement or a guarantee agreement related thereto, including documents related to security (also, a written demand, if the documents have been returned upon receiving a demand from the debtor in writing for returning the documents after completing the repayment for his/her debts).

[This Article Wholly Amended by Presidential Decree No. 21466, Apr. 21, 2009]

Article 4-2 (Handwriting of Material Facts)
"Matter prescribed by Presidential Decree" in Article 6-2 (1) 4 and (2) 4 of the Act means overdue interest rate.

(This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2008)

Article 4-3 (Prohibition of Excessive Lending)

(1) "Evidentiary documents prescribed by Presidential Decree" in the main sentence of Article 7 (1) of the Act means the documents specified for each of the following cases:

1. If a counter-party is a private individual:
   (a) A certificate of income, such as a receipt of withholding from earned income under Article 143 of the Income Tax Act, a receipt of withholding from business income under Article 144 of the aforesaid Act, a certificate of income, a copy of a bankbook for salary deposit, and a certificate of pension;
   (b) A certificate of balance of debts among documents related to debts under the former part of Article 6 (6) of the Act; Provided, That the certificate may be substituted by a credit inquiry, if it is possible to inquiry the status of debts by a credit inquiry;
   (c) Other documents to verify income, property, and the status of debts;
2. If a counter-party is a legal entity:
   (a) An audit report (limited to a legal entity subject to the external audit under Article 2 of the Act on External Audit of Stock Companies);
   (b) A business registration certificate under Article 7 (3) of the Enforcement Decree of the Value-Added Tax Act, a tax certificate for each item of local tax, and a certificate of payment of local taxes;
   (c) Documents specified in subparagraph 1 (b) through (d).

(2) "Cases where the amount of loan falls short of the amount prescribed by Presidential Decree" in the proviso to Article 7 (1) of the Act means cases where the aggregate of the balance of loans already lent to a counter-party and the amount of the loan on which a credit service provider intends to execute another loan agreement is less than five million won.

(This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2008)

Article 5 (Limitations on Interest Rates)

(1) "Small corporation defined by Presidential Decree" in Article 8 (1) of the Act means such a small corporation as defined in Article 2 (2) of the Framework Act on Small and Medium Enterprises.
(2) "Rate prescribed by Presidential Decree" in Article 8 (1) of the Act means 49/100 per annum, and the interest rate per month or per day shall be computed by converting 49/100 per annum into a simple interest rate.

(3) "Matters prescribed by Presidential Decree" in the proviso to Article 8 (2) of the Act means the following expenses:
1. Expenses for the creation of a security right;
2. Expenses for credit inquiry (applicable only where an inquiry about an opposite contractual party's credit is made to a person who holds permission for the business under Article 4 (1) 1 of the Use and Protection of Credit Information Act).

[This Article Wholly Amended by Presidential Decree No. 31446, Apr. 21, 2009]

Article 6 (Public Notice of Terms and Conditions of Loan)

(1) "Important information prescribed by Presidential Decree" in Article 9 (1) of the Act means the following matters:
1. Registration number of credit business;
2. Overdue interest rates;
3. Terms and conditions concerning incidental expenses related to a loan agreement.

(2) "Matters prescribed by Presidential Decree" in Article 9 (2) 5 of the Act means the following matters:
1. Address and telephone number of the place of business [referring to the address and telephone number of the head office, if a credit service provider has places of business in two or more Metropolitan Cities or provinces, such as the Special Metropolitan City, Metropolitan Cities, Dos, and Special Self-Governing Provinces (hereinafter referred to as "Cities/Dos");
2. Name of the City/Do where the credit business is registered.

(3) "Matters prescribed by Presidential Decree" in Article 9 (3) 5 of the Act means the following facts:
1. Address and telephone number of the place of business (referring to the address and telephone number of the head office, if a loan broker has places of business in two or more Cities/Dos);
2. Name of the City/Do where the loan brokerage business is registered;
3. An expression "demanding or receiving a brokerage commission is illegal."
Article 6-2 (Advertisement of Credit Service Providers)

"Manners prescribed by Presidential Decree" in Article 9 (4) of the Act means the following manners:
1. Letters of the trade name of each credit service provider shall be larger than letters of a trademark and shall be legible;
2. The size of letters describing the registration number, telephone number, interest rates for loans, and expenses incidental to loan agreements shall be the same as the size of the trade name and shall be easily distinguishable from other words in each advertisement.

Article 7 (Credit Business subject to Inspection by Governor of Financial Supervisory Service)

"Cases prescribed by Presidential Decree" in Article 12 (3) of the Act means any of the following subparagraphs:
1. Where it is difficult for a Mayor/Do Governor to conduct an inspection under Article 12 of the Act on a credit service provider who is registered with two or more Mayors/Do Governors;
2. Where the monthly average balance of loans lent by a credit service provider as at the end of each month exceeds the amount prescribed by the Financial Services Commission;
3. Where a credit service provider's business activities violate Acts or subordinate statutes or are highly likely to place a counter-party (including guarantors, if there are guarantee agreements executed in connection with loan agreements) in a disadvantageous position, and an institution subject to the inspection by the Financial Supervisory Service under Article 38 of the Act on the Establishment, etc. of Financial Services Commission (hereinafter referred to as "financial institution") is involved in such activities;
4. Where it is suspected that a person who is a major shareholder of two or more registered business entities intends to evade the inspection under Article 12 (4) of the Act in any means, such as spin-off, etc.

Article 7-2 (Cases subject to Inspection by Governor of Financial Supervisory Service)

(1) "Cases prescribed by Presidential Decree" in Article 12 (4) of the Act
means any of the following cases:

1. Where a credit service provider who is a corporation has been registered with two or more Mayors/Do Governors;

2. Where the amount of assets of a credit service provider who is a corporation is seven billion won or more as at the end of the immediately preceding business year.

(2) The Governor of Financial Supervisory Service may request each Mayor/Do Governor to submit data relevant to subparagraphs of paragraph (1).

[This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009]

Article 7-3 (Submission of Reports by Credit Service Providers)

(1) Pursuant to Article 12 (9) of the Act, each credit service provider shall prepare the reports prescribed and publicly notified by the Financial Services Commission as on June 30 and December 31, respectively and submit each of the reports to the competent Mayor/Do Governor by the end of the following month of the base date.

(2) "Matters prescribed by Presidential Decree" in Article 12 (9) 1 (c) and 2 (c) of the Act means matters concerning the general status of the place of business, the current status of credit business, the current status of loan brokerage business, and the current status of borrowings described in the report under paragraph (1).

[This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2009]

Article 7-4 (Guidelines for Suspension of Business and Cancellation of Registration)

(1) "Standards prescribed by Presidential Decree" in Article 13 (1) of the Act other than each subparagraph means the guidelines prescribed in attached Table 1.

(2) "Number prescribed by Presidential Decree" in Article 13 (2) 5 of the Act means the frequency prescribed in attached Table 1.

[This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2009]

Article 8 (Contents and Method of Public Notice)

Pursuant to Article 13 (2) 6 of the Act, each Mayor/Do Governor shall prepare a public notice stating that the registration may be revoked if a credit service provider fails to notify its exact location in order to verify the location and shall publish the notice through the official bulletin of the City/Do or a daily newspaper.

[This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009]
Article 9 (Limitations on Interest Rates of Specialized Credit Financial Institutions)
(1) "Rate set forth in Presidential Decree" in Article 15 (1) of the Act means 49/100 per annum.
(2) If the rate under paragraph (1) shall be applied on a monthly or daily basis, 49/100 per annum shall be converted into a simple interest rate.
(3) "Rate set forth in Presidential Decree" in Article 15 (3) of the Act means any of the following overdue interest rates. In such cases, each rate shall not exceed 49/100 per annum:
1. The overdue interest rate determined by the Bank of Korea in the case of a financial institution under Article 11 of the Bank of Korea Act;
2. The overdue interest rate determined by the Financial Services Commission for each type of financial business, reflecting characteristics of each type of financial business therein.
(This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009)

Article 10 (Registration Fees)
(1) Any person who desires to register a credit business, etc. shall pay 100,000 won as registration fee for each place of business in accordance with Article 17 (1) of the Act. Provided, That a different amount of the fee may be prescribed by Municipal Ordinance of each City/Do within the maximum of 100,000 won.
(2) "Inspection fees prescribed by Presidential Decree" in Article 17 (2) of the Act means the amount determined by the Financial Services Commission within the maximum of 1/1,000 of the yearly average balance of loans as on the inspection date. Provided, That a different amount of the fee may be prescribed by Municipal Ordinance of each City/Do within the maximum of 1/1,000 of the yearly average balance of loans.
(This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009)

Article 11 (Composition and Management of the Committee for Conciliation of Disputes)
(1) The Committee for Conciliation of Disputes under Article 18 (1) of the Act shall be comprised of five members appointed by the competent Mayor/Do Governor from among persons falling under any of the following subparagraphs:
1. A person who has ever worked for a financial institution for three
years or more;
2. A lawyer or certified public accountant;
3. A person who has ever worked for a consumer organization for three years or more;
4. A public official who has ever worked in the field of finance, credit business, or consumer protection for three years or more;
5. A person who majors in finance or law and has worked for a college as a full-time lecturer or with a higher position for three years or more.

(2) The chairperson shall be elected by and among the members, and the term of office for the chairperson and members shall be one year but may be renewed consecutively.

(3) The Committee for Conciliation of Disputes may adopt a proposal for conciliation of a dispute by an affirmative vote of 2/3 of incumbent members and may recommend the parties to a dispute to accept the proposal for conciliation of the dispute.

(4) Further details necessary for the efficient management of the Committee for Conciliation of Disputes shall be prescribed by the Committee for Conciliation of Disputes, in addition to matters prescribed in paragraphs (1) through (3).

(This Article Wholly Amended by Presidential Decree No. 21466, Apr. 21, 2009)

Article 11-2 (Consumer Loan Finance Association)

(1) Pursuant to Article 18-2 (4) of the Act, the Consumer Loan Finance Association (hereinafter referred to as the "Association") shall prepare articles of incorporation and shall complete registration of incorporation at the registry office having jurisdiction over the domicile of the principal place of business within two weeks from the date on which it obtains the authorization therefor of the Financial Services Commission.

(2) The registration of incorporation under paragraph (1) shall include the following matters:

1. Purposes;
2. Name;
3. Locations of the principal place of business and branch associations;
4. Names and addresses of executives;

(3) The application for registration of incorporation under paragraph (1) shall be accompanied by the following documents:
1. Articles of incorporation;
2. A copy of the letter of authorization for articles of incorporation.
(4) "Affairs prescribed by Presidential Decree" in subparagraph 4 of Article 18-3 of the Act means the following business affairs:
   1. Education of executives and employees of credit service providers;
   2. Survey and research for the development of credit business, etc.;
   3. Other business affairs necessary for the achievement of the Association's purposes.
   [This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2009]
Article 11-3 (Entrustment of Business Affairs)
Pursuant to Article 18-7 (1) of the Act, each Mayor/Do Governor may entrust the Association with the education on obligations of credit businesses, etc. under Article 3-4 of the Act.
   [This Article Newly Inserted by Presidential Decree No. 21446, Apr. 21, 2009]
Article 12 (Guidelines for Imposition of Fines for Negligence)
The guidelines for imposition of fines for negligence are as prescribed in attached Table 2.
   [This Article Wholly Amended by Presidential Decree No. 21446, Apr. 21, 2009]

ADDENDUM
This Decree shall enter into force on the date of its promulgation.

ADDENDUM <Presidential Decree No. 18319, Mar. 17, 2004>
This Decree shall enter into force on the date of its promulgation.

ADDENDUM <Presidential Decree No. 19019, Aug. 31, 2005>
This Decree shall enter into force on September 1, 2005.

ADDENDA <Presidential Decree No. 20313, Oct. 4, 2007>
Article 1 (Enforcement Date)
This Decree shall enter into force on the date of its promulgation.
Article 2 (Applicability of Limitation to Interest Rates)
The amended provisions of Article 5 (3) and of the latter part of Article 9 shall apply to loan agreements made or renewed on or after the date when this Decree enters into force.
ADDENDA <Presidential Decree No. 20633, Feb. 29, 2008>

Article 1 (Enforcement Date)
This Decree shall enter into force on the date of its promulgation: Provided, That among Presidential Decrees amended under Article 2 of these Addenda, the amended provisions of any Presidential Decree which is promulgated before this Decree enters into force, but which does not enter into force shall enter into force on the date when such Presidential Decree does so.
Article 2 Omitted.

ADDENDUM <Presidential Decree No. 20758, Mar. 28, 2008>
This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 21446, Apr. 21, 2009>
Article 1 (Enforcement Date)
This Decree shall enter into force on April 22, 2009.
Article 2 (Special Cases for Change of Trade Names of Credit Service Providers)
In cases where any credit service provider who has several places of business to run the head office and branch offices changes the trade name, if the head office or a branch office files an application of renewal of registration of the place of business first because the expiration of the effective period of the registration is approaching, other offices, as well as the office filing the application for renewal, may also file an application for amended registration in relation to the trade name.
Article 3 (Transitional Measure in Response to Amendment of Other Acts and Subordinate Statutes)
"Article 4 (1) 1 of the Use and Protection of Credit Information Act" in the amended provisions of Article 5 (3) 2 shall be construed as "Article 4 (4) 1 of the Use and Protection of Credit Information Act" until October 1, 2009.
Article 4 (Transitional Measure concerning Fines for Negligence)
(1) The imposition of fines for negligence for offenses committed before this Decree enters into force shall be governed by former provisions.
(2) In cases where the guidelines for the imposition of fines for negligence
shall be applied according to the frequency of offenses pursuant to amended provisions of this Act, an offense committed first after this Decree enters into force shall be deemed the first offense.

Article 5 Omitted.

ADDENDA <Presidential Decree No. 21673, Aug. 5, 2009>

Article 1 (Enforcement Date)
This Decree shall enter into force on August 7, 2009.

Article 2 (Transitional Measure)
Acts committed before this Decree enters into force shall be governed by the guidelines for the administrative disposition under former provisions.
Guidelines for Suspension of Business and Revocation of Registration (Related to Article 7-4)

1. General guidelines
   A. If offences have been committed twice or more and the disposition guidelines applicable to each offense are suspension of business, one-half of the business suspension period applicable to the lighter disposition shall be added to the business suspension period applicable to the heavier disposition.
   B. The guidelines for the administrative disposition applicable according to the frequency of offenses shall apply to cases where another offense is discovered within one year from the date on which an administrative disposition was made against an identical offense.
   C. Bach Mayor/Do Governor may aggravate or abate the business suspension period by one-half of the business suspension period, taking into consideration the motive, substance, and frequency of offenses and other relevant facts. Provided, That an aggravated period shall not exceed one year for the cases of items (a) and (b) below.

2. Specific guidelines

<table>
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<tr>
<th>Offenses</th>
<th>Applicable Provisions</th>
<th>Guidelines for administrative disposition</th>
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<tbody>
<tr>
<td>(a) Where a person fails to file a report on loss in violation of Article 3 (6) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>First time: Partial suspension of business for 1 month; Second time: Partial suspension of business for 3 months; Third time:</td>
</tr>
<tr>
<td>(b) Where a person fails to complete the educational course under the proviso to Article 3-4 (1) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>Partial suspension of business for 3 months</td>
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<tr>
<td>(c) Where a person fails to file for amended registration of a change under any provision of Article 3 (2) 1 through 3 of the Act in violation of the main sentence of Article 5 (1) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>-</td>
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<tr>
<td>(d) Where a person fails to file for amended registration of a change under Article 3 (2) 4 and 5 in violation of the main sentence of Article 5 (1) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>-</td>
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<tr>
<td>(e) Where a person fails to use the term “credit business” or “loan brokerage” in his/her trade name in violation of Article 5-2 (1) or (2) of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
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<tr>
<td>(f) Where a person allows another person to run a credit business in his/her name or lends his/her registration certificate in violation of Article 5-2 (4) of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Complete suspension of business for 6 months</td>
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<td>(g) Where a person fails to deliver a loan agreement or a guarantee agreement in violation of Article 6 (1) or (3) of the Act, or delivers a loan agreement or a guarantee agreement with false statement or omission of all or some of the matters under paragraph (1) or (3) of the aforesaid Article.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
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<td>(h) Where a person fails to perform his/her obligation to explain in violation of Article 6 (2) or (4) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>-</td>
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<td>(i) Where a person fails to preserve agreements and documents related to such agreements in violation of Article 6 (5) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>-</td>
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<td>(j) Where a person refuses to allow a counter-party to inspect an agreement and documents related to the agreement, or refuses to issue a related certificate without any justifiable cause, in violation of Article 6 (6) of the Act or where a person refuses to issue a debt certificate in violation of Article 5 (1) of the Fair Debt Collection Practices Act.</td>
<td>Article 13 (1) 1 of the Act</td>
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<td>Condition</td>
<td>Article</td>
<td>Penalty</td>
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<td>(k) Where a person fails to require a counter-party or a guarantor to handwrite the matters under subparagraphs of Article 6-2 (1) or (2) of the Act in violation of Article 6-2 of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
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<td>(l) Where a person fails to require a counter-party to submit evidentiary documents of income, property, and the status of debts in advance in violation of Article 7 (1) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>-</td>
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<td>(m) Where a person uses a document for any purpose other than originally intended purposes in violation of Article 7 (3) of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Complete suspension of business for 6 months</td>
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<td>(n) Where a person enters into a loan agreement in excess of the interest rate under Article 8 of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>Partial suspension of business for 1 month</td>
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<td>(o) Where a person receives an interest in excess of the interest rate under Article 8 of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Complete suspension of business for 6 months</td>
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<td>(p) Where a person fails to perform his/her obligation to give public notice in violation of Article 9 (1) of the Act.</td>
<td>Article 13 (1) 1 of the Act</td>
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Partial suspension of business for 6 months
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<th>Partial Suspension</th>
<th>Partial Suspension</th>
<th>Revocation</th>
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<tr>
<td>(q)</td>
<td>Where a person places an advertisement in violation of Article 9 (2) or (3) of the Act.</td>
<td>13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
</tr>
<tr>
<td>(r)</td>
<td>Where a person fails to perform his/her obligation on words and notices of advertisement in violation of Article 9 (4) of the Act.</td>
<td>13 (1) 1 of the Act</td>
<td>-</td>
<td>Partial suspension of business for 1 month</td>
<td>Partial suspension of business for 3 months</td>
</tr>
<tr>
<td>(s)</td>
<td>Where a person commits an act under any subparagraph of Article 9-3 (1) of the Act in violation of the aforesaid paragraph.</td>
<td>13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
</tr>
<tr>
<td>(t)</td>
<td>Where a person takes over a debt under a loan agreement from an unregistered credit service provider to collect the debt in violation of Article 9-4 of the Act.</td>
<td>13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td>-</td>
</tr>
<tr>
<td>(u)</td>
<td>Deleted. <em>By Presidential Decree No. 21673, Aug. 5, 2009</em></td>
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<td>(v)</td>
<td>Deleted. <em>By Presidential Decree No. 21673, Aug. 5, 2009</em></td>
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<td>(w)</td>
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<td>(x)</td>
<td>Deleted. <em>By Presidential Decree No. 21673, Aug. 5, 2009</em></td>
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<tr>
<td>(y)</td>
<td>Deleted. <em>By Presidential Decree No. 21673, Aug. 5, 2009</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(z)</td>
<td>Where a person acts as a loan broker or receives a brokerage commission in violation of Article 11-2 (1) or (2) of the Act.</td>
<td>13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td>-</td>
</tr>
<tr>
<td>(aa) Where a person fails to respond to, or interferes with, an inspection under any provision of Article 12 (1) through (4) of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td></td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>(bb) Where a person violates an order under Article 12 (1) or (7) of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td></td>
</tr>
<tr>
<td>(cc) Where a person fails to comply with a demand under Article 12 (5) of the Act.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td></td>
</tr>
<tr>
<td>(dd) Where a person fails to submit a report in violation of Article 12 (9) of the Act, submits a false report, or submits a report without mandatory descriptions of matters contained therein, in part or in whole.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td></td>
</tr>
<tr>
<td>(ee) Where another place of business registered with the same Mayor/Do Governor or a place of business registered with another Mayor/Do Governor, among places of business of a credit service provider, violates Article 13 (2) 1 of the Act and becomes subject to business suspension.</td>
<td>Article 13 (1) 2 of the Act</td>
<td>-</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td></td>
</tr>
<tr>
<td>(ff) Where a person fails to have a registration certificate of credit business or loan brokerage reissued by July 22, 2009 in violation of the latter part of Article 7 (1) of the Addenda to the Act on Registration of Credit Business, etc. and Protection of Finance Users (Act No. 9344).</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td></td>
</tr>
<tr>
<td>(gg) Where a person delegates debt collection to two or more persons at the same time for the same debt in violation of Article 7 of the Fair Debt Collection Practices Act.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>Partial suspension of business for 1 month</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td></td>
</tr>
<tr>
<td>(hh) Where a person registers a debtor as a defaulting debtor in violation of Article 8 of the Fair Debt Collection Practices Act, although a lawsuit contesting the existence of a debt is pending.</td>
<td>Article 13 (1) 1 of the Act</td>
<td>Partial suspension of business for 1 month</td>
<td>Partial suspension of business for 3 months</td>
<td>Partial suspension of business for 6 months</td>
<td></td>
</tr>
<tr>
<td>(ii) Where a person collects a debt by committing an act falling under any subparagraph of Article 9 of the Fair Debt Collection Practices Act in violation of the aforesaid Article.</td>
<td>Article 13 (1) 1 or (2) 7 of the Act</td>
<td>Complete suspension of business for 6 months</td>
<td>Revocation of registration</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
(ii) Where a person divulges credit information or personal information of a debtor or a related person, or uses such information for any purpose other than originally intended purposes, in violation of Article 10 (1) of the Fair Debt Collection Practices Act.

<table>
<thead>
<tr>
<th>Article 13 (1) 1 or (2) 7 of the Act</th>
<th>Complete suspension of business for 6 months</th>
<th>Revocation of registration</th>
</tr>
</thead>
</table>

( kk) Where a person commits an act falling under subparagraph 1 of Article 11 of the Fair Debt Collection Practices Act in violation of the aforesaid Article.

<table>
<thead>
<tr>
<th>Article 13 (1) 1 or (2) 7 of the Act</th>
<th>Complete suspension of business for 6 months</th>
<th>Revocation of registration</th>
</tr>
</thead>
</table>


<table>
<thead>
<tr>
<th>Article 13 (1) 1 or (2) 7 of the Act</th>
<th>Complete suspension of business for 6 months</th>
<th>Revocation of registration</th>
</tr>
</thead>
</table>

(mm) Where a person commits an act falling under any provision of subparagraphs 3 through 5 of Article 11 of the Fair Debt Collection Practices Act in violation of the aforesaid Article.

<table>
<thead>
<tr>
<th>Article 13 (1) 1 of the Act</th>
<th>Partial suspension of business for 1 month</th>
<th>Partial suspension of business for 3 months</th>
</tr>
</thead>
</table>

(nn) Where a person collects a debt by committing an act falling under subparagraph 1 or 2 of Article 12 of the Fair Debt Collection Practices Act in violation of the aforesaid Article.

<table>
<thead>
<tr>
<th>Article 13 (1) 1 or (2) 7 of the Act</th>
<th>Partial suspension of business for 3 months</th>
<th>Partial suspension of business for 6 months</th>
</tr>
</thead>
</table>

Revocation of registration
(oo) Where a person collects a debt by committing an act falling under any provision of subparagraphs 3 through 5 of Article 12 of the Fair Debt Collection Practices Act in violation of the aforesaid Article.  

<table>
<thead>
<tr>
<th>Article 13 (1) 1 of the Act</th>
<th>Partial suspension of business for 3 months</th>
<th>Partial suspension of business for 6 months</th>
</tr>
</thead>
</table>

(pp) Where a person demands expenses for debt collection to another person who owes no obligation to pay such expenses, or demands another person to pay such expenses in excess of an amount actually spent, in violation of Article 13 of the Fair Debt Collection Practices Act.  

<table>
<thead>
<tr>
<th>Article 13 (1) 1 of the Act</th>
<th>Partial suspension of business for 1 month</th>
<th>Partial suspension of business for 3 months</th>
<th>Partial suspension of business for 6 months</th>
</tr>
</thead>
</table>
Guidelines for Imposition of Fines for Negligence (Related to Article 12)

1. General guidelines
A. The guidelines for the imposition of fines for negligence according to the frequency of offenses shall apply to cases where another identical offense is discovered within one year from the date on which a fine for negligence was imposed on an offense. 
B. Each Mayor/Do Governor may aggravate or abate the amount of a fine for negligence by not more than one-half of the fine for negligence that shall be otherwise imposed, taking into consideration the motive, substance, and frequency of offenses and other relevant facts. In such cases, the total amount of a fine for negligence shall not exceed the amount prescribed in Article 21 (1) and (2) of the Act.

2. Specific guidelines

<table>
<thead>
<tr>
<th>Offenses</th>
<th>Applicable Provisions</th>
<th>Guidelines for imposition of fines for negligence</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First time</td>
<td>Second time</td>
<td>Third time or more</td>
</tr>
<tr>
<td>(a) A person who fails to file a report on loss in violation of Article 3-3 (6) of the Act.</td>
<td>Article 21 (2) 1 of the Act</td>
<td>200</td>
<td>1,000</td>
</tr>
<tr>
<td>(b) A person who fails to return a registration certificate in violation of Article 3-3 (1) or (2) of the Act</td>
<td>Article 21 (2) 2 of the Act</td>
<td>500</td>
<td>2,500</td>
</tr>
<tr>
<td>(c) A person who fails to attend an educational course in violation of Article 3-4 (1) of the Act.</td>
<td>Article 21 (2) 3 of the Act</td>
<td>500</td>
<td>2,500</td>
</tr>
</tbody>
</table>

(Unit: Thousands of Won)
(d) A person who fails to file for amended registration of a change under any provision of Article 3 (2) 1 through or 3 in violation of Article 5 (1) of the Act. | Article 21 (1) 1 of the Act | 200 | 1,000 | 2,000  

(e) A person who fails to file for amended registration of a change under Article 3 (2) 4 or 5 in violation of Article 5 (1) of the Act. | Article 21 (1) 1 of the Act | 500 | 2,500 | 5,000  

(f) A person who fails to file a report on closedown of business in violation of Article 5 (2) of the Act. | Article 21 (1) 1 of the Act | 500 | 2,500 | 5,000  

(g) A person who fails to use the term “credit business” or “loan brokerage” in his/her trade name in violation of Article 5–2 (1) or (2) of the Act. | Article 21 (1) 2 of the Act | 2,000 | 5,000 | 10,000  

(h) A person who fails to deliver an agreement in violation of Article 6 (1) or (3) of the Act, or delivers an agreement with false statement or omission of all or some of the matters under subparagraphs of Article 6 (1) or (3) of the Act. | Article 21 (1) 3 of the Act | 2,000 | 5,000 | 10,000  

(i) A person who fails to give explanation in violation of Article 6 (2) or (4) of the Act. | Article 21 (1) 4 of the Act | 500 | 2,500 | 5,000
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Article 21</th>
<th>Penalty 1</th>
<th>Penalty 2</th>
<th>Penalty 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(j)</td>
<td>A person who fails to perform his/her obligation to preserve agreements and documents related to such agreements in violation of Article 6 (5) of the Act.</td>
<td>(2) 4 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>(k)</td>
<td>A person who refuses to allow a counter-party to inspect an agreement and documents related to the agreement, or refuses to issue a related certificate without any justifiable cause, in violation of Article 6 (6) of the Act.</td>
<td>(2) 5 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>(l)</td>
<td>A person who fails to require a counter-party or a guarantor to handwrite the matters under subparagraphs of Article 6-2 (1) or (2) in violation of Article 6-2 of the Act.</td>
<td>(1) 5 of the Act</td>
<td>2,000</td>
<td>5,000</td>
<td>10,000</td>
</tr>
<tr>
<td>(m)</td>
<td>A person who fails to require an opposite contractual party to submit evidentiary documents of income, property, and the status of debts in violation of Article 7 (1) of the Act.</td>
<td>(1) 6 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>(n)</td>
<td>A person who fails to give public notice of important facts in violation of Article 9 (1) of the Act.</td>
<td>(1) 7 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>(o)</td>
<td>A person who places an advertisement in violation of Article 9 (2) or (3) of the Act.</td>
<td>(1) 8 of the Act</td>
<td>2,000</td>
<td>5,000</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Article 21 (2) 6 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
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</tr>
<tr>
<td>(p) A person who does not perform his/her obligation on words and notices of advertisement in violation of Article 9 (4) of the Act.</td>
<td></td>
<td>Article 21 (1) 9 of the Act</td>
<td>2,000</td>
<td>5,000</td>
<td>10,000</td>
</tr>
<tr>
<td>(q) A person who commits an act under any subparagraph of Article 9–3 (1) of the Act.</td>
<td></td>
<td>Article 21 (2) 8 of the Act</td>
<td>200</td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>(r) Deleted. &lt;By Presidential Decree No. 21673, Aug. 5, 2009&gt;</td>
<td></td>
<td>Article 21 (1) 11 of the Act</td>
<td>5,000</td>
<td>10,000</td>
<td>15,000</td>
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<tr>
<td>(s) Deleted. &lt;By Presidential Decree No. 21673, Aug. 5, 2009&gt;</td>
<td></td>
<td>Article 21 (2) 9 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>(t) A person who fails to disclose his/her employer and his/her name in violation of Article 10–2 of the Act.</td>
<td></td>
<td>Article 21 (1) 12 of the Act</td>
<td>2,000</td>
<td>5,000</td>
<td>10,000</td>
</tr>
<tr>
<td>(u) A person who fails to respond to, or interferes with, an inspection under any provision of Article 12 (1) through (4) of the Act.</td>
<td></td>
<td>Article 21 (1) 10 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>(v) A person who refuses to submit a report or data under Article 12 (1) or (5) of the Act or who submits a false report or data.</td>
<td></td>
<td>Article 21 (1) 10 of the Act</td>
<td>500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
</tbody>
</table>
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