Restoring Faith and Widening Participation of Investors

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CUSTOMER SATISFACTION SURVEY

INVESTMENT COMPANIES COME IN LAST

Source: Kundenmonitor 2010
WHAT IS INVESTOR PROTECTION?

REGULATION + INVESTOR EDUCATION
US FINANCIAL SUPERVISORY SYSTEM

Macro-prudential supervision

Regulation or Supervision

Newly Created Body

Financial Stability Oversight Council (FSOC)

Commodities Futures Trading Commission (CFTC)
Federal Deposit Insurance Corporation (FDIC)
Federal Reserve Board (Fed)
Office of the Comptroller of the Currency (OCC)
Securities and Exchange Commission (SEC)
Office of Thrift Supervision* (OTS)
*Eliminated

Consumer Financial Protection Bureau (CFPB)
Office of Investor Education & Advocate (OIEA)
Office of Credit Ratings (OCR)
Credit Rating Agency Board (CRAB)
Investor Advisory Committee (IAC)

Office of Financial Education (OFE)
Office of Fair Lending and Equal Opportunity
Office of Financial Protection of Older Americans Office

Federal Insurance Office at TSY (FIO)
Office of Financial Research at TSY (OFR)

Financial Industry Regulatory Authority (FINRA) - SRO

Source: Deutsche Bank
Korea is using a **multi-leveled regulation system**, combining government regulation (FSC & FSS) and self-regulation (KOFIA)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Government Regulation</th>
<th>Self-Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Investment Industry</td>
<td>FSC &amp; FSS</td>
<td>KOFIA</td>
</tr>
<tr>
<td>Licensing &amp; Registration, Governance, Prudence</td>
<td>Exclusive</td>
<td></td>
</tr>
<tr>
<td>Business Operation</td>
<td>Mostly covers</td>
<td>Partially covers (mandate)</td>
</tr>
<tr>
<td>Primary &amp; Secondary Market</td>
<td>Registration statement, M&amp;A</td>
<td>Exclusive</td>
</tr>
<tr>
<td>Distribution disclosure, OTC trading</td>
<td>Mostly covers</td>
<td>Partially covers Bond, FreeBoard</td>
</tr>
<tr>
<td>Unfair Trading</td>
<td>Insider trading, Price manipulation</td>
<td>Mostly covers</td>
</tr>
</tbody>
</table>
The FSCMA sets forth KOFIA's authority as a self-regulatory organization

Main Activities:

- Setting regulations and best practices for fair business activities
- Reviewing standards agreements and advertisements
- Conducting inspections of members
- Registering and administering qualification exams for financial professionals
- Resolving disputes
Singapore Exchange introduced the ‘My Gateway’ portal to meet increasing investor interest for more investment knowledge and education.

[www.sgx.com/mygateway]
Japan Investment Trust Association (JITA) provides **Life-Long Investor Education** in accordance with investor’s age stage.

<table>
<thead>
<tr>
<th>Age (Y)</th>
<th>Education</th>
</tr>
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<tbody>
<tr>
<td>60Y</td>
<td>Retirement Education</td>
</tr>
<tr>
<td>30Y</td>
<td>Young Worker Education</td>
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<tr>
<td>22Y</td>
<td>University / College Education</td>
</tr>
<tr>
<td>18Y</td>
<td>School Education&lt;br&gt;Elementary / Middle / High School</td>
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<tr>
<td>6Y</td>
<td>-</td>
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</table>
Korea Council for Investor Education was launched in June 2005

Members : 7 financial investment-related organizations
Chairman : Chairman of KOFIA
Secretariat : KOFIA
National Network : 8 Major cities
Global Leadership in Investor education

LIFE-LONG EDUCATION TO THE GENERAL PUBLIC

OFFERING ONLINE WEALTH MANAGEMENT EDUCATION PROGRAM

OFFERING EDUCATION FOR YOUTH AND FINANCIAL MINORITIES
INTERNATIONAL FORUM FOR INVESTOR EDUCATION
IFIE advisory committees and working groups
2012 IFIE/IOSCO Global Investor Education Conference

ASIA FORUM FOR INVESTOR EDUCATION
First chairman
Operates the AFIE website
Holds advisory committee meetings
Introduce Financial Education and Consultation on Demand & Develop Personalized Financial Diagnosis Service

Provide useful information for financial consumers

Protection of the rights and interests

Introduce Collective Dispute Resolution System

Education for financial consumers
THANK YOU