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Press Release

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Financial Supervisory Commission to Form a Task Force on Capital Market Consolidation Legislation

The Financial Supervisory Commission announced on July 17 the formation of a task force on the capital market consolidation legislation (provisionally titled “Financial Investment Services and Capital Market Act”) in order to conduct a thorough review of the new legislation and come up with recommendations for the Ministry of Finance and Economy. The task force was formed as part of the ongoing effort by the FSC to reduce regulatory arbitrage, provide a consistent regulatory framework and facilitate a balance growth of the capital market.

In light of the importance and urgency the government attaches to the capital market consolidation legislation, the Securities and Futures Commission will lead the task force with nine senior officers from the FSC and the FSS. The task force will be supported by five staff-level teams that will separately focus on securities, asset management, unfair market conduct, banking, and trust services.

The key areas of focus for the task force are:

- Whether additional reinforcement measures are needed in the conflict-of-interest provisions for financial service firms offering multiple investment advisory services (articles 43 and 44 of the proposed legislation);
- Whether additional reinforcement measures are needed for investor protection and for effective supervisory oversight (investor protection provisions, articles 45-51; safeguard measures against unfair market conduct, articles 70, 82, 92, and 103);
- Whether regulatory provisions are open to multiple interpretations (appropriateness of the meaning of investment product and investment business, articles 3-7), and
- Follow-up measures and further reinforcement steps in the supervisory regulations.

The task force is expected to complete its work by September and work closely with the Ministry of Finance and Economy on its recommendations for the capital market consolidation legislation.



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