



Laws and Regulations Announcement

Amendments Proposed for the Financial Investment Services and Capital Markets Act

Agency:	Financial Services Commission
Law to be amended:	Financial Investment Services and Capital Markets Act
FSC Notice number:	2017-163
Announcement date:	June 8, 2017
Summary:	<p>The Financial Services Commission (FSC) proposed amendments to the Financial Investment Services and Capital Markets Act to help reduce the compliance burden of securities issuers without compromising investors' needs for information. The proposed amendments also give enhanced protection to investors by holding securities issuers making a false or misleading statement in their small public offerings and credit rating companies engaged in defective rating liable for damages.</p>
Key provisions:	<ul style="list-style-type: none">• A company soliciting investors for newly or already issued securities may provide investors with a simplified prospectus unless investors request a full-length prospectus. Underwriters may utilize a simplified prospectus for general solicitation. A disclosure must be filed with the FSC when a simplified prospectus is to be distributed.• If documents filed for public offerings of securities less than KRW1 billion during any one-year period include a false or misleading statement or omit a material fact, the issuer is to be liable for damages incurred to investors.• A credit rating company that intentionally or negligently violates the established rating procedures or conduct regulations and materially affects a credit rating is to be held liable for damages incurred to investors.
Public comment for the proposed amendments:	The public comment period for the proposed amendments ends on July 18, 2017.
