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3-13-2020

Government Unveils Stock Market Stabilization Measures

South Korea: Financial Services Commission

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GOVERNMENT UNVEILS STOCK MARKET STABILIZATION MEASURES

The Financial Services Commission decided to impose a ban on stock short-selling in the KOSPI, KOSDAQ and KONEX markets for a period of six months from March 16 to September 15.

During the six-month period, the current limits on stock buybacks will also be lifted for listed companies as shown below. The Korea Exchange may ease the rules upon approval from the FSC.

Acquisition method	As is	To be
Direct acquisition	Smaller quantity of “the larger amount between (i) and (ii)” and “the total number of issued stocks” i) 10% of acquired shares ii) 25% of the 30-day daily average prior to a board decision	Total acquired shares
Through trust fund	Within 1% of shares issued	Within total amount in trust account

In order to prevent excessive offsetting trading by stock companies, the minimum requirement for collateral coverage ratio for stock companies will be lifted.

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