



## Press Release

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April 9, 2009

### PROMOTION OF GOVERNMENT BOND ETFs

As a follow up step to the Financial Investment Services & Capital Markets Act launched in February this year, the Financial Services Commission has issued an initiative to promote Exchange Trade Funds, or ETFs, by allowing a broader scope of investment; currently, only equity-linked ETFs are being traded in the Korean market. Under the new initiative, a diversified array of products will be traded as in other advanced markets such as the U.S. and the E.U.: i.e. ETFs linked to bonds, commodities, gold and crude oil ETFs, inverse ETFs, leveraged ETF, etc., trading of which will be based on trading prices or index.

For the government bond linked ETFs, the FSC will revise current regulations to adjust the required number of principle assets from minimum 10 items to 3 items.

The FSC believes that such market-friendly steps will result in favorable market response particularly among small private investors and foreign investors, encouraging their active partaking in the government bond trading. This is expected to have positive impacts on the market by stimulating the government bond issuance and the overall trading markets.

For the successful launch of new ETFs, the FSC will also revise 'Financial Investment Act' and 'IPO & Operation Code' of the Korea Stock Exchange by May or June this year.

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