



Laws and Regulations Announcement

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

Agency:	Financial Services Commission
Amendments proposed:	Amendments to the Enforcement Decree of the Act on External Audit of Stock Companies
FSC Notice number:	2018-109
Announcement date:	April 19, 2018
Summary:	The Financial Services Commission proposed amendments to the Enforcement Decree of the Act on External Audit of Stock Companies that will provide for enhanced independent external audit regime.
Key provisions:	<ul style="list-style-type: none">• Companies in addition to those that are listed or set to be listed are to be subject to independent external audit. Exemption is to be given to small companies that satisfy three of four thresholds in assets, liabilities, sales revenue, and the number of employees.• The scope of companies that are required to file financial statements with the Securities and Futures Commission (SFC) when they are provided to the external auditor is to be expanded to include financial firms.• The external auditors are to be required to notify the SFC of any unusual discovery made while performing an audit or any significant development within the auditing firm.• Deficiencies in audit quality control reported to the SFC and any noncompliance thereafter are to be made public for a period up to three years.
Public comment for the proposed amendments:	The public comment period for the proposed amendments ends on May 31, 2018.
