



**ATLAS**  
BY BNP PARIBAS

**CASH MANAGEMENT**

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**BNP PARIBAS**

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world

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With a population of 51 million and a forecasted GDP of \$1.790bn in 2025, South Korea is a dynamic open economy, distinguished by its high per capita income, advanced industrial diversification and substantial positive net international investment position. As of 2023 it maintained net foreign assets balanced by robust sovereign and private savings, though its NIIP has moderated after years of strong current account surpluses.

A key lingering weakness is the rising public debt ratio, which climbed from roughly 35.9% of GDP in 2018 to about 50.4% in 2023 — and is projected to reach around 51.4% in 2024 and 53.6% by 2028, aligning with median “AA”-rated peers but eroding its previous credit strength status. While debt is not viewed as a structural credit weakness, controlling further increases remains a priority.

Historically prudent fiscal management underpinned South Korea’s creditworthiness, but the pandemic-era stimulus and policy proposals such as universal cash transfers have challenged consolidation efforts. The government continues to emphasise fiscal sustainability, though political cycles may slow the pace of adjustment.

Other medium-term challenges include an ageing population, productivity pressures in the non-ICT sectors and global competitiveness risks. Economic growth is expected to remain in the moderate 2–3% range through 2025, supported by steady exports and resilient domestic demand.

## Summary

## BNP Paribas presence

BNP Paribas has been present in South Korea since 1976 and is a leading bank in the country. It is one of the few international banks catering for customers' domestic and international cash management and trade finance requirements, both foreign companies doing business in Korea and Korean entities seeking to expand their international focus.

## Currency

## Currency

- South Korean Won (KRW).

## Exchange rates

	2019	2020	2021	2022	2023
Exchange rate: KRW per USD	1,165.36	1,180.27	1,143.95	1,291.45	1,305.66

Source: IMF, International Financial Statistics

## Central Bank

- The South Korean central bank is the Bank of Korea (BOK - [www.bok.or.kr](http://www.bok.or.kr)).

### Bank supervision

- South Korean banks are supervised by the Financial Services Commission (FSC – [www.fsc.go.kr](http://www.fsc.go.kr)) and the FSC's executive branch, the Financial Supervisory Service (FSS – [www.fss.or.kr](http://www.fss.or.kr)).
- Additional supervisory functions are performed by the BOK, such as requesting on-site examination of banking institutions by the FSS or joint examination with the FSS.

## Bank accounts

## Resident / non-resident status

- A company, which is incorporated in South Korea, is considered resident while its overseas branch is categorised as non-resident. A company, which is incorporated out of South Korea, is considered as non-resident, while its domestic branch in South Korea is considered resident.

## Bank accounts for resident entities

	Within SOUTH KOREA	Outside SOUTH KOREA
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Local Currency	Permitted without restriction, not freely convertible	Not permitted
Foreign Currency	Permitted without restriction, convertible	Permitted, with Ministry of Economy and Finance (MOEF) notification.

## Bank accounts for non-resident entities

	Within SOUTH KOREA	Outside SOUTH KOREA
Local Currency	Permitted with restrictions, not freely convertible. Remittances from accounts abroad require BOK notification	Permitted with restrictions, not freely convertible
Foreign Currency	Permitted with restrictions, not freely convertible	Not applicable

## Lifting fees

- Lifting fees are applied on payments between resident and non-resident accounts.
- Banks apply either flat fees for a range of transfer values or a percentage of the total transaction value.

## BNP Paribas Cash Management Capabilities

### Collections

Cash collections	✓
Cheque collections	✓
Direct debit collections	✓

Domestic incoming transfers	<input checked="" type="checkbox"/>
Virtual IBAN	<input type="checkbox"/>
Virtual accounts	<input checked="" type="checkbox"/>
International incoming transfers	<input checked="" type="checkbox"/>
Card acquiring	<input type="checkbox"/>

## Payments

Cash withdrawals	<input type="checkbox"/>
Cheque payments	<input type="checkbox"/>
Direct debit payments	<input checked="" type="checkbox"/>
Domestic outgoing transfers	<input checked="" type="checkbox"/>
Commercial cards	<input type="checkbox"/>
Virtual cards	<input type="checkbox"/>
International outgoing transfers	<input checked="" type="checkbox"/>
SWIFT gpi	<input type="checkbox"/>
Real-time international payments through BNP Paribas' network	<input type="checkbox"/>
Card issuing	<input checked="" type="checkbox"/>

## Channels

Local e-Banking	<input type="checkbox"/>
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Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

## Payments & collections

### Market overview

The popularity of the smartphone in South Korea, the adoption rate is close to 100%, has meant the country has been one of the first and fastest adopters of digital payments. Popular mobile payment providers include Toss, N-Pay and KakaoPay. Pre-paid 'smart' cards, such as CashBee, are also increasingly popular. At the end of Q4 2023, pre-paid card usage had increased by 21%. In 2023, credit cards were the most popular payment method in volume terms, and the credit transfer in value terms.

Electronic banking services are available from all banks. There is no national electronic banking standard in South Korea, so companies use banks' proprietary services.

Online and mobile banking services are provided by the country's leading banks; there are 63 online and mobile banking services providers. There were 169 million individual internet banking users at the end of 2022 and 11 million corporate internet banking users. According to the central bank, the volume of money transfers carried out online in 2023, surged 19.2%.

### Payment Systems

BOK-Wire+	Type	<ul style="list-style-type: none"> <li>• Real-time gross settlement.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• High-value and urgent domestic and cross-border KRW-denominated electronic transfers.</li> <li>• High-value and urgent JPY and USD-denominated interbank payments.</li> <li>• Net obligations from South Korea's other payment systems.</li> </ul>

	Operating hours	<ul style="list-style-type: none"> <li>• 09:30–17:30 KST, Monday to Friday. (09:00 to 17:00 local time, Monday to Friday for payments submitted to BOK-Wire+ regional headquarters).</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in real time.</li> <li>• All net obligations cut-off time = 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• BOK-Wire+ is closed on all South Korean bank holidays.</li> <li>• Recess on first Wednesday of every month, aka BOK reserve day.</li> </ul>
Cheque Clearing Service	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Cheque (cashier's cheques, current account cheques) and bill payments (promissory notes and bills of exchange).</li> <li>• Cheque and bill payments are truncated into electronic items before being processed.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 16:00–08:00 KST, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are settled on a next-day basis.</li> <li>• Cheque and bill items are truncated for overnight clearing. Cut-off time = 16:00 KST.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• <a href="#">Cheque</a> and Bill Clearing is closed on all South Korean bank holidays.</li> </ul>
Bank Giro	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a></li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• KRW-denominated paper-based credit transfers.</li> <li>• Electronic giro payments (credit transfers, direct debits, standing orders).</li> <li>• Internet giro payments.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 09:00 to 17:00 local time, Monday to Friday. The internet giro service has extended hours until 22:00.</li> </ul>

	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payment information sent to the KFTC (Korea Financial Telecommunications &amp; Clearings Institute) for processing.</li> <li>• Electronic and internet giros settled on a next-day basis.</li> <li>• Electronic giros cut-off time = 17:00 KST.</li> <li>• Internet giros cut-off time = 22:00 KST.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> <li>• Paper giros are settled on a two-working day cycle. Cut off time = 17:00 KST.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• Bank Giro is closed on all South Korean holidays. (Dates as above).</li> </ul>
IFTNET	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• KRW-denominated cashier's cheques and irregular credit transfers.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 09:00-16:00 KST, Monday to Friday</li> </ul>
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> <li>• Participant bank's customers have funds remitted between bank branches in real time.</li> <li>• Accounts instantly debited or credited upon payment instruction.</li> <li>• Payments are settled on a next-day basis.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• IFTNET is closed on all South Korean bank holidays. (Dates as above)</li> </ul>
HOFINET	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Electronic banking payments (internet, phone, and mobile banking).</li> <li>• There is a ceiling of KRW 1 billion per transaction for companies; KRW 100 million for individuals.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, 7 days a week</li> </ul>

	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are settled on a next-day basis.</li> <li>• Participant banks can choose cut-off times between 00:00 and 07:00 KST.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• HOFINET is closed on all South Korean bank holidays. (Dates as above)</li> </ul>
CDNET System	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Cash withdrawals.</li> <li>• Credit card cash advances.</li> <li>• Funds transfers.</li> <li>• Giro payments.</li> <li>• KRW-denominated cashier's cheques.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, 7 days a week.</li> </ul>
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> <li>• Payments are settled on a next-day basis.</li> <li>• NICE e-Banking Services sends CDNET transaction information to the KFTC for processing.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• CDNET is closed on all South Korean bank holidays. (Dates as above)</li> </ul>
EFTPOS system	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• <a href="#">Debit card</a> payments at <a href="#">POS</a> terminals.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:00-23:30 KST, 7 days a week.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are settled on a next-day basis.</li> <li>• Payment information sent to the KFTC, where net transaction values are calculated for each bank.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

CMS Direct Debit	Type	Direct Debits and Direct Credits
	Transaction types processed	<ul style="list-style-type: none"> <li>• 3 Day and Same Day Direct Debits</li> <li>• Direct Credits</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, 7 days a week.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Credit transfers are settled on a same-day basis. Cut-off time = 11:30 KST.</li> <li>• Debit transfers are settled on a next-day basis.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	N/A
KFTC Foreign Currency Domestic Clearing Network	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Funds transfers.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 09:00–17:00 KST, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are settled on a next-day basis. Cut-off time = 17:00 KST.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• The network is closed on all South Korean bank holidays.</li> </ul>
Open Banking	Type	<ul style="list-style-type: none"> <li>• API.</li> </ul>

	Transaction types processed	<ul style="list-style-type: none"> <li>• K-Cash e-money card payments.</li> <li>• Open banking is a financial payment platform that offers a standard API shared by participating institutions. It allows for the implementation of various financial services, such as integrated banking services, in a single app. The API also handles transaction mediation and related processes.</li> <li>• Balance Inquiry</li> <li>• Transaction History Inquiry</li> <li>• Beneficiary Validation Inquiry (Account Real Name)</li> <li>• Remitter Information Inquiry</li> <li>• Recipient Inquiry</li> <li>• Deposit Transfer</li> <li>• Withdrawal Transfer</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, 7 days a week.</li> </ul>
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> <li>• Payments are settled within a three working-day cycle.</li> <li>• Transaction information is sent to the KFTC for calculation of participant's net balances.</li> <li>• Final settlement takes place via BOK-Wire+ at 11:00 KST.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
B2C E-Commerce system	Type	<ul style="list-style-type: none"> <li>• Real-time service for funds transactions between consumers and seller</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Processes funds transfers between retailers and customers.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, 7 days a week.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• N/A.</li> </ul>
<b>B2B E-Commerce system</b>	Type	<ul style="list-style-type: none"> <li>• Payment channel for online registered bills (ORBs).</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Issues and processes ORBs and interbank find transfers.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:00 to 22:00, Monday to Friday.</li> </ul>

	System holidays	• N/A
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## Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax payments.
- High-value and urgent KRW-denominated credit transfers are settled on a same-day basis via BOK-Wire+.
- Low-value and non-urgent KRW-denominated credit transfers are settled in real time via retail payment systems run by the KFTC.
- Pre-scheduled, low-value credit transfers are made via the Bank Giro System. Non-scheduled credit transfers are effected through either the Internet Giro Service or the one of payment systems that make up the Financial Information Network Systems (FINS). Though final settlement takes place through BOK-Wire+ on a next-day basis, customers using a FINS system can obtain cash immediately after a funds transfer because the banks are connected to each other through a shared platform at the KFTC.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- Many banks have access to retail payments systems in Europe, including EURO1, STEP1, STEP2 and TARGET2, or via CMS Direct Debit system on a three-day or same day cycle.

## Direct debits

- Direct debits are used for regular payments, such as utility bills. Direct debits are usually preauthorised through standing orders.
- Companies can collect high-value payments from multiple payer accounts into a single collection account using the CMS debit transfer.
- Direct debits can be settled via the bank giro system on a three-day cycle or via CMS Direct Debit system on a three-day or same day cycle..
- The CFIP (Committee on Financial Informatisation Promotion) has implemented a bank-account mobile debit payment service (mobile cash). The project aims to build infrastructure that enables users to install a debit-type cash card application on their smartphones which will allow them to make payments to businesses, deposit or withdraw cash at cash card member stores, or use bank CD/ATMs.

## Cheques

- The cheque is a common cashless payment instrument, used by both consumers and companies.
- Current account cheques are used by companies to make high-value, post-dated payments.

- Cashier's cheques, in the form of bearer-form bank drafts, are used in place of cash for certain payments and bank deposits. Cashier's cheques can be dispensed at any ATM. The most common preset value is KRW 100,000.
- Cheques are truncated into electronic items via the CTS before being settled on a next-day basis via the Cheque Clearing system. Final settlement takes place via BOK-Wire+ on a next-day basis.

## Card payments

- Credit card payments are popular, especially for retail transactions.
- There are approximately 35 card-issuing companies in South Korea.
- Visa and MasterCard payment transactions are cleared via their respective international card schemes.
- Extended Korea Payment Network (ExK) is a cross-border ATM network arrangement project allowing South Korean payment card holders to withdraw cash from ATMs in the USA, Malaysia, Vietnam, Thailand, Indonesia and the Philippines, using domestically issued cards, without the need for partnerships with international credit card companies. Preparations are underway to extend this service other countries.

## ATM/POS

- ATM payments are settled via CDNET on a next-day basis.
- POS payments are settled via EFTPOS on a next-day basis.

## Electronic wallet

- VisaCash and Mybi are popular e-money schemes.
- Other pre-paid providers include CashBee (a contactless smartcard used to pay bills and make online purchases) and T-money which offers a rechargeable series of cards used to pay transport fares.
- The government has launched a QR-based payment app called Zero Pay in order to reduce payment processing costs for small companies.
- Card issuers, including Shinhan Card, BC Card, and Lotte Card launched a common QR code service called QRpay in 2019.
- A Smartphone Payment and Settlement Service (BankWallet) operates as a mobile wallet service in South Korea using BankMoney, a pre-paid electronic payment method.
- Popular mobile payment providers include Samsung Pay, Naver Pay and Kakao Pay.

### Market overview

#### Interest payable on credit balances

- Interest-bearing current and checking accounts are not permitted.

#### Demand deposits

- Demand deposits denominated in KRW or major foreign currencies are available for an indefinite term as long as the account is opened. .

#### Time deposits

- Time deposits are available in KRW or major foreign currencies with terms ranging from overnight to 1 year.

#### Certificates of deposit

- Domestic banks issue certificates of deposit with terms ranging from 30 days to over 12 months. Terms of three months are most common.
- Certificates of deposit can be issued paying fixed or variable interest.
- The minimum investment amount is KRW 10 million.

#### Treasury (government) bills

- Treasury bills (T-bills) are issued by the government with maturities of less than one year, and typically with a maturity date of 63 days.
- The Ministry of Economy & Finance issues Korea Treasury Bonds with maturities ranging from three years up to 50 years.
- Monetary Stabilisation Bonds (MSBs) are issued by the BoK. Maturities range from 14 days to two years. Short-term MSBs have a maturity of less than 28 days.

#### Commercial paper

- Domestic commercial paper is issued in the form of unsecured promissory notes. Most paper is issued for terms up to one year.

#### Money market funds

- Domestic money market funds are an increasingly popular short-term investment instrument in South Korea.

### Repurchase agreements

- Repurchase agreements with maturities ranging from overnight to one year are commonly available. There are ten standardised repo terms: overnight, two days, three days, four days, seven days, 14 days, 21 days, 30 days, 60 days, and 90 days.

### Bankers' acceptances

- Bankers' acceptances are not commonly used in South Korea.

## BNP Paribas Trade Finance Capabilities

### Trade payments

Documentary credits	✓
Documentary collections	✓

### Guarantees

Bank guarantees	✓
Standby letters of credit	✓

### Supply chain management

Receivables	✓
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Payables	<input checked="" type="checkbox"/>
Inventory	<input type="checkbox"/>

## Trade channels

Connexis Trade	<input type="checkbox"/>
Connexis Supply Chain	<input checked="" type="checkbox"/>
SWIFTNet Trade for Corporates	<input type="checkbox"/>
Connexis Connect	<input checked="" type="checkbox"/>
Connexis Guarantee	<input type="checkbox"/>
SWIFTnet Supply Chain	<input type="checkbox"/>

- BNP Paribas Global Trade Solutions' (GTS) team in Korea offers dedicated trade finance support, providing traditional trade finance and supply chain management solutions in line with the needs of corporations headquartered in, or operating in Korea. BNP Paribas GTS' export letters of credit franchise has developed rapidly in Korea, and continue to gain momentum. BNP Paribas GTS Korea serves some of the largest names in the construction and heavy industries, and is notable for its strength of offering in international guarantees.

## International trade

### General trade rules

- As a member of the Asia-Pacific Economic Cooperation (APEC) forum, South Korea has agreed to liberalise trade and investment rules between members.

### Trade agreements

- South Korea has free trade agreements with 60 countries, including with the EU and ASEAN. It is in the process of negotiating eight further FTAs.
- South Korea's negotiations with the Philippines are expected to conclude by end-June 2021. Negotiations with Cambodia concluded in February 2021.
- South Korea has signed a continuity Free Trade Agreement with the UK.
- South Korea is a signatory of the Regional Comprehensive Economic Partnership (RCEP).
- South Korea has officially declared that it will join the CPTPP.



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