



Financial Supervisory Commission
www.fsc.go.kr



Financial Supervisory Service
www.fss.or.kr

Press Release

August 22, 2007

FSC to Step up Support for Korea Exchange's Bid for U.S. CFTC Contract Market Designation for KOSPI200 Futures Market

The Financial Supervisory Commission announced on August 22 that it will step up support for Korea Exchange's application for Designated Contract Market (DCM) for KOSPI200 futures market from the U.S. Commodity Futures Trading Commission (CFTC).

Currently, U.S. futures traders, including retail investors, are restricted from direct access to KOSPI200 futures market because it has not yet received DCM status from the U.S. CFTC. Thus, the participation of U.S. traders and retail investors in Korea's futures market is expected to grow significantly when the market is granted the DCM status from the U.S. CFTC.

Among the key designation criteria are the safety of futures products traded and an agreement on information exchange between the oversight authorities of the two countries. To date, the CFTC has notified Korea Exchange that the safety of KOSPI200 futures has met the DCM criteria (July, 2006). Going forward, the FSC will take steps to expedite the exchange of confirmation letters with the U.S. CFTC on supervisory exchange of information and take other support measures to accelerate the DCM approval process. Separately, the FSC plans to initiate discussions with the U.S. Securities and Exchange Commission on regulatory designation for U.S. investor's access to Korea's treasury futures and KOSPI200 options markets.

Contact Persons:

Douglas Kim
Foreign Spokesperson
Financial Supervisory Commission
Financial Supervisory Service
(02) 3786-7915