

## GOVERNMENT APPROVES STRONGER INVESTOR PROTECTION ON HIGH-RISK INVESTMENT PRODUCTS

The government approved the revisions to the Enforcement Decree of the Financial Investment Services and Capital Markets Act at a cabinet meeting on February 2.

As a follow-up to the measures to strengthen investor protection with high-risk investment products announced in December 2019, the approved revisions are intended to bolster investor protection by (a) specifying the criteria for determining 'highly complex' investment products, (b) strengthening requirements on the recording and cooling-off period during the sales process of 'highly complex' investment products, (c) newly establishing a legal ground to regulate sellers of OEM funds, (d) tightening regulations to close loopholes of publicly offered funds being sold in the form of a private fund and (e) raising the retail investors' minimum investment threshold in hedge funds from KRW100 million to KRW300 million.<sup>1</sup>

The new regulations on OEM fund sellers, closing loopholes of publicly offered funds being sold as a private fund and the increased minimum investment threshold for retail investors will go into effect immediately after the promulgation. Meanwhile, the regulatory measures on 'highly complex' investment products will take effect three months after the promulgation.

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<sup>1</sup> For specific details, please refer to the earlier announcements made in [November](#) and [December](#), 2019.