Article 1 (Purpose)
The purpose of this Rule is to provide for the matters delegated by the Financial Investment Services and Capital Markets Act and the Enforcement Decree of the same Act and the matters necessary for the enforcement thereof.

Article 2 (Duration not Included in Period for Examination for License)
The term “duration specified by Ordinance of the Prime Minister” in Article 13 (3) of the Financial Investment Services and Capital Markets Act (hereinafter referred to as the “Act”) means a period that falls under any of the following subparagraphs:

1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 12 (2) of the Act are satisfied;

2. A period required for making a supplementary correction of any defects in a license application pursuant to the last sentence of Article 13 (2) of the Act, if such supplementary correction has been demanded;

3. A period required for concluding all proceedings of a lawsuit, an investigation, or an inspection, in cases where a criminal suit is pending against a major shareholder (referring to a major shareholder defined in Article 12 (2) 6 (a) of the Act; the same shall apply hereinafter) of any person who desires to obtain a license for a financial investment business or a foreign financial investment business operator defined in Article 12 (2) 1 (b) of the Act (hereinafter referred to as “foreign financial investment business operator”), or proceedings of an
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investigation or inspection conducted by the Financial Services Commission, the Fair Trade Commission, the National Tax Service, any Prosecutor’s Office, the Financial Supervisory Service (hereinafter referred to as the “Financial Supervisory Service”) in accordance with the Act on the Establishment, etc. of Financial Services Commission, or any similar agency (including a similar supervisory agency in the home country of a foreign financial investment business operator, if a foreign financial investment business operator is involved) are pending, and it is deemed that the results of the lawsuit, investigation, or inspection will significantly affect the examination for the license.

Article 3 (Duration not Included in Period for Examination for Preliminary License)

The term “duration specified by Ordinance of the Prime Minister” in Article 14 (3) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 12 (2) of the Act are satisfied;

2. A period required for making a supplementary correction of any defect in a preliminary license application pursuant to the last sentence of Article 14 (2) of the Act, if such supplementary correction has been demanded;

3. A period required for concluding all proceedings of a lawsuit, an investigation, or an inspection, in cases where a criminal suit is pending against a major shareholder of any person who desires to obtain a preliminary license or a foreign financial investment business operator, or proceedings of an investigation or inspection conducted by the Financial Services Commission, the Fair Trade Commission, the National Tax Service, any Prosecutor’s Office, the Financial Supervisory Service, or any similar agency (including a similar supervisory agency in the home country of a foreign financial investment business operator, if a foreign financial investment business operator is involved) are pending, and it is deemed that the results of the lawsuit, investigation, or inspection will significantly affect the examination for the preliminary license.
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Article 4 (Duration not Included in Period for Examination for Registration)
The term “duration specified by Ordinance of the Prime Minister” in Article 19 (3) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 18 (2) of the Act are satisfied;

2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 19 (2) of the Act, if such supplementary correction has been demanded;

3. A period required for concluding all proceedings of a lawsuit, an investigation, or an inspection, in cases where a criminal suit is pending against a major shareholder of any person who desires to register a financial investment business or a foreign investment advisory business operator (hereinafter referred to as "foreign investment advisory business operator") as defined in the proviso to the part above the items of Article 18 (2) 1 of the Act or a foreign discretionary investment business operator (hereinafter referred to as "foreign discretionary investment business operator") as defined in the proviso to the part above the items of the aforesaid subparagraph, or proceedings of an investigation or inspection conducted by the Financial Services Commission, the Fair Trade Commission, the National Tax Service, any Prosecutor’s Office, the Financial Supervisory Service, or any similar agency (including a similar supervisory agency in the home country of a foreign investment advisory business operator or a foreign discretionary investment business operator, if a foreign investment advisory business operator or a foreign discretionary investment business operator is involved) are pending, and it is deemed that the results of the lawsuit, investigation, or inspection will significantly affect the examination for the registration.

Article 5 (Maintenance of Financial Soundness)

(1) The term “amount prescribed by Ordinance of the Prime Minister” in Article 30 (1) 1 of the Act means the amount falling under any of the following subparagraphs:

1. Bad debt allowances established for current assets:
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2. Subordinated borrowings:
3. Capital lease liabilities:
4. Gain on valuation of assets:
5. Items specified and publicly notified by the Financial Services
   Commission as necessary to include in net operating capital under
   Article 30 (1) of the Act (hereinafter referred to as "net operating
   capital"), such as liabilities in the nature of capital, in addition to
   those specified in subparagraphs 1 through 4.

(2) The term "assets specified by Ordinance of the Prime Minister" in
Article 30 (1) 2 of the Act means the amount falling under any of the
following subparagraphs:
   1. Advance payments:
   2. Prepaid expenses:
   3. Prepaid corporate tax:
   4. Losses on valuation of assets:
5. Items specified and publicly notified by the Financial Services
   Commission as necessary to exclude from net operating capital, such
   as assets that can be difficult to liquidate within a short time, in
   addition to those specified in subparagraphs 1 through 4.

Article 6 (Fiscal Term)

(1) The term "term specified by Ordinance of the Prime Minister" in Article
32 (1) 1 of the Act (including cases to which the aforesaid provision shall
apply mutatis mutandis pursuant to Article 350 or 357 (2) of the Act)
means a period that falls under any of the following subparagraphs:
   1. For an investment trading business, an investment brokerage business,
      a collective investment business, an investment advisory business, or
      a discretionary investment business: the period beginning on April
      1 each year and ending on March 1 of the following year;
   2. For a trust business, a merchant bank, or a financial brokerage company:
      a period specified by articles of incorporation.

(2) The term "investors’ property specified by Ordinance of the Prime
Minister" in Article 32 (1) 2 of the Act means investors’ property specified
in the following subparagraphs:
   1. Property deposited by investors:
   2. Collective investment property:
   3. Investors’ property specified and publicly notified by the Financial
Supervisory Commission as necessary to precisely separate from own property, trust property, and the property specified in subparagraphs 1 and 2 for the purpose of accounting, in addition to those specified in subparagraphs 1 and 2.

**Article 7 (Duration not Included in Period for Examination for Registration)**
The term “duration specified by Ordinance of the Prime Minister” in Article 51 (6) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 51 (1) of the Act are satisfied;

2. A period required for making a supplementary correction of any defects in an application for registration pursuant to the last sentence of Article 51 (5) of the Act, if such supplementary correction has been demanded.

**Article 8 (Trading Price in Brokerage of Securities by Electronic Means)**
The term “price determined by the formula prescribed by Ordinance of the Prime Minister” in Article 78 (1) 1 (b) of the Act means a price determined by applying both of the following formulae:

1. The time allowed for receiving quotations for determining a uniform price shall be 30 minutes; *Provided*, that the time allowed for receiving quotations may be extended or shortened by five minutes or less depending upon the time that the information communication network or the electronic information processing system sets at random for closing trades;

2. A quotation shall not be less than a price equivalent to 95/100 of the final price of relevant listed stocks, announced by the securities market, but shall not exceed a price equivalent to 105/100 of the final price.

**Article 9 (Account Books and Documents concerning Details of Distribution of Assets)**
(1) Any collective investment business operator of an investment trust shall, whenever it intends to acquire or dispose of any asset for investment in accordance with the last sentence of Article 80 (3) of the Act, prepare a written order for acquisition or disposition, describing the amount, price,
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and quantity of the order for the property (hereinafter referred to as
"investment trust property") of each investment trust (hereinafter referred
to as "investment trust") under Article 9 (18) 1 of the Act, and a statement
of assets distribution, describing the details of assets distribution to each
investment trust property, before it acquires or disposes of such assets
for investment. The same applies to the cases where an order for acquisition
or disposition or the details of distribution is modified.

(2) The compliance officer (referring to the compliance officer under Article
28 (2) of the Act) of a collective investment business operator shall verify
whether an order for acquisition or disposition and a statement of assets
distribution under paragraph (1) have been properly prepared and
appropriately carried out.

Article 10 (Method of Distribution of Assets)

(1) Any collective investment business operator of an investment trust
shall, whenever it distributes an outcome of acquisition or disposition to
each investment trust property in accordance with Article 80 (3) of the
Act, comply with the guidelines defined in the following subparagraphs:

1. Assets for investment acquired or disposed of shall be distributed at
an equal price;

2. If the quantity of assets for investment acquired or disposed of does
not reach the quantity ordered for acquisition or disposition, the asset
for investment shall be distributed in accordance with the details of
assets distribution prescribed in advance.

(2) Any collective investment business operator of an investment trust
shall, whenever it intends to prescribe matters concerning details of assets
distribution, bring the case to the assessment committee under Article
238 (2) of the Act for resolution and comply with the guidelines defined
in the following subparagraphs:

1. The distribution shall not be favorable nor unfavorable to any specific
beneficiary or any specific investment trust property;

2. Records of orders for acquisition or disposition and statements of assets
distribution to each investment trust property shall be kept and
maintained by an electronic computer system.

(3) Any collective investment business operator of an investment trust
shall disclose matters concerning the details of assets distribution under
paragraph (2) to the public through its internet homepage or any other similar means.

(4) Any collective investment business operator of an investment trust shall, when it carries out business affairs for acquisition or disposition of assets for investment in accordance with Article 80 (3) of the Act, separate employees in charge of management of collective investment property from employees in charge of practices for acquisition and disposition of assets for investment: Provided, That the foregoing shall not apply to any cases falling under any of the following subparagraphs:

1. Concerning securities, where the collective investment property of a collective investment organization that is run with an objective to manage in linkage to changes of an index that indicates comprehensively the level of prices of many issues of a type of securities is acquired or disposed of:

2. Where the Financial Services Commission prescribes and publicly notifies in addition to the cases specified in subparagraph 1.

**Article 11 (Requirements for Person in Charge of Domestic Liaison)**

(1) The term "person in charge of liaison who shall meet the requirements prescribed by Ordinance of the Prime Minister" in Article 100 (2) of the Act means any of the following persons, who acts as an agent of an offshore investment advisory business operator or an offshore discretionary investment business operator under Article 100 (1) of the Act:

1. Any financial institutions that falls under any of the following items:
   (a) A bank under subparagraph 1 of Article 22 of the Act:
   (b) The Korea Development Bank under the Korea Development Bank Act:
   (c) The Export-Import Bank under the Export-Import Bank of Korea Act:
   (d) The Industrial Bank of Korea under the Industrial Bank of Korea Act:
   (e) A financial investment business operator (excluding any concurrently-run financial investment business operator under Article 22 of the Act):
   (f) A securities finance company licensed pursuant to Article 324 (1) of the Act (hereinafter referred to as "securities finance company");
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(g) A merchant bank under Article 336 of the Act;
(h) A mutual savings bank under the Mutual Savings Banks Act;
2. Any persons that falls under any of the following items:
   (a) A law firm under the Attorney-at-Law Act:
   (b) A law firm (with limited liability) under the Attorney-at-Law Act:
   (c) A law firm association under the Attorney-at-Law Act:
   (d) An attorney-at-law who belongs to a joint place of business, if a law firm under the Attorney-at-Law Act is registered as a joint place of business in accordance with the Income Tax Act:

Article 12 (Effective Date of Registration Statement)

(1) A registration statement under Article 120 (1) of the Act becomes effective from the day on which periods listed in any of the following subparagraphs elapses after the acceptance date of the registration statement:

1. Seven days for public offering or public sale of debt securities: Provided, That the period shall be five days for debt securities that fall under any of the following items:
   (a) Secured debentures under the Secured Debentures Trust Act;
   (b) Guaranteed corporate bonds under Article 362 (8) of the Enforcement Decree of the Financial Investment Services and Capital Markets Act (hereinafter referred to as the “Decree”);
   (c) Corporate bonds issued in accordance with an asset-backed securitization plan under Article 3 of the Asset-Backed Securitization Act;
   (d) Debt securities publicly offered or sold in accordance with a universal shelf registration statement under Article 119 (2) of the Act;
2. Fifteen days for public offering or public sale of equity securities: Provided, That the period shall be ten days for public offering or public sale of stocks of a stock-listed corporation (excluding an investment company under Article 9 (18) 2 of the Act (hereinafter referred to as “investment company”)) and seven days for offering or sale of stocks (excluding stocks of an investment company) by allocating to shareholders or third parties;
3. Ten days for public offering or public sale of collective investment
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securities of a closed-end fund under Article 230 (1) of the Act (hereinafter referred to as "closed-end fund"), listed on the securities market, and seven days for offering or sale of collective investment securities of a closed-end fund by allocating to investors such as shareholders, etc. or beneficiaries:

4. Fifteen days for offering or sale of any securities other than those specified in subparagraphs 1 through 3.

(2) If any cases listed in any of the following subparagraphs occurs, the relevant registration statement shall become effective on the day specified in any of the following subparagraphs, notwithstanding each subparagraph of paragraph (1): Provided, That each subparagraph of paragraph (1) shall apply if the day specified in any of the following subparagraphs is earlier than the day specified in each subparagraph of paragraph (1):

1. The day on which three days elapse from the acceptance date of a corrective registration statement, if a corrective registration statement is submitted due to a change in the offer price, selling price, issuance interest rate, or any related matter;

2. The day on which a corrective registration statement is accepted, if a corrective registration statement is submitted in order to change any registered fact in accordance with Article 182 (1) of the Act (only applicable to a collective investment organization);

(3) The Financial Services Commission may, if it is necessary to advance the effective date of a registration statement on grounds of any of the following subparagraphs is met, shorten the period specified in each subparagraph of paragraph (1) and (2) and set and publicly notify an effective date as an exceptional:

1. The details of the relevant registration statement have been widely known to the general public or can be understood easily;

2. The issuer of the relevant securities is a body directly established in accordance with the Acts corresponding to any of the subparagraphs of Article 119 (1) of the Decree, a person whose business activities are under the supervision of the State or a local government, or an international organization or an association specified and publicly notified by the Financial Services Commission, whose objective is widely recognized by the general public as pursuing the public good.
Article 13 (Making Investment Prospectus Available for Inspection)

(1) The term "places specified by Ordinance of the Prime Minister" in Article 123 (1) and the main text in the part above of subparagraphs of paragraph (3) of the same Article of the Act means the places falling under any of the following subparagraphs:
   1. The head office of the issuer of the securities concerned;
   2. The Financial Services Commission;
   3. The Korea Exchange established pursuant to Article 373 of the Act (hereinafter referred to as the "Exchange");
   4. A place in which affairs relating to subscription are handled.

(2) The term "interval prescribed by Ordinance of the Prime Minister" in Article 123 (3) 1 of the Act means one year.

Article 14 (Method of Calculating Number of Stocks subject to Public Tender Offer)

(1) The number of stocks or similar under Article 133 (3) of the Act in determining whether to make a public tender offer for stocks or similar in accordance with Article 133 (1) of the Act (hereinafter referred to as "stocks or similar") shall be calculated in accordance with the classification in the following subparagraphs:
   1. For stock certificates: the number of relevant stocks;
   2. For instruments representing a preemptive right to new stocks: the number of stocks subject to the preemptive right (referring to the number obtained by dividing the total issue value of stocks subject to the preemptive right by the issue price, if the total issue value and issue price of such stocks are indicated therein);
   3. For convertible corporate bonds: the number obtained by dividing the face value by the issue price of stocks to be issued under conversion. In such cases, any fractional stock less than one shall not be included in calculation;
   4. For corporate bonds with warrant: the number of stocks subject to a preemptive right to new stocks;
   5. For exchangeable bonds: the number that falls under any of the following items:
      (a) If securities subject to exchange are those under any of subparagraphs 1 through 4, 6, and 7: the number prescribed in the subparagraph
applicable to the securities subject to exchange among subparagraphs 1 through 4, 6, and 7:

(b) If securities subject to exchange are exchangeable bonds: the number prescribed in the subparagraph applicable to the securities subject to exchange among subparagraphs 1 through 4, 6, and 7, based on the exchangeable bonds subject to exchange:

6. For derivative-linked securities: the number that falls under any of the following items:

(a) If securities that constitute underlying assets are the securities under any of subparagraphs 1 through 5 and 7: the number prescribed in the subparagraph applicable to the securities that constitute the underlying asset among subparagraphs 1 through 5 and 7:

(b) If securities that constitute underlying assets are derivative-linked securities: the number prescribed in the subparagraph applicable to the securities that constitute the underlying asset among subparagraphs 1 through 5 and 7, based on the derivative-linked securities that constitute underlying assets:

7. For depository receipts: the number prescribed in the subparagraph applicable to the securities that underlie the depository receipts, among subparagraphs 1 through 6.

(2) The total number of stocks or similar under Article 133 (3) of the Act in determining whether to make a public tender offer for the stocks or similar shall be calculated by aggregating the total number of outstanding voting stocks and the number of stocks or similar (excluding stock certificates, stock certificates subject to exchange with exchangeable bonds (excluding treasury stocks), stock certificates that constitute underlying assets of derivative-linked securities (excluding treasury stocks), and stock certificates that underlie depository receipts) held (referring to 'held' as defined in Article 133 (3) of the Act: the same shall apply hereinafter) by a person and his/her specially related persons (referring to specially related persons under Article 133 (3) of the Act: the same shall apply hereinafter) after purchasing or otherwise acquiring (referring to 'purchasing or otherwise acquiring' as defined in Article 133 (2) of the Act: the same shall apply hereinafter) the stocks or similar at issue.

(3) If a stock option has been granted, the number of voting stocks that
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will be purchased upon the exercise of the stock option (including treasury stocks) shall be added to the number of stocks or similar under paragraph (1) and the total number of stocks or similar under paragraph (2).

Article 15 (Submission of Corrective Registration Statement)

(1) The term “cases as prescribed by Ordinance of the Prime Minister” in the main text of Article 136 (3) of the Act means the cases falling under any of the following subparagraphs:

1. Where any description or content of a tender statement (hereinafter referred to as “tender statement”) under Article 134 (2) is vague or ambiguous and thus it is likely to cause any person who relies upon the tender statement to make a substantial mistake:

2. Where any information unfavorable to a tender offeror under Article 134 (2) of the Act (hereinafter referred to as “tender offeror”) is omitted, information only favorable to the tender offeror is emphasized, or any exaggerated claims are made.

Article 16 (Prospectus for Tender Offer)

The term “place designated by Ordinance of the Prime Minister” in the first sentence of Article 137 (1) of the Act means places falling under any of the following subparagraphs:

1. The head office, a branch office, or any other place of business of a person who handles business affairs for public tender offer in accordance with Article 133 (2) of the Act;

2. The Financial Services Commission;

3. The Exchange.

Article 17 (Method of Calculating Number of Stocks or Similar Held in Bulk)

(1) The number of stocks or similar under Article 147 (1) of the Act for the purpose of judging whether stocks or similar are held in bulk shall be calculated in accordance with the classification in the following subparagraphs:

1. For stock certificates: the number of the stocks;

2. Instruments representing a preemptive right to new stocks: the number of stocks subject to the preemptive right to new stocks (referring to the number obtained by dividing the total issuance value of stocks subject to a preemptive right by the issue price, if the total issuance
value and issue price of such stocks are indicated therein):
3. For convertible corporate bonds: the number obtained by dividing the face value by the issue price of stocks to be issued under conversion. In such cases, any fractional stock less than one shall not be included in calculation;
4. For corporate bonds with warrant: The number of stocks subject to the preemptive right to new stocks;
5. For exchangeable bonds: the number that falls under any of the following items:
   (a) If securities subject to the exchange are those under any of subparagraphs 1 through 4, 6, and 7: The number prescribed in the subparagraph applicable to securities subject to exchange, among subparagraphs 1 through 4, 6, and 7;
   (b) If securities subject to the exchange are exchangeable bonds: The number prescribed in the subparagraph applicable to securities subject to exchange among subparagraphs 1 through 4, 6, and 7, based on the exchangeable bonds subject to the exchange;
6. For derivative-linked securities: the number that falls under any of the following items:
   (a) If securities that constitute underlying assets are securities under any of subparagraphs 1 through 5 and 7: the number prescribed in the subparagraph applicable to securities that constitute underlying assets, among subparagraphs 1 through 5 and 7;
   (b) If securities that constitute an underlying asset are derivative-linked securities: the number prescribed in the subparagraph applicable to securities that constitute underlying assets among subparagraphs 1 through 5 and 7, based on the derivative-linked securities that constitute underlying assets;
7. For depository receipts: the number prescribed in the subparagraph applicable to securities that underlie the depository receipts among subparagraphs 1 through 6.
(2) The total number of stocks or similar under Article 147 (1) of the Act in judging whether stocks or similar are held in bulk shall be calculated by aggregating the total number of outstanding voting stocks and the number of stocks or similar (excluding stock certificates, stock certificates subject
to exchange with exchangeable bonds (excluding treasury stocks), stock certificates that constitute underlying assets of derivative-linked securities (excluding treasury stocks), and stock certificates that underlie depository receipts held by a person and his/her specially related persons as on the day on which stocks or similar are held in bulk, as defined in Article 147 (1) of the Act.

(3) If there a stock option has been granted, the number of voting stocks that will be purchased upon the exercise of the stock option (including treasury stocks) shall be added to the number of stocks or similar under paragraph (1) and the total number of stocks or similar under paragraph (2).

**Article 18 (Place where Proxy Forms and Reference Documents shall be Made Available)**

The term "places designated by Ordinance of the Prime Minister” in Article 153 of the Act means any places falling under any of the following subparagraphs:

1. The head office, a branch office, or any other place of business of a stock-listed corporation;
2. A transfer agent registered in accordance with Article 365 (1) of the Act;
3. The Financial Services Commission;
4. The Exchange.

**Article 19 (Duration not Included in Period for Examination for Registration)**

The term "time period determined by Ordinance of the Prime Minister” in Article 182 (5) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 182 (2) of the Act are satisfied;
2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 182 (4) of the Act, if such supplementary correction has been demanded.

**Article 20 (Dispatch of Reference Documents for Voting in Writing)**

(1) Pursuant to Article 220 (3) of the Decree, the Korea Securities Depository
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shall dispatch the documents falling under any of the following subparagraphs to beneficiaries:

1. Materials describing the purpose and details of an amendment, if the purpose of the general meeting of beneficiaries is to amend a trust contract;

2. Materials describing the purpose and course of a merger and critical points of the merger agreement and documents specified in subparagraphs of Article 193 (4) of the Act, if the purpose of the general meeting of beneficiaries is about the merger.

(2) Describing the details already notified publicly through the Official Gazette, a newspaper, or any similar medium among the matters specified in subparagraphs of paragraph (1) may be substituted by stating the name of the Official Gazette or newspaper and the date of such public notification in a material.

Article 21 (Deadline for Preparation of List of Property subject to Liquidation, etc)

Pursuant to Article 203 (1) of the Act, liquidators shall prepare a list of assets and a balance sheet and submit them to the liquidators’ meeting within 15 days from the day on which they take office as liquidators.

Article 22 (Delisting of Exchange-Traded Fund)

The term “period prescribed by Ordinance of the Prime Minister” in the first sentence of Article 250 (3) of Decree means ten days.

Article 23 (Method of Claiming Redemption)

(1) Pursuant to the proviso to Article 235 (2) of the Act, any investor may claim redemption directly to the relevant collective investment business operator or through an investment trader or broker determined through consultation between the investment trader to whom the relevant collective investment business operator has sold relevant collective investment securities and broker.

(2) Any collective investment business operator may use human resources, physical facilities such as an electronic computer system, and information about investors of an investment trader or broker to the extent necessary for responding to a claim of an investor for redemption under paragraph (1), if the investment trader or broker is unable to respond to a claim for redemption due to dissolution or any other cause under Article 235
Article 24 (Examination, etc. of Trust Business Operator)

(1) Pursuant to the Article 247 (1) and (2), any trust business operator shall examine the matters under subparagraphs of Article 247 (5) of the Act without delay, and shall, if it discovers as a result of the examination that there is a violation of any Act or subordinate statute, demand to remedy the violation or report the fact of violation to the supervisory director of the investment company without delay.

(2) When a trust business operator examines whether a base price under Article 247 (5) 5 of the Act has been calculated appropriately, the base price is deemed to have been calculated appropriately, if the deviation between the base price calculated by an investment trust or a collective investment business operator of an undisclosed investment association under Article 9 (18) 6 of the Act or an investment company or a similar entity under Article 182 (1) of the Act and the base price calculated by the trust business operator is not more than 3/1000, but the trust business operator shall, if such deviation exceeds 3/1000, demand the collective investment business operator (excluding a collective investment business operator that acts as a corporate director of an investment company) to remedy it or report it to the supervisory director of the investment company.

(3) A collective investment business operator (excluding a collective investment business operator that acts as a corporate director of an investment company) or the supervisory director of an investment company shall, upon receiving a demand for remedy or a report under paragraph (2), give a separate notice (including notice by electronic mail, if an investor expressed his/her intention to receive it by electronic mail) of the fact to each investor through the investment trader or broker who sold relevant collective investment securities and shall also disclose the fact to the public through internet homepages, etc. of the collective investment business operator, the investment trader or broker, and the Korea Financial Investment Association established pursuant to Article 283 of the Act.

(4) Notwithstanding paragraph (3), a collective investment business operator (excluding a collective investment business operator that acts as a corporate director of an investment company) or the supervisory director of an investment company may omit to give a separate notice to each
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investor through the investment trader or broker if there is any cases falling under any of the following subparagraphs:
1. If an investor has expressed his/her intention in advance to refuse to receive any notice:
2. If an investor has not made any additional purchase, or any claim for redemption, of collective investment securities of the collective investment organization at issue.

Article 25 (Duration not Included in Period for Examination for Registration)
The term "period specified by Ordinance of the Prime Minister" in Article 254 (5) of the Act means a period that falls under any of the following subparagraphs:
1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 254 (2) of the Act are satisfied;
2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 254 (4) of the Act, if such supplementary correction has been demanded.

Article 26 (Duration not Included in Period for Examination for Registration)
The term "period specified by Ordinance of the Prime Minister" in Article 258 (5) of the Act means a period that falls under any of the following subparagraphs:
1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 258 (2) of the Act are satisfied;
2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 258 (4) of the Act, if such supplementary correction has been demanded.

Article 27 (Duration not Included in Period for Examination for Registration)
The term "period specified by Ordinance of the Prime Minister" in Article 263 (5) of the Act means a period that falls under any of the following subparagraphs:
1. A period required for receiving necessary materials from other agencies
to verify whether the requirements under subparagraphs of Article 263 (2) of the Act are satisfied:

2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 263 (4) of the Act, if such supplementary correction has been demanded.

**Article 28 (Duration not Included in Period for Examination for Registration)**

The term "period specified by Ordinance of the Prime Minister" in Article 268 (7) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 268 (4) of the Act are satisfied;

2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 268 (6) of the Act, if such supplementary correction has been demanded.

**Article 29 (Descriptions of Register of Depositors’ Accounts)**

The term "matters prescribed by Ordinance of the Prime Minister" in Article 303 (3) 3 of the Act means matters that falls under any of the following subparagraphs:

1. Causes of increase and decrease in the quantity of depository receipts or similar under Article 309 (3) 2 of the Act (hereinafter referred to as "depository receipts or similar");

2. The name and address of a pledgee, if depository receipts or similar are pledged;

3. An indication that depository receipts or similar belong to trust property, if they belong to trust property;

4. Details of any restriction on disposition, if depository receipts or similar are subject to any restriction on disposition.

**Article 30 (Descriptions of Register of Investors’ Accounts)**

The term "matters prescribed by Ordinance of the Prime Minister" in Article 310 (1) 3 of the Act means the matters that falls under any of the following subparagraphs:

1. Causes of increase and decrease in the quantity of depository receipts or similar:
2. The name and address of a pledgee, if depository receipts or similar are put to pledge;
3. An indication that depository receipts belong to trust property, if they belong to trust property;
4. Details of any restriction on disposition, if depository receipts or similar are subject to any restriction on disposition.

**Article 31 (Restriction on Return, etc. of Investors’ Depository Receipts or similar)**

1. The Korea Securities Depository established pursuant to Article 294 of the Act (hereinafter referred to as the “Securities Depository”) shall, whenever it places any restriction on return of investors’ deposits or transfer between accounts pursuant to Article 312 (3) of the Act, give public notice of details thereof in advance.
2. The Securities Depository may place restrictions on return of investors’ deposits or transfer between accounts for each type of depository receipts, if the Financial Services Commission approves such restrictions.

**Article 32 (Issuance of Certificate of Actual shareholder)**

1. The Securities Depository shall, upon receiving an application for issuing a certificate of actual shareholder pursuant to Article 318 (1) of the Act, issue a certificate of actual shareholder, for the depositor’s own portion, in accordance with the register of the depositor’s account or, for the portion deposited for an investor, in accordance with the register of the investor’s account as notified to the Securities Depository by the relevant depositor.
2. A certificate of actual shareholder under paragraph (1) shall contain descriptions listed in the following subparagraphs:
   1. The name or title and address of the actual shareholder;
   2. The class and number of stocks owned;
   3. Details of the shareholder’s right that is intended to be exercised;
   4. The period during which a shareholder’s right is to be exercised.
3. When the Securities Depository issues a certificate of actual shareholder, the Securities Depository shall enter, in the register of a depositor’s account, an indication that the disposition of relevant stocks is restricted during the period in which a shareholder’s right is to be exercised under paragraph (2) if the stocks are the depositor’s own portion, or the depositor shall enter such an indication in the register of an investor’s account if the
stocks are the portion deposited for the investor, while the indication that disposition is restricted shall be deleted if the certificate of actual shareholder is returned before the end of the period during which the shareholder's right is to be exercised.

**Article 33 (Issuance of Certificate of Actual Beneficiary)**

Article 32 shall apply *mutatis mutandis* to the issuance of a certificate of actual beneficiary under Article 319 (8) of the Act. In such cases, the term "certificate of actual shareholder" shall be construed as "certificate of actual beneficiary," the term "actual shareholder" as "actual beneficiary," the term "stocks" as "beneficiary certificates of an investment trust," and the term "shareholder's right" as "beneficial interest in an investment trust."

**Article 34 (Matters Notified to Securities Depository)**

(1) The term "matters prescribed by Ordinance of the Prime Minister" in Article 323 (1) of the Act means the matters listed in the following subparagraphs:

1. The time of issuance, denomination, and serial number of securities under Article 294 (1) of the Act (hereafter referred to as "securities" in this Article);
2. Total value of issuance;
3. Terms and conditions of issuance;
4. Matters deemed necessary and so requested by the Securities Depository in connection with information about the issuance of securities in addition to the matters prescribed in subparagraphs 1 through 3.

(2) The term "matters prescribed by Ordinance of the Prime Minister" in Article 323 (2) of the Act means the matters listed in the following subparagraphs:

1. The time of issuance, denomination, and serial number of securities concerning which an incident report under Article 323 (2) of the Act (hereafter referred to as "incident report" in this paragraph) is filed;
2. The name and address of the person who files an accident report;
3. Matters deemed necessary and so requested by the Securities Depository in connection with information about the incident report on securities in addition to the matters prescribed in subparagraphs 1 and 2.

**Article 35 (Duration not Included in Period for Examination for License)**

The term "period specified by Ordinance of the Prime Minister" in Article
324 (5) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for concluding all proceedings of a lawsuit, an investigation, or an inspection, in cases where a criminal suit is pending against a major shareholder of any person who desires to obtain a license under Article 324 (1) of the Act, or proceedings of an investigation or inspection conducted by the Financial Services Commission, the Fair Trade Commission, the National Tax Service, any Prosecutor’s Office, the Financial Supervisory Service, or any similar agency are pending, and it is anticipated that the results of the lawsuit, investigation, or inspection will significantly affect the examination for the license;

2. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 324 (2) of the Act are satisfied;

3. A period required for making a supplementary correction of any defects in a license application pursuant to the last sentence of Article 324 (4) of the Act, if such supplementary correction has been demanded.

**Article 36 (Financial Investment business operator’s Deposit of Fund)**

(1) The term "person specified by Ordinance of the Prime Minister” in Article 330 (1) of the Act means any of the persons that falls under any of the following subparagraphs:

1. The State or a local government;

2. A fund established pursuant to the Act or a corporation responsible for the management and operation of such a fund;

3. An insurance company under the Insurance Business Act (hereinafter referred to as "insurance company");

4. An employee stockholders’ association under the Framework Act on Worker’s Welfare;

5. A person who has an account with a financial investment business operator.

(2) The term “method prescribed by Ordinance of the Prime Minister” in Article 330 (2) of the Act means the method of issuing a note with a maturity of one year or less.

**Article 37 (Duration not Included in Period for Examination for License)**
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The term "period specified by Ordinance of the Prime Minister" in Article 355 (5) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for concluding all proceedings of a lawsuit, an investigation, or an inspection, in cases where a criminal suit is pending against a major shareholder of any person who desires to obtain a license under Article 355 (1) of the Act, or proceedings of an investigation or inspection conducted by the Financial Services Commission, the Fair Trade Commission, the National Tax Service, any Prosecutor’s Office, the Financial Supervisory Service, or any similar agency are pending, and it is anticipated that the results of the lawsuit, investigation, or inspection will significantly affect the examination for the license;

2. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 355 (2) of the Act are satisfied;

3. A period required for making a supplementary correction of any defects in a license application pursuant to the last sentence of Article 355 (4) of the Act, if such supplementary correction has been demanded.

**Article 38 (Duration Not Included in Time Period for Examination for License)**

The term "period specified by Ordinance of the Prime Minister" in Article 360 (5) of the Act means a period that falls under any of the following subparagraphs:

1. A period required for concluding all proceedings of a lawsuit, an investigation, or an inspection, in cases where a criminal suit is pending against a major shareholder of any person who desires to obtain a license under Article 360 (1) of the Act, or proceedings of an investigation or inspection conducted by the Financial Services Commission, the Fair Trade Commission, the National Tax Service, any Prosecutor’s Office, the Financial Supervisory Service, or any similar agency are pending, and it is anticipated that the results of the lawsuit, investigation, or inspection will significantly affect the examination for the license;

2. A period required for receiving necessary materials from other agencies
to verify whether the requirements under subparagraphs of Article 360 (2) of the Act are satisfied;
3. A period required for making a supplementary correction of any defects in a license application pursuant to the last sentence of Article 360 (4) of the Act, if such supplementary correction has been demanded.

Article 39 (Duration not Included in Period for Examination for Registration)
The term "period specified by Ordinance of the Prime Minister" in Article 365 (5) of the Act means a period that falls under any of the following subparagraphs:
1. A period required for receiving necessary materials from other agencies to verify whether the requirements under subparagraphs of Article 365 (2) of the Act are satisfied;
2. A period required for making a supplementary correction of any defects in a registration application pursuant to the last sentence of Article 365 (4) of the Act, if such supplementary correction has been demanded.

ADDENDA (Ordinance of the Prime Minister No. 885, Aug. 4, 2008)

Article 1 (Enforcement Date)
This Rule shall enter into force on February 4, 2009.

Article 2 (Repealed Subordinate Statutes)
The following subordinate statutes are hereby repealed:
1. The Enforcement Rule of the Securities and Exchange Act;
2. The Enforcement Rule of the Futures Trading Act;

Article 3 (General Transitional Measures)
(1) Any approval or other act already done by the Financial Services Commission, the Securities and Futures Commission, or the Governor of the Financial Supervisory Service pursuant to the former Enforcement Rule of the Securities and Exchange Act, the former Enforcement Rule of the Futures Trading Act, or the former Enforcement Rule of the Indirect Investment Asset Management Business Act at the time when this Rule enters into force shall be deemed to be an act done by the Financial Services Commission, the Securities and Futures Commission, or the Governor of
the Financial Supervisory Service pursuant to this Rule.
(2) Any report made to or other act already done in relation to the Financial Services Commission, the Securities and Futures Commission, or the Governor of the Financial Supervisory Service pursuant to the former Enforcement Rule of the Securities and Exchange Act, the former Enforcement Rule of the Futures Trading Act, or the former Enforcement Rule of the Indirect Investment Asset Management Business Act at the time when this Rule enters into force shall be deemed to be an act done in relation to the Financial Services Commission, the Securities and Futures Commission, or the Governor of the Financial Supervisory Service pursuant to this Rule.

Article 4 (Transitional Measures concerning Indirect Investment organizations)
(1) Any Investment trust (excluding special accounts created by insurance companies) or investment company already created or established pursuant to the former Indirect Investment Asset Management Business Act when this Rule enters into force shall be governed by the former Enforcement Rule of the Indirect Investment Asset Management Business Act.
(2) Foreign indirect investment securities already reported to the Financial Services Commission in accordance with the former Indirect Investment Asset Management Business Act when this Rule enters into force shall be governed by the former Enforcement Rule of the Indirect Investment Asset Management Business Act.
(3) Any securities investment trust or securities investment company under the proviso to Article 2 of the Addenda to the Enforcement Rule of the Indirect Investment Asset Management Business Act (Ordinance of the Ministry of Finance and Economy No. 374) shall be governed by the former Enforcement Rule of the Securities Investment Trust Business Act or the former Enforcement Rule of the Securities Investment Company Act.

Article 5 Omitted.

Article 6 (Relations to other Acts and Subordinate Statutes)
A citation of the former Enforcement Rule of the Securities and Exchange Act, the former Enforcement Rule of the Futures Trading Act, or the former Enforcement Rule of the Indirect Investment Asset Management Business Act or a provision thereof enforceable at the time when this Rule enters into force, if any, shall be deemed to be a citation of this Rule or a
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corresponding provision of this Rule in lieu of the former provision, if such a corresponding provision exits in this Rule.