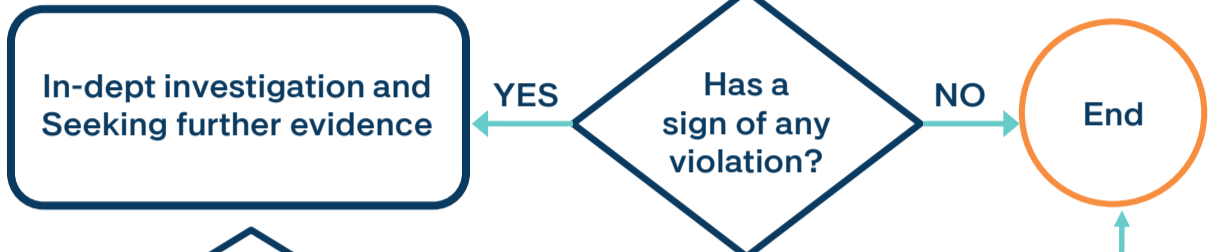


Procedure for Investigation and Enforcement Measures

Sources of Information to stimulate enforcement actions



The SEC Office's preliminary consideration



Taking legal action(s)

Administrative Action

Civil Sanction

Criminal Action

Administrative Order Issuance

is a legal action by virtue of the SEC Office's regulatory power prescribed in those administered laws. This action shall be imposed on a regulated person who is disqualified or fails to comply with professional conducts and standards. Such regulated persons are as follows:

- Financial Advisor and its supervisor
- Auditor
- Valuation Company and Principal Valuers
- Credit Rating Agency
- Debenture Holders' Representative
- Approved Personnel in Capital Market (e.g. Investment Analyst, Investment Consultant, Investment Planner, Fund Manager, and Executive).

Administrative Sanction

- Specified by Section 114-119 of DA, this sanction is Imposed to the following persons:
 - Derivatives Business Operator
 - Derivatives Exchange
 - Derivatives Clearing House
 - Regulatory Association of Derivative Business Operators
 - Any person who does not pay fees specified by DA
 - director, manager or person responsible for the operation of aforementioned legal entities
- Specified by Section 70-71 of TCMA, this sanction is imposed on a Trustee and its director, manager or person responsible for the operation.

(or Civil Penalty) is imposed on an offender for these following offenses under SEA and DAB:

- (1) committing unfair practice regarding securities /digital assets trading
- (2) presenting a false statement or concealing material facts that should have been stated;
- (3) failing to perform duties as director or executive (SEA only)
- (4) allowing any person to use one's own securities trading account or banking account for payment of securities trading, or using the securities trading account or the banking account of any person.

Only in case that the monetary penalties are fully paid, the right to institute a criminal prosecution shall be extinguished

Criminal Fining

is imposed by the Criminal Fining Committee on who Committed the following offenses in accordance with:

- Section 317 of SEA
- Section 155 of DA
- Section 94 of TCMA
- Section 42 of PVDA
- Section 43 of SPVA
- Section 95 of DAB.

Only in case that the fine is fully paid, the criminal prosecution shall be extinguished.

Filing a complaint with inquiry official/DSI

begins a criminal proceeding. The inquiry official will conduct further investigation and submit the case file to a public prosecutor. The case will be taken into consideration under the court.

Under this measure, the offender might be imprisoned.

Procedure for Administrative Action and Appeal Filing

Procedure for Civil Sanction

Procedure for Criminal Action

List of Abbreviations

SEA The Securities and Exchange Act of 1992
 DA The Derivatives Act of 2003
 TCMA The Trust for Transaction in Capital Market Act of 2007
 PVDA The Provident Fund Act of 1987
 SPVA The Royal Enactment on Special Purpose Juristic Persons for Securitization of 1997
 DAB The Emergency Decree on Digital Asset Businesses of 2018