

CREDIT INFORMATION USE AND PROTECTION ACT

Wholly Amended by Act No. 9617, Apr. 1, 2009
Amended by Act No. 10228, Apr. 5, 2010
Act No. 10465, Mar. 29, 2011
Act No. 10690, May 19, 2011
Act No. 11690, Mar. 23, 2013
Act No. 11845, May 28, 2013
Act No. 12844, Nov. 19, 2014
Act No. 13216, Mar. 11, 2015
Act No. 13337, Jun. 22, 2015
Act No. 14122, Mar. 29, 2016
Act No. 14823, Apr. 18, 2017
Act No. 14839, Jul. 26, 2017
Act No. 15146, Nov. 28, 2017
Act No. 15748, Aug. 14, 2018
Act No. 15933, Dec. 11, 2018
Act No. 16188, Dec. 31, 2018
Act No. 16957, Feb. 4, 2020

Article 1 (Purpose)

The purpose of this Act is to foster industries related to credit information in a sound manner, promote efficient utilization and systematic management of credit information, and provide appropriate protection for privacy, etc. from the misuse and abuse of credit information, thereby contributing to the establishment of sound practices regarding credit transactions and development of the national economy. *<Amended by Act No. 16957, Feb. 4, 2020>*

Article 2 (Definitions)

The definition of terms used in this Act shall be as follows: *<Amended by Act No. 10690, May 19, 2011; Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>*

1. The term "credit information" refers to information that fall under the following items, necessary to determine the credit worthiness of the counterparty to financial transactions and other commercial transactions:
 - (a) Information by which a specific credit information subject can be identified (shall be deemed as credit information only when combined with information that fall under any of the following items (b) through (e));
 - (b) Information by which the transaction details of a credit information subject can be determined;
 - (c) Information by which the credit worthiness of a credit information subject can be determined;
 - (d) Information by which the credit transaction capacity of a credit information subject can be determined;
 - (e) Any information other than the foregoing items (a) through (d) required to determine the credit of the

credit information subject;

1-2. The term “information by which a specific credit information subject can be identified” in Subparagraph 1 item (a) of this Article refers to any of the following information.

(a) Any of the following information of a living person:

- 1) Name, address, phone number and other information similar thereto as prescribed by Presidential Decree;
- 2) Information issued under the laws to identify a specific individual in accordance with the laws as prescribed by Presidential Decree (hereinafter, referred to as the “personal identification number”);
- 3) Text, numbers or symbols transcribed to process a specific feature of an individual’s body parts for purposes of processing such information with information processing devices such as computers, or any information similar thereto that makes a specific person identifiable;
- 4) Any information similar to those set forth in the foregoing 1) through 3), as prescribed by Presidential Decree.

(b) Any of the following information of a company (refers to individuals and corporations operating businesses and the organizations thereof, hereinafter the same shall apply) and a corporation:

- 1) Trade names and titles;
- 2) Addresses of the main office including the principal office and branch;
- 3) Business types and purposes;
- 4) Names and personal identification numbers of personal business operators (refers to individuals operating a business, hereinafter the same shall apply) and representatives;
- 5) Numbers issued to identify a specific company or corporation in accordance with the laws, as prescribed by Presidential Decree;
- 6) Any information similar to those set forth in the foregoing 1) through 5) as prescribed by Presidential Decree.

1-3. The term “information by which the transaction details of a credit information subject can be determined” in Subparagraph 1 item (b) refers to any of the following information.

(a) Information on the following type, period, amount, interest, limit, etc. of a transaction that entails credit risks to the provider and user of credit information:

- 1) Credit granting under Article 2(7) of the Banking Act;
- 2) Credit card, facility leasing and installment financing transactions under Subparagraphs 3, 10 and 13 of Article 2 of the Specialized Credit Finance Business Act;
- 3) Credit granting under Articles 34(2), 72, 77-3(4) and 342(1) of the Financial Investment Services and Capital Markets Act;
- 4) Any transaction similar to those set forth in the foregoing 1) through 3) as prescribed by Presidential Decree;

(b) Information on the type, period, amount, interest, etc. of financial transactions under Subparagraph 3 of Article 2 of the Act on Real Name Financial Transactions and Confidentiality.

(c) Information on the product type, period, premium, etc. of insurance contracts and information on insurance claims and payments under Subparagraph 1 of Article 2 of the Insurance Business Act.

(d) Information on types, descriptions of issuance and trading, and fees and compensations of financial

investment instruments under Article 3 of the Financial Investment Services and Capital Markets Act.

(e) Information on the type, period, descriptions, terms, etc. of commercial transactions pursuant to commercial activities under Article 46 of the Commercial Act.

(f) Information similar to those set forth in the foregoing (a) through (e), as prescribed by Presidential Decree.

1-4. The term “information by which the credit worthiness of a credit information subject can be determined” in Subparagraph 1 item (c) refers to any of the following information.

(a) Information on an event of default, subrogation, and any other non-performance of commitments that occurred in relation to financial transactions and other commercial transactions.

(b) Any of the following information related to actions that disrupt sound practices regarding credit transactions in relation to financial transactions and other commercial transactions:

1) Information on the illegal use of others’ names in financial transactions and other commercial transactions;

2) Information on insurance frauds, financial frauds using electronic communication and other conducts of fraudulent or wrongful acts in financial transactions and other commercial transactions;

3) Information on the submission of forged, compromised or other false materials to the counterparty in financial transactions and other commercial transactions;

4) Information on the misappropriation of loan, etc. for other purposes or the execution of loan agreements and insurance agreements by wrongful means;

5) Any information similar to those set forth in the foregoing 1) through 4) as prescribed by Presidential Decree.

(c) In case where credit information under the above items (a) or (b) is of a corporation, the information on individuals who participate in the actual management of the corporation and hold de facto control over such corporation, as prescribed by Presidential Decree.

(d) Information similar to those set forth in the foregoing items (a) through (c) as prescribed by Presidential Decree.

1-5. The term “information by which the credit transaction capacity of a credit information subject can be determined” in Subparagraph 1 item (d) refers to any of the following information.

(a) Occupation, property, debt, total income and tax payment record of an individual.

(b) The overview of a company and a corporation including its history, purpose, business status, stock or equity status, etc., matters on representatives and executive officers, descriptions of sales and performance of receiving orders or description of business including material contracts regarding management, financial statements (including consolidated statements for companies that prepare consolidated statements) and other matters regarding finance and auditor reports and tax payment records (as defined in Subparagraph 7 of Article 2 of the Act on External Audit of Stock Companies).

(c) Any information similar to those set forth in the foregoing items (a) and (b), as prescribed by Presidential Decree.

1-6. The term “any information other than the foregoing items (a) through (d) required to determine the credit of the credit information subject” in Subparagraph 1 item (e) refers to information that fall under

any of the following items.

- (a) Information related to court rulings and administrative measures issued to the credit information subject, as prescribed by Presidential Decree.
 - (b) Information related to taxation, government bonds, etc. of the credit information subject, as prescribed by Presidential Decree.
 - (c) Information on the debt restructuring of the credit information subject, as prescribed by Presidential Decree.
 - (d) Information newly created by processing information for the purpose of determining the credit status of an individual, in the form of scores or grades using symbols, numbers, etc. (hereinafter referred to as "personal credit score")
 - (e) Information newly created by processing information for the purpose of determining the credit status of a company and a corporation in the form of scores or grades using symbols, numbers, etc. (hereinafter referred to as "corporate credit rating"), Provided, That this shall not include credit ratings under Article 9(26) of the Financial Investment Services and Capital Markets Act.
 - (f) Information on technology (as defined in Subparagraph 1 of Article 2 of Technology Transfer and Commercialization Promotion Act, hereinafter the same shall apply).
 - (g) Information newly created by processing information (including assessments made on the technical capacity, marketability or profitability related to the technology of a company and a corporation in a way prescribed by Presidential Decree) for the purpose of determining the credit status of a company and corporation, as prescribed by Presidential Decree (hereinafter referred to as "technical credit information"). Provided, That this shall not include credit ratings under Article 9(26) of the Financial Investment Services and Capital Markets Act.
 - (h) Other information similar to those provided under Subparagraphs 1-2 through 1-5 and those set forth under items (a) through (g), as prescribed by Presidential Decree.
2. The term "personal credit information" refers to any of the following credit information of a living individual, other than information of a company and corporation:
- (a) Information that makes a specific individual identifiable by the name, residential registration number and images, etc. of such information;
 - (b) Information that may not identify a specific individual on its own, but be readily combined with other information to identify a specific individual.
3. The term "credit information subject" refers to a person recognizable by processed credit information, who is the subject of such credit information;
4. The term "credit information business" refers to any of the following business:
- (a) Personal credit rating business;
 - (b) Personal business operator credit rating business;
 - (c) Corporate credit inquiry business;
 - (d) Credit investigation business.
5. The term "credit information company" refers to a party that falls under any of the following items which has been permitted by the Financial Services Commission to engage in credit information businesses set forth under the items of Subparagraph 4;

- (a) Personal credit rating company: a party that has been permitted to engage in the personal credit rating business.
 - (b) Personal business operator credit rating company: a party that has been permitted to engage in the personal business operator credit rating business.
 - (c) Corporate credit inquiry company: a party that has been permitted to engage in the corporate credit inquiry business.
 - (d) Credit investigation company: a party that has been permitted to engage in the credit investigation business.
6. The term "credit registry" refers to a party permitted by the Financial Services Commission under the provisions of Article 25 (1), which centrally manages and utilizes credit information;
7. The term "credit information provider/user" refers to a party prescribed by Presidential Decree, which provides a third party with credit information obtained or produced in relation to their own business for purposes of commercial transactions, such as financial transactions with customers, or has been continuously supplied with credit information from a third party to use such information for their own business, or other parties corresponding thereto;
8. The term "personal credit rating business" refers to engaging in the business of collecting information necessary to determine the credit of a person, assessing the credit status thereof (hereinafter, "personal credit rating") and furnishing the results (including the personal credit score) to a third party;
- 8-2. The term "personal business operator credit rating business" refers to engaging in the business of collecting information necessary to determine the credit of a personal business operator, assessing the credit status thereof, and furnishing the results to a third party. Provided, That this shall not include the credit rating business under Article 9(26) of the Financial Investment Services and Capital Markets Act.
- 8-3. The term "corporate credit inquiry business" refers to engaging in any of the following businesses; Provided, That this shall not include the credit rating business under Article 9(26) of the Financial Investment Services and Capital Markets Act.
- (a) Corporate information inquiry business: act of collecting credit information other than those prescribed by Presidential Decree, merging, analyzing or processing such information in a way prescribed by Presidential Decree, for purposes of presenting the transaction description, credit transaction ability, etc. of a credit information subject such as a company and corporation.
 - (b) Corporate credit rating provision business: act of assessing the credit status of a credit information subject such as a company and corporation and producing a corporate credit rating thereof, and furnishing such rating to the concerned credit information subject and stakeholders such as its counterparties, etc.
 - (c) Technical credit rating business: act of assessing the credit status and technological value of a credit information subject such as a company and corporation, producing the technical credit information thereof and furnishing such information to the concerned credit information subject and stakeholders such as its counterparties, etc.
9. The term "credit investigation business" refers to engaging in the business of investigating credit information upon the request of third parties and furnishing it to them;
- 9-2. The term "proprietary credit information management business" refers to engaging in the business of

integrating all or parts of the following credit information in a way prescribed by Presidential Decree to support the management of credit status of an individual credit information subject and furnishing it to the credit information subject.

(a) Credit information in Subparagraph 1-3, item (a) 1) and 2) and item (b) prescribed by Presidential Decree.

(b) Credit information Subparagraph 1-3, item (c), as prescribed by Presidential Decree

(c) Credit information Subparagraph 1-3, item (d), as prescribed by Presidential Decree

(d) Credit information Subparagraph 1-3, item (e), as prescribed by Presidential Decree

(e) Other information necessary for managing the credit status of principal subjects of credit information, as prescribed by Presidential Decree.

9-3. The term “proprietary credit information management company” refers to a party that has been permitted by the Financial Services Commission to engage in the proprietary credit information management business.

10. The term "claims collection business" refers to engaging in the business of recovering claims on behalf of and upon authorization of creditors, through an asset investigation of persons who fail to repay claims within the agreed deadline, dunning, or recovery of payments from debtors;

10-2. The term “claims collection company” refers to a party that has been permitted by the Financial Services Commission to engage in the claims collection business;

11. The term "claims", which are the object of claims collection, refers to monetary claims that accrue from commercial practices under the Commercial Act; civil claims prescribed by Presidential Decree, the title of which has been acknowledged by judgments, etc.; monetary claims arising from loans and guarantees, and other credit facilities and insurance businesses for union members and members of cooperatives, mutual aid associations, savings and finance companies, and their national federations and associations established under special Acts; and any other claims, the collection of which is allowed to be entrusted to a claims collection company pursuant to other Acts;

12. Deleted; <by Act No. 11845, May 28, 2013>

13. The term “processing” refers to collecting (including investigating, hereinafter the same shall apply), producing, linking, synchronizing, recording, storing, retaining, processing, editing, researching, printing, correcting, restoring, utilizing, combining, providing, disclosing, destroying credit information and any other acts similar to the foregoing.

14. The term “automated credit rating” refers to an act of any person employed by a credit information company, etc. under Article 15(1) using only information processing devices such as computers without intervening in the rating service him/herself, to process personal credit information and other information and rate individual credit information subjects.

15. The term “pseudonymization” refers to processing personal credit information in a way that individual credit information subjects are unidentifiable unless an additional information is utilized (including where the results of such processing fall under any of the following items, such that additional information is held separately pursuant to Article 40-2(1) and Article 40-2(2) so as to make the individual credit information subject unidentifiable):

(a) Where a specific credit information subject is distinguishable from another credit information

subject;

(b) Where two or more pieces of information of a specific credit information subject are either linked or synchronized within a single information collection (refers to a collection of two or more pieces of information that have been composed or arranged in a specific pattern for the purpose of managing and processing information in a systematic manner, hereinafter the same shall apply) or between two or more different information collections.

(c) Other cases similar to those set forth in the foregoing items (a) and (b) as prescribed by Presidential Decree.

16. The term “pseudonymized information” refers to personal credit information that has been processed to be pseudonymized.

17. The term “anonymization” refers to processing personal credit information in a way that the individual credit information subject is no longer identifiable.

18. The term “large shareholder” refers to any of the following shareholders;

(a) A person who, together with specially related persons as prescribed by Presidential Decree (hereinafter referred to as “specially related person”), holds the largest number of aggregate shares (including depository receipts related thereto) held on his/her own account, regardless of the form of ownership, among voting shares (including equity interests) issued by the credit information company, proprietary credit information management company and claims collection company (hereinafter “largest shareholder”).

(b) A person who falls under any of the following 1) and 2).

1) A person whose shares (including depository receipts related thereto) that he/she holds on his/her own account, regardless of the title of ownership, are no less than 10% of the total voting shares issued by the credit information company, proprietary credit information management company and claims collection company.

2) A shareholder prescribed by Presidential Decree who exercises de facto influence on material management matters of the credit information company, proprietary credit information management company and claims collection company, by way of appointing officers [directors, auditors, executive officers (limited to executive officers appointed under Article 408-2 of the Commercial Act), hereinafter the same shall apply].

Article 3 (Fostering Credit Information Related Industries)

(1) The Financial Services Commission may, if deemed necessary to improve the capability to provide credit information as well as to facilitate utilization of credit information, formulate plans for fostering industries related to credit information. *<Amended by Act No. 16957, Feb. 4, 2020>*

(2) The Financial Services Commission may, if deemed necessary to facilitate implementation of plans under Paragraph (1), request cooperation to the head of related administrative agencies, who, in turn, shall comply with such requests in the absence of any justifiable ground to the contrary.

Article 3-2 (Relations with Other Acts) *<Newly Inserted by Act No. 10690, May 19, 2011>*

(1) This Act shall apply to the use and protection of credit information, except as otherwise expressly provided

in other Acts.

(2) The Personal Information Protection Act shall apply to the protection of personal information, except as otherwise expressly provided in this Act.

Chapter 2 Permission, etc. of Credit Information Business, etc.

Article 4 (Permission of Credit Information Business, etc.)

(1) No party shall engage in the credit information business, proprietary credit information management business or claims collection business without obtaining permission in accordance with this Act for such credit information business, proprietary credit information management business or claims collection business. <Amended by Act No. 16957, Feb. 4, 2020>

(2) Any party that intends to engage in credit information business, proprietary credit information management business and claims collection business shall obtain permission from the Financial Services Commission <Amended by Act No. 16957, Feb. 4, 2020>

(3) Any party that intends to obtain permission under Paragraph (2) shall file an application with the Financial Services Commission, as prescribed by Presidential Decree.

(4) The Financial Services Commission may attach conditions to the permission under Paragraph (2).

(5) Any matter concerning an application for permission, including methods to fill out a permission application form in relation to the permission under Paragraph (2), the procedure and standard for permission review, and any other necessary matters shall be prescribed by Ordinance of the Prime Minister.

Article 5 (Parties eligible for Permission of the Credit Information Business, etc.)

(1) A party that is eligible for permission to engage in the personal credit rating business, credit investigation business, and claims collection business, shall be limited to parties that fall under any of the following Subparagraphs: Provided, That this shall not apply to the personal credit rating business that only processes information other than personal credit information centrally managed and utilized by central credit registries under Article 25(2)1 and personal credit information on financial transactions prescribed by Presidential Decree (hereinafter referred to as “professional personal credit rating business”); <Amended by Act No. 16957, Feb. 4, 2020>

1. A corporation with at least 50/100 of its capital invested by financial institutions, etc. prescribed by Presidential Decree;
 2. The Korea Credit Guarantee Fund established pursuant to the Credit Guarantee Fund Act;
 3. The Korea Technology Finance Corporation established pursuant to the Korea Technology Finance Corporation Act;
 4. A credit guarantee foundation established pursuant to the Regional Credit Guarantee Foundation Act;
 5. The Korea Trade Insurance Corporation established pursuant the Trade Insurance Act;
 6. A corporation with at least 50/100 of its capital invested by a party with permission to engage in the credit information business or claims collection business in full or in part: Provided, That cases where the investor engages in the same type of business with the corporation invested in shall be excluded.
- (2) A party that is eligible for permission to engage in the personal business operator credit rating business

shall fall under any of the following: <Newly Inserted by Act No. 16957, Feb. 4, 2020>

1. Personal credit rating businesses (professional personal credit rating businesses excluded);
2. Corporate credit inquiry businesses that engage in corporate credit rating provision business;
3. Credit card business operators under the Specialized Credit Finance Business Act;
4. Parties under Paragraph (1) Subparagraph 1;
5. Parties under Paragraph (1) Subparagraph 6.

(3) A party eligible for permission to engage in the corporate credit inquiry business shall fall under any of the following; Provided, That parties that intend to engage in the corporate credit rating provision business or the technical credit rating business shall be limited to parties satisfying Subparagraphs 1, 2 and 4. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

1. Parties under Paragraph (1) Subparagraph 1;
2. Parties in accordance with provisions under Paragraph (1) Subparagraphs 2 through 6;
3. Stock companies incorporated in accordance with the Commercial Act;
4. Corporations prescribed by Presidential Decree on account of the nature of the technical credit rating business and the purpose of the corporation.

(4) Notwithstanding Paragraph (3), any of the following parties shall not be permitted to engage in business under Article 2 Subparagraph 8-3 items (b) and (c). <Newly Inserted by Act No. 16957, Feb. 4, 2020>

1. A corporation with more than 10/100 of its shares held by a business group subject to disclosure and a business group subject to limitations on cross-shareholding defined in Article 14(1) of the Monopoly Regulation and Fair Trade Act;
2. A corporation with more than 10/100 of its shares held by a party defined in Article 9(17)3-2 of the Financial Investment Services and Capital Markets Act (hereinafter referred to as “credit rating company” in this Article) or by a company that engages in a business similar to credit rating companies in a foreign country.
3. A corporation with a company defined in Subparagraphs 1 or 2 as its largest shareholder.

Article 6 (Requirements for Permission)

(1) Any party that intends to obtain permission for the credit information business, proprietary credit information management business or claims collection business shall satisfy requirements referred to in each of the following Subparagraphs: <Amended by Act No. 16957, Feb. 4, 2020>

1. It shall be equipped with sufficient human resources (proprietary credit information management business excluded) and physical facilities, including data-processing equipment, to carry out credit information business, proprietary credit information management business or claims collection business;
- 1-2. In order to engage in the personal business operator credit rating business: No less than 5 billion won
- 1-3. Where intending to engage in the corporate credit inquiry business, no less than the following amounts for each business unit set forth under each item of Subparagraph 8-3 of Article 2.
 - (a) Corporate information inquiry business: Five hundred million won
 - (b) Corporate credit rating provision business: Two billion won
 - (c) Technical credit rating business: Two billion won
- 1-4. In order to engage in the proprietary credit information management business: No less than five

hundred million won

2. It shall have reasonable and sound business plans;
 3. The largest shareholder shall have sufficient investment capacity, sound financial status and social credibility;
 - 3-2. The executive officers shall be in accordance with Article 22(1) and (2), Articles 22-8 or 27(1).
 4. It shall have a sufficient level of expertise to perform credit information business, proprietary credit information management business or claims collection business.
- (2) Any party that intends to obtain permission to engage in credit information business, proprietary credit information management business or claims collection business shall possess equity capital or basic property classified under the following Subparagraphs: *<Amended by Act No. 11845, May 28, 2013>*
1. Where intending to engage in the personal credit rating business: No less than five billion won; Provided, That where intending to engage only in the professional personal credit rating business, the amount shall be no less than:
 - (a) In order to engage in the personal credit rating business of processing personal credit information related to the transaction history generated in exchange for providing products or services to the credit information subject or collected by any of the following credit information provider/user: Two billion won
 - 1) Telecommunications business operator under the Telecommunications Business Act;
 - 2) Korea Electric Power Corporation under the Korea Electric Power Corporation Act;
 - 3) Korea Water Resources Corporation under the Korea Water Resources Corporation Act;
 - 4) Any party similar to credit information providers/users set forth in the foregoing 1) through 3) as prescribed by Presidential Decree.
 - (b) In order to engage in the personal credit rating business of processing information other than those set forth under item (a): Five hundred million won
 2. No more than five billion won but no less than the amount determined by Presidential Decree, where intending to carry out credit investigation business and claims collection business, separately or jointly.
- (3) Any matters necessary for detailed requirements regarding the permission referred to in Paragraph (1) shall be determined by Presidential Decree.
- (4) Credit information companies, proprietary credit information management companies and claims collection companies shall continue to satisfy the requirements set forth in Paragraph (1) while conducting their relevant business, as applicable. *<Amended by Act No. 16957, Feb. 4, 2020>*

Article 7 (Public Notification on Permission, etc.) *<Amended by Act No. 16957, Feb. 4, 2020>*

The Financial Services Commission shall, in the event of any of the following, publicly announce the details thereof in the Official Gazette without delay, and inform the public of it by means of an internet website, etc.

1. Where it grants permission in accordance with Article 4(2) for credit information business, proprietary credit information management business and claims collection business;
2. Where it authorizes a transfer or acquisition by transfer in accordance with Article 10(1);
3. Where it accepts a declaration form of business closure in accordance with Article 10(4);
4. Where it accepts a declaration form of incidental business in accordance with Article 11-2(1);

5. Where it issues a restrictive order or corrective order against an incidental business in accordance with Article 11-2(8);
6. Where it revokes the permission for credit information business, proprietary credit information management business and claims collection business, or rescinds its authorization for the transfer/acquisition by transfer in accordance with Article 14(1).
7. Where it designates a data-specialized organization in accordance with Article 26-4(1).

Article 8 (Matters to Declare and Report)

- (1) Where a credit information company, proprietary credit information management company and claims collection company intends to modify any matters that have been permitted under Article 4 (2) prescribed by Presidential Decree, it shall file a declaration in advance to the Financial Services Commission: Provided, That where it intends to modify insignificant matters prescribed by Presidential Decree, it shall report the reason for modification to the Financial Services Commission within seven days from the date when such reason occurs. *<Amended by Act No. 16188, Dec. 31, 2018; Act No. 16957, Feb. 4, 2020>*
- (2) The Financial Services Commission shall, upon receiving the declaration pursuant to the main sentence of Subparagraph 1, conduct a review thereof and accept the declaration if it is in compliance with this Act. *<Newly Inserted by Act No. 16188, Dec. 31, 2018 >*

Article 9 (Approval, etc. of Change of Large Shareholder) *<Amended by Act No. 16957, Feb. 4, 2020>*

- (1) Any party that intends to become a majority shareholder (in the case of the largest shareholder, including shareholders that are specially related persons to the largest shareholder, and where the largest shareholder is a corporation, including the person prescribed by Presidential Decree as a person exercising de facto influence over material matters in terms of the management thereof; hereinafter the same shall apply in this Article) by way of an acquisition/transfer of stocks (refers to gaining de facto control over such stocks, hereinafter referred to as “acquisition, etc.”) issued by the credit information company, proprietary credit information management company and claims collection company shall abide by the Punishment of Tax Offenses Act and the financial laws prescribed by Presidential Decree to promote sound management, and obtain prior approval from the Financial Services Commission upon satisfying the requirements prescribed by Presidential Decree; Provided, That this shall not apply to public institutions, etc. under Article 4 of the Act on the Management of Public Institutions that do not raise concerns about impeding sound financial practices, as prescribed by Presidential Decree.
- (2) If the acquisition, etc. of stocks under Paragraph (1) was caused by events prescribed by Presidential Decree such as the death, etc. of a previous majority shareholder, a request for approval must be filed to the Financial Services Commission within three months and within a period prescribed by Presidential Decree from the date of such acquisition, etc.
- (3) The Financial Services Commission may order the disposition of stocks that have been acquired, etc. without obtaining an approval in accordance with Paragraph (1) or stocks that have been acquired, etc. pursuant to Paragraph (2) but not requested for approval upon the acquisition, etc. thereof, within a specified period of no later than six months.
- (4) Any person who fails to obtain an approval in accordance with Paragraph (1) or fails to file for an

approval in accordance with Paragraph (2) shall not exercise its voting rights for such stocks that have been acquired without such approval or have not been filed for such approval after the acquisition thereof.

(5) Details on the method and procedures for the foregoing Paragraphs (1) through (3) shall be determined in accordance with Presidential Decree.

Article 9-2 (Qualification Review, etc. of the Largest Shareholder)

(1) The Financial Services Commission shall review whether the single largest investor (where such single largest investor is a corporation, the single largest investor among the largest shareholders of such corporation, and again, if such single largest investor is also a corporation, then the subsequent single large investor until the single largest investor is an individual. Provided, That in case of a circular shareholding structure, the single largest investor shall be an individual prescribed by Presidential Decree among the largest shareholders; hereinafter referred to as “subject of qualification review”) among the largest shareholders of the personal credit rating company and personal business operator credit rating company (hereinafter referred to as “company subject to review” in this Article) as prescribed by Presidential Decree satisfies the requirements prescribed by Presidential Decree (hereinafter referred to as "requirements for maintaining qualification") such as its compliance with the Punishment of Tax Offenses Act and financial laws prescribed by Presidential Decree among requirements set forth in Article 9(1) for every period prescribed by Presidential Decree.

(2) Where a company subject to review acknowledges the occurrence of a cause for its subject of qualification review’s failure to satisfy the requirements for maintaining qualification, it shall report such fact without delay to the Financial Services Commission.

(3) The Financial Services Commission may, when necessary to conduct a review pursuant to Paragraph (1), request that the company subject to review or the subject of qualification review to provide necessary materials or information.

(4) The Financial Services Commission may, upon determining that a subject of qualification review has failed to satisfy the requirements for maintaining qualification as a result of the review under Paragraph (1), specify a period of no longer than six months and issue orders regarding the subject of qualification review so as to implement the following measures in full or in part over the specified period to secure sound of management of the company subject to review:

1. Measures to satisfy the requirements for maintaining qualification;
2. Measures to prevent conflict of interests, such as restriction of transactions with such subject of qualification review;
3. Other measures deemed necessary to promote sound management of the company subject to review, as prescribed by Presidential Decree.

(5) The Financial Services Commission may, upon determining as a result of the review under Paragraph (1) that the subject of qualification review falls under any of the following Subparagraphs and the level of its violation of the law undermines sound financial practices and the soundness of the company subject to review, order that that such subject of qualification review shall not exercise voting rights for 10/100 or more of the total number of voting rights issued by the company subject to review (where the single largest investor is a corporation, this refers to the stocks with voting rights issued by such company subject to review owned by such corporation) it owns for a period of no longer than five years as prescribed by Presidential Decree.

1. Where the subject of qualification review is sentenced with a punishment of no less than one year of imprisonment without labor for violation of the laws provided in Paragraph (1) and the judgment thereof becomes final;
 2. Other cases prescribed by Presidential Decree for purposes of maintaining sound financial practices.
- (6) Notwithstanding Article 38 of the Criminal Act, those that commit multiple offenses including violations of the laws provided in Paragraph (1) shall be subject to separate hearings and sentences.
- (7) Details on the methods and procedures for the foregoing Paragraphs (1) through (5) shall be determined in accordance with Presidential Decree.

Article 10 (Authorization of Transfer, Acquisition by Transfer, etc.)

- (1) Where a credit information company, proprietary credit information management company or claims collection company intends to entirely or partially transfer, acquire, divide its business, or merge with another juristic person (including divisions and mergers under Article 530-2 of the Commercial Act; hereinafter the same shall apply), it shall obtain authorization from the Financial Services Commission, as prescribed by Presidential Decree. *<Amended by Act No. 16957, Feb. 4, 2020>*
- (2) Where a credit information company, proprietary credit information management company or claims collection company transfers or divides its business or merges it with another juristic person upon authorization in accordance with Paragraph (1), the transferee, the juristic person established upon division, or the juristic person that survives the merger (cases where a corporation which is a credit information company, proprietary credit information management company or claims collection company carries out a statutory merger with another corporation which is not a credit information company, proprietary credit information management company or claims collection company excluded), or juristic person newly formed through the merger, shall succeed to the status of the transferor, the juristic person prior to division or the merger as a credit information company, proprietary credit information management company or claims collection company. In such cases, the permission granted to the legacy credit information company, proprietary credit information management company and claims collection company prior to such event shall become null and void (in case of a partial transfer or division under Paragraph (1), this shall only apply to the transferred or divided business). *<Amended by Act No. 16957, Feb. 4, 2020>*
- (3) With regard to a transferee, juristic person that survives a merger, or juristic person newly established upon a division or merger under Paragraphs (1) and (2), the provisions of Articles 5, 6, 22, 22-8, and 27 (1) through (7) shall apply *mutatis mutandis*. *<Amended by Act No. 11845, May 28, 2013; Act No. 16957, Feb. 4, 2020>*
- (4) Where a credit information company, proprietary credit information management company or claims collection company intends to temporarily suspend or close its business in its entirety or in part, it shall file a declaration in advance to the Financial Services Commission, as prescribed by Ordinance of the Prime Minister. *<Amended by Act No. 16957, Feb. 4, 2020>*
- (5) The Financial Services Commission shall, upon receiving the declaration pursuant to Subparagraph 4, conduct a review thereof and accept the declaration if it is in compliance with this Act. *<Newly Inserted by Act No. 16188, Dec. 31, 2018>*

Article 11 (Concurrent Operation of Business Services)

(1) A credit information company, proprietary credit information management company and claims collection company may concurrently perform services deemed unlikely to undermine credit information subject protection and sound practices in the credit business (hereinafter referred to as “concurrent services”) upon filing a declaration to the Financial Services Commission in advance. In such cases, any service that requires authorization, permission, registration, or approval, etc. of an administrative agency in accordance with this Act and other applicable laws cannot be carried out unless a prior authorization, permission, registration, or approval, etc. has been obtained in accordance with the applicable Act: *<Amended by Act No. 11845, May 28, 2013; Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>*

1. Deleted; *< by Act No. 16957, Feb. 4, 2020>*

2. Deleted; *< by Act No. 16957, Feb. 4, 2020>*

3. Deleted; *< by Act No. 16957, Feb. 4, 2020>*

4. Deleted; *< by Act No. 16957, Feb. 4, 2020>*

(2) The concurrent services of a personal credit rating company shall fall under the following Subparagraphs: *<Amended by Act No. 16957, Feb. 4, 2020>*

1. Credit information business other than personal credit rating business;

2. Claims collection business;

3. Services of Identification Service Agencies designated under Article 23-3 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc.;

4. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(3) The concurrent services of a personal business operator credit rating company shall fall under the following Subparagraphs: *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

1. Credit information business other than personal business operator credit rating business

2. Claims collection business

3. Services of Identification Service Agencies designated under Article 23-3 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc.;

4. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(4) The concurrent services of a corporate credit inquiry company shall fall under the following Subparagraphs: *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

1. Credit information business other than corporate credit inquiry business;

2. Claims collection business; and

3. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(5) The concurrent services of a credit investigation company shall fall under the following Subparagraphs: *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

1. Credit information business other than credit investigation business;

2. Asset management services pursuant to Article 10 of the Asset-Backed Securitization Act;

3. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(6) The concurrent services of a proprietary credit information management company shall fall under the following Subparagraphs: *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

1. Investment advisory business and discretionary investment business under Article 6(1)4 or Article 6(1)5 of the Financial Investment Services and Capital Markets Act (limited to cases prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.)
2. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(7) The concurrent services of a claims collection company shall fall under the following Subparagraphs: *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

1. Credit information business;
2. Asset management services under Article 10 of the Asset-Backed Securitization Act;
3. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(8) The Financial Services Commission shall, upon receiving the declaration pursuant to Subparagraph 4, conduct a review thereof and accept the declaration if it is in compliance with this Act. *<Newly Inserted by Act No. 16188, Dec. 31, 2018, Amended by Act No. 16957, Feb. 4, 2020>*

Article 11-2 (Incidental Services) *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

(1) A credit information company, proprietary credit information management company or claims collection company may provide incidental services regarding the business it has obtained permission for (hereinafter referred to as “incidental services”). In such cases, the credit information company, proprietary credit information management company or claims collection company shall file a declaration to the Financial Services Commission seven days prior to the date of initiating such incidental services.

(2) The incidental services of a personal credit rating company shall fall under the following Subparagraphs:

1. Services of providing newly created personal credit scores and other personal credit rating results to the concerned credit information subject;
2. Services of providing personal credit information or processed information thereof to the concerned individual or a third party;
3. Services of utilizing or providing pseudonymized information or anonymized information;
4. Services of data analysis and consulting based on personal credit information and other information;
5. Services of development and sales of data processing systems, solutions and software related to personal credit information (including personal credit rating and risk management models);
6. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(3) The incidental services of a personal business operator credit rating company shall fall under the following Subparagraphs:

1. Services of providing newly created results of a credit rating for personal business operators to the concerned personal business operator;
2. Services of providing the credit information of a personal business operator or processed information

- thereof to the concerned personal business operator or third parties;
3. Services of utilizing or providing pseudonymized information or anonymized information;
 4. Services of data analysis and consulting based on the credit information of a personal business operator and other information;
 5. Services of development and sales of data processing systems, solutions and software related to personal business operator credit information (including personal business operator credit rating and risk management models);
- (4) The incidental services of a corporate credit inquiry company shall fall under the following Subparagraphs: Provided, That the incidental services in Subparagraph 1 shall be limited to corporate credit inquiry companies that engage in the corporate credit rating provision business or technical credit rating business.
1. Services of providing credit information of companies and corporations or processed information thereof to the concerned entities or third parties;
 2. Services of utilizing or providing pseudonymized information or anonymized information;
 3. Services of data analysis and consulting based on credit information of companies and corporations and other information;
 4. Services of development and sales of data processing systems, solutions and software related to credit information of companies and corporations (including corporate credit rating and risk management models);
 5. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.
- (5) The incidental services of a credit investigation company shall fall under the following Subparagraphs:
1. Services of investigating the lease status and price of immovable and movable properties;
 2. Services of investigating the status of businesses and business sites;
 3. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.
- (6) The incidental services of a proprietary credit information management company shall fall under the following Subparagraphs:
1. Services of data analysis and consulting for credit information subjects based on their own personal credit information provided to them;
 2. Services of providing an account to credit information subjects for them to manage and utilize their own personal credit information;
 3. Services of exercising by proxy the rights set forth in each of the Subparagraphs under Article 39-3(1);
 4. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.
- (7) The incidental services of a claims collection company shall fall under the following Subparagraphs:
1. Services of establishing and providing a receivables management system for creditors;
 2. Services of issuing debt certificates pursuant to Article 5 of the Fair Debt Collection Practices Act as delegated by a party designated by Presidential Decree;
 3. Other services prescribed by Presidential Decree that are unlikely to undermine sound practices in credit transactions and the protection of credit information subjects.

(8) The Financial Services Commission may issue an order of restriction or correction on any incidental service where the descriptions of the declaration thereof fall under any of the following Subparagraphs:

1. Where it undermines the management soundness of the credit information company, proprietary credit information management company or claims collection company;
2. Where it is deemed necessary to protect credit information subjects and maintain sound practices in credit transactions, as prescribed by Presidential Decree.

(9) The restrictive order or corrective order under Paragraph (8) shall be issued in a written statement that describes the details and reasons therefor.

Article 12 (Prohibition of Use of Similar Title)

No party, other than a credit information company, proprietary credit information management company, claims collection company or credit registry permitted under this Act, shall use such titles as credit information, credit investigation, personal credit rating, credit management, MyData, claims collection or any text similar thereto for its trade name or title; Provided, That this shall not apply in cases prescribed by Presidential Decree such as where a party has been permitted to perform similar services to a credit information company, proprietary credit information management company, claims collection company or credit registry under other laws and regulations. *<Amended by Act No. 11845, May 28, 2013; Proviso Inserted by Act No. 16957, Feb. 4, 2020>*

Article 13 (Prohibition of Concurrent Offices by Executive Officers)

No full-time executive officer of a credit information company, proprietary credit information management company or claims collection company may engage in the day-to-day business of another profit-making juristic person without approval from the Financial Services Commission. *<Amended by Act No. 16957, Feb. 4, 2020>*

Article 14 (Revocation of Permission, etc., and Suspension of Business)

(1) The Financial Services Commission may revoke the permission or authorization of a credit information company, proprietary credit information management company or claims collection company in any of the following cases: Provided, That where any ground prescribed by Presidential Decree exists, even if a credit information company, proprietary credit information management company or claims collection company falls under any of the following Subparagraphs, the Financial Services Commission may issue, prior to such cancellation, a corrective order with a specified period not exceeding six months: *<Amended by Act No. 11845, May 28, 2013; Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>*

1. Where the permission under Article 4 (2) or authorization under Article 10 (1) was obtained by fraudulent or other wrongful means;
2. Where there was a violation of the investment requirements of financial institutions, etc. under Article 5, Subparagraphs (1)1, (2)4, (3)1: Provided, That cases shall be excluded where the stocks of a credit information company or claims collection company are listed in the stock market in accordance with Article 8-2 (4) 1 of the Financial Investment Services and Capital Markets Act and the financial institutions, etc. referred to in Article 5 (1) 1 have contributed at least 33/100 of the capital thereof;

3. Deleted; <by Act No. 11845, May 28, 2013>
 4. Where the equity capital (referring to the sum of total assets less total liabilities on the balance sheet at the end of the latest business year; hereinafter the same shall apply) of a credit information company, proprietary credit information management company or claims collection company [excluding cases where three business years (five years if personal credit rating business, personal business operator credit rating business and corporate credit inquiry business are included) have not elapsed since the credit information company obtained permission] falls short of the equity capital or basic property requirements referred to in Article 6 (2);
 5. Where a party that violated an order to suspend business or committed an offense that constitutes grounds for business suspension, had been imposed a disposition to suspend business within the preceding three years from the date when such grounds for business suspension occurred;
 6. Where a party notified false matters to the client in violation of Article 22-7(1)1;
 - 6-2. Where a party forced a person to request an investigation related to credit information in violation of Article 22-7(1)2;
 - 6-3. Where a party coerced a response and provision of investigation material from the subject of credit information investigation in violation of Article 22-7(1)3.
 - 6-4. Where a party investigated into private life other than commercial relations such as financial transactions, etc., in violation of Article 22-7(1)4.
 7. Deleted; <by Act No. 11845, May 28, 2013>
 8. Where a party performed a claims collection service, in violation of any of the Subparagraph of Article 9 of the Fair Debt Collection Practices Act (applicable only to claims collection business);
 9. Where a party violated the terms or conditions of permission or authorization;
 10. Where a party failed to perform the permitted operations continuously for at least one year without justifiable grounds;
 11. Where a party performed claims collection service, in violation of Article 41 (1) (applicable only to claims collection business).
- (2) The Financial Services Commission may issue an order to fully or partially suspend business over a specified period not exceeding six months, where a credit information company, proprietary credit information management company or claims collection company falls under any of the following Subparagraphs: <Amended by Act No. 11845, May 28, 2013; Act No. 13216, Mar. 11, 2015; Act No. 16188, Dec. 31, 2018; Act No. 16957, Feb. 4, 2020>
1. Where a party has violated Article 6 (4);
 2. Where a party has violated Article 11 and 11-2; <Amended by Act No.16188, Dec. 31, 2018; Act No. 16957, Feb. 4, 2020>
 3. Deleted; <by Act No. 16957, Feb. 4, 2020>
 4. Where credit information has been lost, stolen, disclosed, altered or compromised in violation of Articles 17 (4) or 19;
 5. Where a party has violated Article 22 Paragraphs (1) and (2), Article 22-8, or Article 27 Paragraph (1);
 - 5-2. Where a party has collected credit information in violation of Article 22-9(3) or transmitted personal credit information in violation of Article 22-9(4);

- 5-3. Where a party has violated Article 33(2);
6. Deleted; <by Act No. 16957, Feb. 4, 2020>
7. Where a party has violated Article 40(1)5 and used titles such as intelligence service agent, detective, etc. or other titles similar thereto;
8. Where a party has violated Article 42 (1), (3) or (4);
9. Where a case constitutes grounds for a disposition provided for in the attached Table;
10. Where a party has performed a claims collection service, in violation of Subparagraphs 2 and 5 of Article 12 of the Fair Debt Collection Practices Act (applicable only to claims collection business);
11. Any other case where a party has violated another statute or articles of incorporation, or showed low management soundness, triggering a risk of undermining public interests.

Chapter 3 Collection and Processing of Credit Information

Article 15 (Principles of Collection, Investigation, and Processing)

(1) A credit information company, proprietary credit information management company, claims collection company, credit registry and credit information provider/user (hereinafter referred to as "credit information company, etc.") may collect and process credit information. In such cases, the credit information company, etc. shall clarify the purposes of such collection and processing within the scope of operations determined by this Act or the articles of incorporation and collect and process credit information by reasonable and fair means to the smallest extent necessary to serve such purposes pursuant to this Act and Subparagraphs 1 and 2 of Article 3 of the Personal Information Protection Act. <Amended by Act No. 16957, Feb. 4, 2020>

(2) In collecting credit information, a credit information company, etc. shall obtain consent from the relevant credit information subject: Provided, That the same shall not apply in any of the following cases: <Amended by Act No. 16957, Feb. 4, 2020>

1. In any of the cases that fall under Article 15(1)2 through Article 15(1)6 of the Personal Information Protection Act;
2. In the case of collecting any of the following items:
 - (a) Information announced or disclosed by the laws;
 - (b) Information announced or disclosed through media such as publications or broadcast communications or the internet websites of a public institution pursuant to Article 2(3) of the Official Information Disclosure Act.
 - (c) Information disclosed by the credit information subject directly or through a third party, on social network services, etc. In this case, the scope will be limited to where it is objectively acknowledged that the concerned credit information subject gave consent, as prescribed by Presidential Decree.
3. In cases prescribed by Presidential Decree that correspond to cases in Subparagraphs 1 and 2;
4. Deleted; <by Act No. 16957, Feb. 4, 2020>

Article 16 Deleted; <by Act No. 16957, Feb. 4, 2020>

Article 17 (Outsourcing of Processing)

(1) A credit information company, etc. may entrust its credit information processing service to a third party. In this case, Articles 26(1) through 26(3) of the Personal Information Protection Act shall apply *mutatis mutandis* to the outsourcing of personal credit information processing services. <Amended by Act No. 16957, Feb. 4, 2020>

(2) A credit information company, etc. may outsource the processing of credit information and Articles 19 through 21, Articles 22-4 through 22-7, 22-9, 40, 43, 43-2, 45, 45-2 and 45-3 (including penal and administrative fines provisions in relation to such Articles) shall apply *mutatis mutandis* to the processing of information by outsourced agents (hereinafter referred to as "agent"). <Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

(3) A credit information company, etc. prescribed by Presidential Decree, which intends to outsource the processing of credit information under Paragraph (2), shall notify the Financial Services Commission of the scope of the credit information provided, etc., as prescribed by Presidential Decree.

(4) In providing personal credit information to an agent in order to outsource the processing of credit information under Paragraph (2), a credit information company, etc. shall take measures to protect information by which a specific credit information subject can be identified, such as encryption, as prescribed by Presidential Decree. <Newly Inserted by Act No. 13216, Mar. 11, 2015>

(5) Where a credit information company, etc. has provided any credit information to an agent, it shall educate the agent as prescribed by Presidential Decree to prevent the credit information from being forged, altered, lost, stolen, disclosed, altered or compromised and reflect matters for the safe processing of credit information by the agent in the consignment contract. <Newly Inserted by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

(6) Agents that utilize or provide personal credit information to third parties shall be subject to Article 26(5) of the Personal Information Protection Act. <Amended by Act No. 16957, Feb. 4, 2020>

(7) No agent shall further outsource any of the duties under Paragraph (2) to a third party: Provided, That the same shall not apply where the Financial Services Commission acknowledges within a scope that does not compromise the protection and safe processing of credit information. <Newly Inserted by Act No. 13216, Mar. 11, 2015>

Article 17-2 (Combination of Information Collections, Etc.) <Newly Inserted by Act No. 16957, Feb. 4, 2020>

(1) A credit information company, etc. (excluding parties prescribed by Presidential Decree, hereinafter the same shall apply in this Article and in Article 40-2) that intends to combine an information collection it holds with an information collection of a third party shall do so through a data-specialized organization designated under Article 26-4.

(2) The data-specialized organization designated under Article 26-4 shall deliver pseudonymized or anonymized information when delivering the combined information collection under Paragraph (1) to such credit information company, etc. or the third party.

(3) The procedures and methods of combining, providing and storing information collections other than those provided under Paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Chapter 4 Distribution and Management of Credit Information <Amended by Act No. 16957, Feb. 4, 2020>

Article 18 (Keeping Credit Information Accurate and Up-to-Date)

(1) A credit information company, etc. shall register, modify, and manage credit information, as prescribed by Presidential Decree, so as to keep credit information accurate and up-to-date.

(2) A credit information company, etc. shall delete any credit information that may disadvantage a credit information subject, from the list of information to be registered and managed, within five years at the latest after the cause of such disadvantage is removed. Provided, That this shall not apply to any of the following cases. <Amended by Act No. 10690, May 19, 2011; Act No. 16957, Feb. 4, 2020>

1. For purposes of performing services under Article 25-2, Subparagraph 1-3;

2. Other cases prescribed by Presidential Decree where it is unlikely to undermine sound practices regarding credit transactions and the protection of credit information subjects.

(3) Specific types of the credit information under Paragraph (2), the period of preservation and use of the relevant records, etc. shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 10690, May 19, 2011>

Article 19 (Security Protection of Credit Information Computer System)

(1) A credit information company, etc. shall formulate and implement technological, physical, and administrative security measures, as prescribed by Presidential Decree, with respect to unlawful access by a third party to the credit information computer system (including the common computer network for credit information under Article 25 (6); hereinafter the same shall apply) and alteration, compromise and destruction or any other risk in relation to the information entered. <Amended by Act No. 13216, Mar. 11, 2015>

(2) Where a credit information provider/user exchanges credit information with another credit information provider/user, personal credit rating company, personal business operator credit rating company or corporate credit inquiry company subject to this Act, such credit information provider/user shall enter into an agreement containing measures concerning the management of credit information security, as prescribed and publicly notified by the Financial Services Commission. <Amended by Act No. 16957, Feb. 4, 2020>

Article 20 (Clarification of Accountability of Credit Information Management and Archiving of Business Processing Records)

(1) A credit information company, etc. shall comply with the standards for management of credit information determined by the Financial Services Commission with regard to collection, processing, use, protection, etc. of credit information. <Amended by Act No. 13216, Mar. 11, 2015>

(2) A credit information company, etc. shall archive the records of processing personal credit information in accordance with the following classification for three years: <Amended by Act No. 16957, Feb. 4, 2020>

1. In the case of collecting and using personal credit information:

(a) Dates of collection and utilization;

(b) Types of information collected and used;

(c) Reasons and grounds for collection and utilization.

2. In the case of providing or being provided with personal credit information:

- (a) Dates of such provision;
- (b) Types of information provided;
- (c) Reasons and grounds for such provision.

3. In the case of destroying personal credit information:

- (a) Dates of such destruction;
- (b) Types of information destroyed;
- (c) Reasons and grounds for destruction.

4. Other matters prescribed by Presidential Decree.

(3) Each credit information company, proprietary credit information management company, claims collection company, credit registry, and credit information provider/user prescribed by Presidential Decree shall appoint at least one credit information administrator/guardian to undertake the tasks set forth under Paragraph (4): Provided, that parties prescribed by Presidential Decree on account of total assets and number of employees, etc. shall designate the credit information administrator/guardian as an executive officer (including persons prescribed by Presidential Decree who are in charge of the overall management and protection of credit information). *<Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>*

(4) A credit information administrator/guardian under Paragraph (3) shall perform the following duties: *<Newly Inserted by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>*

1. In the case of personal credit information, any of the following services:

- (a) Services under Articles 31(2)1 through 31(2)5 of the Personal Information Protection Act;
- (b) Inspection of compliance with statutes and regulations related to the protection of credit information by its executive officers and/or employees, exclusive solicitors, etc.;
- (c) Other duties prescribed by Presidential Decree to manage and protect credit information.

2. In the case of corporate credit information, any of the following services:

- (a) Formulation and implementation of plans for management and protection of credit information, such as the collection, retention, provision, and deletion thereof;
- (b) Regular inspection and improvement of the status and practice of management of credit information, such as the collection, retention, provision, and deletion thereof;
- (c) Exercise of rights of credit information subjects, such as the perusal of and request for correction of credit information and damage relief;
- (d) Establishment and operation of internal control systems to prevent leakage, etc. of credit information;
- (e) Formulation and execution of education plans on the protection of credit information for executive officers/and or employees, exclusive solicitors, etc.;
- (f) Inspection for compliance with statutes and regulations related to the protection of credit information by its executive officers and/or employees, exclusive solicitors, etc.;
- (g) Other duties prescribed by Presidential Decree to manage and protect credit information.

3. Deleted; *<by Act No. 16957, Feb. 4, 2020>*

4. Deleted; *<by Act No. 16957, Feb. 4, 2020>*

5. Deleted; *<by Act No. 16957, Feb. 4, 2020>*

6. Deleted; *<by Act No. 16957, Feb. 4, 2020>*

7. Deleted; <by Act No. 16957, Feb. 4, 2020>

(5) Article 31(3) and 31(5) shall apply *mutatis mutandis* to the performance of duties by a credit information administrator/guardian. <Newly Inserted by Act No. 13216, Mar. 11, 2015; Amended by Act No. 16957, Feb. 4, 2020>

(6) The credit information administrator/guardian of a credit information company, etc. designated by Presidential Decree shall regularly inspect the status of management and protection of personal credit information processed by the credit information company, etc. and report the results to the Financial Services Commission. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

(7) The qualifications for and other matters necessary to designate a credit information administrator/guardian pursuant to Paragraph (3) and the method of submission pursuant to Paragraph (6) shall be determined by Presidential Decree. <Amended by Act No. 13216, Mar. 11, 2015; Amended by Act No. 16957, Feb. 4, 2020>

(8) Where a customer information officer appointed in accordance with Article 48-2 (6) of the Financial Holding Companies Act, meets the qualifications set forth in Paragraph (6), he/she shall be deemed a credit information administrator/guardian designated under Paragraph (3). <Amended by Act No. 13216, Mar. 11, 2015; Amended by Act No. 16957, Feb. 4, 2020>

Article 20-2 (Retention Period, etc. for Personal Credit Information)

(1) A credit information provider/user shall manage the personal credit information of a credit information subject as prescribed by Presidential Decree, including applying tighter access authority thereto, in such a manner that the personal credit information of the relevant credit information subject can be safely protected from the date a commercial transaction relationship including financial transactions (excluding employment relationship; hereinafter the same shall apply) is terminated until the time limit determined and publicly notified by the Financial Services Commission.

(2) Notwithstanding Article 21(1) of the Personal Information Protection Act, a credit information provider/user shall delete the personal credit information of the relevant credit information subject from the management list within a maximum five year period from the date a commercial transaction relationship including financial transactions is terminated (where the purpose of the collection, provision, etc. of information is achieved before the lapse of the relevant period, within three months from the date such purpose is achieved): Provided, That the same shall not apply in any of the following cases: <Amended by Act No. 16957, Feb. 4, 2020>

1. Where it is inevitable for performing obligations under this Act and any other statute;
2. Where deemed necessary for the exigent interests of an individual's life, body or property;
- 2-2. Where pseudonymized information is used and such information is archived for a period prescribed by Presidential Decree on account of the purpose of use, technical features of such pseudonymization and attributes of the information, etc.
3. Other cases prescribed by Presidential Decree as follows:
 - (a) For the payment of deposit or insurance payment.
 - (b) For the prevention of resubscription of insurance defrauders.
 - (c) Where necessary to archive personal credit information due to the features of the processing technology therefor.

- (d) Where necessary to archive personal credit information in cases similar to those set forth in the foregoing items (a) through (c).
- (3) Where a credit information provider/user preserves personal credit information without deletion under the proviso to Paragraph (2), it shall manage the information as prescribed by Presidential Decree, such as by separating it from the personal credit information of credit information subjects with whom it is currently involved.
- (4) When a credit information provider/user utilizes personal credit information it keeps separately under Paragraph (3), it shall notify such fact to the credit information subject.
- (5) Types of personal credit information, period of management, methods and procedures for deletion, the criterion of the date a commercial transaction relationship including financial transactions is terminated, etc. under Paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Article 21 (Disposition of Archived Information upon Closure of Business)

Where a credit information company, etc. (excluding credit information providers/users) intends to close its business, it shall dispose of or destroy archived information as determined and publicly notified by the Financial Services Commission. <Amended by Act No. 16957, Feb. 4, 2020>

Chapter 5 Credit Information Related Industry <Amended by Act No. 16957, Feb. 4, 2020>

Section 1 Credit Information Business <Amended by Act No. 16957, Feb. 4, 2020>

Article 22 (Qualifications, etc. of Executive Officers of a Credit Information Company) <Amended by Act No. 16957, Feb. 4, 2020>

- (1) Article 5 of the Act on Corporate Governance of Financial Companies shall apply *mutatis mutandis* to executive officers of a personal credit rating company, personal business operator credit rating company and corporate credit inquiry company.
- (2) No credit investigation company shall hire or employ any of the following persons as an executive officer or employee.
1. A minor. Provided, That this shall not apply where the person is hired or employed for services prescribed and notified by the Financial Services Commission;
 2. A person under adult guardianship or limited guardianship;
 3. A person who has yet to be reinstated after having been declared bankrupt;
 4. A person in whose case three years have not elapsed since the completion of, or exemption from, a sentence of imprisonment without labor or a heavier punishment as declared by a court (including cases where such execution is deemed to have been completed);
 5. A person under a suspended sentence of imprisonment without labor or a heavier punishment as declared by a court;
 6. A person who has been dismissed or removed from office under this Act or other statutes and for whom five years have not since elapsed;
 7. A person who had worked as an executive officer or employee of a corporation or company of which the business permission, authorization, etc. was revoked under this Act or other statutes and for whom

five years have not elapsed since such revocation (applicable only to persons prescribed by Presidential Decree, who is directly responsible for the grounds for such revocation or in a position equivalent thereto);

8. A person who is a retired executive officer or employee and is notified that he/she would have received a measure of recommendation of dismissal (including a demand for dismissal) or demand for removal from office pursuant to this Act or other statutes if he/she had held his/her position or were under employment, and for whom five years (seven years from the date of his/her retirement where the date on which five years has passed from the date of notification is later than the date on which seven years have passed from the date of his/her retirement) have not yet elapsed from the date of such notification.

Article 22-2 (Reporting on Credit Information, etc.)

A personal credit rating company, personal business operator credit rating company, corporate credit inquiry company and proprietary credit information management company shall submit to the Financial Services Commission a report on the scope and period of use of credit information, and parties to whom such information is to be provided, etc., as prescribed by Presidential Decree. <Newly Inserted by Act No. 10690, May 19, 2011; Amended by Act No. 16957, Feb. 4, 2020>

Article 22-3 (Principles of Personal Credit Rating, etc.)

(1) A personal credit rating company and its executive officers and employees shall consider each of the following items when engaging in personal credit rating services:

1. Whether the personal credit rating result is accurate and its rating system is fair;
2. Whether the personal credit rating process is conducted in an open and transparent manner.

(2) A corporate credit inquiry company and its officers and employees that engage in the corporate credit rating provision business or technical credit rating business shall perform its services in a fair and faithful manner from an independent perspective when engaging in services of generating corporate credit ratings or technical credit information.

(3) Paragraphs (1) and (2) shall apply *mutatis mutandis* to a personal business operator credit rating company and its executive officers and employees.

<Amended by Act No. 16957, Feb. 4, 2020>

Article 22-4 (Rules of Conduct for Personal Credit Rating Companies)

(1) Where a personal credit rating company is rating the credit status of an individual credit information subject, it shall consider information that may be advantageous to the concerned information subject's personal credit rating in addition to information that may be disadvantageous thereto.

(2) A personal credit rating company shall not engage in any of the following acts when conducting personal credit ratings:

1. Discriminating without reasonable cause based on sex, origin, nationality, etc.
2. Assigning either advantageous or disadvantageous weights to certain factors without reasonable cause when creating the personal credit rating model.
3. Other conducts prescribed by Presidential Decree that may undermine sound practices in credit

transactions or the protection of credit information subjects.

(3) A personal credit rating company that engages in professional personal credit rating business shall not engage in unfair practices prescribed by Presidential Decree, such as raising the personal credit score of an individual credit information subject who is provided with products or services from its affiliate companies (refers to affiliate companies defined in Article 2, Subparagraph 3 of the Monopoly Regulation and Fair Trade Act, hereinafter the same shall apply).

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 22-5 (Rules of Conduct for Personal Business Operator Credit Rating Companies)

(1) Where a personal business operator credit rating company is rating the credit status of a personal business operator, it shall comply with the following Subparagraphs:

1. It shall consider information that may be advantageous to the credit rating of the concerned personal business operator in addition to information that may be disadvantageous thereto.
2. It shall not discriminate against, without reasonable cause, parties who engage in commercial transactions such as financial transactions with the personal business operator credit rating company from those that do not.

(2) A personal business operator credit rating company shall not engage in any of the following conducts.

1. Coercing the purchase or utilization of products or services of the personal business operator credit rating company or its affiliate company, in the course of rating the credit status of a personal business operator.
2. Other conducts prescribed by Presidential Decree that may undermine sound practices in credit transactions or the protection of credit information subjects.

(3) A personal business operator credit rating company shall prescribe internal control standards that include the following matters to set forth appropriate standards and procedures for executive officers and employees to comply with when performing their duties. Provided, That if the personal credit rating company conducts the personal business operator credit rating business under Article 11(2) such that it rates the credit status of a personal business operator by way of automated credit rating, it may not include Subparagraph 1.

1. Matters on the separation of the rating organization and the sales organization;
2. Matters on the prevention of conflict of interests;
3. Matters on the prohibition of unfair practices;
4. Matters on appropriate credit rating criteria considering the nature of personal business operators.
5. Other matters prescribed by Presidential Decree as necessary regarding internal control standards.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 22-6 (Rules of Conduct for Corporate Credit Inquiry Companies)

(1) Where a corporate credit inquiry company (excluding corporate credit inquiry companies that only engage in the corporate information inquiry business, hereinafter the same shall apply to Paragraphs (2) and (3)) is rating the credit status of a company and corporation, it shall consider information that may be advantageous to the credit rating of such company and corporation, in addition to information that may be disadvantageous thereto.

(2) A corporate credit inquiry company shall not engage in any of the following conducts.

1. Producing corporate credit grades and technical credit information related to a person prescribed by Presidential Decree who is specially related with the corporate credit inquiry company such as by holding no less than a certain percentage of shares thereof;
2. Coercing the purchase or utilization of products or services of the corporate credit inquiry company or its affiliate company in the course of generating corporate credit ratings or technical credit information;
3. Other conducts prescribed by Presidential Decree that may undermine sound practices in credit transactions or the protection of credit information subjects.

(3) A corporate credit inquiry company shall prescribe internal control standards that include the following matters to set forth appropriate standards and procedures for executive officers and employees to comply with when performing their duties.

1. Matters on the separation of the rating organization and the sales organization;
2. Matters on the prevention of conflict of interests;
3. Matters on the prohibition of unfair practices;
4. Matters on appropriate criteria for generating corporate credit ratings or technical credit ratings considering the nature of companies and corporations;
5. Other matters prescribed by Presidential Decree as necessary regarding internal control standards.

(4) A corporate credit inquiry company that engages in the corporate information inquiry business shall prescribe a user management regulation as prescribed by Presidential Decree to manage the users of credit information.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 22-7 (Rules of Conduct for Credit Investigation Companies)

(1) A credit investigation company shall not engage in any of the following conducts.

1. Notifying false matters to the client;
2. Coercing a party to request an investigation related to credit information;
3. Coercing a response and provision of investigation materials from a subject of credit information investigation;
4. Investigating into private life other than commercial relations such as financial transactions, etc.

(2) Where executive officers or employees who engage in credit inquiry business intend to investigate credit information, they shall carry certificates to prove their engagement in the credit investigation business to present it to relevant parties.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Section 2. Proprietary Credit Information Management Business

Article 22-8 (Qualifications, etc. of Executive Officers of Proprietary Credit Information Management Companies)

Article 5 of the Act on Corporate Governance of Financial Companies shall apply *mutatis mutandis* to matters related to the executive officers of a proprietary credit information management company. *<Newly Inserted by*

Act No. 16957, Feb 4, 2020>

Article 22-9 (Rules of Conduct for Proprietary Credit Information Management Companies)

(1) A proprietary credit information management company shall not engage in conducts that fall under any of the following Subparagraphs:

1. Any act of coercing or unfairly inducing an individual credit information subject to transmit its personal credit information;

2. Other conducts that may undermine the protection of credit information subjects or sound practices in credit transaction, as prescribed by Presidential Decree;

(2) A proprietary credit information management company shall establish internal management regulations to prevent any conflict of interest that may arise between individual credit information subjects and the proprietary credit information management company while performing services under Paragraph (6) of Article 11 and Subparagraph 3, Paragraph (6) of Article 11-2.

(3) A proprietary credit information management company shall not use and preserve the following means as prescribed by Presidential Decree to collect any credit information to be delivered to credit information subjects.

1. Access mediums described in Subparagraph 10 of Article 2 of the Electronic Financial Transactions Act which is selected, used and managed for proprietary credit information management by a credit information provider/user prescribed by Presidential Decree or a public institution under the Personal Information Protection Act prescribed by Presidential Decree or a proprietary credit information management company (hereinafter referred to as “credit information providers/users, etc.” in this Article and Article 33-2);

2. Means to authenticate one’s identity prescribed by Presidential Decree such as presenting a certificate that states one’s identity or using the telephone, online website, etc.

(4) A credit information provider/user, etc. shall, upon the request of an individual credit information subject to a proprietary credit information management company to transmit his/her personal credit information, directly transmit the personal credit information of the credit information subject to the concerned proprietary credit information management company in a way prescribed by Presidential Decree through which stability and reliability of information provision are secured.

(5) Notwithstanding Paragraph (4), where prescribed by Presidential Decree on account of the size of credit information providers/users, etc. and the frequency of commercial transactions such as financial transactions, etc., a credit information provider/user, etc. may transmit personal credit information to a proprietary credit information management company through a relay agency designated by Presidential Decree.

(6) A credit information provider/user, etc. may, where sending personal credit information on a regular basis under Paragraph (4) of Article 33-2, have a proprietary credit information management company bear minimum expenses to the necessary extent.

(7) Transmission procedures and methods under Paragraphs (4) and (5) and detailed standards for calculation of such expenses under Paragraph (6) shall be determined by Presidential Decree. *<Newly Inserted by Act No. 16957, Feb 4, 2020>*

Section 3. Use and Provision of Public Information

Article 23 (Requests, etc. for Provision of Credit Information of Public Institutions)

(1) Deleted. <by Act No. 13216, Mar. 11, 2015>

(2) Where a credit registry requests the head of the State, a local government, or a public organization prescribed by Presidential Decree (hereinafter referred to as "public institution") to provide credit information prescribed by Presidential Decree as necessary to determine credit worthiness, credit transaction capacity, etc. of the credit information subject, the head of the public institution requested thereof may, notwithstanding the Acts set forth in the following Subparagraphs, provide credit information for the requesting credit registry. In such cases, the standards, procedures, etc. for the provision of information shall be prescribed by Presidential Decree: <Amended by Act No. 10465, Mar. 29, 2011; Act No. 13216, Mar. 11, 2015>

1. Official Information Disclosure Act;
2. Personal Information Protection Act;
3. National Health Insurance Act;
4. National Pension Act;
5. Korea Electric Power Corporation Act;
6. Resident Registration Act.

(3) A credit registry may supply credit information provided by public institutions in accordance with Paragraph (2) to a credit information user prescribed by Presidential Decree. <Amended by Act No. 13216, Mar. 11, 2015>

(4) Where a credit registry or a credit information user referred to in Paragraph (3) provides personal credit information obtained from a public institution under Paragraphs (2) and (3), it shall verify whether the party to be provided with such information has obtained consent from the relevant individual on the provision and use of credit information in accordance with Article 32 (3); Provided, That, the same shall not apply if any of the Subparagraphs under Paragraph (6) of Article 32 is applicable. <Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

(5) Parties provided with personal credit information pursuant to Paragraph (4) shall not provide it to a third party. <Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

(6) Any party that requests provision of credit information in accordance with Paragraph (2) shall pay fees or commissions for perusal in accordance with related statutes. <Amended by Act No. 13216, Mar. 11, 2015>

(7) Where the head of a public institution requests in writing the provision of credit information to use it for official duties prescribed by related statutes, a credit information company, etc. may provide such credit information.

Article 24 (Use of Computerized Data of Resident Registration)

(1) In any of the following cases, a credit registry and credit information provider/user prescribed by Presidential Decree may request the Minister of the Interior and Safety to provide resident registration data in the computer system under Article 30 (1) of the Resident Registration Act. In such cases, the Minister of the Interior and Safety shall comply with such request unless there are extraordinary circumstances: <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

1. Where the purpose is to payout deposits or insurance benefits, etc., the extinction prescription of which is completed in accordance with other Acts including Article 64 of the Commercial Act, and the original right holder thereof has to be notified of relevant matters;

2. Where the purpose is to notify matters that affect the rights and obligations of the counter party to a transaction, including the occurrence of events resulting in a change to contracts, such as the maturity, lapse, termination, etc. of financial transaction contracts.

(2) Any request for resident registration data in the computer system pursuant to Paragraph (1) shall be reviewed by the Chairman of the Financial Services Commission.

(3) Where a request has been reviewed by the Chairman of the Financial Services Commission under Paragraph (2), it shall be deemed to have been reviewed by the heads of relevant central administrative institutions under Article 30 (1) of the Resident Registration Act. Matters pertaining to processing procedures, usage fees, commissions, etc. shall be determined by the Resident Registration Act.

Section 4. Credit Registry and Data-Specialized Organization, etc.

Article 25 (Credit Registry)

(1) A party that intends to centrally collect and store credit information to manage it in a systematic and comprehensive manner and exchange and utilize credit information between credit information companies, etc. (hereinafter referred to as "central management and utilization") shall obtain permission as a credit registry from the Financial Services Commission. *<Amended by Act No. 13216, Mar. 11, 2015>*

(2) A credit registry under Paragraph (1) shall obtain permission as classified in the following Subparagraphs: *<Amended by Act No. 13216, Mar. 11, 2015>*

1. Central credit registry: A credit information collection agency that centrally manages and utilizes the credit information obtained from all financial institutions prescribed by Presidential Decree;

2. Individual credit registry: A credit information collection agency that centrally manages and utilizes the credit information in accordance with agreements, etc. made by associations, etc. established by the same type of business operators other than financial institutions referred to in Subparagraph 1.

(3) A party that intends to obtain permission as a credit registry pursuant to Paragraph (1) shall satisfy the following requirements: *<Amended by Act No. 13216, Mar. 11, 2015>*

1. It shall be a non-profit corporation incorporated under Article 32 of the Civil Act;

2. It shall maintain a character of public nature and impartiality, as prescribed by Presidential Decree, in centrally managing and utilizing the credit information;

3. The facility, equipment, and human resources prescribed by Presidential Decree shall be furnished.

(4) Any necessary matter to obtain permission under Paragraphs (1) and (2) and the revocation thereof, the details and scope of credit information for central management and utilization, and the parties with whom credit information is to be exchanged shall be determined by Presidential Decree: Provided, That the exchange and use of credit information between a credit registry, personal credit rating company, personal business operator credit rating company and corporate credit inquiry company (excluding corporate credit inquiry companies engaged in corporate information inquiry services only) shall be conducted in such a manner that the credit registry provides credit information to a personal credit rating company, personal business operator credit rating company or corporate credit inquiry company (excluding corporate credit inquiry companies engaged in corporate information inquiry services only) at the request of the personal credit rating company, personal business operator credit rating company or corporate credit inquiry company (excluding corporate credit inquiry

companies engaged in corporate information inquiry services only). *<Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>*

(5) The central credit registry pursuant to Paragraph (2) 1 (hereinafter referred to as "central credit registry") may, for the purpose of ensuring the accuracy and timeliness of credit information centralized, investigate as to whether a financial institution duly performs its obligations to provide credit information, as prescribed by the Committee for Centralization and Management of Credit information under Article 26. *<Amended by Act No. 13216, Mar. 11, 2015>*

(6) A credit registry may establish a common computer network for credit information (hereinafter referred to as "common computer network"), as prescribed by Presidential Decree, and parties that participate in the common computer network shall cooperate as necessary to the maintenance and management, etc. thereof. In such cases, the credit registry shall be a telecommunication business operator under Article 2 (1) 1 of the Telecommunications Business Act.

Article 25-2 (Duties of Central Credit Registry)

A central credit registry shall perform the following duties:

1. Centralized management and use of credit information of all financial institutions under Article 25(2)1;
- 1-2. Centralized management and use of credit information collected from public institutions under Article 23(2);
- 1-3. Delivering or allowing perusal of change of creditor information to credit information subjects pursuant to Article 39-2;
2. Investigation and analysis services for public purposes;
3. Services prescribed by Presidential Decree in relation to the processing, analysis, provision, etc. of credit information;
- 3-2. Operation of the Committee for Verification of Personal Credit Rating System pursuant to Article 26-3
4. Deleted; *<by Act No. 16957, Feb. 4, 2020>*
5. Services prescribed by this Act and other statutes as those that can be performed by a central credit registry;
6. Other services prescribed by Presidential Decree equivalent to those prescribed in Subparagraphs 1 through 5. *<Amended by Act No. 16957, Feb. 4, 2020>*

Article 26 (Committee for Centralization and Management of Credit Information)

(1) The Committee for Centralization and Management of Credit Information (hereinafter referred to as "Committee") shall be established under a central credit registry to perform the following duties: *<Amended by Act No. 13216, Mar. 11, 2015>*

1. Deliberation on important agendas regarding the duties under the Subparagraphs of Article 25-2 prescribed by Presidential Decree; *<Amended by Act No. 16957, Feb. 4, 2020>*;
2. Matters concerning the allocation of general expenditure for central management and utilization of credit information, and investment funds for new projects, etc.;
3. Matters concerning an investigation on a financial institution's performance of its obligations for the provision of credit information under Article 25(2)1 and imposition of sanctions prescribed by Presidential Decree;
4. Matters concerning preventive measures against the disclosure or use of credit information for a non-business purpose;

5. Other matters necessary for the central management and utilization of credit information.

(2) Deleted. <by Act No. 13216, Mar. 11, 2015>

(3) Where the Committee reaches a decision regarding matters referred to in the Subparagraphs of Paragraph (1), it shall report such fact to the Financial Services Commission, as determined by the Financial Services Commission. <Amended by Act No. 13216, Mar. 11, 2015>

Article 26-2 (Organization, Operation, etc. of Committee for Centralization and Management of Credit Information)

(1) The Committee shall consist of no more than 15 members, including one chairperson.

(2) The head of the central credit registry shall be the chairperson of the Committee, and the members shall be appointed taking into consideration public interests, impartiality, representativeness of relevant business categories, expertise in credit information, etc.

(3) Other matters necessary for the organization, operation, etc. of the Committee shall be prescribed by Presidential Decree.

Article 26-3(Committee for Verification of Personal Credit Rating System)

(1) The Committee for Verification of Personal Credit Rating System shall be established under a central credit registry to perform the following duties:

1. Deliberation on basic information used for evaluation at personal credit rating companies and personal business operator credit rating companies (hereinafter referred to as “personal credit rating companies, etc.” in this Article);

2. Deliberation on the predictability and stability, etc. of the rating models of personal credit rating companies, etc.;

3. Other matters similar to Subparagraphs 1 and 2 prescribed by Presidential Decree.

(2) The Committee for Verification of Personal Credit Rating System shall consist of no more than 7 members including one chairperson.

(3) The Committee for Verification of Personal Credit Rating System shall deliberate on matters under each Subparagraph of Paragraph (1), report the results thereof to the Financial Services Commission as determined and publicly notified by the Financial Services Commission and inform the personal credit rating companies, etc.

(4) The Financial Services Commission shall disclose the deliberation results upon being reported thereof pursuant to Paragraph (3) on an online website, etc. as determined and publicly notified by the Financial Services Commission.

(5) The organization and operation of the Committee for Verification of Personal Credit Rating System under Paragraph (1) and the submission method, timing, procedures, etc. of deliberation results under Paragraphs (2) to (4) shall be determined by Presidential Decree. <Newly Inserted by Act No. 16957, Feb 4, 2020>

Article 26-4 (Data-specialized Organization) (1) The Financial Services Commission may designate a corporation or institutions specialized in evaluating combinations of information collections under Article 17-2 and adequacy of anonymization pursuant to Article 40-2 (hereinafter referred to as “data-specialized organization”).

(2) A data-specialized organization shall perform the following services in each Subparagraph below:

1. Combination and transmission of information collections owned by a credit information company, etc. and a third party;
2. Adequacy evaluation of anonymization by a credit information company, etc.;
3. Any other services similar to those in Subparagraphs 1 and 2 prescribed by Presidential Decree.

(3) Where necessary to perform such services in Subparagraphs 1 and 2 of Paragraph (2) above in a professional manner, a data-specialized organization may establish an Adequacy Evaluation Committee as prescribed by Presidential Decree.

(4) A data-specialized organization shall establish a risk management system prescribed by Presidential Decree where any of the following Subparagraphs is applicable:

1. Services in Subparagraph 1 of Paragraph (2) and services in Subparagraph 2 of Paragraph (2) are performed together;
2. Services in each Subparagraph of Paragraph (2) and services under this Act or other statutes are performed together;

(5) Other matters required for the criteria and cancellation of designation pursuant to Paragraph (1) and the organization and operation of an Adequacy Evaluation Committee under Paragraph (3), etc. shall be determined by Presidential Decree. *<Newly Inserted by Act No. 16957, Feb 4, 2020>*

Section 5. Claims Collection Business

Article 27 (Persons Engaged in Claims Collection Business, Delegated Claims Collectors, etc.)

(1) A claims collection company shall not hire or employ any of the following persons as an executive officer or employee, nor shall it delegate the service to such person or have the person conduct credit collection business through a means similar to delegation. *<Amended by Act No. 14823, Apr. 18, 2017; Act No. 16957, Feb. 4, 2020>*

1. A minor: Provided, That this shall not apply where the person is hired or employed for services prescribed and notified by the Financial Services Commission;
2. A person under adult guardianship or limited guardianship;
3. A person who has yet to be reinstated after having been declared bankrupt;
4. A person in whose case three years have not elapsed since the completion of, or exemption from, a sentence of imprisonment or a heavier punishment as declared by a court (including cases where such execution is deemed to have been completed);
5. A person under a suspended sentence of imprisonment without labor or a heavier punishment as declared by a court;
6. A person who has been dismissed or removed from office under this Act or other statutes and for whom five years have not since elapsed;
7. A person who had worked as an executive officer or employee of a corporation or company of which the business permission, authorization, etc. was revoked under this Act or other statutes and for whom five years have not elapsed since such revocation (applicable only to persons prescribed by Presidential Decree, who is directly responsible for the grounds for such revocation or in a position equivalent thereto);

8. A person whose registration as a delegated claims collector under Paragraph (2) 2 has been revoked, and for whom five years have not elapsed after such revocation;

9. A person who is a retired executive officer or employee and is notified that he/she would have received a measure of recommendation of dismissal (including demand for dismissal) or demand for removal from office pursuant to this Act or other statutes if he/she held his/her position or were under employment, and for whom five years (seven years from the date of his/her retirement where the date on which five years has passed from the date of notification is later than the date on which seven years have passed from the date of his/her retirement) have not yet elapsed from the date of such notification.

(2) A claims collection company shall perform its claims collection service through persons that fall under any of the following Subparagraphs:

1. Executive officers or employees of a claims collection company;

2. A person who has been delegated the service, or allowed in such a manner equivalent to delegation to conduct claims collection service by a claims collection company (hereinafter referred to as "delegated claims collector").

(3) A claims collection company shall register persons who intend to serve as its delegated claims collector with the Financial Services Commission.

(4) Delegated claims collectors shall not render claims collection services for a claims collection company for whom they are not employed.

(5) A claims collection company shall not collect claims that are not subject to collection nor render claims collection services through a delegated claims collector that falls under any of the following Subparagraphs:

1. A delegated claims collector who is not registered under Paragraph (3);

2. A delegated claims collector who has been registered with another claims collection company;

3. A delegated claims collector who is suspended from business under Paragraph (7).

(6) The Financial Services Commission may cancel the registration of delegated claims collectors, where they fall under any of the following Subparagraphs:

1. Have been registered under Paragraph (3) in a fraudulent or any other unlawful means; or

2. Have violated an order to suspend business under Paragraph (7) or committed an offense that constitutes grounds for business suspension after having been imposed a disposition to suspend business within the preceding one year from the date when such grounds for business suspension occurred.

3. Deleted; < by Act No. 16957, Feb. 4, 2020 >

4. Have performed claims collection activities in violation of a Subparagraph of Article 9 of the Fair Debt Collection Practices Act;

5. Have violated the terms and conditions of registration;

6. Have failed to perform the registered business continuously for at least one year without justifiable grounds.

(7) The Financial Services Commission may issue an order to fully or partially suspend business over a specified period not exceeding six months, where delegated claims collectors fall under any of the following Subparagraphs:

1. Have violated Paragraph (4);

2. Deleted; < by Act No. 16957, Feb. 4, 2020 >

3. Have violated Subparagraph 5, Paragraph (1) of Article 40;

4. Have violated Subparagraphs 2 and 5 of Article 12 of the Fair Debt Collection Practices Act; or

5. Have violated other statutes or articles of association of their claims collection company, severely undermining or posing a risk to public interests.

(8) Where executive officers and employees who engage in the claims collection business or delegated claims collectors intend to render the claims collection service, they shall carry a certificate demonstrating their engagement in the claims collection business and present it to the debtor or other related persons under the Fair Debt Collection Practices Act.

(9) A claims collection company shall faithfully manage its delegated claims collectors so that they observe the statutes and do not undermine sound transaction practices while performing the claims collection service. In such case, it shall ensure that its delegated claims collectors do not commit violations set forth in the following Subparagraphs: *<Newly Inserted by Act No. 15146, Nov. 28, 2017>*

1. Act of violating Article 8-3 (1), 9, or 10 (1) or Subparagraph 1 or 2 of Article 11 of the Fair Debt Collection Practices Act;

2. Act of violating Article 8-3 (2), Subparagraph 3 through 5 of Article 11, Article 12, 13, or 13-2 (2) of the Fair Debt Collection Practices Act.

(10) The qualification requirements and registration procedures for delegated claims collectors shall be prescribed by Presidential Decree.

(11) A person intending to become a delegated claims collector shall, when applying for registration as such, pay a fee as prescribed by Ordinance of the Prime Minister.

Article 27-2 (Prohibition of Entrustment of Services to Unlicensed Claims Collection Entities)

A credit information provider/user prescribed by Presidential Decree such as a credit finance company or a credit business entity, shall not entrust claims collection services to a party other than claims collection companies.

Article 28 Deleted <May 28, 2013>

Article 29 Deleted <May 28, 2013>

Article 30 Deleted <May 28, 2013>

Chapter 6. Protection of Credit Information Subjects

Article 31 (Public Notification of Credit Information Utilization Status)

(1) A personal credit rating company, personal business operator credit rating company, corporate credit inquiry company, credit registry and credit information provider/user determined by Presidential Decree shall publicly disclose matters in each of following Subparagraphs in a manner prescribed by Presidential Decree:

1. Basic plans for protection and management of personal credit information (limited to parties prescribed by Presidential Decree on account of total assets and number of employees, etc.);

2. Types and purposes of use of credit information managed;

3. Parties provided with credit information;

4. Types and methods of exercising the rights of credit information subjects;

5. Types of credit information to be reflected in credit rating and the weight and period of such reflection (limited to personal credit rating companies, personal business operator credit rating companies and corporate

credit inquiry companies engaging in corporate credit rating provision business and technical credit rating business);

6. Matters stated in Article 30(1)6 and 7 of the Personal Information Protection Act;

7. Any other matters related to credit information processing prescribed by Presidential Decree.

(2) Article 30(2) of the Personal Information Protection Act shall apply *mutatis mutandis* if disclosure items under any of the Subparagraphs of Paragraph (1) are to be amended. <Newly Inserted by Act No. 16957, Feb 4, 2020>

Article 32 (Consent to Provision and Use of Personal Credit Information)

(1) If a credit information provider/user intends to provide personal credit information to any other person, it shall obtain individual consent in advance from the relevant credit information subject each time it intends to provide personal credit information by using the following methods, as prescribed by Presidential Decree: Provided, That the same shall not apply where such information is provided to maintain the accuracy and recency of personal credit information within the scope of the purpose or use agreed on in advance: <Amended by Act No. 13216, Mar. 11, 2015>

1. In writing;

2. Electronic documents bearing a certified digital signature under Subparagraph 3 of Article 2 of the Digital Signature Act (referring to electronic documents under Subparagraph 1 of Article 2 of the Framework Act on Electronic Documents and Transactions);

3. Entering the personal identification number by wire or wireless communication that ensures the stability and reliability of consent provision, in consideration of the details and purpose of the personal credit information to be provided;

4. Obtaining consent from the concerned individual upon notifying him/her of the details of the consent by wire and wireless communication. In such cases, evidential material shall be obtained and maintained by, for instance, recording a verbal dialogue concerning the identification of the individual, details of the consent and the individual's answer thereto, etc., and a notification procedure shall take place ex post as prescribed by Presidential Decree;

5. Other means determined by Presidential Decree.

(2) A party that intends to obtain personal credit information from a personal credit rating company, personal business operator credit rating company, corporate credit inquiry company or credit registry shall obtain individual consent from the relevant credit information subject each time it receives personal credit information (excluding where the information is provided to maintain the accuracy and recency of personal credit information within the scope of the purpose or use agreed on in advance) by any means set forth in the Subparagraphs of Paragraph (1), as prescribed by Presidential Decree. In such cases, the party that intends to obtain personal credit information shall notify the relevant credit information subject when his/her personal credit score may be degraded upon personal credit information inquiry. <Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

(3) Where a personal credit rating company, personal business operator credit rating business, corporate credit inquiry company or credit registry provides personal credit information under Paragraph (2), it shall verify whether the party that intends to receive such personal credit information has obtained consent under Paragraph

(2), as prescribed by Presidential Decree. <Amended by Act No. 16957, Feb. 4, 2020>

(4) Where a credit information company, etc. obtains consent for the provision and utilization of personal credit information, it shall explain to the information subject details regarding mandatory consent items and optional consent items separately, and obtain consent thereto respectively, as prescribed by Presidential Decree. In such cases, as for information subject to mandatory consent, it shall explain the relevance thereof to service provision, and as for information subject to optional consent, it shall notify the fact that he/she holds the right not to consent to information provision. <Newly Inserted by Act No. 13216, Mar. 11, 2015>

(5) No credit information company, etc. may refuse to provide services to a credit information subject on the grounds that he/she did not consent to optional consent items. <Newly Inserted by Act No. 13216, Mar. 11, 2015>

(6) Where a credit information company, etc. (including data-specialized organizations where Subparagraph 9-3 is applied) provides personal credit information in any of the following cases, Paragraphs (1) through (5) shall not apply: <Amended by Act No. 13216, Mar. 11, 2015>

1. Where a credit information company or claims collection company provides such information to another credit information company, claims collection company or credit registry for the central management and utilization of such information;
2. Where required under Article 17 (2) to outsource the processing of credit information under Article 17 (2);
3. Where the relevant personal credit information is provided as the rights and obligations are fully or partially transferred by business transfer, division, merger, etc.;
4. Where personal credit information is provided to a party that uses the information for purposes prescribed by Presidential Decree, including claims collection (applicable only to the credit subject to collection), purpose of authorization and/or permission, determination of a company's credit worthiness, and transfer of securities;
5. Where personal credit information is provided in accordance with a court order for the submission thereof or a warrant issued by a judicial officer;
6. Where such information is provided upon request by a prosecutor or judicial police officer, in an emergency where a victim's life is in danger or he/she is expected to suffer bodily injury, etc., that no time is available to issue a judicial warrant under Subparagraph 5. In such cases, the prosecutor provided with personal credit information shall, without delay, seek a warrant from a judicial officer, and the judicial police officer shall apply to the prosecutor for a warrant, who, in turn, shall seek it from a judicial officer. Where the warrant is not issued within 36 hours from receipt of the personal credit information, such personal credit information shall be disposed of without delay;
7. Where such information is provided upon written request by the head of a competent tax office for inquiry and examination in accordance with tax-related Acts, or upon request for the taxation data subject to mandatory submission in accordance with tax-related Acts;
8. Where personal credit information held by a financial institution is provided to a foreign financial supervisory body in accordance with international conventions, etc.;
9. Where information in items (b) and (c) of Subparagraph 1-4 of Article 2 are provided to or received from a personal credit rating company, personal business operator credit rating business, corporate credit inquiry company engaging in corporate credit rating provision business or technical credit rating business, or credit registry;

9-2. Where pseudonymized information is provided for the purpose of statistics, research and public records preservation, etc. The statistics hereunder includes those for commercial purposes such as market research, etc. and research includes industrial research;

9-3. Where personal credit information is provided to a data-specialized organization for the combination of information collection pursuant to Article 17-2(1);

9-4. Where personal credit information is provided for a purpose not in conflict with the original purpose of collection, considering each of the following items:

- (a) Relevance between the two purposes;
- (b) How a credit information company, etc. collected personal credit information from credit information subjects;
- (c) The effects of provision of such personal credit information on the relevant credit information subjects;
- (d) Whether credit information security measures such as pseudonymization have been appropriately implemented for the relevant personal credit information

10. Where such information is provided in accordance with this Act and other laws; and

11. Other cases equivalent to provisions of Subparagraphs 1 through 10, determined by Presidential Decree.

(7) Parties that intend to provide personal credit information to any other person or obtain such information under any of the Subparagraphs of Paragraph (6) shall notify, in advance, the relevant credit information subject of the fact of and reason for such provision, as prescribed by Presidential Decree: Provided, That in extenuating circumstances prescribed by Presidential Decree, such information may be notified or publicly announced ex post by posting them on a website or other similar means. <Amended by Act No. 10690, May 19, 2011; Act No. 13216, Mar. 11, 2015>

(8) Credit information providers/users prescribed by Presidential Decree, that provide personal credit information to any other person subject to Paragraph (6) 3, shall obtain approval from the Financial Services Commission with regard to any of the matters determined by Presidential Decree, including the scope of credit information provided. <Amended by Act No. 13216, Mar. 11, 2015>

(9) Parties that have received personal credit information upon obtaining approval under Paragraph (8) shall manage it separately from the personal credit information of credit information subjects with whom they are currently involved, as determined by the Financial Services Commission. <Newly Inserted by Act No. 13216, Mar. 11, 2015>

(10) Where a credit information company, etc. provides personal credit information, it shall verify the identity of the party that is receiving the personal credit information and purpose of use thereof, as determined and publicly notified by the Financial Services Commission.

(11) If any conflict exists as to whether individuals' prior consent has been obtained under Paragraph (1), etc., the credit information provider/user that provided the personal credit information shall prove such fact. <Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

Article 33 (Use of Personal Credit Information)

(1) Personal credit information shall be used only for the purpose of each of the following Subparagraphs:

1. Determining whether a commercial transaction relationship, including financial transactions, requested by the relevant credit information subject is established and maintained;

2. Where consent is obtained from the credit information subject to use his/her personal credit information for purposes other than those defined in Subparagraph 1;

3. Where the personal credit information directly provided by an individual (including credit information generated through commercial transactions with the individual) is used for the designated purpose (excluding the purposes of introducing or soliciting the purchase of goods and services);

4. Cases specified in the Subparagraphs of Article 32 (6);

5. Other cases equivalent to provisions under Subparagraphs 1 through 4, determined by Presidential Decree

(2) A credit information company, etc. which intends to collect and investigate information pertaining to an individual's illness or injury, or other similar information, or to provide such information to a third party shall obtain prior consent from the concerned individual as defined in the Subparagraphs of Article 32 (1), and such information shall be used only for purposes prescribed by Presidential Decree. <Amended by Act No. 16957, Feb. 4, 2020>

Article 33-2 (Transmission Request of Personal Credit Information)

(1) An individual credit information subject may request a credit information provider/user, etc. to transmit his/her personal credit information it holds to a party that falls under any of the following Subparagraphs:

1. The concerned credit information subject him/herself;
2. Proprietary credit information management company;
3. Credit information provider/user defined by Presidential Decree;
4. Personal credit rating company;
5. Any party similar to those specified under Subparagraphs 1 through 4, prescribed by Presidential Decree

(2) The scope of personal credit information that can be requested by an individual credit information subject pursuant to Paragraph (1) shall be determined by Presidential Decree, taking into account each of the following Subparagraphs:

1. Credit information processed between the relevant credit information subject (including parties that process the credit information of the credit information subject in accordance with laws, etc., hereinafter the same shall apply in this Subparagraph) and credit information provider/user, etc., that falls under any of the following items:

- (a) Information collected by a credit information provider/user, etc. from a credit information subject;
- (b) Information provided by a credit information subject to a credit information provider/user, etc.;
- (c) Information generated out of rights or obligations between a credit information subject and credit information provider/user, etc.

2. Credit information processed by an information processing device such as a computer, etc.

3. Credit information not separately generated or processed by a credit information provider/user, etc. based on personal credit information

(3) A credit information provider/user, etc. requested to transmit personal credit information by the information subject him/herself pursuant to Paragraph (1) shall transmit such information in a format that can be processed by an information processing device such as a computer, etc. without delay, notwithstanding the relevant provisions under Article 32 and any of the following Subparagraphs:

1. Article 4 of the Act on Real Name Financial Transactions and Confidentiality;

2. Article 81-13 of the Framework Act on National Taxes;
3. Article 86 of the Framework Act on Local Taxes;
4. Article 18 of the Personal Information Protection Act; and
5. Any other provisions similar to those defined in Subparagraphs 1 through 4, under laws prescribed by Presidential Decree.

(4) Where a credit information subject demands transmission of his/her personal credit information pursuant to Paragraph (1), he/she may request the credit information provider/user, etc. to transmit the same personal credit information on a regular basis in order to ensure the accuracy and recency of such personal credit information.

(5) Where an individual credit information subject makes a request for information transmission to parties under the Subparagraphs of Paragraph (1) pursuant to Paragraph (1), the means of the request shall be via an electronic document or other means for which safety and reliability are guaranteed, that specifies each of the following Subparagraphs.

1. The credit information provider/user, etc. requested to transmit information;
2. Personal credit information requested to be transmitted;
3. The party to be provided with the personal credit information upon the transmission request;
4. Whether regular transmissions are required and if so, the update interval;
5. Other matters similar to those defined in Subparagraphs 1 through 4, determined by Presidential Decree

(6) The credit information provider/user, etc. that provided the personal credit information pursuant to Paragraph (3) may not notify the relevant credit information subject of the transmission of personal credit information, notwithstanding relevant provisions under Article 32(7) and the following Subparagraphs:

1. Article 4-2 of the Act on Real Name Financial Transactions and Confidentiality
2. Other provisions relevant to personal credit information processing determined by Presidential Decree

(7) Individual credit information subjects may withdraw transmission requests under Paragraph (1).

(8) Credit information providers/users, etc. requested to transmit personal credit information by the information subject him/herself pursuant to Paragraph (1) may reject such transmission requests or discontinue or suspend the transmission in cases prescribed by Presidential Decree, including where the identity of the credit information subject is not verified, etc.

(9) The means of transmission requests pursuant to Paragraphs (1) through (4), the due date and means of transmission under Paragraph (3), means of transmission request withdrawal under Paragraph (7) and means of request rejection or discontinuance or suspension of transmission pursuant to Paragraph (8) shall be determined by Presidential Decree. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 34 (Collection, Provision and Use of Personal Identification Information)

Articles 15, 32 and 33 shall apply *mutatis mutandis* where a credit information company collects, provides or uses any information prescribed by Presidential Decree necessary for identifying an individual. <Amended by Act No. 16957, Feb. 4, 2020>

Article 34-2 (Principles for Obtaining Consent on Use of Personal Credit Information, etc.)

(1) If a credit information company, etc. is to obtain consent from the relevant credit information subject pursuant to Article 15(2), Article 32(1) and (2), Article 33(1)2 and Article 34 (hereinafter referred to as “consent

on use of information”, hereinafter the same shall apply in this Article and Article 34-3), it shall inform the credit information subject of the relevant matters defined in the concerned Paragraph (hereinafter referred to as “notifications”) and obtain his/her consent on use of information. Provided, That the same shall not apply in any event prescribed by Presidential Decree on account of the means of consent or characteristics of personal credit information, etc.

(2) A credit information provider/user, etc. defined by Presidential Decree shall take into account each of the following Subparagraphs and obtain consent on use of information from an individual credit information subject.

1. Easy-to-understand terms and simple and audiovisual materials shall be used to help credit information subjects understand the terms and conditions of consent on use of information;

2. Matters related to consent on use of information and matters regarding the establishment and maintenance of commercial transaction relationships including financial transactions, etc. shall be clearly distinguished;

3. Matters regarding consent on use of information shall be classified based on the credit information company, etc. using the information or purpose of use of information so that the credit information subject may give consent individually (limited to information subject to optional consent under Article 32(4))

(3) Credit information providers/users, etc. prescribed by Presidential Decree, notwithstanding Paragraph (1), may omit parts of a notification or extract only the important matters to inform and obtain consent from a credit information subject. Provided, That the same shall not apply where an individual credit information subject requests to be informed of notifications in full.

(4) Where parts of the notification are omitted or important matters are extracted in obtaining consent on use of information pursuant to Paragraph (3), credit information subjects shall be informed that he/she may separately request the transmission of notifications in full in accordance with the proviso to the same Paragraph.

(5) Matters related to omission/extraction pursuant to Paragraph (3), means of requests pursuant to the proviso to the same Paragraph, and means of notifications pursuant to Paragraph (4) shall be determined by Presidential Decree. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 34-3 (Grade of Consent on Use of Information)

(1) Credit information providers/users prescribed by Presidential Decree shall inform credit information subjects of the grade evaluated by the Financial Services Commission (hereinafter referred to as “grade of consent on use of information) and obtain his/her consent on use of information. The same shall apply where an important matter prescribed by Presidential Decree is revised among matters regarding consent on use of information.

(2) In conducting an evaluation pursuant to Paragraph (1), the Financial Services Commission shall consider the matters in the following Subparagraphs and determine the grade of consent on use of information:

1. Matters regarding risks of infringement of confidentiality and freedom of privacy due to use of information (including whether the personal credit information used is considered sensitive information under Article 23 of the Personal Information Protection Act);

2. Profits and benefits earned by the credit information subject due to use of information;

3. Matters stated in Article 34-2(2)1 and 2;

4. Other matters similar to those defined in Subparagraphs 1 through 3 determined by Presidential Decree

(3) The Financial Services Commission may cancel or revise the grade of consent on use of information

assigned if a credit information provider/user under Paragraph (1) has obtained such grade by fraud or other unlawful means or in other cases prescribed by Presidential Decree.

(4) Determination of the grade of consent on use of information pursuant to Paragraph (1) and (2), and methods and procedures of cancellation/revision pursuant to Paragraph (3), etc. shall be determined by Presidential Decree. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 35 (Fact-finding Inquiries into Use and Provision of Credit Information)

(1) Where a credit information company, etc. has used or provided personal credit information, it shall allow the credit information subject to inquire into the matters classified in the following Subparagraphs as prescribed by Presidential Decree. Provided, That the same shall not apply in cases prescribed by Presidential Decree, such as where it has been used for internal business management or provided for repeated outsourcing of business:

1. Where personal credit information is used: The party that provided the credit information, purpose of use, date of use, details of the credit information used, and other matters prescribed by Presidential Decree;
2. Where personal credit is provided: The party that provided and party that obtained the credit information, purpose of provision, date of provision, details of the credit information provided, and other matters prescribed by Presidential Decree.

(2) If requested by a credit information subject who inquired under Paragraph (1), the relevant credit information company, etc. shall notify the matters classified in the Subparagraphs of Paragraph (1) to the credit information subject as prescribed by Presidential Decree where it uses or provides any of his/her personal credit information.

(3) Credit information companies, etc. shall notify credit information subjects that he/she may request notifications under Paragraph (2).

Article 35-2 (Duty to Inform Potential Decrease of Personal Credit Score, etc.)

Credit information providers/users prescribed by Presidential Decree engaging in financial transactions with credit risks as prescribed by Presidential Decree with a personal credit information subject shall inform the credit information subject of each of the following Subparagraphs:

1. That the credit information subject may suffer disadvantages from the personal credit score determined by a personal credit rating company due to the relevant financial transactions; and
2. Any other matters that may influence the credit information subject due to the relevant financial transactions prescribed by Presidential Decree. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 35-3 (Preliminary Notification of Credit Information Provider/User)

(1) If a credit information provider/user prescribed by Presidential Decree provides a personal credit rating company, personal business operator credit rating company, corporate credit inquiry company and credit registry with personal credit information among those stated in item (c) of Article 2(1) for use in their services, the matters in each of the following Subparagraphs shall be notified to the concerned credit information subject him/herself:

1. Creditor;
2. Information on the fact that one's liabilities have not been discharged by the agreed date that fall under the

following items:

- (a) Amount and the initial date of calculation;
 - (b) The expected date on which such information is to be registered
3. Potential disadvantages including the fact that personal credit scores or corporate credit ratings may deteriorate, or interest rates may be increased, etc. upon registration of information (that the credit information subject may suffer disadvantages if the information is registered at a credit registry as it may provide the information to a third party); and
4. Any other matters similar to those defined in Subparagraphs 1 through 3 determined by Presidential Decree.
- (2) Matters related to the date and method of notification under Paragraph (1), etc. shall be determined by Presidential Decree. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 36 (Notification, etc. of Credit Information Giving Rise to Refusal of Commercial Transaction)

- (1) Where a credit information provider/user refuses or cancels a commercial transaction relationship with its counterparty on the basis of personal credit information prescribed by Presidential Decree provided by a personal credit rating company, personal business operator credit rating company, corporate credit inquiry company (excluding corporate credit inquiry company engaged in corporate information inquiry services only) and credit registry, the credit information provider/user shall, upon the request of the relevant credit information subject, notify the relevant credit information subject of the matters prescribed by Presidential Decree, including the credit information that gave rise to the refusal or cancellation thereof. <Amended by Act No. 16957, Feb. 4, 2020>
- (2) Where a credit information subject has an objection to the details of his/her own information notified under Paragraph (1), he/she may request, within 60 days from the receipt of such notification under Paragraph (1), the personal credit rating company, personal business operator credit rating company, corporate credit inquiry company (excluding corporate credit inquiry company engaged in corporate information inquiry services only) and the credit registry, which has collected and provided such information, to verify the accuracy of such information. <Amended by Act No. 16957, Feb. 4, 2020>
- (3) With regard to the procedures for verification under Paragraph (2), Article 38 shall apply *mutatis mutandis*.

Article 36-2 (Explanation on Automated Assessment Results and Appeal, etc.)

- (1) A personal credit information subject may demand a personal credit rating company and a credit information provider/user prescribed by Presidential Decree (hereinafter referred to as “a personal credit rating company, etc.” in this Article) to explain each of the following Subparagraphs:
- 1. Whether an automated assessment is applied to the following items:
 - (a) Personal credit rating;
 - (b) Determination on whether to establish and maintain financial transactions prescribed by Presidential Decree and the contents thereof (limited to credit information providers/users prescribed by Presidential Decree);
 - (c) Any other acts that may undermine protection of personal credit information if processed only by information processing devices such as computers, etc., as prescribed by Presidential Decree
 - 2. Matters under the following items where an automated assessment is applied:
 - (a) Results of automated assessments;

(b) Key criteria of automated assessments

(c) Overview of basic information used in automated assessments (hereinafter referred to as “basic information” in this Article);

(d) Any other matters similar to those defined in items (a) through (c) determined by Presidential Decree

(2) Against a personal credit rating company, etc., an individual credit information subject may conduct such acts in the following Subparagraphs:

1. Submission of information considered favorable to the relevant credit information subject regarding calculation of the results of an automated assessment;

2. Where basic information used in an automated assessment is considered inaccurate or not up-to-date, any act that falls under the following items;

(a) Act of requesting correction or deletion of basic information;

(b) Act of requesting a re-calculation of the results of an automated assessment

(3) A personal credit rating company, etc. may reject a credit information subject’s request under Paragraphs (1) and (2) if any of the following Subparagraphs is applicable:

1. It is otherwise provided for in this Act or other laws, or inevitable to comply with legal obligations;

2. Establishment, maintenance, etc. of a commercial transaction relationship including financial transactions, etc. proves difficult if such request of the credit information subject is accepted;

3. Any other cases similar to those defined in Subparagraphs 1 and 2 prescribed by Presidential Decree

(4) Means and procedures of requests pursuant to Paragraphs (1) and (2), matters regarding notification of rejection under Paragraph (3) and any other necessary matters shall be determined by Presidential Decree.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 37 (Rights, etc. to Revoke Consent to Provide and Use Personal Credit Information)

(1) An individual credit information subject may revoke, as prescribed by Presidential Decree, the consent which had been provided to a credit information provider/user in ways prescribed by any Subparagraph of Article 32 (1) to provide his/her personal credit information for purposes other than assessing the individual's credit worthiness, etc. by providing such information to a personal credit rating company, personal business operator credit rating company or credit registry: Provided, That where it becomes difficult to perform a contract or serve the purposes set out in Subparagraph 1 of Paragraph (1) of Article 33, including failure to perform specific services agreed upon with the credit information subject unless the personal credit information concerned is provided to another credit information provider/user, the customer shall explicitly clarify his/her intention not to be provided with the services concerned in order to revoke consent. *<Amended by Act No. 16957, Feb. 4, 2020>*

(2) An individual credit information subject may, as prescribed by Presidential Decree, request a credit information provider/user to stop contacting him/her for the purpose of introducing or soliciting the purchase of goods or services.

(3) A credit information provider/user shall notify the individual who is the counterparty of the details of the rights and means to exercise such rights under Paragraphs (1) and (2), in writing, via electronic documents, or orally, and if he/she makes a request under Paragraphs (1) and (2), it shall comply without delay. In such cases, if such notification has been made orally, additional ex post notification procedures prescribed by Presidential

Decree shall be implemented.

(4) A credit information provider/user shall have a procedure in place to perform the obligations under Paragraph (3), as prescribed by Presidential Decree.

(5) A credit information provider/user shall take necessary measures, as prescribed by Presidential Decree, to prevent an individual credit information subject from bearing the monetary costs arising from requests under Paragraph (2), including telephone bills.

Article 38 (Demand for Perusal and Correction of Credit Information, etc.)

(1) A credit information subject may request a credit information company, etc. to deliver his/her own credit information prescribed by Presidential Decree retained by the credit information company, etc. or allow him/her access thereto by presenting an identification or authorizing their identity in ways prescribed by Presidential Decree, including telephone, via online website, etc. *<Amended by Act No. 16957, Feb. 4, 2020>*

(2) A credit information subject, upon reviewing his/her credit information pursuant to Paragraph (1), may request a correction as determined and publicly notified by the Financial Services Commission, if such information is inaccurate.

(3) A credit information company, etc. requested to make such correction under Paragraph (2) shall, if justifiable grounds are deemed to exist, stop providing and using the credit information concerned without delay, and examine as to whether it is true. Credit information deemed to be incorrect or unverifiable upon examination shall be deleted or corrected.

(4) A credit information company, etc. which made a deletion or correction under Paragraph (3) shall notify any party that obtained such information within the previous six months and any party designated by the credit information subject of the details of the credit information that was deleted or corrected.

(5) A credit information company, etc. shall inform the credit information subject of the results of the actions taken under Paragraphs (3) and (4) within seven days, and if any objection to the result of such action exists, the credit information subject may request the Financial Services Commission to make a correction thereto, as prescribed by Presidential Decree. Provided, That in the case of an objection to the processing of personal credit information by commercial business companies or corporations pursuant to Article 45-3(1), the correction request may be made to the Personal Information Protection Committee under the Personal Information Protection Act (hereinafter referred to as "the Protection Committee"), as prescribed by Presidential Decree.

(6) Upon receipt of a request for correction under Paragraph (5), the Financial Services Commission or the Protection Committee may have the Governor of the Financial Supervisory Services established under Article 24 of the Act on the Establishment, etc. of Financial Services Commission (hereinafter referred to as "FSS Governor") or a person designated by the Protection Committee examine as to whether the claim is correct and, according to its findings, may order the credit information company, etc. to make a correction or take other necessary measures. Provided, That the Protection Committee may directly perform such tasks if necessary.

(7) A person conducting the examination under Paragraph (6) shall carry a certificate indicating his/her authority to present to persons concerned.

(8) Where a credit information company, etc. has implemented corrective measures in accordance with a corrective order by the Financial Services Commission or the Protection Committee under Paragraph (6), it shall report the results to the Financial Services Commission or the Protection Committee. *<Amended by Act No.*

16957, Feb. 4, 2020>

Article 38-2 (Requests for Notification of Credit Inquiry)

(1) A credit information subject may request a personal credit rating company and personal business operator credit rating company to notify him/her of an inquiry being made into his/her personal credit information. In such cases, the identity of the credit information subject shall be verified in a manner determined by the Financial Services Commission. <Amended by Act No. 16957, Feb. 4, 2020>

(2) Upon such request under Paragraph (1), a personal credit rating company and personal business operator credit rating company shall, where an inquiry into personal credit information with the possibility of identity theft or other cases prescribed by Presidential Decree occurs, suspend the provision of personal credit information for the relevant inquiry and notify the relevant credit information subject of such fact without delay. <Amended by Act No. 16957, Feb. 4, 2020>

(3) Necessary matters regarding the means of suspending the provision of information and the notification thereof under Paragraph (2), and bearing of expenses incurring from notification, etc. shall be prescribed by Presidential Decree.

Article 38-3 (Request for Deletion of Personal Credit Information)

(1) Where a commercial transaction relationship, including financial transactions, is terminated and the period prescribed by Presidential Decree has passed, a credit information subject may request the credit information provider/user to delete his/her personal credit information: Provided, That the same shall not apply in any of the cases falling under the Subparagraphs of Article 20-2 (2).

(2) Upon receipt of requests made under Paragraph (1), the credit information provider/user shall delete the relevant personal credit information without delay and notify the result thereof to the credit information subject.

(3) Where a request by a credit information subject falls under the proviso to Paragraph (1), the credit information provider/user shall manage the personal credit information as prescribed by Presidential Decree, such as managing it separately from other private credit information, and notify the result thereof to the credit information subject.

(4) Methods of notification under Paragraphs (2) and (3) shall be determined and publicly notified by the Financial Services Commission.

Article 39 (Right to Free Perusal)

An individual credit information subject may receive credit information in each of the following Subparagraphs from a personal credit rating company (excluding personal credit rating companies prescribed by Presidential Decree) or make a perusal thereof free of charge, once or more in regular intervals prescribed by Presidential Decree, not exceeding one year.

1. Personal credit score;
 2. Personal credit information used in calculation of personal credit score;
 3. Any credit information similar to those defined in Subparagraphs 1 and 2, prescribed by Presidential Decree
- <Amended by Act No. 16957, Feb. 4, 2020>

Article 39-2 (Perusal of Changes of Creditor Information, etc.)

(1) A credit information provider/user prescribed by Presidential Decree shall provide a central credit registry with information on the acquisition, transfer or receipt of relevant claims and information required for the protection of credit information subjects prescribed by Presidential Decree (hereinafter referred to as “change of creditor information” in this Article) where it acquires or transfers to a third party any claims arising out of financial transactions with an individual credit information subject prescribed by Presidential Decree.

(2) An individual credit information subject may receive or make a perusal of his/her change of creditor information provided and retained by a central credit registry pursuant to Paragraph (1).

(3) A central credit registry shall separately manage and retain change of creditor information provided pursuant to Paragraph (1) from information under central management and utilization pursuant to Article 25(1) and other information prescribed by Presidential Decree in ways defined by Presidential Decree.

(4) Matters regarding provision of change of creditor information and perusal expenses, etc. under Paragraphs (1) and (2) shall be determined by Presidential Decree. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 39-3 (Methods and Procedures of Exercising Rights of Credit Information Subject)

(1) A credit information subject may delegate the exercising of rights under the following Subparagraphs (hereinafter referred to as “request of perusal, etc.”) to a representative by writing, etc. pursuant to methods and procedures prescribed by the Presidential Decree:

1. Transmission requests under Article 33-2(1)
2. Notification requests under Article 36(1)
3. Requests for explanation under Article 36-2(1) and any act falling under the Subparagraphs in Paragraph (2)
4. Consent withdrawal under Article 37(1) and requests for suspension of contact under Paragraph (2)
5. Perusal and correction requests under Articles 38(1) and (2)
6. Notification requests under Article 38-2(1)
7. Free-of-charge perusal under Article 39
8. Issuance or perusal under Article 39-2(2)

(2) A legal representative of a child less than 14 years old may request a perusal of the child’s personal credit information to a credit information company, etc. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 39-4 (Notification, etc. of Divulgence of Credit Information)

(1) When a credit information company, etc. becomes aware that personal credit information has been divulged for a purpose other business purposes, it shall notify the relevant credit information subject without delay. The provisions in each Subparagraph of Article 34(1) of the Personal Information Protection Act shall apply *mutatis mutandis* to the matters to be notified.

(2) Where personal credit information is divulged, the credit information company, etc. shall formulate measures to minimize the damage and take necessary measures. <Amended by Act No. 16957, Feb. 4, 2020>

(3) Where personal credit information is disclosed to the extent exceeding the scale prescribed by Presidential Decree, the credit information company, etc. shall report the results of notification under Paragraph (1) and measures taken under Paragraph (2) without delay to the Financial Services Commission or an agency prescribed by Presidential Decree (hereafter referred to as the "Financial Services Commission, etc." in this

Article). In such cases, the Financial Services Commission, etc. may provide support for technology to prevent further damage and rectify damage caused, etc. <Amended by Act No. 16957, Feb. 4, 2020>

(4) Notwithstanding Paragraph (3), commercial business companies and corporations under Article 45-3(1) shall report to the Protection Committee or organization prescribed by Presidential Decree (hereinafter referred to as "Protection Committee, etc." in this Article). <Newly Inserted by Act No. 16957, Feb. 4, 2020>

(5) Upon receipt of reports made under Paragraph (3), Financial Services Commission, etc. shall notify such fact to the Protection Committee. <Amended by Act No. 14839, Jul. 26, 2017; Act No. 16957, Feb 4, 2020>

(6) Financial Services Commission, etc. or Protection Committee, etc. may investigate into measures taken by a credit information company, etc. under Paragraph (2), and may request it to rectify such where measures are deemed insufficient. <Amended by Act No. 16957, Feb. 4, 2020>

(7) Necessary matters regarding the timing, method, procedure, etc. of notifications under Paragraph (1), shall be prescribed by Presidential Decree.

Article 40 (Prohibited Matters for Credit Information Company, etc.)

(1) Credit information companies, etc. shall not conduct any of the acts defined in the following Subparagraphs: <Amended by Act No. 13216, Mar. 11, 2015; Act No. 16957, Feb. 4, 2020>

1. Deleted. <by Act No. 16957, Feb. 4, 2020>

2. Deleted. <by Act No. 16957, Feb. 4, 2020>

3. Deleted. <by Act No. 16957, Feb. 4, 2020>

4. Investigating a specific individual's whereabouts and contacts (hereinafter referred to as "whereabouts, etc."); Provided, That where a claims collection company identifies a specific individual's whereabouts, etc. to conduct its business or where permission is granted to identify a specific individual's whereabouts, etc. pursuant to other statutes, the same shall not apply;

5. Using titles including "intelligence service agent", "detective", or other titles similar thereto;

6. Deleted; <by Act No. 11845, May 28, 2013>

7. Deleted. <by Act No. 16957, Feb. 4, 2020>

(2) Where a credit information company, etc. transmits advertising information for profit-making purposes by using information necessary to identify personal credit information or individuals, Article 50 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc. shall apply *mutatis mutandis*. <Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 40-2 (Rules of Conduct for Pseudonymization/Anonymization)

(1) A credit information company, etc. shall separately retain additional information used for pseudonymization in ways prescribed by Presidential Decree or delete them.

(2) With regards to pseudonymized personal credit information, a credit information company, etc. shall establish and implement technical, physical and administrative security plans as prescribed by Presidential Decree, including the establishment of an internal management plan and storage of access records, etc., in order to protect pseudonymized information from the illegal access of any third party, change, damage and destruction of information entered and other risks.

(3) A credit information company, etc. may request the Financial Services Commission to review whether

personal credit information is properly anonymized.

(4) Information deemed to have been properly anonymized by the Financial Services Commission upon such review pursuant to Paragraph (3) shall be presumed as information through which the relevant individual credit information subject is no longer identifiable.

(5) Review and recognition of the Financial Services Commission under Paragraphs (3) and (4) respectively may be outsourced to a data-specialized organization under Article 26-4, as prescribed by Presidential Decree.

(6) A credit information company, etc. shall not process pseudonymized information in a way that a specific individual may be identified for any profit-making or unfair purposes.

(7) Where a specific individual has become identifiable while using pseudonymized information, the credit information company, etc. shall recover such pseudonymized information and suspend its use without delay, and immediately delete the information through which a specific individual is identifiable.

(8) A credit information company, etc. shall, where personal credit information is pseudonymized or anonymized, retain records of measures taken for up to three years in accordance with the classification set forth in the following Subparagraphs.

1. Where personal credit information is pseudonymized:

- (a) Date of pseudonymization
- (b) Items of pseudonymized information
- (c) Reasons and grounds for pseudonymization

2. Where personal credit information is anonymized:

- (a) Date of anonymization
- (b) Items of anonymized information
- (c) Reasons and grounds for anonymization *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

Article 40-3 (Exception of Application for Pseudonymized Information)

Provisions of Article 32(7), Article 33(2) and Article 35 through Article 39-4 shall not apply to pseudonymized information. *<Newly Inserted by Act No. 16957, Feb. 4, 2020>*

Article 41 (Prohibited Matters for Claims Collection Company)

(1) Claims collection agencies shall not lend its name to another party to allow such party to conduct claims collection business.

(2) Claims collection agencies shall not use words other than phrases containing "credit information" for its trade name unless otherwise provided for in other statutes: Provided, That in cases where a claims collection company also engages in the credit inquiry business or credit rating business upon obtaining authorization for the credit rating business under Article 335-3 (1) of the Financial Investment Services and Capital Markets Act, the same shall not apply. *<Amended by Act No. 11845, May 28, 2013>*

Article 41-2 (Verification, etc. of Recruitment Channels of Agents of Recruitment Business)

(1) Where a credit information provider/user outsources recruitment business (referring to the business of concluding or mediating contracts related to the concerned business on others' behalf regardless of the name; hereinafter the same shall apply) to a third party so as to operate its business, it shall verify the following matters

regarding the party entrusted with such recruitment business and prescribed by Presidential Decree (hereinafter referred to as "agent of recruitment business"):

1. Whether credit information acquired or provided by fraudulent or other wrongful means or methods (hereinafter referred to as "illegally acquired credit information") was used in the recruitment business;
 2. Channels through which personal credit information, etc. used in the recruitment business was acquired;
 3. Other matters prescribed by Presidential Decree.
- (2) Where a credit information provider/user verifies that an agent of recruitment business has used illegally acquired credit information in recruitment business, it shall terminate the consignment contract with the relevant agent of recruitment business.
- (3) Upon terminating the consignment contract with an agent of recruitment business under Paragraph (2), the credit information provider/user shall notify the Financial Services Commission or a registration agency prescribed by Presidential Decree of such fact.
- (4) Matters necessary for verification under Paragraph (1) and timing, method, etc. of reporting under Paragraph (3) shall be prescribed by Presidential Decree.

Article 42 (Prohibition of Divulgence, etc. for Non-Business Purposes)

- (1) Persons who are or were executive officers or employees of a credit information company, etc., or an outsourced agent for the processing of credit information under Article 17 (2) (hereinafter referred to as "party related to credit information business") shall not divulge or use personal confidential information, including credit information and privacy information (hereinafter referred to as "personal confidential information") acquired during the course of business for non-business purposes.
- (2) Acts where a credit information company, etc., or a party related to credit information business provides credit information to a credit information company, etc. pursuant this Act shall not be deemed as a divulgence or use of credit information for non-business purposes under Paragraph (1).
- (3) Where a party that obtained personal confidential information divulged in violation of Paragraph (1) (including parties that subsequently obtained such divulged personal confidential information from the concerned party) learns that such personal confidential information was divulged in breach of Paragraph (1), the party shall not provide such personal confidential information to another party or use it.
- (4) Parties that obtained personal credit information from a credit information company, etc., or party related to credit information business shall not provide such personal credit information to other parties: Provided, That in cases where such provision is permitted under this Act or other Acts, the same shall not apply.

Article 42-2 (Imposition, etc. of Penalty Surcharges)

(1) Where any of the following offenses are committed, the Financial Services Commission (the Protection Committee, if a commercial business company or corporation under Article 45-3(1) commits an act under any of the following Subparagraphs) may impose a penalty surcharge in an amount equivalent to 3/100 of total revenue: Provided, That where an offense falling under Subparagraph 1 is committed, a penalty surcharge not exceeding five billion won may be imposed:

1. Where personal credit information is lost, stolen, disclosed, altered or compromised, in violation of Article 19 (1);

1-2. Where Article 32(1) or (2) was violated although Article 32(6)9-2 is not applicable by providing personal credit information to a third party without obtaining consent from a credit information subject and receiving personal credit information for profit-making or unlawful purposes while aware of such circumstances;

1-3. Where personal credit information is used in violation of Article 33(1) although Article 32(6)9-2 and Article 33(1)4 are not applicable;

1-4. Where it processed pseudonymized information for profit-making or unfair purposes, in violation of Article 40-2(6)

2. Where personal confidential information was divulged or used for a purpose other than business purposes in violation of Article 42 (1);

3. Where personal confidential information was provided to another party or used while aware of the fact that the information was illegally divulged in violation of Article 42 (3). *<Amended by Act No. 16957, Feb. 4, 2020>*

(2) In imposing penalty surcharges under Paragraph (1), where a credit information company, etc. refuses to submit data for calculation of revenue or submits false data, the revenue amount may be estimated on the basis of data such as the financial statements or other accounting information of a credit information company, etc. of a similar scale to the relevant credit information company, etc.: Provided, That if no revenue exists, or where it is difficult to calculate revenue in cases prescribed by Presidential Decree, a penalty surcharge not exceeding 20 billion won may be imposed.

(3) In imposing a penalty surcharge under Paragraph (1), the Financial Services Commission or the Protection Committee shall take the following matters into consideration:

1. Details and severity of the violation;

2. Duration and frequency of the violation;

3. Amount of gains acquired from the violation. *<Amended by Act No. 16957, Feb. 4, 2020>*

(4) A penalty surcharge under Paragraph (1) shall be calculated based on matters prescribed in Paragraph (3), and the detailed standards and procedures for calculation thereof shall be prescribed by Presidential Decree.

(5) Where a party obligated to pay a penalty surcharge under Paragraph (1) fails to make the payment by the deadline, the Financial Services Commission or the Protection Committee shall impose a late payment penalty equivalent to 6/100 per annum of the unpaid penalty surcharge from the day immediately following the payment deadline. In such cases, the period for imposing the late payment penalty shall not exceed 60 months. *<Amended by Act No. 14823, Apr. 18, 2017; Act No. 16957, Feb. 4, 2020>*

(6) Where a party obligated to pay a penalty surcharge under Paragraph (1) fails to make the payment by the deadline, the Financial Services Commission or the Protection Committee shall demand the payment by a given deadline, and collect the payment in the same manner as delinquent national taxes are collected where the penalty surcharge and the late payment penalty referred to in Paragraph (5) are not paid within the given period. *<Amended by Act No. 16957, Feb. 4, 2020>*

(7) Where a penalty surcharge imposed under Paragraph (1) is to be refunded in accordance with the judgment of the court, etc., interest on the refund equivalent to 6/100 per annum shall be paid from the date the penalty surcharge is paid until the date of refund.

(8) Where a person prescribed by Presidential Decree, such as a recruiter (referring to recruiters under Subparagraph 2 of Article 14-2 of the Specialized Credit Finance Business Act) who has entered into a

consignment contract with a credit information provider/user, falls under any of the Subparagraphs of Paragraph (1), he/she shall be deemed an employee of the concerned credit information provider/user within the scope of the relevant violation: Provided, That the same shall not apply where the relevant credit information provider/user has implemented sufficient care and supervision in order to prevent such violation of the recruiter, etc.

(9) Other matters necessary for the imposition and collection of penalty surcharges shall be prescribed by Presidential Decree.

Article 43 (Liability to Compensate for Damages)

(1) Where a credit information company, etc., and parties that received credit information from the credit information company, etc. violate this Act and inflict damages to a credit information subject, they shall be liable for compensation of such damages: Provided, That in cases where a credit information company, etc., and parties that received credit information prove that there was no such intent or negligence, the same shall not apply.

(2) Where a credit information company, etc. or other credit information users (including consignees; hereafter the same shall apply in this Article) violate this Act intentionally or due to gross negligence, divulging personal credit information or causing a loss, theft, leakage, alteration or compromise thereof, incurring damages to the credit information subject, they shall be responsible for compensating the damage to the credit information subject within the limit not exceeding five times the damage amount: Provided, That the same shall not apply where a credit information company, etc. or other credit information users prove that there was no such intent or gross negligence. <Newly Inserted by Act No. 13216, Mar. 11, 2015; Amended by Act No. 16957, Feb. 4, 2020>

(3) In determining the amount to be compensated under Paragraph (2), the court shall take the following matters into consideration: <Newly Inserted by Act No. 13216, Mar. 11, 2015>

1. Level of intent or awareness on the possibility of potential losses;
2. Extent of damages incurred from the violation;
3. Economic gains acquired by the credit information company, etc. or other credit information users from the violation;
4. Fines and penalty surcharges for the violation;
5. Duration, frequency, etc. of the violation;
6. Economic status of the credit information company, etc. or other credit information users;
7. Degree of efforts exercised by the credit information company, etc. or other credit information users to recover relevant personal credit information following the loss, theft, or leakage thereof;
8. Degree of efforts exercised by the credit information company, etc. or other credit information users for damage relief.

(4) Where a claims collection company or a delegated claims collector violates this Act and causes damage to debtors or any related persons under the Fair Debt Collection Practices Act, it shall be responsible to compensate for such damage: Provided, That where the claims collection company or delegated claims collector proves that it had no such intent or negligence, the same shall not apply. <Amended by Act No. 16957, Feb. 4, 2020>

(5) Where a credit information company causes damage to a client for reasons attributable to itself, it shall be

responsible to compensate for such damage. <Amended by Act No. 16957, Feb. 4, 2020>

(6) Where an outsourced agent for the processing of credit information under Paragraph (1) of Article 17 causes damage to a credit information subject in violation of this Act, the consignor and consignee shall jointly be responsible to compensate for such damage. <Amended by Act No. 16957, Feb. 4, 2020>

(7) Where a delegated claims collector violates this Act or the Fair Debt Collection Practices Act and inflicts damage to debtors or related persons under the Fair Debt Collection Practices Act, the claims collection company and delegated claims collector shall jointly be responsible to compensate for such damage: Provided, That where the claims collection company proves that it had no such intent or negligence regarding the appointment and management of delegated claims collectors, the same shall not apply. <Amended by Act No. 16957, Feb. 4, 2020>

Article 43-2 (Claim for Statutory Damages)

(1) Where a credit information company, etc. or a party that received credit information from the credit information company violates the provisions of this Act, credit information subjects may claim compensation for damages not exceeding three million won to a credit information company, etc. or party that received information from the credit information company in lieu of claiming damages under Article 43. In such cases, the relevant credit information company, etc. or party that received information from the credit information company shall not be exempt from liability unless it proves that it had no such intent or negligence: <Amended by Act No. 16957, Feb. 4, 2020>

1. Deleted <by Act No. 16957, Feb. 4, 2020>

2. Deleted <by Act No. 16957, Feb. 4, 2020>

(2) With regard to changes to claims for damages pursuant to Paragraph (1) and courts' recognition of damage amounts, Article 39-2(2) and (3) of the Personal Information Protection Act shall apply *mutatis mutandis*. <Amended by Act No. 16957, Feb. 4, 2020>

(3) Deleted <by Act No. 16957, Feb. 4, 2020>

Article 43-3 (Guarantee of Compensation for Damage)

A credit information company, etc. prescribed by Presidential Decree shall take measures necessary to fulfill the liability to compensate damages under Article 43, such as purchasing insurance, joining a mutual aid program, or accumulating reserves in accordance with the standards determined by the Financial Services Commission.

Article 44 (Credit Information Companies Association)

(1) Credit information companies, proprietary credit information management companies and claims collection agencies may establish a Credit Information Companies Association for the purposes of promoting the sound development of credit information related businesses and maintaining order in business among credit information companies, proprietary credit information management companies and claims collection agencies. <Amended by Act No. 16957, Feb. 4, 2020>

(2) The Credit Information Companies Association shall be a juristic person.

(3) The Credit Information Companies Association shall carry out businesses set forth in the following Subparagraphs, as prescribed by its articles of association:

1. Maintaining sound business practices among credit information companies, proprietary credit information management companies and claims collection agencies;
 2. Engaging in research and studies to develop credit information related businesses;
 3. Counseling and handling complaints filed related to credit information;
 - 3-2. Other businesses permitted to the Credit Information Companies Association pursuant to this Act or other laws.
 4. Any other business prescribed by Presidential Decree. *<Amended by Act No. 16957, Feb. 4, 2020>*
- (4) Aside from matters regarding the Credit Information Companies Association provided for in this Act, the provisions on incorporated associations under the Civil Act shall apply *mutatis mutandis*.

Chapter 7 Supplementary Provisions

Article 45 (Supervision and Inspection, etc.)

(1) The Financial Services Commission shall supervise whether credit information companies, etc. (parties that fall under any of the following Subparagraphs including data-specialized organizations and excluding parties prescribed by Presidential Decree as otherwise, hereinafter the same shall apply in this Article and Article 45-2) is in compliance with this Act or orders under this Act:

1. Credit information companies and claims collection agencies;
2. Proprietary credit information management companies;
3. Credit registries;
4. Credit information providers/users under any of the Subparagraphs of Article 38 of the Act on the Establishment, etc. of Financial Services Commission;
5. Parties engaged in the financial business or insurance business prescribed by Presidential Decree not included under Subparagraph 4. *<Amended by Act No. 16957, Feb. 4, 2020>*

(2) The Financial Services Commission may, if deemed necessary for the supervision under Paragraph (1), order a credit information company, etc. to report its business status, financial standing, etc.

(3) The FSS Governor may have the personnel of the Financial Supervisory Service inspect the business status and financial standing of a credit information company, etc. under this Act.

(4) The FSS Governor may, if deemed necessary for an inspection under Paragraph (3), request a credit information company, etc. to submit data and have persons concerned attend meetings and state their opinions.

(5) Persons who conduct an inspection under Paragraph (3) shall carry a certificate indicating his/her authority to present to persons concerned.

(6) Upon conclusion of the inspection pursuant to Paragraph (3), the FSS Governor shall report the findings to the Financial Services Commission as prescribed by the Financial Services Commission.

(7) Where a credit information company, etc. is deemed likely to undermine sound management of credit information related businesses and the rights and interests of credit information subjects by breaching this Act (including the Fair Debt Collection Practices Act with regard to claims collection agencies, hereinafter the same shall apply in this Paragraph) or orders under this Act, the Financial Services Commission shall take measures set forth in any of the following Subparagraphs or request the FSS Governor to take any of the actions set forth in Subparagraphs 1 through 3: *<Amended by Act No. 14823, Apr. 18, 2017; Act No. 16957, Feb. 4, 2020>*

1. Issuing a caution or warning to a credit information company, etc.;
 2. Issuing a caution or warning to executive officers;
 3. Requesting disciplinary action including caution, suspension from office, reduction in salary, and official reprimand, against employees;
 4. Recommending the dismissal of executive officers or suspension from office or demanding employees' removal from office;
 5. Issuing corrective orders against violations;
 6. Suspending provision of credit information.
- (8) The Financial Services Commission carries the responsibility to ensure that there is no material infringement of credit practices such as a leakage of personal credit information, etc. <Amended by Act No. 16957, Feb. 4, 2020>

Article 45-2 (The Financial Services Commission's Order to Take Measures)

The Financial Services Commission may order a credit information company, etc. to submit materials, suspend processing, take corrective measures, and disclose, etc. matters under each of the following Subparagraphs in order to protect credit information subjects and establish sound credit practices:

1. Matters related to credit information held by a credit information company, etc.;
2. Matters related to processing of credit information;
3. Matters related to the improvement of services of a credit information company, etc.
4. Matters related to disclosures in the credit information utilization system;
5. Matters prescribed by Presidential Decree necessary for protection of credit information subjects or establishment of sound credit practices.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 45-3 (Request of Submission of Materials and Investigation, etc. of the Protection Committee)

(1) The Protection Committee may demand that credit information providers/users not under supervision of the Financial Services Commission (hereinafter referred to as "commercial business company or corporation") submit relevant materials including items and documents, etc. pursuant to Article 45 where any of the following Subparagraphs is applicable:

1. Where a violation of the following items (hereinafter referred to as "the Regulations for Protection of Commercial Transactions") by a commercial business company or corporation was identified, or such charges have come to attention:
 - (a) Article 15 and Article 17;
 - (b) Article 19 and Article 20-2;
 - (c) Article 32, 33, 34, 36, 37, 38, 38-3, 39-4, 40-2 and 42
2. Where a report or civil complaint regarding a violation of the Regulations for Protection of Commercial Transactions of a commercial business company or corporation is filed.
3. Other cases prescribed by Presidential Decree where it is deemed necessary for the protection of personal credit information.

(2) The Protection Committee may, where a commercial business company or corporation does not submit

materials pursuant to Paragraph (1) or their violation of the Regulations for Protection of Commercial Transactions is recognized, ask an officer of the Committee to visit the commercial business company or corporation and the office of related persons in connection with the violation of the Regulations for Protection of Commercial Transactions and investigate their business status, books or documents, etc. In this case, the investigation officer shall carry a certificate to verify his/her authority and present it to relevant persons.

(3) Unless specified by this Act, the Protection Committee shall not provide a third party with documents or materials, etc. received or collected pursuant to Paragraph (1), or disclose them to the public.

(4) The Protection Committee shall implement institutional and technical security measures to prevent leakage of personal credit information and business secrets, etc., if any materials, etc. were submitted via an information and communication network or collected materials, etc. were digitized.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 45-4 (Corrective Measures of the Protection Committee)

The Protection Committee may, where there are reasonable grounds to believe that personal credit information related to the Regulations for Protection of Commercial Transactions was breached and that irrecoverable damage may be caused without a corrective measure, order any of the following Subparagraphs to a commercial business company or corporation:

1. Suspension of any act of infringement of personal credit information;
2. Temporary suspension of processing of personal credit information;
3. Other measures required for protection of personal information and prevention of infringement thereof.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 45-5 (Regular Evaluation on Use and Management of Personal Credit Information)

(1) The Financial Services Commission may confirm the results verified and submitted by a credit information company, etc. prescribed by Presidential Decree through its credit information administrator/guardian pursuant to Article 20(6) and mark them by score or grade.

(2) The Financial Services Commission may send the score or grade marked pursuant to Paragraph (1) and other matters prescribed by the Presidential Decree to the FSS Governor for an inspection under Article 45(3).

(3) The Financial Services Commission shall determine and disclose details on the confirmation of results and indication of score and grade under Paragraph (1), and delivery method and procedures under Paragraph (2), etc.

<Newly Inserted by Act No. 16957, Feb. 4, 2020>

Article 46 (Notification of Content of Measures for Retired Executive Officers, etc.)

(1) Where it is deemed that an executive officer or employee retired from a credit information company, etc. would have received a measure falling under Article 45 (7) 2 through 4 if he/she had held office at the concerned credit information company or were under employment thereof, the Financial Commission (including the Governor of the Financial Supervisory Service empowered to take measures pursuant to Article 45 (7)) may notify the content of such measure to the head of the concerned credit information company, etc.

(2) The head of the credit information company, etc. upon receiving the notification under Paragraph (1) shall

notify the relevant retired executive officer or employee of such fact, and record and retain the content of such notification.

Article 47 (Submission of Business Report)

(1) Credit information companies, proprietary credit information management companies, claims collection agencies, credit registries and data-specialized organizations shall prepare quarterly business reports in a format set forth by the FSS Governor and submit them to the FSS Governor by the last day of the month immediately following the last month of every quarter. *<Amended by Act No. 16957, Feb. 4, 2020 >*

(2) The report under Paragraph (1) shall be signed by or state the names of and be affixed with seals of the representative, personnel in charge or the agent thereof. *<Amended by Act No. 16957, Feb. 4, 2020 >*

(3) Details and other matters necessary to prepare the business report under Paragraph (1) shall be determined by the FSS Governor.

Article 48 (Hearings)

The Financial Services Commission shall hold a hearing where any of the following Subparagraphs is to be ordered:

1. Revocation of the license or authorization of a credit information business, proprietary credit information management business or claims collection business pursuant to Article 14 (1);
2. Cancellation of the registration of a delegated claims collector pursuant to Article 27(6).

[Wholly Amended by Act No. 16957, Feb. 4, 2020]

Article 49 (Delegation and Entrustment of Authority)

The Financial Services Commission's authorities prescribed by Presidential Decree under this Act may be delegated or entrusted to the Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, Special Self-Governing Province Governor, FSS Governor, central credit registry, data-specialized organization, Credit Information Companies Association, or other parties determined by Presidential Decree, as prescribed by Presidential Decree. *<Amended by Act No. 15748, Aug. 14, 2018; Act No. 16957, Feb. 4, 2020>*

Article 50 (Penalty Provisions)

(1) Parties that violate Article 42 (1) or (3) shall be punished by imprisonment for no more than ten years or a fine not exceeding 100 million won:

(2) Parties that fall under any of the following Subparagraphs shall be punished by imprisonment for no more than five years or a fine not exceeding 50 million won: *<Amended by Act No. 15146, Nov. 28, 2017; Act No. 16957, Feb. 4, 2020>*

1. Parties that engage in the credit information business, proprietary credit information management business or claims collection business without obtaining permission or authorization therefor in violation of Article 4(1);
2. Parties that obtain permission or authorization under Article 4 (2) or 10 (1) by fraudulent or other unlawful means;

3. Deleted; <by Act No. 16957, Feb. 4, 2020 >
 4. Parties in violation of Article 17 (6);
 - 4-2. Parties that combine information collections in violation of Article 17-2(1);
 5. Parties that, without authorization, change or delete information in a credit information computer system under Article 19 (1) or make it otherwise unusable, or parties that search, duplicate or use credit information in other ways without authorization;
 - 5-2. Parties that engage in the credit registry business without obtaining permission therefor, in violation of Article 25(1);
 - 5-3. Parties that outsource the claims collection business to a party other than a claims collection company in violation of Article 27-2;
 6. Parties in violation of Article 32 (1) or (2) (including cases where it applies *mutatis mutandis* under Article 34), and parties that were provided with or used personal credit information while aware of such circumstances;
 7. Parties in violation of Article 33 (including cases where it applies *mutatis mutandis* under Article 34);
 - 7-2. Parties that process pseudonymized information for profit-making or unfair purposes so that a specific individual becomes identifiable through such information, in violation of Article 40-2(6);
 8. Parties in violation of Article 42 (4).
- (3) Parties that fall under any of the following Subparagraphs shall be punished by imprisonment for no more than three years or a fine not exceeding 30 million won: <Amended by Act No. 16957, Feb. 4, 2020 >
1. Parties that conduct business during a period of business suspension under Article 14 (2);
 - 1-2. Parties that inform a client of false information in violation of Article 22-7(1)1;
 - 1-3 Parties that coerce an investigation on credit information in violation of Article 22-7(1)2;
 - 1-4. Parties that coerce persons subject to credit information investigations to provide investigation materials and answers in violation of Article 22-7(1)3;
 - 1-5. Parties that investigate private matters, etc. other than commercial business relationships including financial transactions, etc., in violation of Article 22-7(1)4;
 2. Parties that are not credit registries but establish a common computer network under Article 25 (6);
 3. Parties that identify the locations of a specific individual in violation of Article 40(1)4;
 - 3-2. Parties that use titles including “intelligence service agent”, , detective or any other titles similar thereto in violation of Article 40(1)5;
 4. Parties in violation of Article 41 (1);
 5. Parties that fail to verify whether an agent of recruitment business has used illegally acquired credit information in the recruitment business, etc., in violation of Article 41-2 (1).
- (4) Parties that fall under any of the following Subparagraphs shall be punished by imprisonment for no more than one year or a fine not exceeding ten million won: <Amended by Act No. 16957, Feb. 4, 2020 >
1. Parties that become a large shareholder by acquisition of stocks of a credit information company, proprietary credit information management company or claims collection company without the approval of the Financial Services Commission, in violation of Article 9 (1);
 - 1-2. Parties that fail to file an application for approval in violation of Article 9(2);
 2. Parties that fail to dispose of stocks obtained without approval, in violation of an order under Article 9

- (3);
3. Deleted; <by Act No. 16957, Feb. 4, 2020 >
 4. Parties in violation of Article 18 (2);
 5. Parties in violation of Article 20 (2);
 6. Parties that conduct the claims collection business without registering with the Financial Services Commission as a delegated claims collector, in violation of Article 27 (3);
 7. Parties in violation of Article 27 (4);
 8. Parties that, in violation of Article 27 (5), collect claims that are not subject to collection, or conduct the claims collection business through a delegated claims collector who is not registered, has been registered with another claims collection company, or is under business suspension;
 9. Parties that conduct claims collection business during a period of business suspension under Article 27 (7).

Article 51 (Joint Penalty Provisions)

Where the representative of a juristic person, or the agents, employees, or any other person employed by a juristic person or individual violates the provisions of Article 50 in connection with the business of the juristic person or individual, the fine referred to in the relevant Article shall be imposed upon the juristic person or individual concerned in addition to the violator: Provided, That in cases where the juristic person or individual has not been negligent in exercising due care and oversight in relation to the relevant business to prevent such violation, the same shall not apply.

Article 52 (Administrative Fines)

(1) Parties that fall under any of the following Subparagraphs shall be punished by an administrative fine not exceeding 100 million won: <Newly Inserted by Act No. 16957, Feb. 4, 2020>

1. Parties that fail to report or report false information in violation of Article 9-2(2);
2. Parties that do not comply with the Financial Services Commission's request to provide materials or information pursuant to Article 9-2(3) or provide false materials or information;

(2) Parties that fall under any of the following Subparagraphs shall be punished by an administrative fine not exceeding 50 million won <Amended by Act No. 14823, Apr. 18, 2017; Act No. 15146, Nov. 28, 2017; Act No. 16957, Feb. 4, 2020>:

1. Parties that are not a permitted credit information company, proprietary credit information management company, claims collection company or credit registry, but uses in their trade name or title, an expression containing credit information, credit investigation, personal credit rating, credit management, MyData, claims collection, or any term similar thereto in violation of Article 12;
2. Parties in violation of Article 15 (2);
- 2-2 Parties that relay information not pseudonymized or anonymized in violation of Article 17-2(2);
3. Parties in violation of Article 19;
4. Parties in violation of Article 20 (6);
- 4-2. A claims collection company where its delegated claims collector violates Article 27 (9) 1: Provided, That this shall not apply to cases where the claims collection company shows no negligence in paying

- due diligence to the management of relevant services in order to prevent such violation;
5. Parties in violation of Article 32 (4) or (5) (including cases where Article 32 (4) or (5) applies *mutatis mutandis* pursuant to Article 34);
 - 5-2. Parties that do not separately retain information in violation of Article 39-2(3);
 6. Parties that fail to terminate a consignment contract with an agent of recruitment business, in violation of Article 41-2 (2);
 7. Parties that fail to comply with orders under Article 45 (2) through (4) or refuse, obstruct, or evade inspections or requests thereunder;
 8. Parties that fail to submit a report or submit an untruthful report in violation of Article 47.
- (3) Parties that fall under any of the following Subparagraphs shall be punished by an administrative fine not exceeding 30 million won: <Amended by Act No. 15146, Nov. 28, 2017; Act No. 16957, Feb. 4, 2020>
1. Parties in violation of Article 17 (4);
 2. Parties in violation of Article 20 (1) or (3);
 - 2-2. Parties that fail to designate a credit information administrator/guardian in violation of Article 20(3) and (4);
 3. Parties in violation of Article 20-2 (2);
 4. Parties in violation of Article 21;
 - 4-2. Parties that evaluate credit statuses in violation of Article 22-4(1) and (2);
 - 4-3. Parties that commit unfair acts in violation of Article 22-4(3);
 - 4-4. Parties that evaluate credit statuses in violation of Article 22-5(1) and Article 22-6(1);
 - 4-5. Parties in violation of Article 22-5(2);
 - 4-6. Parties in violation of Article 22-5(3);
 - 4-7. Parties in violation of Article 22-6 (2);
 - 4-8. Parties in violation of Article 22-6(3);
 - 4-9. Parties in violation of Article 22-9(1);
 - 4-10. Parties in violation of Article 22-9(2);
 5. Parties in violation of Article 23 (5);
 - 5-2. A claims collection company where its delegated claims collector violates Article 27 (9) 2: Provided, That this shall not apply to cases where the claims collection company shows no negligence in paying due diligence to the management of relevant services in order to prevent such violation;
 6. Parties in violation of Article 32 (8) or (9) (including cases where it applies *mutatis mutandis* under Article 34);
 - 6-2. Parties that fail to transmit personal credit information in violation of Article 33-2(3) or (4);
 - 6-3. Parties that fail to inform credit information subjects of necessary matters in violation of Article 34-2(1);
 - 6-4. Parties that fail to comply with a credit information subject's request in violation of Article 34-2(3);
 - 6-5. Parties that fail to notify the fact that separate requests may be made in violation of Article 34-2(4);
 - 6-6. Parties that fail to notify in violation of Article 35-3(1);
 7. Parties in violation of Article 36 (1) or (3);
 - 7-2. Parties that fail to provide explanation in violation of Article 36-2(1);

8. Parties in violation of Article 37 (3);
 9. Parties in violation of Article 38 (3) through (6) or (8);
 10. Parties in violation of Article 38-2;
 11. Parties in violation of Article 38-3;
 12. Parties in violation of Article 39;
 13. Parties that fail to notify matters prescribed in the Subparagraphs of Article 39-4 (1) to the relevant credit information subject, in violation of Article 39-4 (1);
 14. Parties that fail to report the result of measures taken, in violation of Article 39-4 (3);
 15. Parties that use information to transmit advertising information for profit-making purposes in violation of Article 40(2);
 16. Parties that do not separately retain or delete additional information used for pseudonymization in violation of Article 40-2(1);
 17. Parties that do not establish or implement technical, physical and administrative security plans for pseudonymized personal credit information in violation of Article 40-2(2);
 18. Parties that do not suspend processing or delete information without delay in violation of Article 40-2(7);
- (4) Parties that violate Article 10 (4) or 17 (7) shall be punished by an administrative fine not exceeding 20 million won. *<Amended by Act No. 16957, Feb. 4, 2020 >*
- (5) Parties that fall under any of the Subparagraphs shall be punished by an administrative fine not exceeding ten million won: *<Amended by Act No. 14823, Apr. 18, 2017; Act No. 16188, Dec. 31, 2018; Act No. 16957, Feb. 4, 2020>*
1. Parties in violation of Article 8(1);
 2. Parties that operate concurrent business without reporting to the Financial Services Commission in violation of Article 11(1);
 - 2-2. Parties that operate an incidental business without reporting to the Financial Services Commission in violation of Article 11-2(1);
 - 2-3. Parties that fail to comply with the restriction order or corrective order of the Financial Services Commission pursuant to Article 11-2(8);
 - 2-4. Parties that engage in ordinary business of another profit-making corporation without the approval of the Financial Services Commission in violation of Article 13;
 3. Deleted; *<by Act No. 16957, Feb. 4, 2020 >*
 4. Parties in violation of Article 17 (5);
 5. Parties in violation of Article 18 (1);
 6. Parties in violation of Article 20-2 (1), (3) or (4);
 7. Parties that fail to report to the Financial Services Commission, in violation of Article 22-2;
 - 7-2. Parties that fail to define user management regulations in violation of Article 22-6(4);
 8. Parties that fail to present a certificate in conducting claims collection business, in violation of Article 27 (8);
 9. Parties in violation of Article 31;
 10. Parties in violation of Article 32 (3), (7) or (10) (including cases where it applies *mutatis mutandis*

under Article 34);

11. Parties in violation of Article 35;

11-2. Parties that fail to provide explanations to the relevant credit information subject in violation of Article 35-2;

11-3. Parties that fail to retain records of the pseudonymization or anonymization of personal credit information in violation of Article 40-2(8);

12. Parties that fail to notify the termination of a consignment contract, in violation of Article 41-2 (3);

13. and 14. Deleted. <by Act No. 14823, Apr. 18, 2017>

(6) Administrative fines under Paragraphs (1) through (5) shall be imposed and collected by the Financial Services Commission, as prescribed by Presidential Decree; Provided, That the Protection Committee shall impose and collect fines pursuant to the provisions of Paragraphs (2) through (5) for violations of the Regulations for Protection of Commercial Transactions of a commercial business company or corporation, as prescribed by Presidential Decree. <Amended by Act No. 16957, Feb. 4, 2020 >

(7) Where a claims collection company falling under the main sentence of Paragraph (2) 4-2 receives a criminal punishment pursuant to the Fair Debt Collection Practices Act, an administrative fine shall not be imposed on such agency, and where the claim collection agency receives a criminal punishment after an administrative fine has been imposed, the imposition of such administrative fine shall be revoked. <Newly Inserted by Act No. 15146, Nov. 28, 2017; Amended by Act No. 16957, Feb. 4, 2020 >

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation; Provided, That the amended provisions of the following Subparagraphs shall enter into force as set forth below:

1. Amended provisions of Articles 33-2, 34-2, 34-3, 45-5 and 52(3)6-2 through 52(3)6-5: Any date within one year after the promulgation of this Act as prescribed by Presidential Decree; and
2. Amended provisions of Articles 22-9(3) through 22-9(7), and Article 52(2)4-2 and 52(2)4-3: Any date within one year and six months after the promulgation of this Act as prescribed by Presidential Decree.

Article 2 (Applicability to Permission of Corporate Credit Inquiry Business)

The amended provisions of Article 5(4) shall enter into force upon the first application for permission to engage in corporate credit inquiry business for either the corporate credit rating provision business or the technical credit rating business after the implementation of this Act.

Article 3 (Applicability to Approval, etc. of Change of Major Shareholder)

The amended provisions of Article 9 shall enter into force upon the first case where the requirements for approval of change of a large shareholder in accordance with the relevant amended provisions are not satisfied after the implementation of this Act.

Article 4 (Applicability to Qualification Review, etc. of Largest Shareholder)

The amended provisions of Article 9-2 shall enter into force upon the first case where the proposed largest shareholder fails to meet the qualification requirements after the implementation of this Act.

Article 5 (Applicability to Qualification Requirements for Executive Officers)

The amended provisions of Articles 22(1) and 22(2) and Article 22-8 shall enter into force upon the first

appointment (including any re-appointments) of an executive officer after the implementation of this Act.

Article 6 (Special Provisions on Permission for Credit Information Business)

(1) A party engaged in the credit information business as of the promulgation date of this Act may file a declaration to the Financial Services Commission within two months from the day on which four months have elapsed since the promulgation of this Act upon meeting the maintenance requirements under Article 6(4) within the extent of its business scope.

(2) Upon receiving a declaration under Paragraph (1) above, the Financial Services Commission shall review whether the declarant meets the maintenance requirements under Article 6(4) and notify the results thereof to the declarant by no later than the date immediately preceding the implementation of this Act. In such cases, a party so notified to be in satisfaction of the maintenance requirements under Article 6(4) shall be deemed as having been granted the permission to conduct credit information business on the date of the implementation of this Act.

(3) A party that files a declaration under Paragraph (1) above but is notified that it is not in satisfaction of the maintenance requirements under Article 6(4) pursuant to Paragraph (2) above may continue to conduct credit information business until six months after the implementation of this Act. In such cases, the concerned party shall be deemed a credit information company under this Act within its business scope.

(4) A party notified that it is not in satisfaction of the maintenance requirements under Article 6(4) pursuant to Paragraph (2) above may file a second declaration upon satisfying the requirements to the Financial Services Commission within three months after the implementation of this Act.

(5) Upon a declaration under Paragraph (4) above, The Financial Services Commission shall review whether the declarant meets the maintenance requirements under Article 6(4) and notify the results thereof to the declarant within six months after the implementation of this Act.

Article 7 (Transitional Measures concerning Proprietary credit Information Management Business)

A party engaged in the proprietary credit information management business as of the implementation date of this Act shall receive permission to conduct such business from the Financial Services Commission upon meeting the relevant requirements hereunder within six months after the implementation of this Act.

Article 8 (Transitional Measures concerning Change in Qualification Requirements of Executive Officers)

Notwithstanding the amended provisions of Articles 22(1) and 22(2) and Article 22-8, the former provisions shall continue to apply to the qualification requirements of executive officers incumbent as of the implementation date of this Act until the expiration of their term.

Article 9 (Transitional Measures concerning Disclosure of Credit Information Utilization System)

(1) Any disclosure of the credit information utilization system made pursuant to the former provisions as of the implementation date of this Act shall be deemed as a disclosure of the credit information utilization system pursuant to the amended provisions of Article 31(1).

(2) Credit information companies, etc. shall modify their credit information utilization systems under Paragraph (1) above to be in line with the purpose of the amendment to Article 31(1) within six months after the implementation of this Act.

Article 10 (Transitional Measures concerning Consent to Utilization of Personal Credit Information)

Any consent received from an individual credit information subject under the former provisions as of the implementation date of this Act shall be deemed as a consent given pursuant to the amended provisions of Articles 34-2 and 34-3.

Article 11 (Transitional Measures concerning Penalty Provisions, etc.)

(1) The imposition of penalties or administrative fines on any offense committed before the date of implementation of this Act shall be governed by former provisions.

(2) The imposition of administrative surcharges or other administrative penalties on any offense committed

before the date of implementation of this Act shall be governed by former provisions.

Article 12 (Amendments of Other Acts)

(1) The Public Official Election Act shall be amended as follows.

In Paragraph (1) of Article 82-6, “credit information business operator (hereinafter referred to as “credit information business operator” in this Article) under Subparagraph 4 of Article 2 of the Credit Information Use and Protection Act” shall be changed to “personal credit rating company (hereinafter referred to as “personal credit rating company” in this Article) under item (a), Subparagraph 5, Article 2 of the Credit Information Use and Protection Act”, and in Paragraph (3) of the same Article, “credit information business operator” shall be changed to “personal credit rating company”.

(2) The Customs Act shall be amended as follows.

In Article 44, “credit information company referred to in Subparagraph 5 of Article 2 of the Credit Information Use and Protection Act or a credit registry referred to in Subparagraph 6 of the same Article” shall be changed to “credit registry referred to in Subparagraph 6 of Article 2 of the Credit Information Use and Protection Act”.

(3) The State Credit Management Act shall be amended as follows.

In Paragraph (1) of Article 14-2, “credit information company permitted to engage in the business activities specified in Article 4(1)3 of the Use and Protection of Credit Information Act” shall be changed to “claims collection company under Subparagraph 10-2 of Article 2 of the Credit Information Use and Protection Act”.

In Paragraph (1) of Article 25-2, “credit information company referred to in Subparagraph 5 of Article 2 of the Credit Information Use and Protection Act or credit registry referred to in Subparagraph 6 of the same Article” shall be changed to “credit registry referred to in Subparagraph 6 of Article 2 of the Credit Information Use and Protection Act”.

(4) The National Tax Collection Act shall be amended as follows.

In Paragraph (1) of Article 7-2, “credit information company referred to in Subparagraph 5 of Article 2 of the Credit Information Use and Protection Act or credit registry referred to in Subparagraph 6 of the same Article” shall be changed to “credit registry referred to in Subparagraph 6 of Article 2 of the Credit Information Use and Protection Act”.

(5) The Act on the Structural Improvement of the Financial Industry shall be amended as follows.

In item (c), Subparagraph 1, Paragraph (6), Article 24, “credit information business” shall be changed to “credit information business and claims collection business”.

(6) The Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and The Establishment of Korea Asset Management Corporation shall be amended as follows.

In Paragraph (3) of Article 26, “credit information business under Article 4 and Article 5 of the Credit Information Use and Protection Act” shall be changed to “credit information business and claims collection business under Subparagraph 4 and Subparagraph 10 of Article 2 of the Credit Information Use and Protection Act”.

(7) The Korea Technology Finance Corporation Act shall be amended as follows.

In Paragraph (1) and the proviso of Paragraph (2) of Article 47-2, “credit information company” shall be changed to “claims collection company”.

(8) The Corporate Restructuring Investment Companies Act shall be amended as follows.

In Article 49, “business of collecting claims under Article 6(3) of the Credit Information Use and Protection Act” shall be changed to “claims collection business pursuant to Article 2(10) of the same Act”.

(9) The Act on the Credit Guarantee for Farmers and Fishers shall be amended as follows.

In Paragraph (1) and the proviso of Paragraph (2) of Article 10-2, “credit information company” shall be changed to “claims collection company”.

(10) The Act on the Structural Improvement of Agricultural Cooperatives shall be amended as follows.

In Subparagraph 5 of Article 30, “credit investigation, credit inquiry, and credit rating” shall be changed to “credit investigation and claims collection”.

(11) The Act on Registration of Credit Business, etc. and Protection of Finance Users shall be amended as follows.

In Subparagraph 6, Paragraph (2), Article 9, “credit rating” shall be changed to “credit rating or personal credit score”, and in Subparagraph 6, Paragraph (3), Article 9, “credit rating” shall be changed to “credit rating or personal credit score”.

(12) The Trade Insurance Act shall be amended as follows.

In Paragraph (3) of Article 53, “the affairs of collecting claims under Article 4(1)3 of the Credit Information Use and Protection Act, notwithstanding Articles 4(2) and 5(1) of the same Act” shall be changed to “the affairs of collecting claims under Article 2(10) of the Credit Information Use and Protection Act notwithstanding Article 4(1) and 5(1) of the same Act”.

(13) The Insurance Business Act shall be amended as follows.

In Subparagraph 1 of Article 110-3, “credit rating” shall be changed to “credit rating or personal credit score”.

In Subparagraph 2, Paragraph (1), Article 115, “credit information business” shall be changed to “credit information business and claims collection business”.

In Subparagraph 2, Paragraph (12), Article 176, “each Subparagraph of Article 33” shall be changed to “any one of the Subparagraphs 2 through 5 of Paragraph (1) of Article 33”.

(14) The Mutual Savings Banks Act shall be amended as follows.

In Paragraph (1) of Article 14-2, “credit rating” shall be changed to “credit rating or personal credit score”.

In Paragraph (3) of Article 18-5, “credit rating” shall be changed to “credit rating or personal credit score”.

In Subparagraph 5-2, Paragraph (1) of Article 40, “credit rating” shall be changed to “credit rating or personal credit score”.

(15) The Credit Guarantee Fund Act shall be amended as follows.

In Paragraph (1) and the proviso of Paragraph (2) of Article 32, “credit information company” shall be

changed to “claims collection company”.

(16) The Act on Enforcing and Supporting Child Support Payment shall be amended as follows.

In Paragraph (1) of Article 21, “credit information company under Subparagraph 5 of Article 2 of the Credit Information Use and Protection Act, or credit registry under Subparagraph 6 of the same Article” shall be changed to “credit registry under Subparagraph 6 of Article 2 of the Credit Information Use and Protection Act”.

(17) The Specialized Credit Finance Business Act shall be amended as follows.

In Subparagraph 3, Paragraph (1) of Article 50-9, “credit rating” shall be changed to “credit rating or personal credit score”, and in Paragraph (1) of Article 50-13, “credit rating” shall be changed to “credit rating or personal credit score”.

(18) The Banking Act shall be amended as follows.

In Paragraph (1) of Article 30-2, “credit rating” shall be changed to “credit rating or personal credit score”.

(19) The Financial Investment Services and Capital Markets Act shall be amended as follows.

The following new proviso shall be inserted into Article 335-7.

“Provided, That this shall not apply where prescribed by the Presidential Decree”.

(20) The Asset-Backed Securitization Act shall be amended as follows.

Subparagraph 2, Paragraph (1) of Article 10 shall be amended as follows:

“A credit information company or claims collection company with permission to provide services under Subparagraphs 8, 8-2, 8-3, 9 and 10 of Article 2”

In Paragraph (2) of Article 10, “claims collection business under Subparagraph 3, Paragraph (1) of Article 4 of the Credit Information Use and Protection Act” shall be changed to “claims collection business under Subparagraph 10, Article 2 of the Credit Information Use and Protection Act”.

(21) The Act on Facilitation of Purchase of Small and Medium Enterprise-manufactured Products and Support for Development of Their Markets shall be amended as follows.

In Paragraph (2) of Article 25, “credit information companies engaging in business defined in Article 4(1)1 or 4 of the Credit Information Use and Protection Act” shall be changed to “credit information companies engaged in the personal business operator credit rating business under Subparagraph 8-2 of Article 2 or in the corporate credit rating business under Subparagraph 8-3 of Article 2 of the Credit Information Use and Protection Act”.

(22) The Act on the Collection of Non-Local-Tax-Revenue shall be amended as follows.

In Paragraph (1) of Article 6, “a party permitted to engage in the business under Subparagraph 4 of Article 2 of the Credit Information Use and Protection Act or a credit registry under Subparagraph 6 of Article 2 of the Credit Information Use and Protection Act” shall be changed to “a credit registry under Subparagraph 6 of Article 2 of the Credit Information Use and Protection Act”.

(23) The Local Tax Collection Act shall be amended as follows.

In Paragraph (1) of Article 9, “credit information company or credit registry under Article 2 of the Credit Information Use and Protection Act” shall be changed to “central credit registry under Article 25(2)1 of the Credit Information Use and Protection Act”.

(24) The Regional Credit Guarantee Foundation Act shall be amended as follows.

In Article 39, “credit information business under Article 4(2) of the Credit Information Use and Protection Act” shall be changed to “claims collection business under Article 4 and Article 5 of the Credit Information Use and Protection Act”.

(25) The Act on the Regulations of Violations of Public Order shall be amended as follows.

In Paragraph (1) of Article 53, “credit information company under Article 2 of the Credit Information Use and Protection Act or credit registry under Article 25 of the same Act” shall be changed to “central credit registry under Article 25(2)1 of the Credit Information Use and Protection Act”, and in Paragraph (2) of the same Act, “credit information company or credit registry” shall be changed to “credit registry”.

(26) The Fair Debt Collection Practices Act shall be amended as follows.

In Subparagraph 2 of Article 8-2, “credit information company” shall be changed to “claims collection company”.

(27) The Special Act on Income Contingent Loan shall be amended as follows.

In each of Paragraphs (1) and (2) of Article 9, “credit rating” shall be changed to “personal credit score”.

(28) The Act on the Establishment of Korean Scholarship Foundation, etc. shall be amended as follows.

In Subparagraph 6, Paragraph (2), Article 49-3, “credit rating” shall be changed to “personal credit score”.

(29) The Korea Housing Finance Corporation Act shall be amended as follows.

In Paragraph (1) of Article 45, “collecting claims and other businesses incidental thereto under Subparagraph 3 of the same Paragraph” shall be changed to “the business of collecting claims under Subparagraph 10 of Article 2 of the same Act and other businesses incidental thereto under Article 11-2 of the same Act”, and “credit information company” in Subparagraph 3 of the same Paragraph and the proviso of Paragraph (8) shall be changed to “claims collection company”.

Article 13 (Relationship to Other Statutes)

If any other act refers to a former provision of this Act on the date of the implementation of the amended Act and the amended Act contains a corresponding amended provision, such other act shall be deemed to refer to the corresponding amended provision of the Act.