

## Korea proposes reduced securities transaction tax rates on securities traded on the stock exchange

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On 21 March 2019, Korea's Ministry of Economy and Finance announced proposals (the Proposal) to reduce securities transaction tax rates on securities traded on Korea's stock exchanges, to mitigate investors' tax burden, increase venture capital investments and revitalize capital markets. The Proposal will become effective as of 3 June 2019 following public hearings held through 13 May 2019.

The following table summarizes the proposed changes:

Stock exchange	Current rate	Proposed rate
KOSPI Market <sup>1</sup>	0.15%	0.1%
KOSDAQ Market	0.3%	0.25%
KONEX Market	0.3%	0.1%

The Proposal also reduces the securities transaction tax rate from 0.5% to 0.45% on securities traded over-the-counter or non-listed securities traded. However, this is expected to be included in the 2019 tax reform proposals, which are generally announced in July or August.

### Endnote

1. Agricultural and fishery community special tax, rate equal to 0.15%, would also be imposed in addition to securities transaction tax.

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