



Financial Services Commission  
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## Press Release

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November 4, 2011

### REVISION OF REGULATION ON INVESTIGATION OF CAPITAL MARKETS

The FSC approved a revision of *Regulation on Investigation of Capital Markets* at its 18<sup>th</sup> regular meeting held on November 4, 2011.

#### KEY CONTENTS

1. Standards for punitive measures against violations of public disclosure rules get more streamlined and clarified.
  - Standards for imposition of penalty surcharges, which used to be too complicated, were revised in order to secure predictability and stability in enforcing such measures.
    - \*For example, the process of calculating the amount of penalty surcharges to be imposed has become shortened from six to four stages, and standards for setting the amount of penalty surcharges has become clarified in order to prevent penalty surcharges from being imposed arbitrarily.
  - Conditions to impose restrictions on securities issuance for those who violated public disclosure rules,\* which used to be under *the FSS Work Guidelines*, will be incorporated into *Regulation on Investigation of Capital Markets*.
    - \*Cases in which the entity in violation of public disclosure was deemed incapable of paying penalty surcharges due to its delisting
2. Punitive measures against those who committed a serious violation of public disclosure rules are strengthened.
  - The Securities and Futures Commission (SFC) can accuse those who committed embezzlement or a breach of trust or repeated and intended violations of serious violations of public disclosure rules.

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