SHIN & KIM

Accounting Supervision

In today's globalized business environment, transparency in corporate accounting has become a key indicator of a company's competitiveness. In response to the growing market demand for transparent accounting practices, the Act on External Audit of Stock Companies underwent extensive amendments in 2018. Since then, financial supervisory authorities have reinforced the independence and accountability of external auditors and have begun to enforce stricter accounting supervision standards.

At Shin & Kim, our Accounting Supervision group provides a full range of legal advisory services across the full spectrum of accounting-related matters. We assist clients in responding to accounting supervision by financial regulatory authorities and represent them in civil and criminal proceedings arising from accounting issues. We also conduct substantive reviews of listing eligibility for publicly listed companies and have achieved successful outcomes in numerous accounting supervision cases.

In addition, we perform pre-emptive reviews that mirror the scope and depth of official regulatory examinations, enabling clients to assess the appropriateness of their accounting practices and implement necessary remediation measures in advance. Our team also conducts forensic accounting investigations into suspected irregularities, leveraging digital forensics capabilities as external experts.

Drawing on our deep understanding of accounting-related laws and regulations, as well as extensive practical experience, our Accounting Supervision group delivers end-to-end legal support to ensure sound accounting practices and full regulatory compliance.

Key Services

Leveraging our firm's market-leading expertise in securities and financial regulation, we handle a broad range of corporate accounting matters. The group includes attorneys, certified public accountants, senior advisors, and specialists with substantial experience handling corporate accounting cases at financial supervisory authorities. This multidisciplinary team provides comprehensive legal services spanning financial regulation, accounting supervision, corporate advisory, restructuring and insolvency, and related civil and criminal litigation.

- Advising on pre-emptive strategies prior to the initiation of inspections by the Financial Supervisory Service (FSS)
- Conducting legal risk assessments in connection with financial statement restatements

- Assisting with responses to the FSS's financial statement review procedures
- Advising on and managing responses to FSS accounting inspections
- Representing clients in sanction proceedings before the Accounting Review Committee and the Securities and Futures Commission
- Filing objections and pursuing administrative litigation to challenge inspection measures
- Providing defense in criminal proceedings arising from inspection outcomes
- Advising on responses to substantive reviews of listing eligibility triggered by inspection measures
- Representing clients in civil and criminal proceedings involving accounting fraud and audit failures
- Conducting forensic investigations into accounting irregularities as independent external experts
- Advising on the implementation of the Act on External Audit of Stock Companies and related regulations

Experience

- KOSDAQ-listed Company A, in preparation for a sampling audit by the FSS
- KOSPI-listed Company B, in preparation for a targeted audit by the FSS
- KOSDAQ-listed Company C, in connection with a targeted audit by the FSS
- KOSPI-listed Companies D and E, in connection with targeted audits by the FSS
- KOSDAQ-listed Company F, in connection with a targeted audit by the FSS
- KOSPI-listed Companies G and H, in connection with accounting supervision by the FSS
- Accounting Firm A, in connection with accounting supervision by the FSS
- KOSDAQ-listed Company E, in connection with criminal defense in accounting fraud litigation
- Accounting Firm F, in connection with criminal defense in accounting fraud litigation
- KOSDAQ-listed Company A, in connection with a substantive review of listing eligibility
- KOSPI-listed Company B, in connection with an objection filing against delisting
- KOSDAQ-listed Company C, in connection with an objection filing against delisting
- KOSDAQ-listed Company P, in connection with an investigation of accounting fraud involving embezzlement by the CEO of the Company
- KOSDAQ-listed Company H, in connection with an investigation of accounting fraud (e.g., fabricated sales)
- KOSDAQ-listed Company D, in connection with an investigation of accounting fraud (e.g., price manipulation)
- KOSDAQ-listed Company P, in connection with an investigation of accounting fraud (e.g., revenue recognition)
- KOSDAQ-listed Company N, in connection with an investigation of accounting fraud (e.g., fair value assessment of acquired assets)
- KOSDAQ-listed Company S, in connection with an investigation of accounting fraud (e.g., obstruction of external audit due to concealment of contract)

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