GR Korea newsletter

Inside the First National Assembly Audit of the Lee Administration

October 2025

Source: Pixabay

The National Assembly (NA) audit, scheduled from 13-31 October, is an annual period of legislative oversight unique to the South Korean political system. During this time, parliamentary committees scrutinize the entire administration, from government ministries to their affiliated agencies, reviewing their performance over the past year.

This process is both a retrospective review and a forward-looking exercise; lawmakers identify administrative shortcomings or policy failures and press the government for corrective measures that will guide future action.

This report provides an analysis of the unique political landscape shaping the 2025 audit and identifies key policy debates and regulatory issues with significant business implications.

Standout features of 2025 NA audit

Source: Maeil Sinmun

Source: Nate News

Head-to-head showdown

Since the government's performance is the central subject of the audit, the opposition typically leads the discourse by presenting findings of shortcomings in government ministries and affiliated agencies. The ruling party by contrast is left with the precarious task of defending the government. Sharing political responsibility for managing the economy, the ruling party's priority is usually to counter opposition claims and build a case in support of the administration.

This year's audit is expected to unfold differently. The ruling party has ample grounds to shape the agenda, while the opposition finds itself on the defensive. The dynamic is altered this time because this is the first audit since the snap presidential election. Conducted in the first year of the new administration, the audit also covers issues that arose under the previous government. With the change in power, the opposition now finds itself accountable for many of those past matters. Their position is further weakened by the lingering fallout from martial law declared by the former president—an issue the ruling party is incentivised to press, especially as the special prosecutor's investigation continues.

Standing committees reshaped

On 25 September, the National Assembly passed an amendment to the Government Organization Act, introduced by the ruling Democratic Party to optimize administrative structures and clarify agency functions. The scope of the audit will adjust accordingly.

Among many changes is the reduced remit of the Trade, Industry, SMEs and Startups Committee (TISSC). Under the reform, the Office of Energy Policy, currently under the Ministry of Trade, Industry, and Energy (MOTIE), will be transferred to the Ministry of Environment. At the standing-committee level, energy issues will shift from the TISSC to the Environment and Labor Committee (ELC), which is expected to be renamed the Climate, Energy, Environment and Labor Committee. With energy carved out, TISSC's remaining pillars of Trade and Industry are likely to receive greater focus going forward.

Primary focus areas of the National Audit

Based on the finalized witness lists, we outline the major topics with business implications according to the committees in which the issues are to be scrutinized. The key agenda items include issues such as consumer protection, tariff negotiations and workplace safety. The government stakeholders listed below are the subject of the audit and will be responsible for responding to the NA members' questions.

Committee	Key Agenda Items	Government Stakeholders
National Policy Committee	• **Consumer Financial Protection** • **Online Platform Fee Regulation**	• Korea Fair Trade Commission • Korea Consumer Agency • Korea Inclusive Finance Agency
Strategy and Finance Committee	• **2025 Tax Reform Plan**	• Ministry of Economy and Finance • National Tax Service • Korea Public Finance Information Service
Science, ICT, Broadcasting and Communications Committee	• **Cybersecurity & Data Breach Liability** • **Global Platform Oversight & Regulation**	• Ministry of Science and ICT • Korea Internet & Security Agency • Korea Communications Commission
Trade, Industry, SMEs and Startups Committee	• **Antitrust Enforcement & Monopoly Regulation** • **U.S. Trade & Tariff Negotiations**	• Ministry of Trade, Industry and Energy • Ministry of SMEs and Startups
Environment and Labor Committee	• **Workplace Safety & Accident Prevention**	• Ministry of Employment and Labor • Korea Occupational Safety and Health Agency • Korea Worker's Compensation & Welfare Service

Key NA audit topics by standing committee

Source: Yonhap News

The key agendas addressed by each standing committee are shaped by the prevailing political climate, public concerns, and recent policy outcomes. Below are the issues expected to be raised during this year's audit across the major standing committees.

National Policy Committee (NPC)

Consumer financial protection is a pivotal agenda in this year's audit. With household debt at a record level, widespread reliance on second-tier or non-bank financial institutions is creating concerns over consumer protection. Other issues directly affecting consumers' trust and financial welfare that will be raised include personal data breaches, unfair trading practices, anti-money laundering enforcement, and internal control failures. Government agencies overseeing the financial sector will be responsible for demonstrating the adequacy of their supervisory role and the effectiveness of existing regulatory frameworks.

Concerns over high delivery platform fees for local vendors have become a major issue. A consultative group was formed to mediate between platforms and franchise companies. Despite a consensus reached in November 2024, the dispute was left unresolved due to its non-binding nature. The debate resurfaced in June 2025, when President Lee proposed a regulatory cap on fees for small orders. While intended to ease burdens on small businesses, the plan has sparked renewed controversy over the government's role in the digital economy.

Strategy and Finance Committee (SFC)

The government's reform direction seeks to balance two conflicting goals. In July 2025, the Ministry of Economy and Finance announced a tax reform plan that highlights the administration's struggle to navigate between addressing concerns over a revenue shortfall and boosting stock valuations by cutting taxes that discourage trading activity.

NA members are expected to use the audit to press the administration for clarity on its reform strategy and priorities. Market expectations were shaped by President Lee's pledge to revitalize Korea's stock markets, but the

announced tax policy fell short. The dividend income tax cut was smaller than anticipated, while the capital gains tax threshold was tightened, broadening the tax base to collect more revenue. President Lee later reversed this measure under bipartisan pressure. The corporate tax rate was also restored to its previous level, scrapping the 1% cut introduced by the prior administration. Korea's tax authorities and economic policymakers will need to explain how these reforms align with the government's stated objectives.

Source: Chosun Biz

Source: Chosun Ilbo

Science, ICT, Broadcasting, and Communication Committee (SIBCC)

With the Minister of Science and ICT under its remit, the committee is expected to prioritize cybersecurity oversight in this year's audit, following a series of high-profile hacking incidents that revealed major gaps in data protection.

Beginning in late August 2025, users of KT, one of Korea's largest telecommunications companies, were hit with unauthorized charges. Hackers are suspected of infiltrating KT servers and exploiting stolen personal data through illicit micro-base stations. Similarly, in mid-August 2025, Lotte Card disclosed a cyberattack that compromised the personal information of 2.97 million customers. Given the scale and timing of these almost concurrent incidents, lawmakers are poised to press both companies for accountability and question government officials on any supervisory lapses.

Negative business practices by dominant e-commerce players are expected to draw calls for stronger regulation and more effective implementation. For instance, delays in imposing penalties for forced in-app payments have been viewed as a significant failure in regulatory enforcement. In October 2023, the Korea Communications Commission announced corrective measures and fines totaling about $50.5 million against Google and Apple for anti-competitive practices, such as compelling app developers to use their in-app payment systems. The penalty, however, has yet to be imposed. Relevant government agencies will be asked during the audit to demonstrate firm oversight of dominant platforms and ensure that regulatory enforcement is effective in curbing anti-competitive behavior and protecting consumers.

Trade, Industry, SMEs, and Startups Committee (TISSC, tentatively)

Agencies concerned with trade and industry are slated for questioning on the negotiations that followed the tariff deal struck with the United States in July. Despite the agreement, significant uncertainty remains over how it will ultimately be implemented. The audit of these ongoing negotiations, focused on finalizing the details of the deal, will be the central agenda item at the TISSC.

Source: Reuters

A particular point of scrutiny is the Lee Jae-myung administration's acknowledgment that Korea cannot finance the $350 billion investment package announced by President Trump at the time of the deal. National Security Adviser Wi Sung-lac has publicly underscored this constraint, noting that Korea cannot provide the requested amount in cash upfront and is instead "discussing alternatives." Lawmakers are expected to question both the credibility of these alternatives and the administration's overall fiscal preparedness.

Source: Korea Economic Institute of America

The administration has also pledged to conclude negotiations with the United States by October, timed with the Asia-Pacific Economic Cooperation (APEC) summit. This tight deadline raises concerns over whether sufficient due diligence is being exercised in balancing economic feasibility with diplomatic commitments. Against this backdrop, the TISSC audit will be a key forum to examine the government's negotiating strategy and its ability to secure a viable deal without straining fiscal resources.

Climate, Energy, Environment and Labor Committee (CEEL, tentatively)

Preventing fatal work injuries is expected to dominate the ELC audit sessions. A victim of an industrial accident himself when he worked in a factory in his youth, President Lee has placed greater emphasis on securing protective measures for workers and higher levels of accountability from businesses. At a Cabinet meeting in August, President Lee called for stricter penalty enforcement, referring to cost-cutting that leads to deaths as "murder by willful negligence or social killing."

During the audit, NA members are expected to press the Ministry of Employment and Labor and related agencies on whether inspection regimes are effectively preventing repeat accidents, but are also expected to question whether the government's approach risks placing excessive strain on businesses.

One week out

After a week-long holiday, the National Assembly audit will commence on 13 October. Given the volatile nature of Korean politics, the week leading up to it may see new agendas emerge and reshape key priorities. Regardless, the audit—the longest and most significant parliamentary event of the year—will proceed as a central forum for oversight and accountability.

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