18th Asia Securities Forum

INVESTMENT PROMOTION AND INCENTIVES: KOREA

Kwak, Byung Chan
Assistant Director
Korea Financial Investment Association
1. Objectives
   - to encourage people to make reasonable investments, NOT just to increase the volume of investments being made
   - to promote balanced investments with a long term perspective

2. Background (KOFIA Investor Survey, 2012)
   - **Average Stock Holding Period**
     - 60% Less than 6 months
     - 40% 6 months or more
   - **Investor Trend for Retirement Pension**
     - 5.1% Performance-based dividend
     - 93.1% Principal & interest guaranteed
1. Nationwide Investor Education
2. Mass Media Promotional Activities
3. Investment Incentives Policies
**Investor Education: KCIE (www.kcie.or.kr)**

- Collaborate with other organization
- Conduct a investor survey
- Provide age-customized programs
- Provide Ubiquitous Learning (Smart phone, tablet PC)
- Manage KCIE website & Financial Village
2 Information for Investors

KOFIA operates websites that provide investor information

1) Fund Investment Information(https://dis.kofia.or.kr/index/index.html)
2) Bond Investment Information(https://www.kofiabond.or.kr)
3) Securities Market/Industry Information(https://freesis.kofia.or.kr)
1 Mass Media Promotional Activities

- Airing advertisements on nationwide broadcasters (per 2-3 years)
  → delivering messages on the necessity and benefits of long-term and diversified investments
  → stabilizing anxious investor sentiment during bad season

- Newspaper articles for targeted issues
  → informing investors law revisions & promoting new products

2 Investment Incentives Policies

- Each securities firm provides different incentives
  → competition leading to decreasing profitability

- Tax benefits were granted in the past (economic stimulus package)

- Wealth Accumulation Savings Fund (the only tax benefit product)
DETAILS

Mass Media Promotional Activities

Investment Incentives Policies
FUTURE PLANS
Road Ahead for Korea

- focus more on youth-oriented investor education to foster future investors
- reinforce promotional activities by utilizing low-cost media outlets
- increase incentives for indirect long-term investments