SHIN & KIM

Internal Control and Compliance of Financial Institutions

Internal control and compliance within financial institutions are core elements of sound corporate governance and market integrity. With the introduction of the accountability framework under the Act on Corporate Governance of Financial Companies, establishment and operation of robust internal control systems have evolved beyond a mere formal requirement for Such systems are now directly linked to regulatory assessment and may serve as a basis for supervisory sanctions, thereby significantly elevating their importance within the financial regulatory landscape.

Shin & Kim possesses extensive experience in advising on a wide range of issues faced by financial institutions. The firm brings together a deep bench of professionals with sector-specific expertise spanning banking, financial holding companies, financial investment services, insurance, non-bank and specialized financial institutions, as well as digital finance. In particular, the firm benefits from a distinguished team of lawyers, advisors, and consultants, including former officials of financial supervisory authorities, who offer practical insight grounded in firsthand experience with regulatory inspections and supervisory processes. This enables the firm to deliver tailored and effective solutions for the design, enhancement, and implementation of internal control and compliance systems.

Based on these capabilities, Shin & Kim remains committed to offering the most efficient and effective solutions.

Key Services

Our services for internal control and compliance of financial institutions include:

- Establishment of internal organizational and governance structures for newly established financial institutions
- Advisory on the design, enhancement, and operation of internal control and compliance systems within financial institutions
- Legal advisory in connection with the introduction of new businesses and financial products by financial companies
- Advice on sector-specific regulatory requirements governing the business conduct of financial institutions
- Advisory on the accountability framework under the *Act on Corporate Governance of Financial Companies*

- Implementation and compliance advisory under the *Financial Consumer Protection Act*
- Advisory on asset management and prudential regulatory requirements applicable to financial institutions
- Guidance on disclosure and reporting obligations under applicable laws and regulations

Experience

- Company A, in connection with the ownership and mergers of its subsidiaries
- Company B, in connection with the launch and subscription of new co-branded financial products
- Company C, in connection with personal (credit) information issues related to new marketing strategies
- Company D, in connection with potential violations concerning restrictions on transactions with major shareholders
- Company E, in connection with overseas real estate investment
- Company F, in connection with joint use of IT systems
- Company G, in connection with conflict-of-interest risks and mitigation plans related to the information barrier (or “Chinese wall”)
- Other banks, investment businesses, and insurance companies, in connection with their accountability structures

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