



Laws and Regulations Announcement

Amendments proposed for Enforcement Decree of the Financial Investment Services and Capital Markets Act

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| Agency: | Financial Services Commission |
| Rule: | Enforcement Decree of the Financial Investment Services and Capital Markets Act |
| Announcement Date: | December 30, 2016 |
| Summary: | The Financial Services Commission proposed amendments to the Enforcement Decree of the Financial Investment Services and Financial Markets Act in support of previously announced government measures to promote the growth of large investment banks and reform the public offering regime. |
| Key Provisions: | <ul style="list-style-type: none">• Investment banks with equity capital above certain levels are to be allowed to offer short-term financing and investment management account services in order to facilitate financing for start-up companies with strong growth potential.• Companies that trade their shares on the Korea over-the-counter (K-OTC) market, a trading platform run by the Korea Financial Investment Association are to be exempted from filing registration statements.• Underwriters in an IPO syndicate are to be held liable for false information in a registration filing together with the lead managers in the syndicate for enhanced accountability of all of the syndicate's participating securities firms.• An exemption from the share ownership limit in the Korea Exchange is to be made available in the event of a merger between the exchange's shareholders, but the voting rights for the excess share ownership are to be restricted. |
| Effective Date for the Amendments: | The public comment period for the newly proposed amendments ends on February 8, 2017. |
