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Enforcement Decree of the Depositor Protection Act

National Assembly of the Republic of Korea

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ENFORCEMENT DECREE OF THE DEPOSITOR PROTECTION ACT

Wholly Amended by Presidential Decree No. 15842, Jul. 25, 1998
Amended by Presidential Decree No. 15911, Oct. 10, 1998
Presidential Decree No. 16709, Feb. 14, 2000
Presidential Decree No. 16827, jun. 7, 2000
Presidential Decree No. 16936, Aug. 5, 2000
Presidential Decree No. 16993, Oct. 31, 2000
Presidential Decree No. 17149, Mar. 17, 2001
Presidential Decree No. 17823, Dec. 30, 2002
Presidential Decree No. 19010, Aug. 19, 2005
Presidential Decree No. 19889, Feb. 28, 2007
Presidential Decree No. 20653, Feb. 29, 2008
Presidential Decree No. 20947, Jul. 29, 2008
Presidential Decree No. 21136, Nov. 26, 2008
Presidential Decree No. 21532, jun. 9, 2009
Presidential Decree No. 22901, Apr. 12, 2011
Presidential Decree No. 22990, jun. 27, 2011
Presidential Decree No. 23488, Jan. 6, 2012
Presidential Decree No. 23683, Mar. 26, 2012
Presidential Decree No. 25051, Dec. 30, 2013
Presidential Decree No. 25279, Mar. 24, 2014
Presidential Decree No. 25532, Aug. 6, 2014
Presidential Decree No. 25840, Dec. 9, 2014
Presidential Decree No. 25945, Dec. 30, 2014
Presidential Decree No. 26124, Feb. 26, 2015
Presidential Decree No. 27037, Mar. 11, 2016
Presidential Decree No. 27247, jun. 21, 2016
Presidential Decree No. 28283, Sep. 5, 2017

Article 1 (Purpose)

The purpose of this Decree is to provide for the matters delegated by the Depositor Protection Act and matters necessary for its enforcement. <Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 27247, Jun. 21, 2016>

Article 2 (Financial Companies Excluded from Insured Financial Companies)

(1) "Those prescribed by Presidential Decree" in subparagraph 1 (g) of Article 2 of the Depositor Protection Act (hereinafter referred to as the "Act") means any of the following entities: <Newly Inserted by Presidential Decree No. 27247, Jun. 21, 2016>

1. An entity authorized to engage in the investment trading, or investment brokerage, of the debt securities defined in Article 4 (3) of the Financial Investment Services and Capital Markets Act only for professional investors referred to in Article 12 (1) 3 of the same Act;
2. An entity authorized to engage in the investment brokerage of the securities defined in Article 4 (1) of the Financial Investment Services and Capital Markets Act (limited to the investment brokerage of the aforesaid securities under repurchase agreement), only for professional investors referred to in Article 12 (1) 3 of the same Act;
3. An entity registered as a crowdfunding broker pursuant to Article 117-4 of the Financial Investment Services and Capital Markets Act.

(2) "Insurance company prescribed by Presidential Decree" in subparagraph 1 (i) of Article 2 of the Act means a joint stock insurance company, which mainly provides reinsurance. <Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016; Presidential Decree No. 27247, Jun. 21, 2016>

Article 3 (Scope of Deposits, etc.)

(1) None of the following money raised by insured financial companies pursuant to the proviso to subparagraph 2 of Article 2 of the Act, shall be included in the scope of deposits, etc.: <Amended by Presidential Decree No. 17149, Mar. 17, 2001; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 26124, Feb. 26, 2015; Presidential Decree No. 27037, Mar. 11, 2016>

1. Money raised from the Government or a local government;
2. Money raised from the Bank of Korea, the Financial Supervisory Service established pursuant to the Act on the Establishment, etc. of Financial Services Commission (hereinafter referred to as the "Financial Supervisory Service"), or the Korea Deposit Insurance Corporation established pursuant to Article 3 of the Act (hereinafter referred to as the "Corporation");
3. Money raised from an insured financial company: Provided, That any of the following cases shall be excluded:
 - (a) Reserves (limited to reserves managed as a deposit, etc.) deposited by any insured financial company, which is a retirement pension business operator managing assets in the defined contribution retirement pension plan defined in subparagraph 9 of Article 2 of the Act on the Guarantee of Workers' Retirement Benefits (hereinafter referred to as "defined contribution

retirement pension plan") or the individual retirement pension plan defined in subparagraph 10 of the aforementioned Article (hereinafter referred to as "individual retirement pension plan");

(b) Money (limited to money managed in an individual savings account as a deposit, etc.) deposited by an insured financial company, which is a trust company establishing an individual savings account (hereinafter referred to as "individual savings account") prescribed in Article 91-18 (1) of the Restriction of Special Taxation Act.

(2) Money raised by insured companies prescribed in subparagraph 1 (a) through (i) of Article 2 of the Act (hereinafter referred to as "bank"), by any of the following methods, shall not be included in the scope of deposits, etc. defined in subparagraph 2 (a) of Article 2 of the Act: <Amended by Presidential Decree No. 16936, Aug. 5, 2000; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 27037, Mar. 11, 2016>

1. Deleted; <by Presidential Decree No. 21136, Nov. 26, 2008>
2. Certificate of deposit;
3. Development trust;
4. Issuance of bonds;
5. Repurchase agreement.

(3) None of the following money deposited by investors in insured financial companies defined in subparagraph 1 (g) and (h) of Article 2 of the Act (hereinafter referred to as "investment trader or investment broker"), shall be included in the scope of deposits, etc. defined in subparagraph 2 (b) of Article 2 of the Act (hereinafter referred to as "investor deposits" in this paragraph): <Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20947, Jul. 29, 2008; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016; Presidential Decree No. 27247, Jun. 21, 2016>

1. Money deposited to pay a tax imposed on investor deposits;
2. Money raised by repurchase agreements;
3. Money deposited to subscribe for the acquisition or purchase of securities offered or sold pursuant to the Financial Investment Services and Capital Markets Act;

3-2. Any of the following money:

(a) Money deposited in securities financing companies authorized under Article 324 (1) of the Financial Investment Services and Capital Markets Act (hereinafter referred to as "securities financing company") regarding the trading and other transaction of derivatives specified in Article 3 (2) 2 of the aforesaid Act;

(b) Money deposited in securities financing companies pursuant to Article 117-8 of the Financial Investment Services and Capital Markets Act;

(c) Money deposited in securities financing companies pursuant to Article 137 (1) 3-2 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act;

4. Money deposited and trusted in securities financing companies for collaterals of securities loaned to customers pursuant to the Financial Investment Services and Capital Markets Act.

(4) None of the following premiums earned by insured financial companies defined in subparagraph 1 (i) of Article 2 of the Act (hereinafter referred to as "insurance companies"), shall be included in the scope of deposits, etc. defined in subparagraph 2 (c) of Article 2 of the Act: <Amended by Presidential Decree No. 19010, Aug. 19, 2005; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 26124, Feb. 26, 2015; Presidential Decree No. 27037, Mar. 11, 2016; Presidential Decree No. 27247, Jun. 21, 2016>

1. Premiums earned under insurance contracts, policy-holders and premium payers of which are juristic persons: Provided, That premiums earned under retirement insurance contracts pursuant to the defined contribution retirement pension plan or the individual retirement pension plan, or pursuant to the main sentence of Article 2 of the Addenda to the Act on the Guarantee of Workers' Retirement Benefits (Act No. 10967) shall be excluded;

1-2. Premiums earned under retirement insurance contracts pursuant to the defined benefit retirement pension plan defined in subparagraph 8 of Article 2 of the Act on the Guarantee of Workers' Retirement Benefits;

2. Premiums earned under guarantee insurance contracts;

3. Premiums earned under re-insurance contracts.

(5) Money raised by an overseas branch of an insured financial company, recognized by the Corporation as protected under the deposit insurance system, etc. of a country in which the overseas branch is located, shall not be included in the scope of deposits, etc. <Newly Inserted by Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016>

(6) Necessary matters, such as procedures for, and timing of, recognition under paragraph (5), shall be determined by the Corporation. <Newly Inserted by Presidential Decree No. 21532, Jun. 9, 2009>

Article 4 (Establishment Registration)

(1) The establishment of the Corporation shall be registered at the site of its main office within two weeks from the date on which the Corporation obtains authorization of the articles of association from the Financial Services Commission. <Amended by Presidential Decree No. 20653, Feb. 29, 2008>

(2) The matters to be registered for establishment by the Corporation shall be as follows: <Amended by Presidential Decree No. 17823, Dec. 30, 2002>

1. Purpose;

2. Title;

3. Seat of its main office;

4. Name, resident registration number, and address of the president;

5. Names and addresses of the vice president, directors, and auditor;

6. Methods of public notification.

Article 4-2 (Establishment Registration of Branch Office, etc.)

Where the Corporation has established a branch office or sub-branch, it shall register:

1. At the seat of its main office, the seat and establishment date of the branch office or sub-branch within two weeks of such establishment;
2. At the seat of the branch office or sub-branch, the matters as specified in Article 4 (2) 1 through 4 and 6 within three weeks of such establishment.

Article 5 (Movement Registration)

(1) Where the Corporation moves its main office to the jurisdictional area of another registry office, it shall register the purport of such movement within two weeks at the former registry office, and the matters listed in any subparagraph of Article 4 (2) within three weeks at the new registry office.

(2) Where the Corporation moves its branch office or sub-branch to the jurisdictional area of another registry office, it shall register the new seat and date of movement of such branch office or sub-branch at the seats of its main office and its former branch office or sub-branch, and the matters listed in Article 4 (2) 1 through 4 and 6 at the new seat of such branch office or sub-branch, respectively, within three weeks.

<Newly Inserted by Presidential Decree No. 17823, Dec. 30, 2002>

(3) Where the Corporation moves its main office, branch office, or sub-branch within the jurisdictional area of the same registry office, it shall register only the purport of the movement. *<Amended by Presidential Decree No. 17823, Dec. 30, 2002>*

Article 6 (Alteration Registration)

Where the Corporation alters matters listed in any subparagraph of Article 4 (2), it shall register the altered matters at the seat of its main office within two weeks: Provided, That in the case of any alteration in the matters of Article 4 (2) 1 through 4 and 6, it shall also register the altered matters at the seat of its branch office or sub-branch within three weeks. *<Amended by Presidential Decree No. 17823, Dec. 30, 2002>*

Article 7 (Agent's Appointment)

(1) Where the president of the Corporation appoints an agent under Article 15-2 (1) of the Act, he shall register the following matters at the seat of its main office, branch office, or sub-branch, which has such agent, within two weeks. The same shall also apply where registered matters are altered: *<Amended by Presidential Decree No. 16827, Jun. 7, 2000; Presidential Decree No. 17823, Dec. 30, 2002>*

1. Name, resident registration number and address of the agent;
2. Deleted; *<by Presidential Decree No. 17823, Dec. 30, 2002>*
3. Details of restriction where the agent's powers are restricted.

(2) The staff who may be appointed as an agent to perform judicial acts on behalf of the president under Article 15-2 (2) of the Act, shall have been engaged in affairs related to a trial for at least two years. *<Newly Inserted by Presidential Decree No. 16827, Jun. 7, 2000; Presidential Decree No. 17149, Mar. 17, 2001>*

Article 8 (Reckoning of Registration Period)

Where the Corporation's matters to be registered under the provisions of this Decree shall be authorized or approved by the Financial Services Commission, the registration period shall begin from the date on which the documents on its authorization or approval have arrived. *<Amended by Presidential Decree No. 20653, Feb. 29, 2008>*

Article 9 (Applications, etc. for Registration)

(1) An establishment registration under Article 4 shall be made by joint application of incorporators, and a registration under Articles 4-2, 5 through 7 shall be made by the application of the president of the Corporation. <Amended by Presidential Decree No. 21532, Jun. 9, 2009>

(2) Registration applications under Articles 4, 4-2, 5 through 7 shall be accompanied by documents proving their causes. <Amended by Presidential Decree No. 21532, Jun. 9, 2009>

Article 10 (Operation of Deposit Insurance Committee)

(1) Meetings of the Deposit Insurance Committee under Article 8 of the Act (hereinafter referred to as the "Committee") shall be convened by the chairman on such terms and conditions as the articles of incorporation may determine. <Amended by Presidential Decree No. 17149, Mar. 17, 2001; Presidential Decree No. 17823, Dec. 30, 2002>

(2) The vice president, directors, and auditor of the Corporation may attend meetings of the Committee, and state their opinions. <Amended by Presidential Decree No. 17149, Mar. 17, 2001; Presidential Decree No. 17823, Dec. 30, 2002>

(3) The members who attend meetings of the Committee may be granted an allowance within the scope of the Corporation's budget: Provided, That this shall not apply where public officials attend the Committee in connection with their duties. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(4) The matters necessary for the operation of the Committee other than matters provided in this Decree shall be determined by the chairman through a resolution by the Committee. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 11 (Qualifications for Commissioned Members of Deposit Insurance Committee)

Members commissioned by the Financial Services Commission under Article 9 of the Act shall be those who are not disqualified as officers and employees under Article 16 of the Act, and who have extensive knowledge and experience in finance, economy or law. <Amended by Presidential Decree No. 20653, Feb. 29, 2008>

Article 12 (Conducting of Affairs on Behalf of Corporation)

(1) Agencies that conduct affairs on behalf of the Corporation under Article 20 of the Act (hereafter referred to as "agencies conducting affairs on behalf of the Corporation" in this Article) shall be as follows: <Amended by Presidential Decree No. 16709, Feb. 14, 2000; Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 25279, Mar. 24, 2014; Presidential Decree No. 27037, Mar. 11, 2016>

1. Korea Asset Management Corporation established under the Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Companies and the Establishment of Korea Asset Management Corporation (hereinafter referred to as the "Korea Asset Management Corporation");
2. Insured financial companies;
3. Korea Federation of Savings Banks established pursuant to the Mutual Savings Banks Act (hereinafter referred to as the "Korea Federation of Savings Banks");

4. National Credit Union Federation of Korea established under the Credit Unions Act ("hereinafter referred to as the "National Credit Union Federation of Korea").

(2) Where the Corporation requires an agency to conduct affairs on its behalf pursuant to Article 20 of the Act, it may pay a fee to the agency in return for conducting affairs on its behalf as determined by the Committee. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 12-2 (Standards for Recognition of Insured Financial Companies Threatened with Insolvency)

"Standards prescribed by Presidential Decree" in Article 21 (2) of the Act means standards established by the Financial Services Commission pursuant to Article 10 (2) of the Act on the Structural Improvement of the Financial Industry: Provided, That in cases of mutual savings banks under the Mutual Savings Banks Act, standards mean the following cases: ; Presidential Decree No. 20653, Feb. 29, 2008; Presidential <Amended by Presidential Decree No. 19889, Feb. 28, 2007 Decree No. 23683, Mar. 26, 2012; Presidential Decree No. 27037, Mar. 11, 2016>

1. Where an insured financial company meets standards prescribed by the Financial Services Commission pursuant to Article 10 (2) of the Act on the Structural Improvement of the Financial Industry;
2. Where the capital adequacy ratio of an insured financial company is less than the ratio obtained by adding 2/100 to the standards under subparagraph 1;
3. Where an insured financial company has recorded a net loss for the last three consecutive fiscal years;
4. Where the Corporation deems it necessary to examine an insured financial company in consultation with the Financial Supervisory Service, in consideration of the downward trend and the rate of decline in its capital adequacy ratio.

Article 12-3 (Scope of Principal Shareholders)

"Principal shareholders prescribed by Presidential Decree" in Article 21-2 (1) of the Act other than each subparagraph means the following persons: <Amended by Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016>

1. A shareholder who holds shares or investment stake of at least 10/100 of the total number of issued voting shares or the total amount of investment stake in a corporation, who is a debtor, by his/her own calculation under whatever name he/she holds shares or investment stake;
2. A shareholder who exercises actual influence over major management matters of a corporation that is a debtor, such as the appointment and dismissal of executives.

Article 12-4 (Methods of and Procedures for Examination)

(1) Where it is necessary to conduct an examination (hereinafter referred to as "examination" in this Article) under Article 21-2 (7) of the Act, the Corporation may require its employees to examine books, documents and other data relating to affairs and financial conditions of an insolvent financial company, etc. prescribed in Article 21-2 (1) of the Act, and persons related to insolvency. <Amended by Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 27037, Mar. 11, 2016>

(2) Where the Corporation conducts an examination, it shall notify persons subject to examination of necessary matters, such as reasons for examination and the scope of examination, in advance: Provided, That the foregoing shall not apply where it cannot achieve the objectives of the examination due to the destruction of evidence, etc., if it gives prior notification to such persons.

(3) Where the Corporation conducts an examination, it shall provide persons subject to examination with opportunities of making full statements.

(4) Where the Corporation completes its examination, it shall notify the relevant persons of the result of the examination in writing.

Article 12-5 (Kinds of Public Institutions and Financial Companies)

"Public institutions and financial companies prescribed by Presidential Decree" in the main sentence of Article 21-3 (1) of the Act means the following institutions: <Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 27037, Mar. 11, 2016>

1. Enterprises in which the Government has invested at least 50/100 of their paid-in capital;
2. Corporations established under any special Act;
3. Clearing houses designated under the Bills of Exchange and Promissory Notes Act or the Check Act;
4. Local corporations that undertake housing projects or land development projects provided for in Article 2 (1) 7 or 8 of the Local Public Enterprises Act;
5. Financial companies prescribed in subparagraph 1 of Article 2 of the Act on Real Name Financial Transactions and Confidentiality.

Article 13 (Budget and Settlement of Accounts)

The budget of the Corporation shall be subject to approval from the Financial Services Commission prior to the commencement of the fiscal year under Article 23 of the Act, and the settlement of accounts of the Corporation shall be subject to approval from the Financial Services Commission within three months after the closing of the fiscal year. <Amended by Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 20653, Feb. 29, 2008>

Article 14 (Contributions)

(1) Each insured financial company shall pay contributions to the Corporation in an amount calculated by multiplying minimum capital or minimum equity capital necessary for authorization or permission by the rate applied to each of the following insured financial companies within one month from the date of commencement of business after it is eligible for deposit insurance: Provided, That where the amount of minimum equity capital exceeds the amount of paid-in capital, each insured financial company shall pay contributions to the Corporation in an amount calculated by multiplying its paid-in capital by the rate applied to each of the following insured financial companies: <Amended by Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20947, Jul. 29, 2008; Presidential Decree No. 27037, Mar. 11, 2016; Presidential Decree No. 27247, Jun. 21, 2016>

1. Banks: 1/100;

2. Investment traders and investment brokers: 1/100;
3. Insurance companies: 1/100;
4. Merchant banks: 5/100;
5. Insured financial companies (hereinafter referred to as "mutual savings banks") under subparagraph 1 (j) of Article 2 of the Act: 5/100;
6. Deleted. *<by Presidential Decree No. 19889, Feb. 28, 2007>*

(2) Where reserves in the account for each insured financial company in the Deposit Insurance Fund established under Article 24 (1) of the Act (hereinafter referred to as the "Deposit Insurance Fund") are less than the amount to be paid as insurance money to persons (hereinafter referred to as "depositors, etc.") who have claims, such as deposits, defined in subparagraph 4 of Article 2 of the Act (hereinafter referred to as "claims, such as deposits"), the Corporation may require the insured financial company having the relevant account to additionally contribute the amount approved by the Financial Services Commission, which shall not exceed the difference, subject to resolution by the Committee, within one month from the date on which the Corporation determines to pay insurance money. In such cases, no additional contributions shall exceed the payment limits on contributions set under Article 24 (4) of the Act. *<Amended by Presidential Decree No. 17149, Mar. 17, 2001; Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 27037, Mar. 11, 2016>*

(3) Notwithstanding paragraph (1), any of the following insured financial companies need not pay contributions to the Corporation: *<Amended by Presidential Decree No. 27247, Jun. 21, 2016>*

1. An insured financial company surviving the merger, which obtains authorization or permission for establishment or business;
2. An insured financial company which obtains authorization or permission for establishment or business to acquire the business of an insured financial company: Provided, That an insured financial company, which obtains authorization or permission for establishment or business to acquire the business of a domestic branch of a foreign bank referred to in Article 58 (1) of the Banking Act, domestic branch of a foreign insurance company specified in Article 4 (6) of the Insurance Business Act, or domestic branch of a foreign financial investment business entity provided for in Article 12 (2) of the Financial Investment Services and Capital Markets Act (hereinafter referred to as "domestic branch"), shall pay the amount calculated by deducting the contribution paid when the relevant domestic branch obtains authorization or permission, from the contributions described in paragraph (1) 1 through 3;
3. An insured financial company, which is a financial company established and authorized to perform liquidation pursuant to Article 36-3 of the Act.

(4) Where an entity authorized to engage in investment trading business or investment brokerage business by selecting some of authorized business units pursuant to Article 12 of the Financial Investment Services and Capital Markets Act also obtains an authorization to engage in investment trading business or

investment brokerage business for another authorized business unit, the entity shall pay the contribution of the insured financial company calculated under paragraph (1) by deducting the contribution already paid from the contributions referred to in paragraph (1) 2. <Amended by Presidential Decree No. 27247, Jun. 21, 2016>

(5) The Corporation shall determine necessary matters concerning procedures for paying the contributions referred to in paragraphs (1), (2) and (4) subject to resolution by the Committee and publish them on its website. <Newly Inserted by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 21532, Jun. 9, 2009>

Article 14-2 (Reduction or Exemption of Interest or Methods of Deferment, etc.)

(1) The Corporation may, with respect to a mutual savings bank account in the deposit insurance fund, reduce or exempt interest for ten years from the date determined by the Committee through a resolution of the Committee within the extent of the balance of loans as of December 31, 2008 pursuant to Article 24-3 (5) of the Act.

(2) The Corporation may grant deferment for payment of interest to a specific account the liquidity of which is insufficient temporarily through a resolution of the Committee pursuant to Article 24-3 (5) of the Act.

Article 14-3 (Publication of White Paper)

The white paper on management of the special accounts published by the Corporation pursuant to Article 24-4 (7) shall include the record of support and record of collection of the special accounts for restructuring of mutual savings banks under paragraph (1) of the same Act.

Article 15 (Methods, etc. of Borrowing)

(1) The Corporation may borrow funds at the expense of the account for each insured financial company pursuant to Article 26 (1) of the Act. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(2) Where the Corporation intends to borrow funds pursuant to paragraph (1), it shall prepare documents stating the following matters, and obtain approval from the Financial Services Commission: <Amended by Presidential Decree No. 20653, Feb. 29, 2008>

1. Reasons for borrowing;
2. Borrowed amount;
3. Interest rate on a loan, method and time limit for the payment of interest;
4. Method and time limit for the repayment of borrowed money.

(3) The Corporation may borrow funds from the following institutions at the expense of the Deposit Insurance Fund or the Redemption Fund for the Deposit Insurance Fund bonds prescribed in Article 26-3 (1) of the Act pursuant to Article 26 (1) of the Act. In such cases, the borrowing from the Korea Asset Management Corporation shall include cases where it borrows funds from the Non-Performing Loan Disposal Fund managed and operated by the Korea Asset Management Corporation: <Amended by Presidential Decree No. 15911, Oct. 10, 1998; Presidential Decree No. 16827, Jun. 7, 2000; Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 21532, Jun. 9, 2009;>

Presidential Decree No. 22901, Apr. 12, 2011; Presidential Decree No. 27037, Mar. 11, 2016>

1. Korea Federation of Savings Banks;
2. Securities finance companies;
3. The Export and Import Bank of Korea established in accordance with the Export-Import Bank of Korea Act;
4. National Credit Union Federation of Korea;
5. Financial companies authorized to perform liquidation under Article 36-3 of the Act;
6. Korea Asset Management Corporation;
7. Deleted. *<by Presidential Decree No. 25945, Dec. 30, 2014>*

Article 15-2 (Explanation of Insurance Relationship)

(1) “Persons prescribed by Presidential Decree, such as an insured financial company” in Article 29 (3) of the Act, means any of the following:

1. The Government or a local government;
2. The Bank of Korea, the Financial Supervisory Service or the Korea Deposit Insurance Corporation;
3. An insured financial company.

(2) “Methods prescribed by Presidential Decree” in Article 29 (4) of the Act, means any of the following methods:

1. Electronic mail and other similar electronic communications;
2. Mail;
3. Automated phone-answering system;
4. Digital signature defined in subparagraph 2 of Article 2 of the Digital Signature Act.

Article 16 (Deadline for Payment of Insurance Premiums)

(1) Each insured financial company shall pay insurance premiums calculated by the formula in attached Table 1 to the Corporation within three months after the end of each business year pursuant to Article 30 (1) of the Act: Provided, That if an insured financial company is a bank, it shall pay insurance premiums within one month after the end of each quarter. *<Amended by Presidential Decree No. 27037, Mar. 11, 2016>*

(2) Where an insured financial company fails to pay insurance premiums under paragraph (1) by the deadline for payment, it shall pay overdue charges calculated by multiplying the number of days, from the date on which the payment is due to the date on which the payment is made, by the interest rate set by the Committee based on the overdue interest rate at the time the insured financial company makes a general loan. *<Amended by Presidential Decree No. 17149, Mar. 17, 2001; Presidential Decree No. 27037, Mar. 11, 2016>*

(3) “Amount prescribed by Presidential Decree” in the former part of Article 30 (1) of the Act, means the aggregate of the following amounts: *<Amended by Presidential Decree No. 27247, Jun. 21, 2016>*

1. In cases of insurance contracts of an insurance company described in subparagraph 2 (c) of Article 2 of the Act: an arithmetic average of the sum of the amounts specified in Article 63 (1) 1 (b) (calculated based on the amount to be paid at the cancellation of an insurance contract, according to the specifications for calculating premiums and policy reserves provided for in subparagraph 3 of Article 5

of the Insurance Business Act) and (c) and Article 63 (1) 2 and 3 of the Enforcement Decree of the Insurance Business Act and the insurance premiums received under subparagraph 2 (c) of Article 2 of the Act (referring to the insurance premiums received in the business year immediately preceding the business year in which the deadline for the payment for deposit insurance premiums expires: Provided, That if the period of the immediately preceding business year is less than one year, the insurance premiums received refers to an amount calculated by converting such period into one year);

2. In cases of variable insurance contracts described in Article 108 (1) 3 of the Insurance Business Act: an arithmetic average of the amounts specified in Article 63 (1) 1 (a) of the Enforcement Decree of the Insurance Business Act and the money transferred by an insurance company from the special account pursuant to Article 108 (1) of the Insurance Business Act to guarantee minimum insurance coverages, etc. (referring to the money transferred in the business year immediately preceding the business year in which the deadline for the payment of deposit insurance premiums expires: Provided, That if the period of the immediately preceding business year is less than one year, the money transferred refers to an amount calculated by converting such period into one year);

3. An annual balance of the money raised through money trusts, etc. for which the principal is guaranteed pursuant to Article 103 (3) of the Financial Investment Services and Capital Markets Act.

(4) The Corporation shall determine necessary matters concerning procedures for paying insurance premiums and overdue charges referred to in paragraphs (1) through (3) subject to resolution by the Committee and publish them on its website. *<Newly Inserted by Presidential Decree No. 19889, Feb. 28, 2007>*

(5) "Interest prescribed by Presidential Decree" in Article 30 (6) of the Act, means the amount calculated by multiplying the amount of the erroneous or excess payment by the interest rate on the additional refund of national taxes pursuant to Article 43-3 (2) of the Enforcement Decree of the Framework Act on National Taxes, then by the number of days from the date on which the insurance premium is paid to the date on which the refund is made. *<Newly Inserted by Presidential Decree No. 27247, Jun. 21, 2016>*

Article 16-2 (Application, etc. of Differential Insurance Premium Rates)

(1) The Corporation shall apply the insurance premium rates determined by the Committee to each insured financial company (hereinafter referred to as "differential insurance premium rates") within 10/100 based on the insurance premium rates (in case falling under Article 16-5 (1), referring to insurance premium rates calculated pursuant to the reduced insurance premiums) provided for in calculation formula in attached Table 1 pursuant to the latter part of Article 30 (1) of the Act. *<Amended by Presidential Decree No. 22901, Apr. 12, 2011; Presidential Decree No. 27037, Mar. 11, 2016>*

(2) Notwithstanding Article 16 (1), an insured financial company subject to the differential insurance premium rates shall pay insurance premiums under the differential premium rates within six months (in cases of a bank, one month after the close of each quarter) after the close of each business year. *<Amended by Presidential Decree No. 27037, Mar. 11, 2016>*

(3) A premium for the first quarter of each business year of a bank subject to the differential premium rate shall be calculated by applying the premium rate for the preceding business year and settled at the time of

payment of a premium for the second quarter pursuant to the differential premium rate for the relevant business year; however, the interest for the balance shall be deemed not to have accrued.

(4) Where the Corporation receives an objection under Article 30-5 of the Act from an insured financial company, it shall notify such insured financial company of the result of the handling thereof, within 90 days from the date on which it receives the objection, through a resolution of the Committee. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(5) Necessary matters concerning the specific procedures for and methods of payment of premiums, calculation of the differential premium rates, filing and handling of an objection under paragraphs (1) through (4) shall be determined by the Corporation through a resolution of the Committee, and publicly announced on its website.

Article 16-3 (Exceptions to Duty of Confidentiality)

(1) An insured financial company shall apply for the disclosure of information on the differential insurance premium rates by submitting materials evidencing the fact that it is necessary to disclose such information for the protection of depositors pursuant to the proviso to Article 30-2 of the Act, and may publicly disclose the differential insurance premium rates when the Corporation recognizes the necessity of the disclosure thereof. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(2) Where the Corporation receives an application for disclosure of the differential insurance premium rates pursuant to paragraph (1), it shall notify an insured financial company of the result of the handling of the application, through a resolution of the Committee, within 90 days from the date on which it receives such application. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

Article 16-4 (Payment, etc. of Special Contributions for Redemption of Deposit Insurance Fund

Bonds)

(1) Each insured financial company shall pay the Corporation special contributions for redemption of the Deposit Insurance Fund bonds (hereinafter referred to as "special contributions") calculated by the formula in attached Table 1-2 within three months after the end of each business year pursuant to Article 30-3 (1) of the Act: Provided, That if an insured financial company is a bank, it shall pay such special contributions within one month after the end of each quarter. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(2) Where an insured financial company fails to pay the special contributions under paragraph (1) by the deadline for payment, it shall pay the overdue charges calculated by multiplying the interest rate on unpaid special contributions determined by the Committee based on the overdue interest rate at the time the insured financial company makes a general loan by the number of days from the date following the date the payment is due to the date the payment is made. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(3) "Amount of money prescribed by Presidential Decree" in Article 30-3 (1) of the Act, means the aggregate of the amounts specified in Article 16 (3): Provided, That the insurance premiums described in Article 16 (3) 1 and the money transferred from the special account pursuant to Article 108 (1) of the Insurance Business Act described in Article 16 (3) 2 (hereafter referred to as "insurance premium income,

etc.” in this paragraph) refer to the insurance premiums, etc. received or transferred in the business year immediately preceding the business year in which the deadline for the payment of special contributions expires: Provided, That if the period of the immediately preceding business year is less than one year, the insurance premiums, etc. received or transferred refer to an amount calculated by converting such period into one year. <Amended by Presidential Decree No. 27247, Jun. 21, 2016>

(4) The Corporation shall determine necessary matters concerning procedures for paying the special contributions and the overdue charges referred to in paragraphs (1) through (3) subject to resolution by the Committee and publish them on its website. <Newly Inserted by Presidential Decree No. 19889, Feb. 28, 2007>

(5) Where an insured financial company makes the erroneous or excess payment of special contributions specified in Article 30-3 (1) of the Act, the amount of erroneous or excess payment shall be refunded in addition to the amount calculated by multiplying the amount of erroneous or excess payment by the interest rate on the additional refund of national taxes pursuant to Article 43-3 (2) of the Enforcement Decree of the Framework Act on National Taxes, then by the number of days from the date following the date on which the special contributions are paid to the date on which the refund is made. <Newly Inserted by Presidential Decree No. 27247, Jun. 21, 2016>

Article 16-5 (Establishment, etc. of Target Amount)

(1) Where the reserves of each account of the Deposit Insurance Fund exceed the lower limit of the target amount as of the end of the immediately preceding fiscal year of the Corporation, the Corporation shall reduce insurance premiums which become the revenues of the relevant accounts through a resolution of the Committee pursuant to Article 30-4 (4) of the Act. <Amended by Presidential Decree No. 22901, Apr. 12, 2011>

(2) Where the reserves of each account of the Deposit Insurance Fund exceed the upper limit of the target amount as of the end of the immediately preceding fiscal year of the Corporation, the Corporation shall refund all or part of the amount exceeding the upper limit of the relevant accounts to insured financial companies or exempt them from the payment of insurance premiums which become the revenues of the relevant account through a resolution of the Committee pursuant to Article 30-4 (4) of the Act: Provided, That even where they are exempted from the payment thereof, they shall pay the annual insurance premium of 100,000 won pursuant to the former part of Article 30 (1) of the Act. <Amended by Presidential Decree No. 22901, Apr. 12, 2011; Presidential Decree No. 27037, Mar. 11, 2016>

(3) The Corporation shall determine the amount to be refunded to each insured financial company pursuant to the main sentence of paragraph (2) through a resolution of the Committee, in consideration of contributions for the accumulation of the Fund made by each insured financial company, the already refunded amount, the amount, etc. of financing provided from the Fund. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(4) The Corporation may postpone the establishment of the target amount through a resolution of the Committee pursuant to Article 30-4 (5) of the Act.

(5) Notwithstanding the main sentence of paragraph (2), where the estimated amount of the reserve of each account of the Deposit Insurance Fund as of March 31, 2011 exceeds the upper limit of the target amount re-established due to the establishment of the special accounts for restructuring of mutual savings banks under Article 24-4 (1) of the Act, the Corporation shall exempt the payment of premiums after April 1, 2011 with respect to the relevant accounts through a resolution of the Committee. *<Newly Inserted by Presidential Decree No. 22901, Apr. 12, 2011>*

(6) Necessary matters concerning the specific procedures for and methods of the establishment of the target amount, reduction of the insurance premiums, refund and exemption, etc. of premiums under paragraphs (1) through (5) shall be determined by the Corporation through a resolution of the Committee and publicly announced on its website. *<Newly Inserted by Presidential Decree No. 22901, Apr. 12, 2011>*

Article 17 (Provisional Payment, etc.)

(1) The Corporation may pay in advance depositors, etc. an amount set by the Committee within the limit of paying insurance money under Article 32 (2) of the Act (hereinafter referred to as "provisional payment") pursuant to Article 31 (2) of the Act: Provided, That where provisional payment exceeds insurance money, insurance money shall be the maximum amount for payment. *<Amended by Presidential Decree No. 17149, Mar. 17, 2001>*

(2) The Corporation shall publish the period and methods for payment under the main sentence of Article 31 (3) of the Act in at least one daily newspaper published in the Seoul Metropolitan City and at least one daily newspaper published in the district in which its main office is located at least once: Provided, That where the Corporation pays insurance money or makes provisional payment to the depositors, etc. of mutual savings banks, it shall publish the period and methods for such payment in at least two daily newspapers including one daily newspaper published in the district in which their main offices are located at least once. *<Amended by Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 19889, Feb. 28, 2007>*

Article 17-2 (Scope of Special Relations)

"Where a depositor, etc. has special relations prescribed by Presidential Decree" in Article 31 (6) of the Act means cases where a depositor, etc. has relations under the paragraph (1) of Article 3 of the Enforcement Decree of the Act on Corporate Governance of Financial Companies with persons related to insolvency. *<Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 20947, Jul. 29, 2008; Presidential Decree No. 27037, Mar. 11, 2016; Presidential Decree No. 28283, Sep. 5, 2017>*

Article 18 (Exceptions, etc. to Methods of Calculation of Insurance Money)

(1) Where depositors, etc. have claims, such as deposits, offered as security (hereafter referred to as "claims on security" in this Article) or bear security obligations against such insured financial companies for other persons in calculating insurance money pursuant to Article 32 (1) of the Act, the Corporation may suspend the payment of insurance money to the extent equivalent to claims on security or security obligations until such secured claims or obligations are extinguished. *<Amended by Presidential Decree No.*

15911, Oct. 10, 1998; Presidential Decree No. 27037, Mar. 11, 2016>

(2) Where the Corporation suspends the payment of insurance money under paragraph (1) of this Article or Article 31 (6) of the Act, it shall issue a document stating the following matters to depositors, etc. who have requested the payment of such insurance money: *<Amended by Presidential Decree No. 15911, Oct. 10, 1998; Presidential Decree No. 17149, Mar. 17, 2001>*

1. Amount of insurance money for which payment is suspended;
2. Reasons for a suspension of payment of insurance money;
3. Period of a suspension of payment of insurance money;
4. Procedures and methods for depositors, etc. to request the payment of suspended insurance money upon the extinction of the reasons for a suspension of payment of insurance money, or the completion of period of a suspension of its payment.

(3) In cases of insurance money paid by the Corporation for the defined contribution retirement pension plan, the individual retirement pension plan, or retirement insurance and a lump sum retirement allowance trust (hereinafter referred to as "defined contribution retirement pension plan, etc." in this Article) under the main sentence of Article 2 of the Addenda to the Act on the Guarantee of Workers' Retirement Benefits, wholly amended by Act No. 10967, pursuant to the proviso to Article 32 (1) of the Act, the total amount of debts which the policyholder (referring to the policyholder under subparagraph 11 of Article 2 of the Act on the Guarantee of Workers' Retirement Benefits, including an insured or beneficiary of retirement insurance or a lump sum retirement allowance trust under the main sentence of Article 2 (1) of the Addenda to the Act on Guarantee of Workers' Retirement Benefits, wholly amended by Act No. 10967; hereinafter the same shall apply in this Article) owes to the relevant insured financial company shall not be deducted from the total amount of claims, such as deposits, which the policyholder has in the relevant insured financial company as of the date of public announcement of the payment of insurance money (hereinafter referred to as "date of public announcement of the payment of insurance money" in this Article) under Article 31 (3) of the Act: Provided, That the foregoing shall not apply where the relevant insured financial company has been provided with security (only applicable to cases of the defined contribution retirement pension plan and the individual retirement pension plan) pursuant to Article 7 (2) of the Act on the Guarantee of Workers' Retirement Benefits or obtained consent in writing from the relevant policyholder. *<Amended by Presidential Decree No. 15911, Oct. 10, 1998; Presidential Decree No. 19010, Aug. 19, 2005; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 26124, Feb. 26, 2015; Presidential Decree No. 27037, Mar. 11, 2016>*

(4) Where the price is settled with a investment trader and investment broker after the announcement date of the payment of insurance money as securities are bought and sold by depositors, etc. prior to the announcement date of the payment of insurance money, the Corporation shall calculate insurance money, including the settled price, and it may suspend the payment of insurance money until the price is settled. *<Amended by Presidential Decree No. 15911, Oct. 10, 1998; Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20947, Jul. 29, 2008>*

(5) The amount of claims, such as deposits, in calculating insurance money under Article 32 (1) of the Act, shall be limited to the amount calculated by adding amount of deposits to the amount calculated by multiplying that amount by the interest rate as determined by the Committee, taking into account the average interest rates of one-year maturity term deposits in nationwide banks: Provided, That this shall not apply to insurance money (excluding insurance money paid due to the termination of the insurance period) of claims such as deposits against insurance companies. <Amended by Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 19889, Feb. 28, 2007>

(6) The maximum amount of insurance money referred to in Article 32 (2) of the Act shall be 50 million won (hereinafter referred to as "maximum amount"). In any of the following cases, the maximum amount shall apply, as prescribed by the following subparagraphs: <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

1. In cases of the defined contribution retirement pension plan, etc.: The maximum amount of insurance money shall apply to each policyholder; the maximum amount of insurance money shall apply to claims, such as deposits, under the defined contribution retirement pension plan, etc., and other claims, such as other deposits, respectively;

2. In cases of individual savings account: The maximum amount of insurance money shall apply to each account holder; the maximum amount of insurance money shall apply to the total amount of claims, such as deposits, in the individual savings account and other claims, such as other deposits, (excluding claims, such as deposits, under the defined contribution retirement pension plan, etc.

Article 19 (Public Announcement of Estimated Payment Rates, etc.)

The provisions of Article 17 (2) shall apply mutatis mutandis to the public announcement of estimated payment rates, etc. under Article 35-5 of the Act. <Amended by Presidential Decree No. 16827, Jun. 7, 2000; Presidential Decree No. 27247, Jun. 21, 2016>

Article 19-2 (Purchase of Liability Insurance)

(1) "Insured financial companies prescribed by Presidential Decree" in Article 35-9 (1) of the Act means insured financial companies excluding the following insured financial companies: <Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 25840, Dec. 9, 2014; Presidential Decree No. 27037, Mar. 11, 2016>

1. Insured financial companies that meet the standards prescribed by the Committee as a result of inspection of affairs and financial standing of insured financial companies conducted by the Financial Supervisory Service pursuant to subparagraph 1 of Article 37 of the Act on the Establishment, etc. of Financial Services Commission;

2. Insured financial companies prescribed in subparagraph 1 (b) and (c) of Article 2 of the Act;

3. Insured financial companies prescribed in subparagraph 1 (f) of Article 2 of the Act, which have already purchased insurance of the same nature as liability insurance (hereinafter referred to as "liability insurance") under Article 35-9 (1) of the Act at their main offices;

4. Insured financial companies which have not obtained a reduction in all or some of contributions, insurance premiums and late fees, or have not been granted a postponement of the payment thereof pursuant to Article 30-2 of the Act.

(2) Where the Corporation requests insured financial companies to purchase liability insurance pursuant to Article 35-9 (1) of the Act, it shall request them to purchase liability insurance in writing, specifying matters determined by the Corporation through a resolution of the Committee, such as the limit, etc. of payment of insurance money. <Amended by Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016>

(3) Deleted. <by Presidential Decree No. 21532, Jun. 9, 2009>

Article 20 (Standards for Request for Contract Transfers, etc.)

(1) Where an insolvent financial company falls under any of the following, if its liabilities exceed its assets pursuant to Article 36-2 of the Act, the Corporation may request the Financial Services Commission to take necessary measures, such as the issuance of an order to transfer contracts and an application for bankruptcy, against the relevant insolvent financial company through a resolution of the Committee: <Amended by Presidential Decree No. 17149, Mar. 17, 2001; Presidential Decree No. 17823, Dec. 30, 2002; Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 27037, Mar. 11, 2016>

1. Where a delay in the merger between an insured financial company and insolvent financial company or the transfer and takeover of business between them, or the takeover of an insured financial company by a third party (hereinafter referred to as "merger, etc. of an insolvent financial company" in this Article) under Article 36 of the Act harms the interests of depositors, or increases the burden on the Deposit Insurance Fund;

2. Where a serious difficulty in the merger, etc. of an insolvent financial company harms the interests of depositors, or increases the burden on the Deposit Insurance Fund.

(2) Where the Corporation establishes a financial company to take over business or contracts of an insolvent financial company pursuant to Article 36-3 of the Act (hereinafter referred to as "financial company authorized to perform liquidation"), it may request the Financial Services Commission to order the relevant insolvent financial company to transfer its contracts to a financial company authorized to perform liquidation pursuant to Article 36-2 (1) of the Act. <Amended by Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 27037, Mar. 11, 2016>

Article 21 (Supervision over Financial Companies Authorized to Perform Liquidation)

The Corporation may direct and supervise affairs of financial companies authorized to perform liquidation and take measures necessary for the direction and supervision pursuant to Article 36-5 (4) of the Act. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

Article 22 (Establishment Registration of Financial Companies Authorized to Perform Liquidation)

(1) The establishment of a financial company authorized to perform liquidation shall be registered at the location of its main office within two weeks from the date on which it obtains approval for its establishment from the Financial Services Commission. <Amended by Presidential Decree No. 20653, Feb. 29,

2008; Presidential Decree No. 27037, Mar. 11, 2016>

(2) Matters to be registered for the establishment of a financial company authorized to perform liquidation shall be as follows: <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

1. Purpose;
2. Name;
3. Total amount of capital;
4. Total number of issued stocks;
5. Face value per stock;
6. Names and addresses of officers;
7. Sites of a main office and branches;
8. Method of public notice.

Article 23 (Registration, etc. of Transfer of Financial Companies Authorized to Perform Liquidation)

@Articles 5 through 8 and 17 (2) shall apply mutatis mutandis to the registration of transfer, the registration of alteration, the registration of the appointment of the representative, the computation of the period of registration, and the public announcement of the establishment of a financial company authorized to perform liquidation. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

Article 24 (Applicants, etc. for Registration of Financial Companies Authorized to Perform Liquidation)

(1) The president of the Corporation shall apply for establishment registration under Article 22, and the president of a financial company authorized to perform liquidation shall apply for registration under Article 23. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

(2) Applications for registration under Articles 22 and 23 shall be submitted along with documents evidencing reasons for respective registrations.

Article 24-2 (Standards, Methods, etc. for Financing to Insured Financial Companies, etc.)

(1) Where it is necessary to determine whether or not to provide financing under Article 38 (1) of the Act, the Corporation may conduct an actual inspection of assets, liabilities, etc. to objectively understand the management and financial conditions of an insured financial company or financial holding company that controls the relevant insured financial company as its subsidiary, etc. under Article 4 (1) 2 of the Financial Holding Companies Act (hereinafter referred to as "subsidiary, etc."). <Amended by Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016>

(2) Where the Corporation provides financing under Article 38 (1) of the Act, it may provide financing in at least two installments.

(3) Where an insured financial company that has concluded a written agreement to implement its management normalization program pursuant to Article 38-5 (2) of the Act fails to fulfill such agreement without any justifiable grounds, the Corporation may discontinue to provide financing. <Amended by Presidential Decree No. 27037, Mar. 11, 2016>

Article 24-3 (Procedures for Realization of Least Cost Principle)

Where the Corporation pays its insurance money or provides financing, it shall minimize the loss of the Deposit Insurance Fund pursuant to Article 38-4 (1) of the Act by conducting an actual inspection of assets, liabilities, etc. of an insured financial company or a financial holding company that controls the relevant insured financial company as its subsidiary, etc. in advance and objectively understanding its management and financial conditions. *<Amended by Presidential Decree No. 21532, Jun. 9, 2009; Presidential Decree No. 27037, Mar. 11, 2016>*

Article 24-4 (Conclusion of Agreement on Implementation of Management Normalization)

(1) Where the Corporation intends to provide financing to an insured financial company pursuant to Article 38-5 (2) of the Act, it shall enter into an agreement with that insured financial company to implement a plan to normalize its management before it provides financing: Provided, That the foregoing shall not apply in any of the following cases: *<Amended by Presidential Decree No. 19889, Feb. 28, 2007; Presidential Decree No. 27037, Mar. 11, 2016>*

1. Where the Corporation provides financing to a financial company authorized to perform liquidation;
2. Where the Corporation provides financing under Article 38 (1) 1 of the Act: Provided, That the foregoing shall not apply where an entity who receives financing is an insolvent financial company, etc.;
3. Where the Corporation provides financing by means of purchasing the assets of a financial company;
4. Deleted. *<by Presidential Decree No. 27037, Mar. 11, 2016>*

(2) "Financial soundness standards prescribed by Presidential Decree, such as the capital adequacy ratio" in Article 38-5 (2) 1 of the Act, means financial soundness standards applicable to an insured financial company pursuant to the Acts and substitute statutes, based on which that relevant insured financial company has established, as prescribed by the Financial Services Commission. *<Amended by Presidential Decree No. 20653, Feb. 29, 2008; Presidential Decree No. 27037, Mar. 11, 2016>*

(3) "Profitability standards prescribed by Presidential Decree, such as the return on assets" in Article 38-5 (2) 2 of the Act, means the following standards: Provided, That the Corporation may designate one or two of the following standards as profitability standards considering the ratio of the total number of stocks owned by the Corporation to the total number of issued and outstanding voting shares of the insured financial company which receives the financing under Article 38 of the Act or the ratio of the collected amount to the funds provided to such insured financial company: *<Amended by Presidential Decree No. 27037, Mar. 11, 2016; Presidential Decree No. 27247, Jun. 21, 2016>*

1. The ratio of profit to assets or capital;
2. The ratio of expenses to profit;
3. The productivity per executive or employee.

(4) "Asset quality standards prescribed by Presidential Decree, such as the non-performing loan ratio" in Article 38-5 (2) 3 of the Act, means the ratio of non-performing loans to loans. *<Amended by Presidential Decree No. 27037, Mar. 11, 2016>*

Article 24-5 (Non-disclosure of Agreement)

"Matters prescribed by Presidential Decree" in the proviso to Article 38-5 (3) of the Act means the following matters: *<Amended by Presidential Decree No. 27037, Mar. 11, 2016>*

1. Matters relating to the issuance of securities, such as stocks and claims;
2. Matters relating to the sale of assets held, such as real estate and claims;
3. Matters relating to the methods for the implementation of a plan for normalization of management.

Article 24-6 (Handling of Personally Identifiable Information)

(1) Where it is inevitable to conduct the following affairs, the Financial Services Commission (only applicable to affairs referred to in subparagraphs 1, 5 and 6), the Governor of the Financial Supervisory Service (only applicable to affairs referred to in subparagraph 1), the Corporation, or a financial company authorized to perform liquidation (only applicable to affairs referred to in subparagraphs 15, 16 and 18) may handle data including resident registration numbers, passport numbers, driver's license numbers, or alien registration numbers referred to in Article 19 of the Enforcement Decree of the Personal Information Protection Act: *<Amended by Presidential Decree No. 25532, Aug. 6, 2014; Presidential Decree No. 27037, Mar 11, 2016; Presidential Decree No. 27247, Jun. 21, 2016>*

1. Affairs concerning requests for the submission of data to insured financial companies under Article 21 of the Act;
2. Affairs concerning the exercise, etc. of the right to claim damages on behalf of an insured financial company, etc. under Article 21-2 (1), (3), (4), (7) and (8) of the Act;
3. Affairs concerning requests for the provision of data under Article 21-3 (1) of the Act (including cases as applicable mutatis mutandis pursuant to Articles 35-7 and 35-8 (4) of the Act);
4. Affairs concerning requests for the provision of information on financial transactions, etc. under Article 21-4 (1) of the Act;
5. Affairs concerning supervision, following-up measures, etc. under Article 27 of the Act;
6. Affairs concerning reporting and inspections, follow-up measures, etc. under Article 28 of the Act;
- 6-2. Affairs concerning inspections conducted under Article 29 (5) of the Act;
7. Affairs concerning the calculation and receipt of insurance premiums under Article 30 of the Act;
8. Affairs concerning the calculation and receipt of special contributions for redemption of Deposit Insurance Fund bonds under Article 30-3 of the Act;
9. Affairs concerning the payment of insurance money, etc. under Article 31 of the Act;
10. Affairs concerning the calculation of insurance money under Article 32 of the Act;
11. Acquisition of claims under Article 35 of the Act;
12. Affairs concerning the purchase of claims, such as deposits, and the making of estimated payments under Article 35-2 (1) and (2) of the Act;
13. Affairs concerning set-off on behalf of depositors, etc. referred to in Article 35-6 of the Act;
14. Affairs of a liquidator or bankruptcy trustee referred to in Article 35-8 (1) of the Act;

15. Affairs concerning affairs referred to in Article 36-5 (1), (2), (4) and (5) of the Act;
16. Affairs concerning the acquisition of claims referred to in Article 38-3 of the Act, and the preservation and management of relevant data;
17. Affairs for the application, etc. of the least cost principle under Article 38-4 of the Act;
18. Affairs concerning notices concerning auction or the service of such notices under Article 38-6 of the Act.

(2) Where it is inevitable to conduct affairs concerning the verification of grounds for disqualification under Article 16 of the Act, a person who has the authority to commission, recommend, propose, appoint and dismiss members, executives or employees under Articles 9, 11 and 15 of the Act may handle data including resident registration numbers, passport numbers, driver's license numbers or alien registration numbers referred to in Article 19 of the Enforcement Decree of the Personal Information Protection Act.
<Newly Inserted by Presidential Decree No. 25532, Aug. 6, 2014>

Article 25 (Scope of Staff Deemed as Public Officials in Application of Criminal Act)

The scope of the staff under Article 42 (2) of the Act shall be as follows: <Amended by Presidential Decree No. 19889, Feb. 28, 2007>

1. Staff of agents or higher rank in the Corporation;
2. Staff of agents or higher rank in an agency who are engaged in agency business referred to in Article 20 (1) of the Act: Provided, That they shall be limited to those who are under the application of penalties under the Criminal Act in connection with their businesses.

Article 26 (Standards for Imposition of Administrative Fines)

The standards for imposition of administrative fines described in Article 44 (1) and (2) of the Act shall be as provided for in attached Table 3. <Amended by Presidential Decree No. 27247, Jun. 21, 2016>

ADDENDA

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amendments to Article 3 (4) 1 (limited to premiums received under any guarantee insurance contract) and 2 and Article 18 (5), and Article 4 of the Addenda shall enter into force on August 1, 1998, and the amendments to Article 2 (excluding the portion for insurers who are stock companies mainly engaged in reinsurance) and Article 3 (1), (2) 1 through 4, (3) 3 and 4, and (4) 1 (excluding the portion of relating to premiums received under guarantee any insurance contract or reinsurance contract of insurance contracts in which legal persons are policy-holders and insurance money payers) shall enter into force on January 1, 2001.

Article 2 (Special Cases on Scope of Deposits, etc.)

Money falling under any of the following subparagraphs at the time of entry into force of this Decree shall be included in the scope of deposits, etc. from the date of entry into force of this Decree to December 31, 2000:

1. Money which banks raised by selling repurchase agreements pursuant to Article 2 of the Addenda of the previous Presidential Decree No. 15525 (Amendment to the Enforcement Decree of the Depositor Protection Act);
2. Money which securities companies raised by selling repurchase agreements;
3. Received premiums which insurers who are stock companies engaged mainly in guarantee insurance received under any guarantee insurance contract.

Article 3 (Special Cases for Payment of Premiums by Insurers and Merchant Banks)

Insurers and merchant banks shall, notwithstanding the amendment to the main sentence of Article 16 (1), pay premiums to be paid in 1998 to the Corporation within two months after the entry into force of this Decree.

Article 4 (Special Cases on Calculating Methods of Insurance Money)

(1) Where an insurance risk referred to in subparagraph 7 of Article 2 of the Act occurs during the period from August 1, 1998 to December 31, 2000, the amount of deposits, etc. in calculating insurance money referred to in Article 32 (1) of the Act shall be calculated by the following subparagraphs: Provided, That this shall not apply to insurance money (excluding insurance money paid due to the termination of insurance period) of claims such as deposits against insurers:

1. Where the total amount of deposits, etc. by respective depositors, etc. is not more than 20 million won: an amount of claims such as deposits under the amendment to Article 18 (5): Provided, That where the total amount of deposits, etc. by respective depositors, etc. exceeds 20 million won, 20 million won shall be the maximum limit;
2. Where the total amount of deposits, etc. by respective depositors, etc. exceeds 20 million won: an amount of deposits, etc.: Provided, That if an amount of claims such as deposits against insurers is smaller than an amount of deposits, etc., it shall be an amount of claims such as deposits.

(2) The provisions of paragraph (1) shall apply to only money raised by insured financial institutions from depositors, etc. after August 1, 1998: Provided, That for deposits, etc. in which periods are set and specified amounts set in advance within the period are paid in from among deposits, etc. paid in by accumulating them, they shall apply to only the amount insured first after the entry into force of this Decree.

Article 5 (Special Cases for Ceiling on Payment of Insurance Money)

(1) The ceiling on insurance money paid by the Corporation to depositors, etc. who have claims such as deposits against insurers at the time of entry into force of this Decree shall, notwithstanding the amendment to Article 18 (6), be fifty million won.

(2) Where an insurance risk referred to subparagraph 7 of Article 2 of the Act occurs during the period from the date of promulgation of this Decree to December 31, 2000, the amendments to paragraph (1) and Article 18 (6) shall not apply to the ceiling on the payment of insurance money.

Article 6 (Transitional Measures on Premiums)

(1) In calculating banks' premiums of a quarter in which this Decree is promulgated, the portion prior to the date of its promulgation shall be calculated by daily pro-rata pursuant to the previous Article 14 (1) and the portion starting from the date of its promulgation of this Decree shall be calculated by daily pro-rata pursuant to the amendments to Article 16 (1).

(2) In calculating securities companies', insurers' and merchant banks' premiums of a business year in which this Decree is promulgated, the portion from April 1, 1998 to the date prior to the date of its promulgation shall be calculated by daily pro-rata according to a formula of Table 2, and the portion from the date of its promulgation to March 31, 1999 shall be calculated by daily pro-rata pursuant to the amendments to Article 16 (1).

(3) In calculating premiums to be paid by mutual saving and finance companies in 1998, the portion from July 1, 1997 to March 31, 1998 shall be calculated by daily pro-rata pursuant to Article 5 (2) of the Credit Management Fund Act prior to its repeal under Article 2 of the Addenda of Act No. 5501 (Amendment to the Mutual Savings and Finance Company Act), and the portion from April 1, 1998 to June 3, 1998 shall be calculated by daily pro-rata according to a formula of Table 2.

(4) In calculating mutual saving and finance companies' premiums of a business year in which this Decree is promulgated, the portion from July 1, 1998 to the date prior to the date of its promulgation of this Decree shall be calculated by daily pro-rata according to a formula of Table 2, and the portion from the date of its promulgation to June 30, 1998 shall be calculated by daily pro-rata pursuant to the amendment to Article 16 (1).

(5) In calculating mutual saving and finance companies' premiums for the year 1998, the portion to March 31, 1998 shall be calculated by daily pro-rata pursuant to Article 83-22 of the Credit Unions Act prior its amendment under Act No. 5506 (Amendment to the Credit Unions Act), the portion from April 1 to the date prior to the promulgation of this Decree shall be calculated by daily pro-rata according to a formula of Table 2, the portion from the date of promulgation of this Decree shall be calculated by daily pro-rata pursuant to the amendment to Article 16 (1) and premiums for 1998 paid by credit cooperatives to the former Credit Cooperatives Safety Fund pursuant to Article 83-22 of the same Credit Unions Act shall be deducted.

ADDENDUM <Presidential Decree No. 15911, Oct. 10, 1998>

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

ADDENDA <Presidential Decree No. 16709, Feb. 14, 2000>

Article 1 (Enforcement Date)

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

Article 2 Omitted.

ADDENDUM <Presidential Decree No. 16827, Jun. 7, 2000>

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

ADDENDA <Presidential Decree No. 16936, Aug. 5, 2000>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Transitional Measures concerning Calculation of Insurance Premiums) In calculating insurance premiums under Article 16 (1), those until the day before the date when this Decree enters into force shall be calculated by daily pro-rata under the previous provisions of Article 16 (3) and attached Table 1, and those after the date when this Decree enters into force shall be calculated by daily pro-rata under the amended provisions of Article 16 (3) and attached Table 1.

ADDENDA <Presidential Decree No. 16993, Oct. 31, 2000>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2001.

Article 2 (Special Cases for Payment Limit of Insurance Money)

(1) Where an insurance risk under subparagraph 7 of Article 2 of the Act is actualized during the period of the date of the entry into force of this Decree to December 31, 2003, the insurance money under Article 32 (1) of the Act shall be paid in full with respect to a deposit bearing no interest out of deposits placed in an insured financial institution (hereinafter referred to as the "deposit subject to settlement"), notwithstanding amendments to Article 18 (6).

(2) The scope of the deposit subject to settlement under paragraph (1) shall be determined and publicly announced by the Minister of Finance and Economy subject to a resolution by the Committee.

ADDENDA <Presidential Decree No. 17149, Mar. 17, 2001>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Applicability concerning Computation of Insurance Premiums) The amended provisions of subparagraph 1 of the reference column of the attached Table 1 shall apply to the portion of insurance premiums for which a liability for payment incurs for the first time after this Decree enters into force.

ADDENDUM <Presidential Decree No. 17823, Dec. 30, 2002>

This Decree shall enter into force on January 1, 2003.

ADDENDA <Presidential Decree No. 19010, Aug. 19, 2005>

Article 1 (Enforcement Date)

This Decree shall enter into force on December 1, 2005.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 19889, Feb. 28, 2007>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Applicability concerning Calculation of Insurance Premiums) The amended provisions of subparagraph 3 of the remarks of the attached Table 1 shall apply, starting with the portion of the insurance premium for which the payment obligation first accrues after this Decree enters into force.

(3) (Application Example concerning Payment of Special Contributions) The amended provisions of column 6 of the attached Table 1-2 shall apply, starting with the portion of the special contribution whose time limit for its payment first comes to an end after this Decree enters into force.

ADDENDA <Presidential Decree No. 20653, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on date of its promulgation. (Proviso Omitted.)

Article 2 Omitted.

ADDENDA <Presidential Decree No. 20947, Jul. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on February 4, 2009. (Proviso omitted.)

Articles 2 through 28 Omitted.

ADDENDA <Presidential Decree No. 21136, Nov. 26, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation, but the amended provisions of Article 3 (2) 1 and Table 1 attached hereto shall become enforceable on November 3, 2008.

Article 2 (Effective Period)

The amended provision of subparagraph 2 in notes to attached Table 1 shall be effective until June 30, 2009.

ADDENDA <Presidential Decree No. 21532, Jun. 9, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation, but the amended provisions of Article 14 (4) shall enter into force on February 4, 2009.

Article 2 (Applicability)

The amended provisions of Article 16-2 shall apply beginning with the insurance premiums the duty of payment of which occurs after 2014, but in cases of a bank, the above provisions shall apply beginning with the insurance premiums for the first quarter of 2014.

Article 3 (Transitional Measures)

When calculating insurance premiums under Article 16 (1), the insurance premiums to the preceding day of the effective date of this Decree shall be calculated on a daily basis pursuant to the previous attached Table 1, and the insurance premiums on or after the effective date of this Decree shall be calculated on a daily basis pursuant to the amended provisions of attached Table 1.

ADDENDUM <Presidential Decree No. 22901, Apr. 12, 2011>

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

ADDENDA <Presidential Decree No. 22990, Jun. 27, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2011

Article 2 (Transitional Measures concerning Calculation of Premiums)

In calculating mutual saving banks' premiums under Article 16 (1), the portion to the date before this Decree enters into force shall be calculated by daily pro-rata pursuant to the previous provisions of subparagraph 5 of attached Table 1, and the portion from the date when this Decree enters into force shall be calculated by daily pro-rata pursuant to the amended provisions of subparagraph 5 of attached Table 1.

ADDENDA <Presidential Decree No. 23488, Jan. 6, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Article 2 Omitted.

ADDENDUM <Presidential Decree No. 23683, Mar. 26, 2012>

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

ADDENDUM <Presidential Decree No. 25051, Dec. 30, 2013>

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

ADDENDA <Presidential Decree No. 25279, Mar. 24, 2014>

Article 1 (Enforcement Date)

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

Articles 2 and 3 Omitted.

ADDENDUM <Presidential Decree No. 25532, Aug. 6, 2014>

This Decree shall enter into force on August 7, 2014.

ADDENDA <Presidential Decree No. 25840, Dec. 9, 2014>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2015.

Articles 2 through 16 Omitted.

ADDENDA <Presidential Decree No. 25945, Dec. 30, 2014>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date on which the merger under Article 4 (6) of the Addenda to the Korea Development Bank Act, which is wholly amended by Act No. 12633, is registered.

Articles 2 through 5 Omitted.

ADDENDUM <Presidential Decree No. 26124, Feb. 26, 2015>

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

ADDENDA <Presidential Decree No. 27037, Mar. 11, 2016>

Article 1 (Enforcement Date)

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

Article 2 Omitted.

ADDENDA <Presidential Decree No. 27247, Jun. 21, 2016>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. Provided, That the amended Articles 15-2, 16, 16-4, 24-6, and 26, and attached Table 3 shall enter into force on June 23, 2016.

Article 2 (Applicability concerning Exceptions of Insured Financial Companies)

Where an entity which is an insured financial company as at the time this Decree enters into force is excluded from insured financial companies under the amended Article 2 (1), the entity shall be deemed not an insured financial company from the date when it first became an insured financial company.

Article 3 (Applicability concerning Scope of Deposits, etc.)

The amended Article 3 (3) 3-2 shall also apply to the money deposited to securities financing companies before this Decree enters into force.

Article 4 (Transitional Measures concerning Calculation of Insurance Premiums)

Notwithstanding the amended subparagraph 7 of the note of attached Table 1, the ratio specified in subparagraph 2 of the same Table shall apply where the insurance premiums, that banks, insurance companies, merchant banks or mutual savings banks shall pay as investment traders or investment brokers, are calculated before the enforcement date specified in the proviso to Article 1 of this Addenda.

ADDENDA <Presidential Decree No. 28283, Sep. 5, 2017>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted)

Articles 2 through 6 Omitted.

Last updated : 2018-01-16

