

Jurisdiction:	<i>Korea</i>
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# 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>I. Hedge funds</b>					
1 (1)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).		

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2 (2)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	<p>Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a> on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> <li>- Signatory to the IOSCO MMoU in relation to cooperation in enforcement</li> <li>- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO <a href="#">Principles Regarding Cross-border Supervisory Cooperation</a>.</li> </ul> <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO <a href="#">Objectives and Principles of Securities Regulation</a>, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Draft in preparation, expected publication by:</li> <li><input type="checkbox"/> Draft published as of:</li> <li><input type="checkbox"/> Final rule or legislation approved and will come into force on:</li> <li><input type="checkbox"/> Final rule (for part of the reform) in force since:</li> </ul> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 09-06-2010</p> <p><b>Issue is being addressed through:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: FSC signed the MMOU with IOSCO in June 2010 to share supervisory data with its members.</li> </ul> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last year's survey:</b></p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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3 (3)	Enhancing counterparty risk management	<p>Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a>.</p> <p>In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is <a href="#">monitored separately</a> by the BCBS.</p> <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO <a href="#">Objectives and Principles of Securities Regulation</a>, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 28-05-2013</p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Prime brokers' equity capital is mandated to reach or exceed three trillion KRW and their total amount of credit offer should not exceed 100 percent of their equity capital. The amount of prime credit extended to a hedge fund with a fund provided by a third party shall not exceed the value of collateral provided by the hedge fund and</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>appropriate measures for the management of collateral shall be prepared.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.fsc.go.kr/downManager?bbsid=BBS0087&amp;no=91977">http://www.fsc.go.kr/downManager?bbsid=BBS0087&amp;no=91977</a></p>	

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<b>II. Securitisation</b>					
4 (4)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).		

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5 (5)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	<p>Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.</p> <p>Jurisdictions may reference IOSCO's report on <a href="#">Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009)</a>.</p> <p>Jurisdictions may also refer to the Joint Forum report on <a href="#">Credit Risk Transfer-Developments from 2005-2007 (Jul 2008)</a>.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 02-2009</p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Financial Investment Business and Capital Market Act provides various limits related to investment on own property to promote maintenance of financial investment business entity's soundness including asset management company. Furthermore, it regulates standards related to the management of trust assets fro customer</p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>



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				<p>protection. For example, when asset management entity manages collective investment schemes through structured finance products such as ABS, the Act regulates the investment limit. Moreover, the Act also requires the establishment of risk management system to constrain the investment risk of the entity.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://law.go.kr/engLsSc.do?menuId=0&amp;subMenu=5&amp;query=#liBgcolor0">http://law.go.kr/engLsSc.do?menuId=0&amp;subMenu=5&amp;query=#liBgcolor0</a></p>	
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6 (6)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	<p>Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.</p> <p>See, for reference, IOSCO's <a href="#">Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012)</a>, <a href="#">Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)</a> and <a href="#">report on Global Developments in Securitisation Regulations (November 2012)</a>, in particular recommendations 4 and 5.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 16-09-1998</p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>When a special purpose company, or a foreign corporation or a trust business entity specializing in the business of asset-backed securitization (hereinafter referred to as a "special purpose company, etc.") is governed by the Asset-backed Securities Act in relation to asset-backed securitization. Special purpose companies</p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.law.go.kr/eng/engLsSc.do?menuId=1&amp;query=asset+backed&amp;x=0&amp;y=0#liBgcolor0">http://www.law.go.kr/eng/engLsSc.do?menuId=1&amp;query=asset+backed&amp;x=0&amp;y=0#liBgcolor0</a></p>

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				<p>are required to register an asset-backed securitization plan, including the scope of securitization assets, classes of asset-backed securities, the management methods of securitization assets, etc. (hereinafter referred to as an “asset-backed securitization plan”) to the Financial Services Commission. The asset-backed securitization plan should include any concerns that the special purpose company has and the originator, planning period of the asset-backed securitization, matters concerning the relevant securitization assets such as their types, total amount and valuation, matters concerning the asset-backed securities such as their classes, total amount, and issuing terms and conditions, etc. The Financial Services Commission may refuse the registration of an asset-backed securitization plan or demand changes within the contents when the application document for registration contains false information or lacks necessary information. Furthermore, when the asset-backed securitization plan contains matters that are in contravention or violation of law in relation to the establishment of a special purpose company, FSC may also refuse the registration. Any person who has falsely prepared the required documents or has failed to make such documents available for the public shall be punished by imprisonment for not more than three years or by a fine not exceeding 20 million KRW.</p> <p><b>Highlight main developments since last year’s survey:</b></p>	

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				<b>Web-links to relevant documents:</b> <a href="http://law.go.kr/engLsSc.do?menuId=0&amp;subMenu=5&amp;query=#liBgcolor0">http://law.go.kr/engLsSc.do?menuId=0&amp;subMenu=5&amp;query=#liBgcolor0</a>	

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<b>III. Enhancing supervision</b>					
7  (7)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.</p> <p>Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are <a href="#">monitored separately</a> by the BCBS.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for G-SIBs (Jul 2013)</a></li> <li>• <a href="#">Framework for D-SIBs (Oct 2012)</a></li> </ul> <p><u>IAIS:</u></p> <ul style="list-style-type: none"> <li>• <a href="#">Global Systemically Important Insurers: Policy Measures (Jul 2013) and revised assessment methodology (updated in June 2016)</a></li> <li>• <a href="#">IAIS SRMP guidance - FINAL (Dec 2013)</a></li> </ul>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> (Bank)01-01-2016</p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>(Bank) FSC/FSS completed the implementation of D-SIB regulations in December, 2015. In addition they announced four banking groups and one bank as D-SIBs in Korea and decided to</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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			<ul style="list-style-type: none"> <li>• <a href="#"><i>Guidance on Liquidity management and planning (Oct 2014)</i></a></li> </ul> <p><u>FSB:</u></p> <ul style="list-style-type: none"> <li>• <a href="#"><i>Framework for addressing SIFIs (Nov 2011)</i></a></li> </ul>	<p>surcharge 1% of capital requirement on them.</p> <p><b>Highlight main developments since last year’s survey:</b></p> <p>Not applicable</p> <p><b>Web-links to relevant documents:</b></p> <p>(Bank) The web-links to each relevant regulation (in Korean only) are as bellows. Regulation on Supervision of Banking business(article 26-2, addenda 2015-40, appendix 2-12):<a href="http://www.law.go.kr/□□□□/□□□□□□□□□□">http://www.law.go.kr/□□□□/□□□□□□□□□□</a> Detailed Regulation on Supervision of Banking Bsuiness(article 17③, 172, appendix 20)<a href="http://www.law.go.kr/□□□□/□□□□□□□□□□">http://www.law.go.kr/□□□□/□□□□□□□□□□</a> Supervisory Regulations on Financial Holding Companies(article 25, 25-2, appendix 3-4): <a href="http://www.law.go.kr/□□□□/□□□□□□□□□□">http://www.law.go.kr/□□□□/□□□□□□□□□□</a> Detailed Supervisory Regulations on Financial Holding Companies(article 6-2, appendix 1-4): <a href="http://www.law.go.kr/□□□□/□□□□□□□□□□">http://www.law.go.kr/□□□□/□□□□□□□□□□</a> The web-link to the press release regarding the D-SIB designation (in Korean only) is :<a href="http://www.fsc.go.kr/info/ntc_news_view.jsp?bbsid=BBS0030&amp;page=14&amp;sch1=&amp;sword=&amp;r_url=&amp;menu=7210100&amp;no=30843">http://www.fsc.go.kr/info/ntc_news_view.jsp?bbsid=BBS0030&amp;page=14&amp;sch1=&amp;sword=&amp;r_url=&amp;menu=7210100&amp;no=30843</a></p>	

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8 (8)	Establishing supervisory colleges and conducting risk assessments	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of global systemically important insurers (G-SIIs). The BCBS is separately monitoring implementation progress in this area with respect to banks.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIIs, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities.</p> <p>See, for reference, the following IAIS documents:</p> <ul style="list-style-type: none"> <li>• <a href="#">ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, 25.6, 25.7 and 25.8</a></li> <li>• <a href="#">Application paper on supervisory colleges (Oct 2014)</a></li> </ul>	<p><input checked="" type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Not applicable</p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> <b>Implementation completed as of:</b></p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Although there is no G-SIBs in Korea, The Financial Supervisory Service Korea held supervisory College against Shinhan Bank which D-SIB in Korea during 2016.</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	



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9 (9)	Supervisory exchange of information and coordination	<p>To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the <a href="#">September 2012</a> BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.</p> <p>Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 01-02-2009</p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: The FSC/FSS has entered into MOUs with 76 financial authorities of 50 jurisdictions.</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Korea has revised ‘the Real Name Financial Transaction Act’, which had previously hindered information exchange between supervisors. In</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>addition, ‘the Financial Investment Services and Capital Market Act’ took effect in February 2009, which was essential for the MMOU with IOSCO. FSC/FSS signed the MMOU with IOSCO in June 2010.</p> <p><b>Highlight main developments since last year’s survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

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10 (10)	Strengthening resources and effective supervision	<p>We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)</p> <p>Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)</p> <p>Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)</p>	<p>Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB <a href="#">thematic peer review report on supervisory frameworks and approaches to SIBs (May 2015)</a>.</p> <p>Jurisdictions should also indicate any steps taken or envisaged in terms of resources/expertise, supervisory measures and/or regulation to strengthen the oversight of risks associated with financial innovation (FinTech).</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> <b>Implementation completed as of:</b></p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: FSS announces supervision agenda that includes supervisory priorities and strategy. Evaluation on the suitability and effectiveness of implementations are made to enhance consistency and clarity regarding the agenda. Regular meetings with the senior management and board members of banks are being made to enhance the understanding of banks'</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>business strategy, internal control etc. Hotlines have been formed between FSS and financial institutions' senior management to gather real time difficulties that institutions are facing while examination. To promote the maintenance of integrity and soundness of IT, MIS system, FSS evaluates the operation condition of such systems during examination, and request amendments if necessary. Financial institutions are mandated to regularly submit business reports on Financial Information Exchange System (FINES). FSS verifies the fitness of the statistical data within the business reports and requests for modification if necessary. Moreover, financial institutions that neglect reporting obligation or distort facts are subject to sanctions by law. For the retention of appropriately skilled supervisory resources, FSS have divided its supervisory duties into five sectors; bank, securities, insurance, accounting, IT and allocates staffs to one of these sectors according to their expertise and career path. After the searching period (associate) and development period (senior manager), staffs undergo rotation duty within the specified sector to promote the maintenance of staffs' supervisory experience and skills. Moreover, FSS retains relevant teams and experts to effectively understand and control new risks that may follow financial innovations (e.g. Financial Market Analysis and Response Team of</p>	

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				<p>Financial Market Analysis Department, Risk Team for each Supervision Department, Prudential Supervision Coordination Team and Examination Team for each Prudential Examination Department, Systematic Risk Analysis Team of Macro-prudential Supervision Department and Derivatives Monitoring Team of Capital Market Supervision Department). FSS provides various training programs related to leadership, finance, team-work etc and career development opportunities. The FSS established a consultation committee on human resources development for financial supervision. The committee develops talent management strategies and assesses short- to long-term training programs. The FSS reflects the committee's strategies and assessment in its plan for training programs every year. The FSS aims to foster financial supervisors, who possess appropriate expertise and perform their duties with high ethical standards and a sense of responsibility. It offers diverse training opportunities, including programs designed to strengthen supervisory capabilities, leadership skills, teamwork and exposure to global best practices. At the same time, the FSS is providing a program designed to help supervisors effectively deal with ongoing supervision agenda and new market developments. Most of the training programs are evaluated through trainee surveys. The</p>	

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				<p>evaluations are reflected in the training programs for the following year. The FSS has updated its supervisory systems to timely adapt to technological changes and worked to strengthen off-site monitoring to prevent digital risks. Specifically, as more financial services are provided in digital formats, the FSS is working to reduce entry barriers for fintech companies and promoting open platforms for fintech services. Furthermore, the FSS is encouraging customer asset segregation and business conduct rules to digital currency exchanges. All of these efforts are being made to promote the security of fintech services and trading of digital currencies. Moreover, the FSS is also encouraging financial services providers to continually upgrade their fraud detection systems and utilize regulatory technology or RegTech for their internal control systems. The FSS plans</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The FSS plans to tighten security standards by utilizing indicators that quantify cyber security with the goal of improving off-site monitoring for digital risks and financial firms' internal control. The intensity of supervisory examinations will also be tailored to financial firms' level of IT risk controls to better assess corporate governance and culture for IT risk management.</p>	

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				<p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>IV. Building and implementing macroprudential frameworks and tools</b>					
11 (11)	Establishing regulatory framework for macro-prudential oversight	<p>Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)</p> <p>Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 08-2010</p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The Ministry of Strategy and Finance announced Directives on the establishment and operation of Macroeconomic Financial Meeting in September 2012. The First Vice-Minister of the Ministry of Strategy and Finance</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>



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				<p>chairs the Meeting while relevant organizations including the FSC, BOK and FSS participate to discuss and coordinate policies relating to macro-economy, financial and FX markets. Guidelines on Financial Institutions Stress Testing (Aug.2010): In order to assess potential risk factors of financial institutions that could cause systemic risks, the FSS monitors the results of stress testing on financial institutions and conducts off-site surveillance to use the outcome for supervisory work.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p> <p>Regulation (Directive of the Ministry of Strategy and Finance) on Establishment and Operation of Macroeconomic Financial Meeting  <a href="http://www.law.go.kr/%ED%96%89%EC%A0%95%EA%B7%9C%EC%B9%99%EA%B1%B0%EC%8B%9C%EA%B2%BD%EC%A0%9C%EA%B8%88%EC%9C%B5%ED%9A%8C%EC%9D%98%EC%9D%98%20%EC%84%A4%EC%B9%98%EC%99%80%20%EC%9A%B4%EC%98%81%EC%97%90%20%EA%B4%80%ED%95%9C%20%EA%B7%9C%EC%A0%95">http://www.law.go.kr/%ED%96%89%EC%A0%95%EA%B7%9C%EC%B9%99%EA%B1%B0%EC%8B%9C%EA%B2%BD%EC%A0%9C%EA%B8%88%EC%9C%B5%ED%9A%8C%EC%9D%98%EC%9D%98%20%EC%84%A4%EC%B9%98%EC%99%80%20%EC%9A%B4%EC%98%81%EC%97%90%20%EA%B4%80%ED%95%9C%20%EA%B7%9C%EC%A0%95</a> Bank of Korea Act  <a href="http://www.bok.or.kr/contents/total/eng/boardView.action?boardBean.brdid=10803&amp;boardBean.mnum=1&amp;menuNaviId=824&amp;boardBean.menuid=824&amp;boardBean.cPage=1&amp;boardBean.categorycd=0&amp;boardBean.sdt=&amp;boardBean.edt=&amp;boardBean.searchColumn=&amp;boardBean.searchValue=">http://www.bok.or.kr/contents/total/eng/boardView.action?boardBean.brdid=10803&amp;boardBean.mnum=1&amp;menuNaviId=824&amp;boardBean.menuid=824&amp;boardBean.cPage=1&amp;boardBean.categorycd=0&amp;boardBean.sdt=&amp;boardBean.edt=&amp;boardBean.searchColumn=&amp;boardBean.searchValue=</a></p>	



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12 (12)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level...(Rec. 3.1, FSF 2009)</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.</p> <p>Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> <li>• FSB-IMF-BIS progress report to the G20 on <a href="#">Macroprudential policy tools and frameworks (Oct 2011)</a></li> <li>• CGFS report on <a href="#">Operationalising the selection and application of macroprudential instruments (Dec 2012)</a></li> <li>• IMF staff papers on <a href="#">Macroprudential policy, an organizing framework (Mar 2011)</a>, <a href="#">Key Aspects of Macroprudential policy (Jun 2013)</a>, and <a href="#">Staff Guidance on Macroprudential Policy (Dec 2014)</a></li> <li>• IMF-FSB-BIS paper on <a href="#">Elements of Effective Macroprudential</a></li> </ul>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> (System –wide monitoring) 09-2011, (CCyB) 01-01-2016</p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: (EWS) Cooperation among financial supervisors, government and central bank, etc</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>(EWS) The FSC cooperates with relevant organizations including the FSS and MOSF for close monitoring of changes</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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			<p><a href="#"><i>Policies: Lessons from International Experience (Aug 2016)</i></a></p> <ul style="list-style-type: none"> <li>• CGFS report on <a href="#"><i>Experiences with the ex ante appraisal of macroprudential instruments (Jul 2016)</i></a></li> <li>• CGFS report on <a href="#"><i>Objective-setting and communication of macroprudential policies (Nov 2016)</i></a></li> </ul>	<p>in asset prices and continuous examination of the impact of changes in asset prices to financial system and macro-economy. Since 2012, Korea has enhanced major quantitative indicators relating to financial market to ensure effective EWS. Moreover, the authorities are using financial EWS, with strengthened qualitative assessment of major financial markets and financial risk factors (e.g. private debt) as pre-emptive tools for assessing macro-prudence. Since March 2013, the members of Macroeconomic Financial Meeting review on a quarterly basis the macroprudential indicators developed in view to early identification of risk factors including EWS. Macro-prudence is reviewed in two parts (i.e. macro-structural prudence and economic agents prudence) so that issues and problems could be identified in advance, in mid-to-long term perspective. (Financial Stability Report) Lastly, macro-prudential review framework has become more sophisticated by requiring the BOK to publish macro-financial stability report at least twice a year in accordance with the 8th revised BOK Act effective from 2011. (LTV/DTI) FSC/FSS introduced LTV and DTI in 2002 and in 2005 respectively as micro and macro-prudential supervision tools. FSC/FSS can modify the ratio of LTV and DTI considering overheating/shrink of the real estate market. (CCyB) FSC/FSS amended the Regulation on Supervision of Banking Business to establish a regulatory basis for CCyB in December 2015. FSC/FSS conduct the quarterly review based on analyses on several indicators such as credit-to-GDP ratio, bank resilience, and system-wide risk</p>	

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				<p>possibility. At present, the buffer rate is set at 0%. Highlight main developments since last year's survey: (CCyB) FSC/FSS amended relevant regulations to implement CCyB in 16-12-2015(effective from 01-01-2016). Furthermore, FSC/FSS introduced the first CCyB rate at 0%, which took effect from 31-03-2016.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p> <p>Regulation on Supervision of Banking Business(article 26-3) (in Korean only):  <a href="http://www.law.go.kr/">http://www.law.go.kr/</a> </p> <p> <a href="http://www.law.go.kr/">http://www.law.go.kr/</a> Detailed Regulations on Supervision of Banking Business(article 17-3, 26-3, appendix 21) (in Korean only):  <a href="http://www.law.go.kr/">http://www.law.go.kr/</a> </p> <p> <a href="http://www.fss.or.kr/fss/kr/promo/bodobs_view.jsp?seqno=19347&amp;no=1&amp;s_title=">http://www.fss.or.kr/fss/kr/promo/bodobs_view.jsp?seqno=19347&amp;no=1&amp;s_title=</a> </p>	

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<b>V. Improving oversight of credit rating agencies (CRAs)</b>					
13 (13)	Enhancing regulation and supervision of CRAs	<p>All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)</p> <p>National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.</p> <p>CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance</p>	<p>Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:</p> <ul style="list-style-type: none"> <li>• <a href="#">Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) (including on governance, training and risk management)</a></li> </ul> <p>Jurisdictions may also refer to the following IOSCO documents:</p> <ul style="list-style-type: none"> <li>• Principle 22 of <a href="#">Principles and Objectives of Securities Regulation (Jun 2010)</a> which calls for registration and oversight programs for CRAs</li> <li>• <a href="#">Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003)</a></li> <li>• <a href="#">Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013)</a></li> </ul> <p>Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of: 08-2013</b></p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The Financial Services Commission(FSC)issues CRA license and takes supervisory actions on a regular basis. Regulations on credit rating businesses have been transferred</p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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		<p>obligations for CRAs) as early as possible in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>from Use and Protection of Credit Information Act to Financial Investment Services and Capital Markets Act thereby unifying regulation on CRAs and the use of credit ratings (Aug. 2013). Investor protection was enhanced by requiring disclosure of details on credit rating such as stating credit rating methods in credit reports (Aug. 2013).</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

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14 (14)	Reducing the reliance on ratings	<p>We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)</p> <p>Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)</p> <p>We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)</p> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and</p>	<p>Jurisdictions should indicate the steps they are taking to address the recommendations of the <a href="#">May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings</a>, including by implementing their <a href="#">agreed action plans</a>. Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> <li>• <a href="#">FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010)</a></li> <li>• <a href="#">FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012)</a></li> <li>• <a href="#">BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2015)</a></li> <li>• <a href="#">IAIS ICP guidance</a> 16.9 and 17.8.25</li> <li>• <a href="#">IOSCO Good Practices on Reducing Reliance on CRAs in Asset Management (Jun 2015)</a></li> <li>• <a href="#">IOSCO Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and</a></li> </ul>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> <b>Implementation completed as of:</b></p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>In relation to banking sector, Korea has the CRA-rating related provisions in its regulation and detailed regulation on supervision of banking business. The provisions were created for the purpose of adopting the Basel standards (the pillar 1 and 3). In compliance with the pillar 1 adopted, the standardised</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p>When BCBS concludes final revisions to the Standardised Approach for credit risk, FSS will implement the revision within an appropriate time frame.</p> <p><b>Web-links to relevant documents:</b></p>



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		<p>competition among credit rating agencies. (Los Cabos)</p> <p>We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)</p>	<p><a href="#"><i>the Use of External Credit Ratings (Dec 2015).</i></a></p>	<p>approach using banks are obligated to use the CRA ratings for the measurement of risk weighted assets. And in accordance with the pillar 3 adopted, the banks are responsible for disclosing information on how they are managing risks; the information includes the names of CRAs and how the CRA ratings are mapped into the Basel standards. Since all the CRA-rating related provisions are designed to comply with the Basel standards, reducing further the reliance on CRA ratings in Korea may have to involve the change in the Basel standards.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p>Banks do not use CRA ratings for their credit assessment purpose. Reference to CRA ratings remain only within the implementation of the standardized approach of the Basel regulation with which banks are obligated to use the CRA ratings for the measurement of risk-weighted assets. Therefore the amendment of the related law and regulation might not be necessary for the purpose of reducing the reliance on CRA ratings for banks. But in order to strengthen supervisory oversight to assess the adequacy of market participants' own credit assessment process and disclosures we will continue to closely monitor the appropriateness of each financial institution's risk management process including internal credit assessment capacity. In addition, as a member of international standard setters like BCBS, IOSCO and IAIS, Korea will actively participate in international discussion on this area and</p>	

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				review domestic regulations according to the discussion. <b>Web-links to relevant documents:</b> <a href="http://www.financialstabilityboard.org/wp-content/uploads/c_140429r.pdf?page_moved=1">http://www.financialstabilityboard.org/wp-content/uploads/c_140429r.pdf?page_moved=1</a>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VI. Enhancing and aligning accounting standards</b>					
15 (15)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <a href="http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx">http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx</a>.</p> <p>As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.</p> <p>In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b>  <i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b>  <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 01-01-2011</p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Korea has adopted IFRS in full as Korean IFRS (K-IFRS) and refrains from producing its own IFRS interpretations. The Act on External Audit of Stock Companies provides the legal basis for</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p>Korea’s financial authorities are working for the introduction of IFRS 9, which is set to be implemented on January 1, 2018. As part of the effort, the authorities established a task force on IFRS 9 for banks’ provisioning for expected losses.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.kasb.or.kr/">http://www.kasb.or.kr/</a></p>

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u></a></li> <li>• <a href="#"><u>Guidance on credit risk and accounting for expected credit losses (Dec 2015)</u></a></li> </ul>	<p>K-IFRS, which is a direct Korean translation of IFRS by the Korea Accounting Standards Board (KASB). The Korean translation is required to undergo a process of official endorsement by the Financial Services Commission (FSC) in order to become Korea's official accounting standards. When an issue relating to the application of K-IFRS arises, the KASB consults with the IASB, the IFRS Interpretations Committee, and other national standard-setters to seek globally acceptable solutions. All companies listed on the Korea Exchange have been subject to K-IFRS since 2011. Most state-owned companies and most types of financial institutions including banks, insurance companies, financial holding companies, credit card companies, investment traders, investment brokers, collective investment business entities and trust business entities must also comply with K-IFRS irrespective of whether their securities are publicly traded.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VII. Enhancing risk management</b>					
16 (16)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)</p> <p>National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)</p> <p>Regulators and supervisors in emerging markets<sup>2</sup> will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p>	<p>Jurisdictions should indicate the measures taken in the following areas:</p> <ul style="list-style-type: none"> <li>• guidance to strengthen banks' risk management practices, including BCBS good practice documents (<a href="#">Corporate governance principles for banks</a>, <a href="#">External audit of banks</a>, and the <a href="#">Internal audit function in banks</a>);</li> <li>• measures to monitor and ensure banks' implementation of the BCBS <a href="#">Principles for Sound Liquidity Risk Management and Supervision</a> (Sep 2008);</li> <li>• measures to supervise banks' operations in foreign currency funding markets;<sup>1</sup> and</li> <li>• extent to which they undertake stress tests and publish their results.</li> </ul> <p>Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> [Bank] 01-01-2015, [FX] LCR 01-07-2015, Stress test 06-2011</p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

<sup>1</sup> Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

<sup>2</sup> Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>requirements for CCPs), since these are <a href="#">monitored separately by the BCBS</a>.</p>	<p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>[Banks] Final rules on Basel III LCR and disclosure standards were published in Dec. 2014. The rules on LCR have been implemented in Jan. 2015. [FX] As for Basel III liquidity regulation, the FSS established monitoring system so that foreign currency LCR ratio reporting figures as of month end are monthly reported. And regulated ratio is expected to gradually strengthen until 2019. Starting from the latter half of 2010, the FSS has been conducting stress tests on FX liquidity. Since June 2011, the FSS applied 2008 crisis-like situations for FX liquidity stress testing which is conducted every month. Thanks to strengthened FX liquidity stress testing, all banks in Korea now holds sufficient FX reserves enabling them to endure 3 consecutive months of external shocks similar to 2008 Global Financial Crisis.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	Enhanced risk disclosures by financial institutions	<p>Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)</p> <p>We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on <a href="#">Enhancing the Risk Disclosures of Banks and Implementation Progress Report by the EDTF (Dec 2015)</a>, and set out <a href="#">any steps they have taken to foster adoption of the EDTF Principles and Recommendations</a>.</p> <p>In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the <a href="#">Impact of Expected Credit Loss Approaches on Bank Risk Disclosures (Nov 2015)</a>, as well as the recommendations in Principle 8 of the BCBS <a href="#">Guidance on credit risk and</a></p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since: 01-2016</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 01-2017(FSS completed the implementation of Basel 2 Pilla 3 frame work</p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>FSS completed the implementation of Basel II Pillar 3 framework and will implement Basel III Pillar 3 framework in 2016.</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<a href="#"><i>accounting for expected credit losses (Dec 2015)</i></a>	<p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.kfb.or.kr/new_data/etc.html?S=GAE&amp;m=view&amp;table=PDS3&amp;no=271&amp;start=0&amp;mode=&amp;field=&amp;s_que=">http://www.kfb.or.kr/new_data/etc.html?S=GAE&amp;m=view&amp;table=PDS3&amp;no=271&amp;start=0&amp;mode=&amp;field=&amp;s_que=</a></p>	



## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VIII. Strengthening deposit insurance</b>					
18 (18)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.</p> <p>All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI <a href="#">Core Principles for Effective Deposit Insurance Systems</a> (November 2014).</p> <p>In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance with the revised Core Principles:</p> <ul style="list-style-type: none"> <li>• If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;</li> <li>• If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.</li> </ul>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 29-12-1995</p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify: Depositor Protection Act as a main vehicle of deposit insurance scheme in Korea was enacted in December 1995.</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The FSB’s Thematic DI Peer Review Report mentions Korea several times as a country with a generally good deposit</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>insurance scheme and in compliance with best practices in this field. (No particular problem was identified.)</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.law.go.kr/lInfoP.do?lsiSeq=105210&amp;lsId=001537&amp;chrClsCd=010202&amp;urlMode=engLsInfoR&amp;viewCls=engLsInfoR&amp;efYd=&amp;vSct=%EC%98%88%EA%B8%88%EC%9E%90%EB%B3%B4%ED%98%B8%EB%B2%95#0000">http://www.law.go.kr/lInfoP.do?lsiSeq=105210&amp;lsId=001537&amp;chrClsCd=010202&amp;urlMode=engLsInfoR&amp;viewCls=engLsInfoR&amp;efYd=&amp;vSct=%EC%98%88%EA%B8%88%EC%9E%90%EB%B3%B4%ED%98%B8%EB%B2%95#0000</a></p>	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>IX. Safeguarding the integrity and efficiency of financial markets</b>					
19 (19)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendations:</p> <ul style="list-style-type: none"> <li>• in relation to dark liquidity, as set out in the IOSCO <a href="#">Report on Principles for Dark Liquidity (May 2011)</a>.</li> <li>• on the impact of technological change in the IOSCO <a href="#">Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011)</a>.</li> <li>• on market structure made in the IOSCO Report on <a href="#">Regulatory issues raised by changes in market structure (Dec 2013)</a>.</li> </ul>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of:</b> 24-11-2014</p> <p><b>Issue is being addressed through:</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Risk Management Guideline for Algorithmic Trading of KRX. It consists of 5 main parts. 1. Designing Member’s Systems Members’ algorithmic trading systems should be designed to be error-</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://emo.krx.co.kr/main/main.jsp">http://emo.krx.co.kr/main/main.jsp</a> Quick Link : Risk Managemet</p>

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>free and to ensure their orderly functioning, preventing any market disruption and financial loss. 2. Testing Member's Systems Members' algorithmic trading systems should be sufficiently tested to prevent errors of member's systems, which are often attributed to algorithmic trading incidents. 3. Risk Management Members should meet regulatory requirements including those on management of their algorithmic trading, routing clients' algorithmic trading orders through the security device, and checking validity of the quotes. 4. Initiating Algorithmic Trading, Responding to Incidents and Validation after Incidents It is important to put in place safeguards to enhance the internal risk controls, including validation upon the initiation of the algorithmic trading systems and programs, deploying a process to respond to incidents or errors and conducting periodic checks. 5. FEP(Front End Processor) Controls by Members The FEP should be managed and operated by members. Because allowing their clients to manage the FEP and processing client's trade orders preferentially via separate systems or facilities, is risky and prohibited by regulation. According to the guideline, letting the client's trade orders bypass the security device of the member's system is examined by the Market Oversight Commission. Regarding dark pools, it does not exist in Korea.</p> <p><b>Highlight main developments since last year's survey:</b></p>	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Web-links to relevant documents:	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
20 (20)	Regulation and supervision of commodity markets	<p>We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)</p> <p>We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on <a href="#">Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011)</a>.</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the <a href="#">update to the survey</a> published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> <b>Implementation completed as of: 30-04-2013</b></p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>After the amendment of Capital Market Act, Korea regulates market price manipulation not only market derivatives but also OTC derivatives. The Act also prohibits various actions in the connection with trading listed securities or derivatives as well. Actions that cause</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>fluctuation in, or fixing the market price of derivatives or underlying assets of certain derivatives or or securities securities linked to certain securities, derivatives with same or similar underlying asset to certain derivatives with an intention to earn, or cause a third party to earn unjust profits from trading such instruments. KRX regulation also requires customers to deposit customer margin with the member firms before placing an order to protect customers from cases of insolvency or financial instability among member firms. Moreover, 3 phases are set for the activation of Circuit Breaker according to the market condition. Constant monitoring of the commodity market is also done by Market Oversight Regulation.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Reform of financial benchmarks	We support the establishment of the FSB’s Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO’s Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO <i>Principles for Financial Benchmarks</i> .		



## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>X. Enhancing financial consumer protection</b>					
22 (22)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	<p>Jurisdictions should describe progress toward implementation of the OECD’s <a href="#"><i>G-20 high-level principles on financial consumer protection (Oct 2011)</i></a>.</p> <p>Jurisdictions may also refer to OECD’s <a href="#"><i>September 2013 and September 2014 reports</i></a> on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.</p> <p>Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.</p>	<p><input type="checkbox"/> <b>Not applicable</b></p> <p><input type="checkbox"/> <b>Applicable but no action envisaged at the moment</b></p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> <b>Implementation ongoing:</b></p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 06-07-2012</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> <b>Implementation completed as of:</b></p> <p><b>Issue is being addressed through:</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The new legislation stipulates provisions concerning consumer financial protection including regulation on sales, settlement for financial disputes and etc which are currently provided under different laws</p>	<p><b>Planned actions (if any) and expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

## 2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and regulations for each financial institution.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

**XI. Source of recommendations**

[Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)

[Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)

[Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)

[St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)

[Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)

[Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)

[Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)

[Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)

[Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)

[London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)

[Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)

[FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)

[FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)

[FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)

[FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

**XII. List of abbreviations used**