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# Korea Investment & Securities Co., Ltd.

## Country Presentation: KOREA Islamic Finance in Korea

GIFF : Opportunities for Tomorrow  
26<sup>th</sup> October 2010, Malaysia

**Yul-Hee Lee**

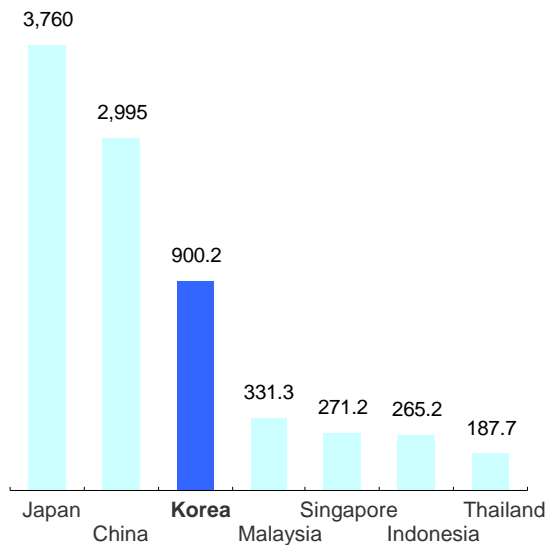
General Manager

Head of Islamic Finance Team & China Team

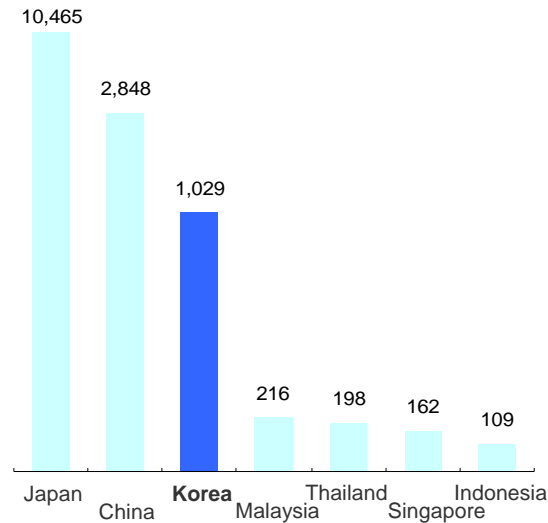
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# Korean Capital Market in Size : Potentials

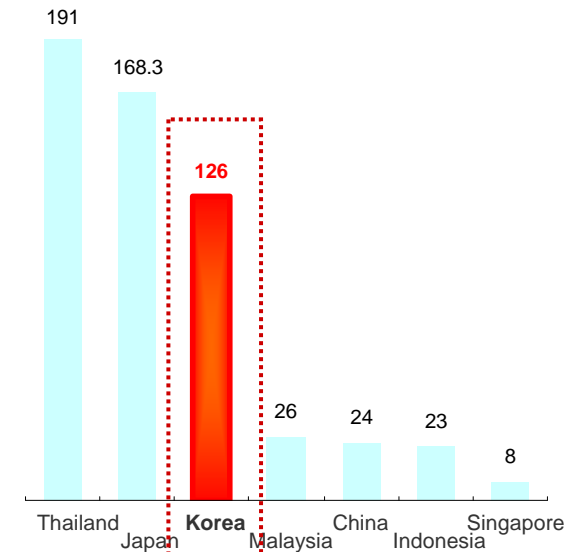
■ **Equity Market Capitalization**  
(As of Apr 2010, USD Billion)



■ **Local Currency Bonds Outstanding**  
(As of Jun 2010, USD Billion)



■ **Foreign Currency Bonds Outstanding**  
(As of Jun 2010, USD Billion)



Source: ADB

- ✓ **3<sup>rd</sup> largest in Asia for local & foreign bonds outstanding**
- ✓ **40% of listed corporations are Shariah Compliant**

## Islamic Finance in Korea : Up to Now

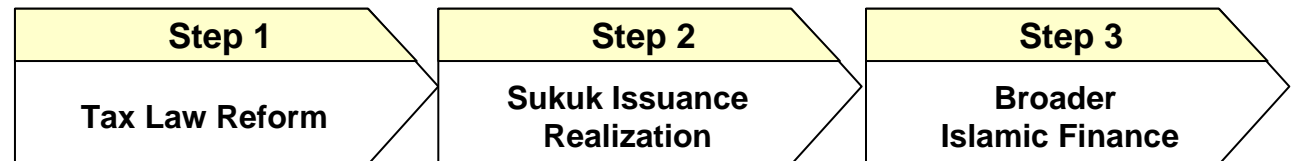


### Why Islamic Finance?

- ✓ Strategic alternatives of funding for Korean issuers
- ✓ Enhancing ties with Islamic countries from “trade” towards “finance”



### Initial Government Roadmap



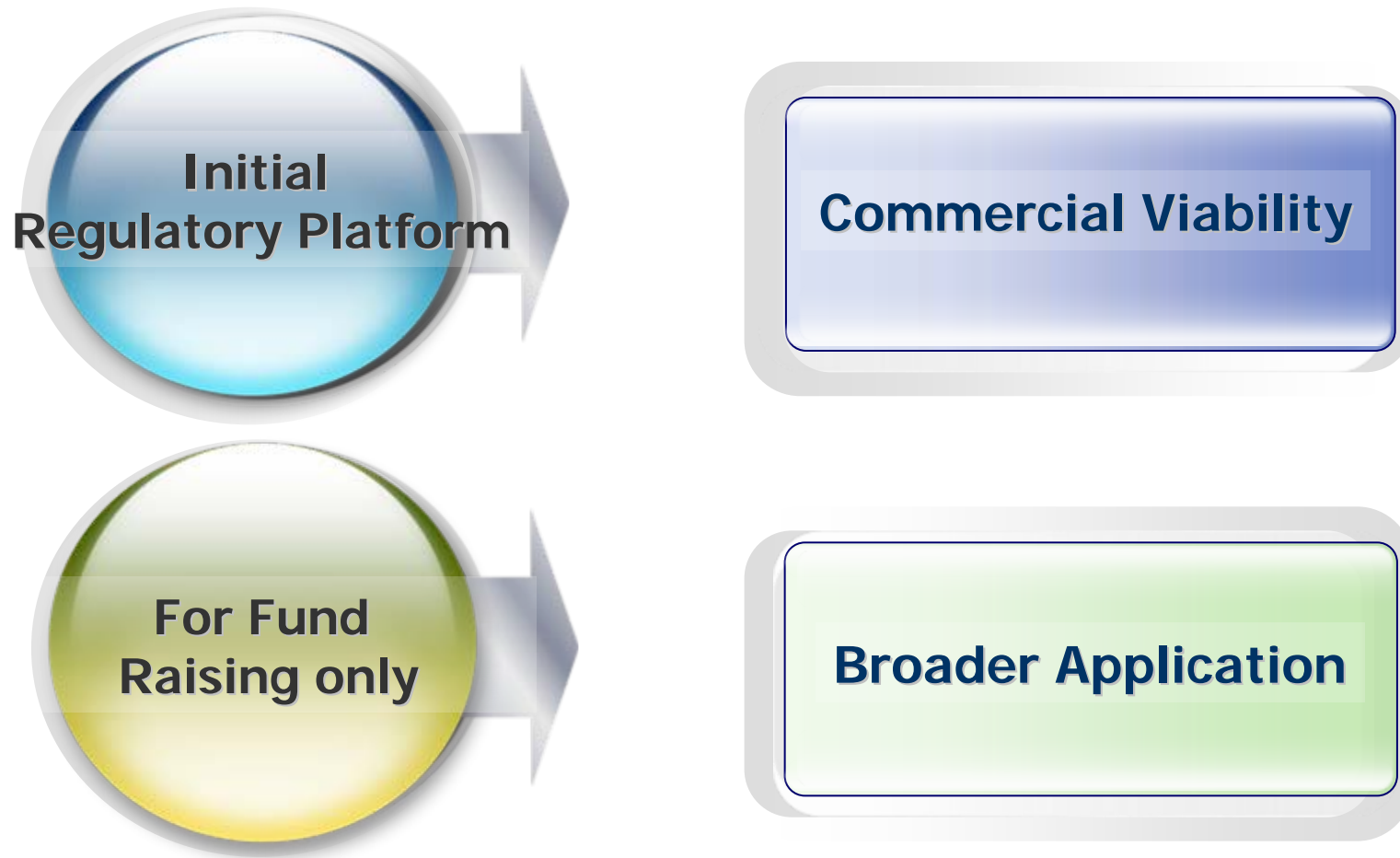
### New Tax Law

- ✓ Tax exemption only to offshore offerings of Ijarah and Murabaha Sukuk

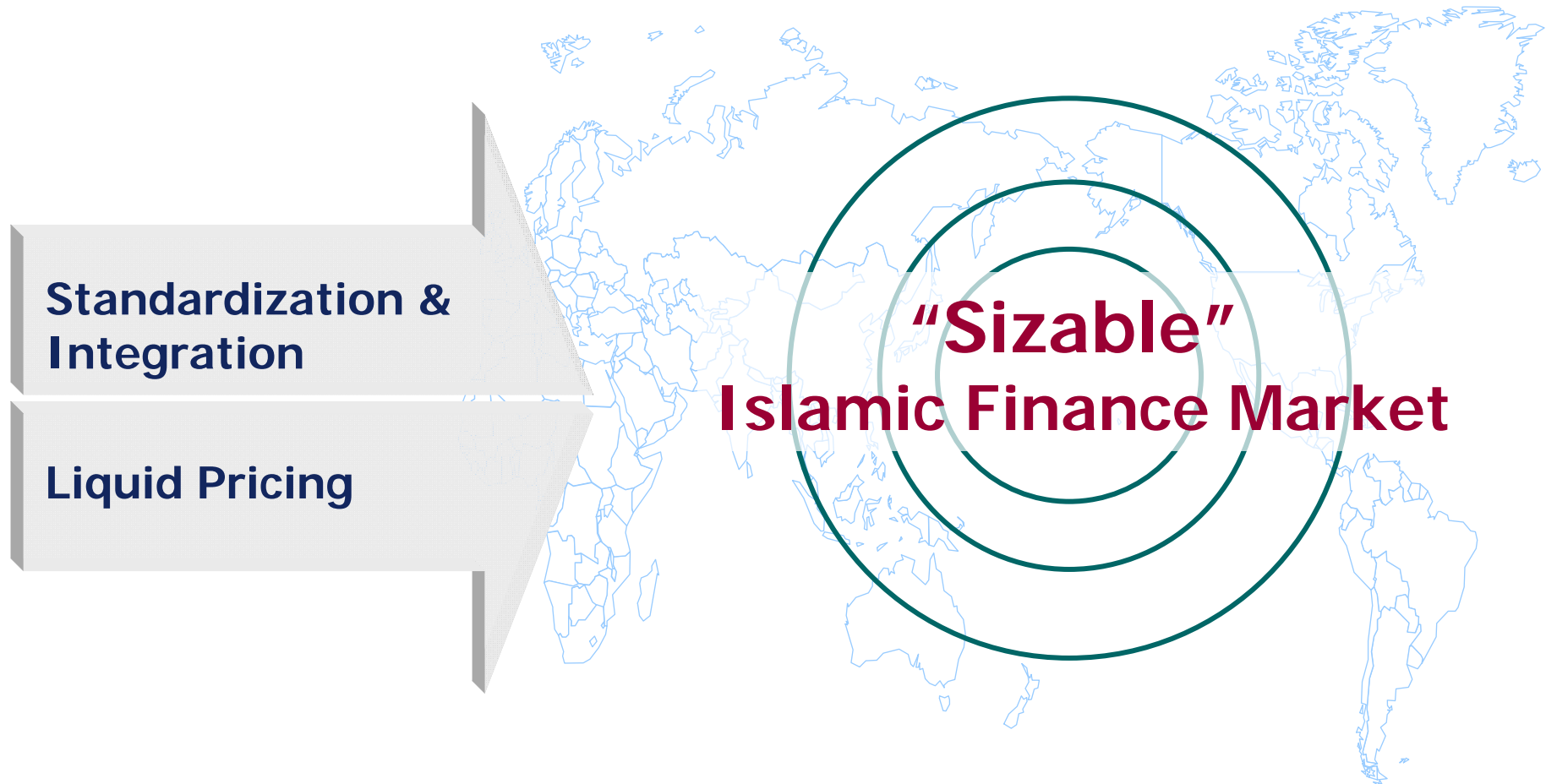
- Transaction Cost Neutralization for Issuers
- Exemption of withholding tax for interest income to international Sukuk investors

(❖ Under parliamentary review : to be approved by Dec 2010)

## Islamic Finance in Korea : Where to go?



## Concluding Remark



*Terimah Kasih*

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