

Promulgated on June 18, 2012, Effective on July 1, 2012

16 Crimes Related to Securities and Finance

This guideline applies to adult offenders(nineteen years of age or older) who committed any offense of Use of Material Nonpublic Information, Market Price Manipulation, Unfair Trading (Capital Markets Act, Article 443, paragraph 1, 2), Offering or Selling Securities Without Filing a Registration Statement, Making a False Statement or Omitting Statement of a Material Fact on the Registration Statement and the like (Capital Market Act, Article 444, subparagraph 12 to 14), Making a False Statement or Omitting Statement of a Material Fact (Capital Market Act, Article 444, subparagraph 18), Violation of the Duty to Report on Stocks and the like held by Bulk (Capital Market Act, Article 445, subparagraph 20), Preparing and Disclosing of False Financial Statements (External Audit Act, Article 20, paragraph 1), Forgery or Alteration of Accounting Information (External Audit Act, Article 20, paragraph 2), Acceptance of Bribe by an Officer or an Employee of Financial Institution (Specific Economic Crimes Act, Article 5, paragraph 1, 2), Acceptance of Bribe for Commissioning by an Officer or an Employee of a Financial Institution (Specific Economic Crimes Act, Article 5, paragraph 3), Offer of Bribe to an Officer or an Employee of a Financial Institution (Specific Economic Crimes Act, Article 6, paragraph 1, 2), Acceptance of Bribe for Commission on Matters belonging to the Duties of an Officer or an Employee of a Financial Institution (Specific Economic Crimes Act, Article 7).

I. TYPES OF OFFENSE AND SENTENCING PERIOD

01 | SECURITIES CRIME

1. CRIMES DAMAGING THE FAIRNESS OF THE CAPITAL MARKET(USE OF MATERIAL NONPUBLIC INFORMATION, MARKET PRICE MANIPULATION AND UNFAIR TRADING)

Offense Type	Classification	Mitigated Sentencing Range	Standard Sentencing Range	Aggravated Sentencing Range
1	Less than 100 Million Won	- 1 yr	6 months - 1 yr 6 months	1 yr - 2 yrs 6 months
2	More than 100 Million Won, But Less than 500 Million Won	10 months - 2 yrs 6 months	1 yr - 4 yrs	2 yrs 6 months - 6 yrs
3	More than 500 Million Won, But Less than 5 Billion Won	1 yr 6 months - 4 yrs	3 yrs - 6 yrs	4 yrs - 7 yrs
4	More than 5 Billion Won, But Less than 30 Billion Won	3 yrs - 6 yrs	5 yrs - 9 yrs	7 yrs - 11 yrs
5	More than 30 Billion Won	5 yrs - 9 yrs	7 yrs - 11 yrs	9 yrs - 15 yrs

Classification		Mitigating Factor	Aggravating Factor
Special Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Passive Participation Resulting From Outside Pressure ● Insignificant Participation ● Slight Influence on the Actual Stock Price or Small Scale of Unfair Trading(This is for the Case of Market Price Manipulation, Unfair Trading) 	<ul style="list-style-type: none"> ● Significant Influence on the Actual Stock Price or Large Scale Unfair Trading (This is for the Case of Market Price Manipulation, Unfair Trading) ● Deliberate Concealing of Profits Gained from the Offense ● Particularly Malicious Commission of the Offense ● Instigating the subordinate Person to Commit the Offense
	Actor/etc.	<ul style="list-style-type: none"> ● Those with Hearing and Visuals Impairments ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption 	<ul style="list-style-type: none"> ● Repeated Offenses of Same Type under the Criminal Act
General Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Failure to Consume or Retain Significant Portions of the Profits from Crime ● Passive Participation 	<ul style="list-style-type: none"> ● Condemnable Motives
General Sentencing Determinant	Actor/etc.	<ul style="list-style-type: none"> ● No Prior Criminal History ● Expresses Sincere Remorse 	<ul style="list-style-type: none"> ● Destroying Evidence or Attempting to Conceal Evidence ● Repeated Offenses of Different Type under the Criminal Act, Criminal History of Imprisonment by the Same Type of Offenses that does not Constitute Repeated offense under the Criminal Act(This Applies When the Criminal History is within Ten Years after Completion of Sentence), or Prior History of Disciplinary Measures or Penalty Surcharge Imposed by the Regulatory Organization

2. CRIMES DAMAGING THE TRANSPARENCY OF THE CAPITAL MARKET

Offense Type	Classification	Mitigated Sentencing Range	Standard Sentencing Range	Aggravated Sentencing Range
1	Violating the Duty to Report on Stocks, etc. Held in Bulk	- 8 months	4 months - 1 yr	8 months - 2 yrs
2	Violating the Duty to Disclose Registration Statement or Similar Documents/ Preparing and Disclosing Financial Statements Containing False Information/ Forgery - Alteration of Accounting Information	4 months - 1 yr	8 months - 1 yr 6 months	1 yr - 3 yrs

Classification		Mitigating Factor	Aggravating Factor
Special Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Passive Participation Resulting From Outside Pressure ● Special Consideration Can be Taken into Account for Engaging in Offense 	<ul style="list-style-type: none"> ● Prolonged and Repeated Commission of the Crime ● Particularly Malicious Commission of the Offense ● Instigating the subordinate Person to Commit the Offense
	Actor/etc.	<ul style="list-style-type: none"> ● Those with Hearing and Visuals Impairments ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption 	<ul style="list-style-type: none"> ● Repeated Offenses of Same Type under the Criminal Act
General Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Passive Participation 	<ul style="list-style-type: none"> ● Condemnable Motives
General Sentencing Determinant	Actor/etc.	<ul style="list-style-type: none"> ● No Prior Criminal History ● Expresses Sincere Remorse 	<ul style="list-style-type: none"> ● Destroying Evidence or Attempting to Conceal Evidence ● Repeated Offenses of Different Type under the Criminal Act, Criminal History of Imprisonment by the Same Type of Offenses that does not Constitute Repeated offense under the Criminal Act(This Applies When the Criminal History is within Ten Years after Completion of Sentence), or Prior History of Disciplinary Measures or Penalty Surcharge Imposed by the Regulatory Organization

02¹ FINANCIAL CRIMES

1. ACCEPTANCE OF BRIBE BY AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION ACCEPTANCE OF BRIBE FOR COMMISSION BY AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

Offense Type	Classification	Mitigated Sentencing Range	Standard Sentencing Range	Aggravated Sentencing Range
1	Less than 10 Million Won	6 months	4 months - 1 yr	8 months - 2 yrs
2	More than 10 Million, But Less than 30 Million Won	8 months - 2 yrs	1 yr - 3 yrs	2 yrs - 4 yrs
3	More than 30 Million Won, But Less than 50 Million Won	2 yrs 6 months - 4 yrs	3 yrs - 5 yrs	4 yrs - 6 yrs
4	More than 50 Million Won, But Less than 100 Million Won	3 yrs 6 months - 6 yrs	5 yrs - 7 yrs	6 yrs - 8 yrs
5	More than 100 Million Won, But Less than 500 Million Won	5 yrs - 8 yrs	7 yrs - 10 yrs	9 yrs - 12 yrs
6	More than 500 Million Won	7 yrs - 10 yrs	9 yrs - 12 yrs	More than 11 yrs or Life Imprisonment



Classification		Mitigating Factor	Aggravating Factor
Special Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Cases where the Extent of the Offender's Participation and the Actual Gain is Exceptionally Insignificant ● Cases where the Offense Ended Only with a Demand or a Promise to Accept the Bribe 	<ul style="list-style-type: none"> ● Engaging in Improper Conduct or Act of Commissioning Related to Acceptance of Bribe or Causing Actual Damage to a Financial Institution ● Active Demand ● Instigating the subordinate Person to Commit the Offense
	Actor/etc.	<ul style="list-style-type: none"> ● Those with Hearing and Visuals Impairments ● Bribe Returned Before the Commencement of an Investigation ● Those with Mental Incapacity (Cases Where the Offender Cannot be Held Liable) ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption 	<ul style="list-style-type: none"> ● Repeated Offenses of Same Type under the Criminal Act
General Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Cases where the Extent of the Offender's Participation and the Actual Gain is Insignificant 	<ul style="list-style-type: none"> ● Commission of the Offense Prolonged for More than Two Years ● Closely Related to the Duties of the Offender
General Sentencing Determinant	Actor/etc.	<ul style="list-style-type: none"> ● No Prior Criminal History ● Expresses Sincere Remorse 	<ul style="list-style-type: none"> ● Officer of a Financial Institution ● Prior Criminal History of the Same Offense that Does Not Fall within the Repeated Offenses Under the Criminal Act and Records of Disciplinary Action Against Violation of the Same Offense

2. OFFER OF BRIBE TO AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

Offense Type	Classification	Mitigated Sentencing Range	Standard Sentencing Range	Aggravated Sentencing Range
1	Less than 30 Million Won	- 6 months	4 months - 10 months	6 months - 1 yr 6 months
2	More than 30 Million Won, But Less than 50 Million Won	6 months - 1 yr	10 months - 1 yr 6 months	1 yr - 3 yrs
3	More than 50 Million Won, But Less than 100 Million Won	1 yr - 2 yrs	1 yr 6 months - 2 yrs 6 months	2 yrs - 4 yrs
4	More than 100 Million Won	2 yrs - 3 yrs	2 yrs 6 months - 3 yrs 6 months	3 yrs - 5 yrs



Classification		Mitigating Factor	Aggravating Factor
Special Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Passive Yielding to the Recipient's Active Demand of Bribe ● Cases Where the Offense Ended Only with a Promise or Expression of Intent to Offer the Bribe 	<ul style="list-style-type: none"> ● Active Offer of Bribe ● Engaging in Conduct in Return for the Bribe that Constitute as an Illegal or Wrongful Performance of Duties ● Instigating the Subordinate Person to Commit the Offense
	Actor/etc.	<ul style="list-style-type: none"> ● Those with Hearing and Visuals Impairments ● Those with Mental Capacity(Cases Where the Offender Cannot be Held Liable) ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption 	<ul style="list-style-type: none"> ● Repeated Offenses of Same Type Under the Criminal Act
General Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Passive Participation ● Delivery of the Bribe or Other Profits 	<ul style="list-style-type: none"> ● Closely Related to the Duties of the Offender
General Sentencing Determinant	Actor/etc.	<ul style="list-style-type: none"> ● No Prior Criminal History ● Expresses Sincere Remorse 	<ul style="list-style-type: none"> ● Repeated Offenses of Different Criminal History of the Same Offense which Does Not Fall Within the Repeated Offenses Under the Criminal Act

3. ACCEPTANCE OF BRIBE FOR COMMISSION ON MATTERS BELONGING TO THE DUTIES OF AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

Offense Type	Classification	Mitigated Sentencing Range	Standard Sentencing Range	Aggravated Sentencing Range
1	Less than 30 Million Won	- 6 months	4 months - 10 months	6 months - 1 yr 6 months
2	More than 30 Million Won, But Less than 50 Million Won	6 months - 1 yr	10 months - 1 yr 6 months	1 yr - 3 yrs
3	More than 50 Million Won, But Less than 100 Million Won	1 yr - 2 yrs	1 yr 6 months - 2 yrs 6 months	2 yrs - 4 yrs
4	More than 100 Million Won	2 yrs - 3 yrs	2 yrs 6 months - 3 yrs 6 months	3 yrs - 5 yrs



Classification		Mitigating Factor	Aggravating Factor
Special Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Cases where the Extent of the Offender’s Participation and the Actual Gain is Exceptionally Insignificant ● Cases where the Offense Ended Only with a Demand or a Promise to Accept the Bribe 	<ul style="list-style-type: none"> ● Active Demand ● Instigating the Subordinate Person to Commit the Offense ● Particularly Malicious Commission of the Offense
	Actor/etc.	<ul style="list-style-type: none"> ● Those with Hearing and Visuals Impairments ● Bribe Returned Before the Commencement of an Investigation ● Those with Mental Incapacity (Cases Where the Offender Cannot be Held Liable) ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption 	<ul style="list-style-type: none"> ● Repeated Offenses of Same Type under the Criminal Act
General Sentencing Determinant	Conduct	<ul style="list-style-type: none"> ● Cases where the Extent of the Offender’s Participation and the Actual Gain is Insignificant 	<ul style="list-style-type: none"> ● Commission of the Offense Prolonged for More than Two Years ● Act of Commissioning
General Sentencing Determinant	Actor/etc.	<ul style="list-style-type: none"> ● No Prior Criminal History ● Expresses Sincere Remorse 	<ul style="list-style-type: none"> ● Prior Criminal History of the Same Offense that Does Not Fall within the Repeated Offenses Under the Criminal Act and Records of Disciplinary Action Against Violation of the Same Offense

[DEFINITION OF OFFENSE]

01 | SECURITIES CRIME

1. CRIMES DAMAGING THE FAIRNESS OF THE CAPITAL MARKET

(1) TYPE 1

This means cases where the amount of bribe involved or the loss avoided by the offense does not exceed 100 million won.

(2) TYPE 2

This means cases where the amount of bribe involved or the loss avoided by the offense exceeds 100 million won but is less than 500 million won.

(3) TYPE 3

This means cases where the amount of bribe involved or the loss avoided by the offense exceeds 500 million won but is less than 5 billion won.

(4) TYPE 4

This means cases where the amount of bribe involved or the loss avoided by the offense exceeds 5 billion won but is less than 30 billion won.

(5) TYPE 5

This means cases where the amount of bribe involved or the loss avoided by the offense exceeds 30 billion won.

- This means offenses with the following statutory elements of the offense under the applicable laws.

Elements of Offense	Applicable Law
Use of Material Nonpublic Information	Capital Markets Act, Article 443, paragraph 1, subparagraph 1 to 3 and paragraph 2
Market Price Manipulation	Capital Market Act, Article 443, paragraph 1, subparagraph 4 to 7 and paragraph 2
Unfair Trading	Capital Market Act, Article 443, paragraph 1, subparagraph 8, subparagraph 9 and paragraph 2



2. CRIMES DAMAGING THE TRANSPARENCY OF THE CAPITAL MARKET

(1) TYPE 1

Elements of Offense	Applicable Law
Violating the Duty to Report on Stocks and the Like Held by Bulk	Capital Markets Act, Article 445, subparagraph 20

(2) TYPE 2

Elements of Offense	Applicable Law
<ul style="list-style-type: none"> • Use of Material Nonpublic Information • Offering or Selling Securities Without Filing a Registration Statement, Making a False Statement or Omitting Statement of a Material Fact in Registration Statement, etc., Making a False Statement or Omitting Statement of a Material Fact in Corrective Registration Statement and the Others 	Capital Markets Act, Article 444, subparagraph 12 to 14 and subparagraph 18
Preparing and Disclosing of False Statements	External Audit Act, Article 20, paragraph 1
Forgery or Alteration of Accounting Information	External Audit Act, Article 20, paragraph 2

02¹ FINANCIAL CRIME

1. ACCEPTANCE OF BRIBE BY AN OFFICER OR AN EMPLOYEE OF FINANCIAL INSTITUTION AND ACCEPTANCE OF BRIBE FOR MEDIATION BY AN OFFICER OR AN EMPLOYEE OF FINANCIAL INSTITUTION

(1) TYPE 1

This means cases where the amount of bribe involved does not exceed 10 million won. The amount of bribe indicates the monetary value of the bribe offered, promised to offer or expressed to offer (This definition applies throughout the guideline).

(2) TYPE 2

This means cases where the amount of bribe involved exceeds 10 million won but is less than 30 million won.

(3) TYPE 3

This means cases where the amount of bribe involved exceeds 30 million won but is less than 50 million won.

(4) TYPE 4

This means cases where the amount of bribe involved exceeds 50 million won but is less than 100 million won.

(5) TYPE 5

This means cases where the amount of bribe involved exceeds 100 million won but is less than 500 million won.

(6) TYPE 6

This means cases where the amount of bribe involved exceeds 500 million won.

- This means offenses with the following statutory elements of the offense under the applicable laws.

Elements of Offense	Applicable Law
Acceptance of Bribe by an Officer or an Employee of Financial Institution	Specific Economic Crimes Act, Article 5, paragraph 1 and paragraph 2
Acceptance of Bribe for Mediation by an Officer or an Employee of Financial Institution	Specific Economic Crimes Act, Article 5, paragraph 3



2. OFFERING OF BRIBE TO AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

(1) TYPE 1

This means cases where the amount of bribe involved does not exceed 30 million won. The amount of bribe indicates the monetary value of the bribe offered, promised to offer or expressed to offer (This definition applies throughout the guideline).

(2) TYPE 2

This means cases where the amount of bribe involved exceeds 30 million won but is less than 50 million won.

(3) TYPE 3

This means cases where the amount of bribe involved exceeds 50 million won but is less than 100 million won.

(4) TYPE 4

This means cases where the amount of bribe involved exceeds 100 million won.

- This means offenses with the following statutory elements of the offense under the applicable laws.

Elements of Offense	Applicable Law
Offering of Bribe to an Officer or an Employee of a Financial Institution	Specific Economic Crimes Act, Article 6, paragraph 1 and paragraph 2

3. ACCEPTANCE OF BRIBE FOR MEDIATION ON MATTERS BELONGING TO THE DUTIES OF AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

(1) TYPE 1

This means cases where the amount of bribe involved does not exceed 30 million won. The amount of bribe indicates the monetary value of the bribe offered, promised to offer or expressed to offer (This definition applies throughout the guideline).

(2) TYPE 2

This means cases where the amount of bribe involved exceeds 30 million won but is less than 50 million won.

(3) TYPE 3

This means cases where the amount of bribe involved exceeds 50 million won but is less than 100 million won.

(4) TYPE 4

This means cases where the amount of bribe involved exceeds 100 million won.

- This means offenses with the following statutory elements of the offense under the applicable laws.

Elements of Offense	Applicable Law
Acceptance of Bribe for Commission on Matters Belonging to the Duties of an Officer or an Employee of a Financial Institution	Specific Economic Crimes Act, Article 7



[DEFINITION OF SENTENCING FACTORS]

01 | CRIMES DAMAGING THE FAIRNESS OF THE CAPITAL MARKET (SECURITIES CRIMES)

1. PASSIVE PARTICIPATION RESULTING FROM OUTSIDE PRESSURE

- This means one or more of the following factors apply:
 - Cases where the offender followed a superior’s instructions. However, this excludes cases where the offender himself tried to gain profits in capital transaction by taking advantage of opportunities of crime.
 - Other cases with comparable factors.

2. INSIGNIFICANT PARTICIPATION

- This means cases where the offender did not direct, plan or command the organized crime, but participated in a mere conduct during the execution phase of the offense.

3. SLIGHT INFLUENCE ON THE ACTUAL STOCK PRICE OR SMALL SCALE OF UNFAIR TRADING (IN CASE OF MARKET PRICE MANIPULATION, UNFAIR TRADING)

- This means one or more of the following factors apply:
 - Cases where the crime affected the change in the stock prices only marginally.
 - Cases where the extent of the offense can be considered insignificant in terms of the volume of transactions, total value of transactions and proportion of order with intent to manipulate the market price.
 - Cases where the main cause of the change in stock price is determined to be a factor that is independent of the crime.
 - Other cases with comparable factors.

4. SIGNIFICANT INFLUENCE ON THE ACTUAL STOCK PRICE OR LARGE SCALE UNFAIR TRADING (IN CASE OF MARKET PRICE MANIPULATION, UNFAIR TRADING)

- This means one or more of the following factors apply:

- Cases where the crime affected the change in the stock prices considerably.
- Cases where the extent of the offense can be considered insignificant in terms of the volume of transactions, total value of transactions and proportion of order with intent to manipulate the market price.
- Cases where the offense is committed in connection with the securities/derivatives market.
- Other cases with comparable factors.

5. DELIBERATE CONCEALING OF PROFITS GAINED FROM THE OFFENSE

- This means one or more of the following factors apply:
 - Deliberate concealing of profits gained from the offense to avoid claim for damages or execution of monetary penalty.
 - Other cases with comparable factors.

6. PARTICULARLY MALICIOUS COMMISSION OF THE OFFENSE

- This means one or more of the following factors apply:
 - Means and methods for the commission of the offense was meticulously planned in-advance.
 - Multiple persons involved in an organized manner for the purpose of committing the offense.
 - Offense committed after Merger and Acquisition (M&A) through the use of borrowed capital, with purpose to collect the capital or to pay back the debt.
 - Offense committed by or conspiracy with a person responsible for forming and managing relevant information, such as a major shareholder, executive, and consulting agency.
 - The use of scope of employment as professionals involved in business such as finance, stock markets, or accounting.
 - Other cases with comparable factors.

7. FAILURE TO CONSUME OR RETAIN SIGNIFICANT PORTIONS OF THE PROFITS FROM CRIME

- This means cases where one or more following factors apply:

- Cases where the actual amount of profit involved or the loss avoided by the crime is relatively small due to the loss created during the process of crime.
- When the offender used the money he gained from disposition of the stocks by depositing it in the company account, or repaying the existing company debt so that the increase in the amount of positive property is slight.
- Other cases with comparable factors.
- ※ However, the profit retrieved from the offender by sentencing of monetary penalty shall not be taken into account.

8. CONDEMNABLE MOTIVES

- This means cases where one or more following factors apply:
 - Cases where the offender raised the stock price to protect control of the company, or engaged in trading of stocks by using material nonpublic information to secure cost to protect control of the company.
 - Cases where the offender dropped the stock price to decrease the cost of hostile M&A.
 - Other cases with comparable factors.

9. PRIOR HISTORY OF DISCIPLINARY MEASURES OR PENALTY SURCHARGE IMPOSED BY THE REGULATORY ORGANIZATION

- This means the history of penalty surcharge imposed by the Financial Service Commission /the Financial Supervisory Service, or disciplinary measure as a membership sanction imposed by Korea Exchange

02¹ CRIMES DAMAGING THE TRANSPARENCY OF THE CAPITAL MARKET (SECURITIES CRIME)

1. PASSIVE PARTICIPATION RESULTING FROM OUTSIDE PRESSURE

- This means one or more of the following factors apply:
 - This means cases when the offender followed superior's instructions in fulfilling task. However, this excludes cases when the offender himself tried to gain profits by the chance of crime.
 - Other cases with comparable factors.

2. SPECIAL CONSIDERATION CAN BE TAKEN INTO ACCOUNT FOR ENGAGING IN OFFENSE

- This means one or more of the following factors apply:
 - Where the omission resulted from the mistake in the process of handling business tasks.
 - Misjudgment caused by modification of accounting standards.
 - Crime by willful negligence.
 - Other cases with comparable factors.

3. PARTICULARLY MALICIOUS COMMISSION OF THE OFFENSE

- This means one or more of the following factors apply:
 - Means and methods for the commission of the offense was meticulously planned in-advance.
 - Multiple persons involved in an organized manner for the purpose of committing the offense.
 - Use of highly intelligent schemes to commit the offense.
 - Other cases with comparable factors.

4. CONDEMNABLE MOTIVES

- This means one or more of the following factors apply:
 - Offense committed to conceal other crime(such as a crime of embezzlement).
 - Offense committed to enable capital increase by issuing new stocks or bank advances
 - Cases where the money was received in return for the crime
 - Other cases with comparable factors.

5. PRIOR HISTORY OF DISCIPLINARY MEASURES OR PENALTY SURCHARGE IMPOSED BY THE REGULATORY ORGANIZATION

- This means one or more of the following factors apply:
 - This means the history of penalty surcharge imposed by the Financial Service Commission/Financial Supervisory Service, or disciplinary measure as a membership sanction imposed by the Korea Exchange.



03¹ FINANCIAL CRIMES

1. ENGAGING IN IMPROPER CONDUCT OR ACT OF COMMISSIONING RELATED TO ACCEPTANCE OF BRIBE OR CAUSING ACTUAL DAMAGE TO A FINANCIAL INSTITUTION

- This means one or more of the following factors apply:
 - This means cases when the offender followed superior’s instructions in fulfilling task. However, this excludes cases when the offender himself tried to gain profits by the chance of crime.
 - Other cases with comparable factors.

2. ACTIVE DEMAND OF BRIBE

- This means one or more of the following factors apply:
 - When the offender demanded money or the valuables in a conspicuous manner.
 - When the offender demanded money or the valuables by implying that with the exercise of the offender’s authority, the briber or the family member of the briber will be treated unfairly if the profit is not offered.
 - Other cases with comparable factors.

3. OBJECT OF BRIBE RETURNED BEFORE THE COMMENCEMENT OF AN INVESTIGATION

- This means the offender voluntarily returned the object of bribe to the giver before the investigative agency began its investigation. However, this excludes cases where the offender made an attempted to conceal the offense after returning the bribe.

4. CLOSELY RELATED TO THE DUTIES OF THE OFFENDER (IN CASES OF ACCEPTANCE OF BRIBE ACCEPTANCE OF BRIBE FOR MEDIATION BY AN OFFICER OR AN EMPLOYEE OF FINANCIAL INSTITUTION

- This means the offender, regardless of his/her position, had the decision-making authority regarding the demanded conduct in return for the bribe.

5. PASSIVE YIELDING TO THE RECIPIENT'S ACTIVE DEMAND OF BRIBE

- This means the offender offers the bribe to the recipient's active demand.

6. ACTIVE OFFER OF BRIBE

- This means the offender offers made an active demand in connection with ones own duties.

7. DELIVERY OF BRIBE

- This means the offender delivers money or the valuables to a third person with purpose to offer a bribe to the employer of the officer of the financial institution or when the third person knowingly receives the delivered money or the valuables.

8. CLOSELY RELATED TO THE DUTIES OF THE OFFENDER (IN CASE OF OFFER OF BRIBE TO AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION)

- This means the offender offers bribe to a person who has the decision-making authority regarding the demanded conduct

9. ACT OF COMMISSION

- This means cases where the offender receives bribes and engages in an act of commissioning or receives bribe after the act of commission.

10. PARTICULARLY MALICIOUS COMMISSION OF THE OFFENSE

- This means one or more of the following factors apply:
 - Means and methods for the commission of the offense was meticulously planned in-advance.
 - Multiple persons involved in an organized manner for the purpose of committing the offense.
 - The use of scope of employment as professionals involved in business such as finance, stock markets and accounting.
 - Other cases with comparable factors.



[ASSESSING PRINCIPLES APPLICABLE TO THE SENTENCING FACTORS]

01 | DETERMINING APPROPRIATE SENTENCING RANGE

- In determining the appropriate sentencing range, the judge must only consider the special sentencing determinants.
- However, in cases involving more than two special sentencing determinant, the applicable sentencing range is adjusted after assessing the factors as set forth below:
 - ① The same number of conduct factor shall be considered with greater significance than the actor/etc. factor. However, this shall be assessed equally to the victim or the family member of the deceased victim's objection to the punishment.
 - ② Each factor within the relevant categories of conduct or actor/etc. factors should be treated as equal.
 - ③ If the applicable sentencing range is unable to be determined by the aforementioned principles ①, ②, the judge is to decide the applicable sentencing range through a comprehensive comparison and assessment based on the principles set forth in ①, ②.
- It is recommended that when the assessment reveals greater aggravating factors to select the aggravated zone, the mitigating factors is greater to select the mitigating zone, and the same number of aggravating factors and mitigating factors to select the standard zone as a sentencing range.

02 | DETERMINING THE APPLICABLE SENTENCE

- The judge should select the proper point within the sentencing range as assessed in accordance with the above principles, along with the special sentencing determinant and general sentencing determinant taken together.
- When the maximum of the sentencing range exceeds twenty-five years, the judge may impose a life imprisonment.

[GENERAL APPLICATION PRINCIPLES]

01 | SPECIAL ADJUSTMENTS TO THE SENTENCING RANGE

- ① In cases where the aggravating factor is selected and the assessment of the special sentencing determinant reveals only two or more special aggravating factors or the special sentencing determinant outnumbers the special mitigating determinant by two or more, then the sentencing range should be increased up to 1/2 from the maximum level.
- ② For cases where the mitigating factor is selected as a result of assessment of the special sentencing determinant, and there are two or more special mitigating determinant or the special mitigating determinant outnumbers the special aggravating determinant by two or more, the sentencing range should be decreased up to 1/2 from the minimum level.

02 | RELATION BETWEEN THE RECOMMENDED SENTENCING RANGE GUIDELINES AND APPLICABLE SENTENCING RANGE BY LAW

When the sentencing range under this guideline conflicts with the range drawn in accordance with the aggravation and mitigation of applicable law, the sentencing range prescribed by applicable law governs.

03 | APPLICATION OF STATUTORY MITIGATING FACTORS AS DISCRETIONARY

When the judge declines to apply the optional mitigation factor under the applicable law as listed in the sentencing table of this guideline, this shall be considered as the discretion for mitigation.



[GUIDELINE ON MULTI-COUNT CONVICTIONS]

01 | APPLICABLE SCOPE

- This part on multi-count convictions applies to concurrent crimes prescribed in the first part of Article 37 of the Criminal Act as set forth in this sentencing guideline. However, in cases of this article's concurrent crimes where offenses that fall within and outside of the sentencing guidelines are involved, the minimum level should be the minimum of the sentencing range of the offense that is set forth in this sentencing guideline.

02 | DETERMINING BASE OFFENSE

- The “base offense” means the most severe offense that results after the selection of penalty and statutory aggravation and mitigation as prescribed in Criminal Act, Article 50. However, in cases where the maximum sentencing range is lower than that of the maximum sentencing range of the other counts as provided in this guideline, then such other count becomes the base offense.

03 | CALCULATING SENTENCING RANGE OF MULTI-COUNT CONVICTION OF THE SAME OFFENSES

1. AMONG CRIMES DAMAGING THE FAIRNESS OF THE CAPITAL MARKET

- For purposes of calculating sentencing range for multi-count conviction cases that consists of *Crimes Damaging the Fairness of the Capital Market*, the judge shall apply the following unless the offenses are deemed as a single offense under the sentencing guideline:
 - ① In setting sentencing range take into account the total amount of profit or the loss avoided by the crime, and select the appropriate sentencing range by considering all relevant factors.
 - ② However, as a result of total summation, if the applicable offense type is one level higher than the most severe single offense among the multi-count, then reduction

of 1/3 is made to the minimum sentencing range. If the applicable offense type is two or more levels higher than the most severe single offense among the multi-count, then reduction of 1/2 is made to the minimum sentencing range by applying the minimum sentencing range of the most severe single offense among the multi-count.

- For multi-count conviction cases that consist of *Crimes Damaging the Fairness of the Capital Market*, apply the following principles of calculating sentencing range of multi-count conviction of different offenses.

2. AMONG CRIMES THAT VIOLATES THE TRANSPARENCY OF THE CAPITAL MARKET

- For purposes of calculating sentencing range for multi-count conviction cases that consists of *Crimes Damaging the Transparency of the Capital Market*, the judge shall apply the following unless the offenses are deemed as a single offense under the sentencing guideline:
 - ① In setting sentencing range for an offender convicted of two counts, the sentencing range should be the total sum of the maximum sentencing range of the base offense and the 1/2 of the maximum sentencing range of the second count.
 - ② In setting sentencing range for an offender convicted of three or more counts, the sentencing range should be the total sum of the following: (1) maximum sentencing range of the base offense, (2) 1/2 of the maximum sentencing range of the count with the highest sentencing range, and (3) 1/3 of the maximum sentencing range of the remaining count with the second highest sentencing range.
 - ③ For cases where the minimum sentencing range of the other count is higher than that of the base offense, the minimum sentencing range resulting from the multi-count offense should be the minimum sentencing range of the other count.

3. AMONG FINANCIAL CRIMES

- For purposes of calculating sentencing range for multi-count conviction cases that consists of *Financial Crimes*, the judge shall apply the following unless the offenses are deemed as a single offense under the sentencing guideline:
 - ① In setting sentencing range, take into account the total amount of bribe accepted,

demanded, promised to accept by an officer or an employee of a financial institution, or the amount of profit offered, promised to offer, expressed the intent to offer to an officer or an employee of a financial institution and select the appropriate sentencing range by considering all relevant factors.

- ② In setting sentencing range for an offender convicted of three or more counts, the sentencing range should be the total sum of the following: (1) maximum sentencing range of the base offense, (2) 1/2 of the maximum sentencing range of the count with the highest sentencing range, and (3) 1/3 of the maximum sentencing range of the remaining count with the second highest sentencing range.

4. CALCULATING SENTENCING RANGE OF MULTI-COUNT CONVICTIONS OF DIFFERENT OFFENSES

- For purposes of calculating sentencing range for multi-count conviction cases with the different offense, the judge shall apply the following principles unless the offenses are deemed as a single offense under the sentencing guideline:
 - ① In setting sentencing range for an offender convicted of two counts, the sentencing range should be the total sum of the maximum sentencing range of the base offense and the 1/2 of the maximum sentencing range of the second count.
 - ② In setting sentencing range for an offender convicted of three or more counts, the sentencing range should be the total sum of the following: (1) maximum sentencing range of the base offense, (2) 1/2 of the maximum sentencing range of the count with the highest sentencing range, and (3) 1/3 of the maximum sentencing range of the remaining count with the second highest sentencing range.
 - ③ For cases where the minimum sentencing range of the other count is higher than that of the base offense, the minimum sentencing range resulting from the multi-count offense should be the minimum sentencing range of the other count.
- However, when the multi-count conviction is composed of multiple ‘crimes damaging the fairness of the capital market’ or multiple ‘financial crimes’, and other different offenses, first set the sentencing range for multi-count conviction of the same offense and then use the resulted point range to calculate the sentencing range for multi-count conviction with different offenses.

II. GUIDELINE ON SUSPENSION OF SENTENCE

01 | SECURITIES CRIME

1. CRIMES DAMAGING THE FAIRNESS OF THE CAPITAL MARKET

Classification	Adverse	Affirmative
<p style="text-align: center;">Primary Consideration Factor</p>	<ul style="list-style-type: none"> ● Deliberate concealment of profits gained from the offense ● Particularly Malicious Commission of the Offense ● Significant Influence on the Actual Stock Price or Large Scale of Unfair Trading ● Criminal History of the Same Offense (Imposing of Suspension of Sentence or More Severe Punishment Within Five Years; or More Than Three Incidents of Fines Imposed) 	<ul style="list-style-type: none"> ● Passive Participation Resulting From Outside Pressure ● Participation is Not Substantial ● Slight Influence on the Actual Price or Small Scale of Unfair Trading ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption
<p style="text-align: center;">General Consideration Factor</p>	<ul style="list-style-type: none"> ● Two or More Criminal History on Suspension of Sentence or for a Greater Offense or Prior History of Disciplinary Measures or Penalty Surcharge Imposed by Regulatory Organizations ● Lack of Social Ties ● Absence of Remorse ● Active Participation as an Accomplice ● Destroying Evidence or Attempting to Conceal Evidence After the Commission of the Offense ● Condemnable Motives 	<ul style="list-style-type: none"> ● Strongly-Established Social Ties ● Expresses Sincere Remorse ● No Criminal History of Suspension of Sentence or Imposing of Other Sentences More Severe ● Cases of Old-Aged Offenders ● Passive Participation As an Accomplice ● Physically-ill Offenders ● Cases where the Arrest of the Offender would Cause Severe Hardship to the Offender's Dependent Family Member ● Cases Where the Offender Failed to Consume or Retain Most of the Profit from the Crime



2. CRIMES DAMAGING THE TRANSPARENCY OF THE CAPITAL MARKET

Classification	Adverse	Affirmative
Primary Consideration Factor	<ul style="list-style-type: none"> ● Prolonged and Repeated Commission of the Offense ● Particularly Malicious Commission of the Offense ● Criminal History of the Same Offense (Imposing of Suspension of Sentence or More Severe Punishment Within Five Years; or More Than Three Incidents of Fines Imposed) 	<ul style="list-style-type: none"> ● Passive Participation Resulting From Outside Pressure ● Motive for Committing Offense Can Be Taken Into Consideration ● Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption
General Consideration Factor	<ul style="list-style-type: none"> ● Two or More Criminal History on Suspension of Sentence or for a Greater Offense or Prior History of Disciplinary Measures or Penalty Surcharge Imposed by Regulatory Organizations ● Lack of Social Ties ● Absence of Remorse ● Active Participation as an Accomplice ● Destroying Evidence or Attempting to Conceal Evidence After the Commission of the Offense ● Condemnable Motives 	<ul style="list-style-type: none"> ● Strongly-Established Social Ties ● Expresses Sincere Remorse ● No Criminal History of Suspension of Sentence or Imposing of Other Sentences More Severe ● Cases of Old-Aged Offenders ● Passive Participation As an Accomplice ● Physically-ill Offenders ● Cases where the Arrest of the Offender would Cause Severe Hardship to the Offender's Dependent Family Member ● Cases Where the Offender Failed to Consume or Retain Most of the Profit from the Crime

02¹ FINANCIAL CRIMES

1. ACCEPTANCE OF BRIBE BY AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION ACCEPTANCE OF BRIBE FOR COMMISSION BY AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

Classification	Adverse	Affirmative
Primary Consideration Factor	<ul style="list-style-type: none"> ● Active Offer of Bribe ● Engaging in Improper Conduct or Act of Commissioning Related to Acceptance of Bribe or Causing Actual Damage to a Financial Institution 	<ul style="list-style-type: none"> ● Cases Where the Amount of Bribe is Less Than 20 Million Won ● Expresses Sincere Remorse (Voluntary Surrender to Investigative Agencies or Whistle - Blowing of Inside Corruption)
General Consideration Factor	<ul style="list-style-type: none"> ● Criminal History of the Same Type of Offense ● Commission of the Offense Prolonged for More Than Two Years ● Active Participation as an Accomplice ● An Officer of a Financial Institution ● Destroying Evidence or Attempting to Conceal Evidence After the Commission of the Offense 	<ul style="list-style-type: none"> ● Object of Bribe Returned Before the Commencement of an Investigation ● Faithful Long-Term Serving of Duties ● Cases of Old-Aged Offenders ● Passive Participation As an Accomplice ● Physically-ill Offenders ● Cases where the Arrest of the Offender would Cause Severe Hardship to the Offender's Dependent Family Member ● No Prior Criminal History



2. OFFER OF BRIBE TO AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

Classification	Adverse	Affirmative
Primary Consideration Factor	<ul style="list-style-type: none"> ● Cases Where the Amount of Bribe is 50 Million Won or More ● Criminal History of the Same Type of Offense (Suspension of Sentence or Sentence More Severe Within Ten Years) ● Active Offer of Bribe ● Engaging in Conduct in Return for the Profit Which Constitutes Illegal or Wrongful Performance of Duties 	<ul style="list-style-type: none"> ● Cases Where the Amount of Bribe is Less Than 20 Million Won ● Passive Participation ● Passive Yielding to the Recipient's Active Demands of Bribe ● Expresses Sincere Remorse (Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption)
General Consideration Factor	<ul style="list-style-type: none"> ● Two or More Criminal History on Suspension of Sentence or Other Sentences More Severe ● Offering of Bribe to the Officer of a Financial Institution ● Offering of Bribe Concerning Significant Benefits ● Destroying Evidence or Attempting to Conceal Evidence After the Commission of the Offense ● Lack of Social Ties ● Prolonged Duration of Offering of Bribe 	<ul style="list-style-type: none"> ● No Criminal History of Suspension of Sentence or Imposing of Other Sentences More Severe ● Cases of Old-Aged Offenders ● Physically-ill Offenders ● Cases where the Arrest of the Offender would Cause Severe Hardship to the Offender's Dependent Family Member

3. ACCEPTANCE OF BRIBE FOR COMMISSION ON MATTERS BELONGING TO THE DUTIES OF AN OFFICER OR AN EMPLOYEE OF A FINANCIAL INSTITUTION

Classification	Adverse	Affirmative
<p>Primary Consideration Factor</p>	<ul style="list-style-type: none"> ● Active Offer of Bribe ● Engaging in Conduct in Return for the Profit Which Constitutes Illegal or Wrongful Performance of Duties ● Particularly Condemnable Commission of the Offense 	<ul style="list-style-type: none"> ● Cases Where the Amount of Bribe is Less Than 20 Million Won ● Expresses Sincere Remorse (Voluntary Surrender to Investigative Agencies or Whistle-Blowing of Inside Corruption)
<p>General Consideration Factor</p>	<ul style="list-style-type: none"> ● Criminal History of the Same Type of Offense ● Commission of the Offense Prolonged for More Than Two Years ● Act of Commission ● Destroying Evidence or Attempting to Conceal Evidence After the Commission of the Offense 	<ul style="list-style-type: none"> ● Object of Bribe Returned Before the Commencement of an Investigation ● No Criminal History of Suspension of Sentence or Imposing of Other Sentences More Severe ● Cases of Old-Aged Offenders ● Passive Participation As an Accomplice ● Physically-ill Offenders ● Cases where the Arrest of the Offender would Cause Severe Hardship to the Offender's Dependent Family Member

[DEFINITIONS OF CONSIDERATION FACTORS FOR SUSPENSION OF SENTENCE]

- In cases where the consideration factors for suspension of sentence and the sentencing factors are identical, refer to the definitions set forth in the *Definition of Sentencing Factors*.

- Determining Criminal History
 - Prior criminal history is calculated as follows: In cases involving suspension of sentence, calculate from the date the defendant's suspension of sentence was affirmed up to the date of the commission of the offense. In cases imposing imprisonment, calculate from the final date of the completion of the sentence up to the date of the commission of the offense.

[ASSESSING PRINCIPLES APPLICABLE TO THE CONSIDERATION FACTORS FOR SUSPENSION OF SENTENCE]

- For cases where the imposing penalty is imprisonment, in deciding whether the suspension of sentence is appropriate, the primary consideration factor should be taken into account with greater importance than the general consideration factors. This is further specified as follows:
 - ① In cases where only two or more primary affirmative factors exist or when primary affirmative factors outnumber the major adverse factor by two or more, suspension of sentence is recommended.
 - ② In cases where two or more primary adverse factors exist or when primary adverse factors outnumber the primary affirmative factor by two or more, imprisonment is recommended.
 - ③ In cases other than ①, ②, or even if cases of ①, ②, if the difference between the number of general adverse(affirmative) factors and general affirmative (adverse) factors is greater than that of adverse and affirmative factors of the primary consideration, then the judge shall decide whether to suspend the sentencing after assessing and comprehensively taking into account the factors listed under the suspension of sentence section.
 - ④ In the following cases, imprisonment is recommended in crimes violating the fairness of the capital market, even if the cases fall within ③.
 - In cases when the amount of profits gained or when the loss avoided by the offense through market price manipulation is more than 500 million won, and the commission of the offense is particularly malicious.