

Annex: Jurisdictions’ authority and process for exercising deference in relation to OTC derivatives regulation

Part A: With respect to the **authorisation and supervision of:** OTC derivatives market participants; TRs; CCPs; and exchanges or electronic trading platforms:

<p>A.1 What legal capacity, if any, do authorities in your jurisdiction have to defer to another jurisdiction's regulatory framework and/or authorities? Which authorities can exercise this capacity? Please also indicate if/when ‘partial’ or ‘conditional’ deference decisions can be made.</p>	<ol style="list-style-type: none"> 1. Financial Investment Services and Capital Markets Act (FISCMA) and its Enforcement Decree, and Regulation on Financial Investment Business stipulate regulations on i) licensing, registration, operation of market infrastructure and market participants, ii) clearing requirement of over-the-counter products iii) CCP approval iv) reporting of clearing requirements and etc. 2. The FSC is in charge of the above mentioned laws and regulations. The FSS, the implementation body of the FSC conducts supervision activities. 3. ‘Partial’ and ‘conditional’” deference decisions can be made depending on each case.
<p>A.2 Please provide a brief description of the standards that need to be met in coming to a decision as to whether to exercise any such deference, and the criteria/inputs used in assessing whether these standards have been met (e.g. whether “similar outcomes” is the standard used; whether an analysis of enforcement regimes or authority is included as part of the assessment; whether reference is made to implementation of international standards; etc.).</p>	<p>With respect to OTC clearing, the Enforcement Decree of FISCMA requires clearing house for foreign financial investment trading to be approved and supervised by foreign financial investment supervisor.</p>
<p>A.3 Please provide a brief description of the process by which a decision to defer to another jurisdiction is taken, including any action that needs to be initiated to begin the process (e.g. an application from a jurisdiction or an entity), the general time frame for coming to a decision, any processes in place for reviewing a decision, and whether any other agreements or conditions need to be met in order for an</p>	<p>There is no procedure stipulated in the legal framework for deferring to another jurisdiction. However, any clearing house for clearing foreign financial investment trading are required (licensing requirement for clearing business) to be approved by relevant foreign supervisor, have in place information exchange system with foreign supervisor, disclosure system, cooperative arrangement for supervision and examination.</p>

affirmative decision to be taken (e.g. confidentiality agreements, supervisory cooperation, or reciprocal arrangements).	
A.4 Please provide copies of, or weblinks to, any documentation or forms that have been developed for sharing with jurisdictions or entities as part of the comparability or equivalence assessment.	Relevant English laws and regulations can be found at the FSC (www.fsc.go.kr/eng , Financial Laws) and FSS (english.fss.or.kr , Laws & Regulations)'s website.
A.5 Please provide a list of jurisdictions that you have already determined to be comparable or equivalent, if any (and for what regulatory purposes), and please note any jurisdictions for which a determination is pending.	There is no jurisdiction determined to be comparable or equivalent at this point. However, Korea has submitted registration application for domestic CCP to the ESMA and is currently undertaking relevant procedures.

PartB: With respect to **requirements on market participants** related to: reporting to TRs; clearing transactions through CCPs; capital, margin and/or other risk mitigation requirements; and executing transactions on exchanges or electronic platforms:

B.1 What legal capacity, if any, do authorities in your jurisdiction have to defer to another jurisdiction's regulatory framework and/or authorities? Which authorities can exercise this capacity? Please also indicate if/when 'partial' or 'conditional' deference decisions can be made.	<p>1. Financial Investment Services and Capital Markets Act (FISCMA) and its Enforcement Decree, and Regulation on Financial Investment Business stipulate regulations on i) licensing, registration, operation of market infrastructure and market participants, ii) clearing requirement of over-the-counter products iii) CCP approval iv) reporting of clearing requirements and etc.</p> <p>2. The FSC is in charge of FISCMA, its enforcement decree and Regulation on Financial Investment Business. The FSS, the implementation body of the FSC conducts supervision activities. The Korea Exchange was approved by the FSC as a CCP and begun mandatory clearing for OTC won-denominated IRS since June 30 2014.</p> <p>3. 'Partial' or 'conditional' deference decisions can be made case by case.</p>
B.2 Please provide a brief description of the standards that need to be met in coming to a decision as to whether to exercise any such deference, and the criteria/inputs used in assessing whether these standards have been met (e.g. whether "similar outcomes" is the standard used; whether an	N/A

<p>analysis of enforcement regimes or authority is included as part of the assessment; whether reference is made to implementation of international standards; etc.).</p>	
<p>B.3 Please provide a brief description of the process by which a decision to defer to another jurisdiction is taken, including any action that needs to be initiated to begin the process (e.g. an application from a jurisdiction or an entity), the general time frame for coming to a decision, any processes in place for reviewing a decision, and whether any other agreements or conditions need to be met in order for an affirmative decision to be taken (e.g. confidentiality agreements, supervisory cooperation, or reciprocal arrangements).</p>	<p>There is no procedure stipulated in the legal framework for deferring to another jurisdiction.</p>
<p>B.4 Please provide copies of, or weblinks to, any documentation or forms that have been developed for sharing with jurisdictions or entities as part of the comparability or equivalence assessment.</p>	<p>Relevant English laws and regulations can be found at the FSC (www.fsc.go.kr/eng, Financial Laws) and FSS (english.fss.or.kr, Laws & Regulations) website.</p>
<p>B.5 Please provide a list of jurisdictions that you have already determined to be comparable or equivalent, if any (and for what regulatory purposes), and please note any jurisdictions for which a determination is pending.</p>	<p>Korea has not yet undertaken assessment for determining equivalence and comparability and thus there is no jurisdiction determined to be comparable or equivalent at this point.</p>