Strategy & Policy of the SESC 2017-2019



- Building on a Quarter-Century of Achievement -

Mission

- 1. Ensuring market integrity/protection of investors
- 2. Contributing to sound development of markets
- 3. Contributing to sustainable economic growth

SESC's Vision on Market Integrity

Compliance with rules and trust from all market participants < Key elements >

- 1. Proper disclosure by listed companies and issuers
- 2. Appropriate conduct and practices by market intermediaries
- 3. Self-discipline by all market participants
- 4. Effective market oversight with a high degree of
- professionalism

		Val	ues		
Fairness Fair and independent oversight	Accountability Holistic and root- cause analysis coupled with public outreach	Forward-looking Perspective Early detection of signs of market misconduct	Effectiveness and Efficiency Effective use of resources	Strong Collaboration Working closely with SROs and other competent authorities, both domestic and overseas	Commitment to Excellence Committing to achieve highest standards of oversight

Environmental Scan	Global Macroeconomic Uncertainties		Increasing Market Globalization	Further Advanceme of Information Technology		it	Effective Deployment of Household Financial Assets	
	Holistic market oversight		Timely market oversight			In-depth market oversight		
Strategic Objectives	 All new products/transactions All financial markets Bigger picture in addition to details 		 Early detection of potential market misconduct Preemptive actions against market abuse Effective investigation and early corrective action 			 Root-cause analysis Horizontal analysis for system- wide issues 		
Concrete Measures	1. Intelligence Gathering	ential ma m macro spective hanced c eign auth	cooperation with norities of all new products/	3. In-depth Analysis of Investigation Results	 Root-cause analysis Leveraged use of outputs of oversight activities Enhanced public outreach Contribution to policy development for better market environment Contribution to international cooperation for market oversight 			
	pe provent/	 Effective use of monetary penalty investigation Proactive response to cross-border matters Response to material market abuse with criminal investigation Effective risk-based monitoring of regulated entities 		4. IT and HR Development	≻ Respo≻ Enhan	Development of RegTech [*] Response to FinTech development Enhanced expertise of SESC staff with a broader perspective		
	Effective Examination/ Investigation			with SROs			peration with SROs for ficient market oversight cooperation with various rs for market integrity	

^{*} RegTech means the use of IT innovation in connection with regulatory and enforcement authority.

Continuous Review of Market Oversight Approach