MEMORANDUM OF UNDERSTANDING

BETWEEN

THE FINANCIAL SERVICES COMMISSION (FSC)
REPUBLIC OF KOREA

AND

THE FINANCIAL SUPERVISORY SERVICE (FSS)
REPUBLIC OF KOREA

AND

THE RESERVE BANK OF NEW ZEALAND

CONCERNING

ASSISTANCE AND MUTUAL COOPERATION
IN THE AREA OF FINANCIAL SUPERVISION

April 2015
RECITALS

1. The Financial Services Commission (FSC) is vested by the Act on the Establishment, etc. of Financial Services Commission of the Republic of Korea with the task of performing broad supervisory functions in financial supervision, mainly licensing financial business, revising and drafting financial regulations and formulating financial policies, and instruction and supervision of the Financial Supervisory Service (FSS). The FSS examines and supervises financial institutions, including oversight and enforcement functions as mandated by the FSC. As the implementation body of the FSC by the relevant laws, the FSS may accordingly participate in the implementation of this MOU.

2. The Reserve Bank of New Zealand (RBNZ) is responsible for the regulation and supervision of banks, non-bank deposit takers and insurers in accordance with relevant New Zealand legislation. It is committed to working with overseas counterparts on a home-host basis consistent with Basel Committee’s Concordat and Core Principles for Effective Banking Supervision.

3. The FSC, FSS and RBNZ, hereinafter referred to as “Authorities”, wish to enter into this Memorandum of Understanding (MOU) to provide formal basis for cooperation, including exchange of information and investigative assistance, with respect to their common interest and performance of their financial regulation and supervision.

DEFINITIONS

4. For the purposes of this MOU:

“Host Country Authority” means the Authority which supervises a branch, representative office, subsidiary or sub-group of an entity supervised in another country.

“Home Country Authority” means the Authority which supervises the parent entity.

“Cross-border Establishment” means a branch, a subsidiary or affiliate of an entity or organization within one Authority’s jurisdiction that is subject to the supervision of the other Authority’s jurisdiction.
GENERAL PRINCIPLES

5. Each Authority will endeavour to provide assistance or information to the other within the framework of this MOU, subject to the laws and policies of each Authority.

6. This MOU is a statement of intent and does not create any legally binding obligations on the Authorities. This MOU does not modify or supersede any laws or regulations in the Republic of Korea or New Zealand.

7. Requests for assistance or information will be made in writing, or made orally and subsequently confirmed in writing within ten (10) business days. The requesting Authority should specify in any written request the following:

7.1. the assistance or information requested;

7.2 the purpose for which the assistance or information is sought;

7.3 any other matters specified by the requested Authority and by the applicable laws, regulations and requirements in relation to the requested Authority.

8. Each request for assistance or information will be assessed on a case-by-case basis by the requested Authority. Request may be denied in whole or in part if complying with the request may be contrary to the national interest or laws and regulations of the requested Authority, if the request does not conform with this MOU or if complying with the request may otherwise be prejudicial to the performance by the requested Authority of its functions. Where a request is denied, the requested Authority will provide the reasons for not providing such assistance or information.

CONFIDENTIALITY

9. The Authorities and their employees will hold confidential all information received pursuant to this MOU and use the information provided only for the lawful purpose(s) stated in the request.

10. When an Authority wishes to pass on information obtained pursuant to this MOU to a third party, it will consult with the other Authority and endeavour to comply with any restrictions on the use of information the other Authority imposes.
11. When an Authority is legally compelled to disclose information obtained pursuant to this MOU, the disclosing Authority will promptly notify the other Authority and indicate the kind of information that is being compelled, the circumstances for disclosure, and any laws or regulations that compel such disclosure.

INSPECTION OR EXAMINATION OF CROSS-BORDER ESTABLISHMENTS

12. The Home Country Authority will notify the Host Country Authority of plans to inspect or examine a Cross-border Establishment and indicate the purpose(s) and scope of the inspection or examination.

13. The Host Country Authority will not prevent the Home Country Authority from conducting on-site inspection or examination of Cross-border Establishments.

14. The Host Country Authority may accompany the Home country Authority on an inspection or examination of a Cross-border Establishment.

15. At the conclusion of an inspection or examination of a Cross-border Establishment and upon request of the Host Country Authority, the Home Country Authority may, to the extent reasonable, inform on the results of the inspection or examination relevant to the operation of the Cross-border Establishment.

SUPERVISORY COOPERATION

16. The Authorities intend to cooperate closely when they identify suspected financial criminal activities in the entities and transactions subject to their supervision.

17. The Authorities will endeavour to inform each other, to the extent practicable, material administrative penalties imposed against any Cross-border Establishment and any significant changes in their respective national regulatory systems which may affect the activities of Cross-border Establishments.

CONSULTATION

18. The Authorities may consult one another on a need basis to discuss general supervisory developments, a proposed request, the operation of this MOU and any necessary modifications thereto, or any other supervisory concerns of mutual interest.
TECHNICAL ASSISTANCE AND STAFF EXCHANGE

19. The Authorities may promote their cooperation through visits to the other Authority’s jurisdiction for informational purposes or participation in each other’s training programs. Technical assistance on examination and supervision techniques and staff exchanges may be provided upon request by the requesting Authority, subject to the availability of capacity and resources of the requested Authority.

COSTS

20. Each Authority will bear the cost of fulfilling a request by the other Authority. However, if the cost of fulfilling a request is likely to be substantial, the requested Authority may require the requesting Authority to make a contribution to costs.

EFFECTIVE DATE

21. This MOU becomes effective on the day it is signed by the Authorities.

TERMINATION

22. This MOU will continue in effect until the expiry of thirty (30) days after either Authority gives notice, in writing, to the other Authority of its intention to terminate.

23. This MOU will continue to have effect with respect to all requests for information or assistance that were made prior to the termination of this MOU. The confidentiality provisions shall continue to apply to any information provided pursuant to this MOU even after termination.

CONTACT PERSONS

24. All communications between the Authorities should be between the principal points of contact as set out in Appendix A unless otherwise agreed. Appendix A may however be amended by written notice from either Authority without the need for the resigning of this MOU.
EXECUTED BY THE PARTICIPANTS:

FINANCIAL SERVICES COMMISSION (FSC)

YIM, Jong-Yong
Chairman
April 3, 2015

RESERVE BANK OF NEW ZEALAND (RBNZ)

Graeme Wheeler
Governor
April 3, 2015

FINANCIAL SUPERVISORY SERVICE (FSS)

Zhin Woong-Seob
Governor
April 3, 2015
APPENDIX A

LIST OF CONTACT PERSONS

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FINANCIAL SUPERVISING SERVICE

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