



Rules and Regulations Announcement

Amendments Proposed to the Enforcement Rule of the Act on External Audit of Stock Companies

Agency:	Financial Services Commission
Rule to be amended:	Enforcement Rule of the Act on External Audit of Stock Companies
FSC Notice number:	2017-198
Announcement date:	July 25, 2017
Summary:	The Financial Services Commission announced amendments to the Enforcement Rule of the Act on External Audit of Stock Companies. The amendments set forth the composition and member eligibility rules for the Accounting Audit Standard Board (AASB) and the Accounting Process Standard Committee (ASC) as a follow-up to the amended Enforcement Decree of the same act that provides for the creation of the AASB under the Korean Institute of Certified Public Accountants (KICPA) and the ASC under the Korea Accounting Institute. ¹
Key provisions:	<ul style="list-style-type: none">• New composition and member eligibility rules are to be established for transparent operation of the AASB and the ASC.• When appointing the head of the Audit Quality Control Review Committee, the president of the KICPA is to obtain consent from the chairman of the Securities and Futures Commission.²• The chairman of the Securities and Futures Commission may request dismissal of the head of the Audit Quality Control Review Committee.
Public comment for the proposed amendments:	The public comment period for the proposed amendments ends on September 5, 2017.

¹ The English names “Accounting Audit Standard Board” and “Accounting Process Standard Committee” are tentative.

² The English name “Audit Quality Control Review Committee” is tentative.