

GOVERNMENT APPROVES POSTPONEMENT OF CONSOLIDATED INTERNAL ACCOUNTING CONTROL SYSTEM

The government approved a revision to the Enforcement Decree of the Act on External Audit of Stock Companies during a cabinet meeting held on December 14, postponing the requirement of consolidated internal accounting control system for one year until 2023.

The establishment, operation and external audit of consolidated internal accounting management system for listed companies that have KRW2 trillion or more in assets was originally set to take effect from 2022. However, the COVID-19 pandemic situation over the past two years posed challenges for businesses in setting up their consolidated internal accounting management system. Thus, the FSC proposed one year postponement of the requirement in July this year¹ through a revision to the Enforcement Decree of the Act on External Audit of Stock Companies and the government decided to approve the changed implementation schedule as shown in the table below.

(As of end of 2020)				
Asset size	KRW2 trillion and above	KRW0.5 trillion to KRW2 trillion	Below KRW0.5 trillion	Total
Number of entities	168	249	1,965	2,382
Initial start date	From Jan. 1, 2022	From Jan. 1, 2023	From Jan 1, 2024	-
Postponed start date	From Jan. 1, 2023	From Jan. 1, 2024	From Jan. 1, 2025	-

Listed companies wishing for an early implementation may do so from the initial start date.

The authorities expect that the postponement of the consolidated internal accounting management system will help reduce burdens on companies and allow them set up more effective systems.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ Please click [here](#) to see the press release dated July 14, 2021.