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## **The task force on deregulation for small and medium enterprises has identified 150 regulatory measures**

Out of 1,193 suggestions received from organizations such as K-BIZ, KFME, and KOVA, MSS has selected 150 measures to be deregulated first.

MSS will deregulate swiftly through inter-ministerial committees such as a special task force for innovative economic deregulation.

**Sejong, September 12** - The Ministry of SMEs and Startups (MSS) has identified 150 tasks for deregulation for SMEs and startups prioritized in H2 2023.

The task force on deregulation for small and medium enterprises<sup>1</sup> has selected 150 regulatory measures out of 1,193 suggestions received from various stakeholders, including the Korea Federation of SMEs (KBIZ), the Korea Federation of Micro Enterprise (KFME), and the Korea Venture Business Association (KOVA). After three previous rounds of 'Regulatory Breaking' sessions<sup>2</sup>, regulatory measures were selected based on overall importance, including the impact of deregulation and urgency.

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<sup>1</sup> The task force is a consultative body established on July 28, 2023, to discover regulations related to SMEs and startups and discuss ways of deregulation. The Vice Minister of the MSS chairs the body and comprises representatives from industry associations, relevant agencies, and experts from various sectors.

<sup>2</sup> (1st) Regulatory break in the bio sector on May 30, (2nd) Regulatory break in small business on July 20, (3rd) Regulatory Break in mobility sector on August 28

<Classification of tasks for deregulation for SMEs and startups by type (total of 150)>

Target Fields	Certification Market	Commercialization /New Technologies	Environment	Healthcare /Medical	HR	Location Business Type	Finance	On-Site Difficulties	Total
Small Business Owners	3	6		7	1	1		10	28
Startups	4	34	1	10	1	5	3		58
SMEs	24	2	19	2	8	2	3	4	64
<b>Total</b>	<b>31</b>	<b>42</b>	<b>20</b>	<b>19</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>14</b>	<b>150</b>

Small business owners often face what are commonly referred to as "unreasonable regulations." These types of regulations impose obligations and requirements in finance and human resources without taking into account the size and characteristics of the business. On the other hand, entrepreneurs and venture enterprises have to deal with "regulations on a new industry," where regulations often struggle to keep up with the birth of new technologies and products. Lastly, SMEs face what is known as "regulations caused management burden." This includes high costs and time burdens due to duplicate requirements for similar certifications and permits, as well as ambiguous regulation interpretations and applications.

The MSS will quickly and confidently deregulate tasks under its jurisdiction through the task force on deregulation for small and medium enterprises. However, for tasks under the jurisdiction of other ministries, the deregulation process will be handled by a special task force for innovative economic deregulation.