

# Co-operation Agreement

Republic of Korea



Financial Services  
Commission

France



Dated 11, October 2018

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FRANCE

Co-operation Agreement between  
Financial Services Commission of the Republic of Korea ("FSC")  
and  
Autorité de contrôle prudentiel et de résolution ("ACPR")

**1. Definitions**

For the purposes of this Co-operation Agreement, unless the context requires otherwise:

"Authorisation" means the process of licensing an entity so that they are authorised by an Authority to provide a service or issue a financial product in their jurisdiction;

"Authority" means the FSC or the ACPR; and collectively, shall be referred to as "the Authorities";

"Confidential information" means any non-public information obtained by an Authority pursuant to this Memorandum of Understanding;

"Financial Innovator" means any entity which provides or intends to provide innovative financial services in either of the Authorities' jurisdictions;

"Innovation Function" means the dedicated function established by both-Authorities to promote innovation in financial services in their respective markets;

"Receiving Authority" means the Authority that is receiving a Financial Innovator referral or information relating to that referral;

"Regulations" means any law, regulation or regulatory requirement applicable in the jurisdiction of an Authority; and

"Referring Authority" means the Authority that is referring a Financial Innovator to the Receiving Authority.

## 2. Introduction

- 2.1. The Authorities share a mutual interest in encouraging and enabling innovation in financial services in their respective markets. Both Authorities have established Innovation Functions in order to do so. The Authorities believe that through co-operation with each other, they will be able to further the promotion of innovation in their respective markets.

### Background to the Authorities Innovation Functions

- 2.2. In June 2016 ACPR established a Fintech Innovation Unit ("FIU") within ACPR. FIU is the point of entry of financial startups at the ACPR, aiming at facilitating their understanding of the regulation and therefore their licensing process. It also analyzes the impact of technological innovations on the banking and insurance activities as well as on the payment services. FIU evaluates the opportunities as well as the risks related to innovations in the financial industry. FIU gives recommendations so as to where adjustments need to be made in the current regulation and in supervision practices.
- 2.3. The Government of the Republic of Korea announced its Fintech Policy in January 2015 and upgraded it in March 2018, as part of the Financial Reform initiative. The FSC is making policy efforts to invigorate the fintech sector with the aim of enhancing financial sector competitiveness and consumer benefits. The Fintech Center was launched as part of this in March 2015 to support fintech firms and create a fintech ecosystem.

### Support offered through the Innovation Functions

- 2.4. The support offered by the Authorities to Financial Innovators through their Innovation Functions includes:
  - 2.4.1. A dedicated team and/or a dedicated contact for each Financial Innovator;
  - 2.4.2. Help for Financial Innovators to understand the regulatory framework in the relevant Authority's jurisdiction, and how it applies to them;
  - 2.4.3. Assistance during the pre-Authorisation application phase to:
    - 2.4.3.1. Discuss the Authorisation application process and any regulatory issues that the Financial Innovator has identified; and
    - 2.4.3.2. Help the Financial Innovator to understand the relevant Authority's regulatory regime and what it means for them;
  - 2.4.4. Support during the Authorisation process, including the allocation of Authorisation staff to consider the application, who are knowledgeable about financial innovation in their respective markets.

### **3. Purpose**

- 3.1. The purpose of this Co-operation Agreement is to provide a framework for co-operation and referrals between the Innovation Functions of each Authority. The Agreement sets out how the Authorities plan to share and use information to promote innovation in their respective markets. It also sets out a referral mechanism which will enable the Authorities to refer Financial Innovators between their respective Innovation Functions.

### **4. Principles**

- 4.1. This Co-operation Agreement operates subject to the domestic laws and regulations of each Authority and does not modify or supersede any Regulations in force in, or applying to, Republic of Korea or France. This Co-operation Agreement sets forth a statement of intent and accordingly does not create any enforceable rights, and is not legally binding.

### **5. Scope of Co-operation**

#### Referral mechanism

- 5.1. The Authorities, through their Innovation Functions, will refer to each other Financial Innovators that would like to operate in the other's jurisdiction.
- 5.2. Referrals will be made in writing, and should include information demonstrating that the Financial Innovator seeking to operate in the Receiving Authority's jurisdiction meets, or would meet, the following criteria:
  - 5.2.1. the Financial Innovator should offer innovative products that benefit the consumer and/or industry;
  - 5.2.2. the Financial Innovator should demonstrate that they have conducted sufficient background research; and
  - 5.2.3. the Financial Innovator should have a genuine need for support.
- 5.3. Following referral, the Receiving Authority's Innovation Function should offer support to the Financial Innovator in accordance with paragraph 2.4 above.
- 5.4. The Referring Authority acknowledges that a Financial Innovator benefiting from the Receiving Authority's Innovation Function's assistance during the pre-authorisation phase may or may not meet the requirements for authorisation, and that in providing assistance through the Innovation Function, the Receiving Authority is not expressing an opinion about whether a Financial Innovator will ultimately meet the requirements for authorisation in its jurisdiction.

## Information sharing

- 5.5. The Authorities undertake to share information about innovations in financial services in their respective markets, where appropriate. This may include, but is not limited to:
  - 5.5.1. emerging market trends and developments;
  - 5.5.2. regulatory issues pertaining to innovation in financial services;
  - 5.5.3. information on organisations or bodies who lead efforts to promote innovation in financial services; and
  - 5.5.4. any other relevant information on Fintech and Innovative Financial Services.
- 5.6. The Authorities undertake to share further information on Financial Innovators which have been referred to a Receiving Authority for support through its Innovation Function by a Referring Authority pursuant to paragraph 5.1.
- 5.7. The Authorities should notify each other of any material changes to the support offered by a Receiving Authority's Innovation Function to a Financial Innovator referred by a Referring Authority pursuant to paragraph 5.1.

## **6. Confidentiality & Permissible Uses**

- 6.1. Any information disclosed by one Authority to the other Authority under paragraphs 5.5 to 5.7, and any information contained in a referral under paragraphs 5.1 to 5.4, should be treated by the other Authority as Confidential Information. Any request for information should specify both (1) the information which is requested; and (2) the reason why this information is being requested.
- 6.2. A Receiving Authority will use information about a referred Financial Innovator only for the purpose of providing assistance to the referred Financial Innovator through the Receiving Authority's Innovation Function and ensuring compliance with the Regulations of Receiving Authority's jurisdiction.
- 6.3. The Authorities should use any information disclosed to it by the other Authority only for the purposes for which the information was disclosed unless the other Authority consents to other uses. If either Authority intends to disclose Confidential Information provided by the other Authority to third parties, or to use it for other purposes than those for which Confidential Information was provided, the Authority should seek prior written consent from the other Authority.
- 6.4. If either Authority is required to disclose any information provided to it by the other Authority pursuant to Regulations, such Authority should notify the other Authority prior to complying with such Regulations and should assert all appropriate legal exemptions or privileges with respect to such information as may be available.

## **7. Term**

- 7.1. This Co-operation Agreement takes effect from the date of execution and will continue to have effect until terminated by either of the Authorities by the giving of at least 30 days' written notice of termination to the other Authority.
- 7.2. Termination of this Co-operation Agreement does not affect obligations under other arrangements between the Authorities.
- 7.3. In the event of the termination of this Co-operation Agreement, information obtained under this Co-operation Agreement will continue to be treated in the manner set out under paragraph 6.

## **8. Amendment**

- 8.1. The Authorities will review the operation of this Co-operation Agreement and update its terms as required.
- 8.2. This Co-operation Agreement may be amended if both Authorities agree in writing to do so.

**Executed by the Parties:**

For the FSC

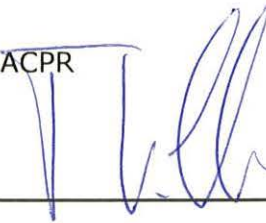


JongKu Choi – Chairman of the FSC

Date:

21. Sep. 2018

For the ACPR



François VILLEROY de GALHAU – Chairman of the ACPR

Date:

- 3 OCT. 2018



## Appendix 1: Contact Details

FSC: Director, Financial Innovation Division  
Financial Services Commission  
209 Sejong-daero  
Jongno-gu, Seoul  
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Alternatively, referrals and pieces of information may be sent by e-mail to:  
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