

FSC HOLDS KOREA FINTECH WEEK 2019

Korea Fintech Week 2019 is held from May 23 to 25 at Dongdaemun Design Plaza (DDP), Seoul. The three-day event is the first global fintech gathering hosted by the FSC and the FSS to draw public attention to fintech innovation and provide fintech start-ups and entrepreneurs with business opportunities home and abroad.

The event will provide fintech firms opportunities to present their innovative services to domestic and global investor for attracting investment for scale-up and pioneering into overseas markets.

Separate seminars will be held to discuss regulatory developments and fintech innovation across the world, while 52 booths are set up to offer participants firsthand experience of innovative fintech services. Korea Fintech Week 2019 will be featured with other various events such as job fair and financial education programs.

Highlights from Chairman's Keynote Speech

In his keynote speech at the opening session, FSC Chairman Choi Jongku shed light on challenges and opportunities that fintech has brought to the financial sector.

Albeit its late start in global competition for fintech leadership, Korea's fintech has been growing fast. Korea is well positioned to become a fintech leader with its advanced ICT infrastructure, trend-savvy consumers and the government's support for financial innovation. Since the FSC announced its fintech policy roadmap last year, progress has been made in paving a way for promoting fintech and financial innovation. New legislations for online-only banks and financial regulatory sandbox were enacted. New policy initiatives for open banking system and financial big data are in the making.

Chairman Choi outlined the government's plan to promote fintech and financial innovation as follows:

▪ Support for fintech start-ups

The FSC will provide fintech start-ups with comprehensive support throughout their growth cycle - entrance, scale-up and expansion. Since the financial regulatory sandbox was launched in April this year, 26 firms have been accepted so far to test their innovative financial services. The financial regulatory sandbox aims for becoming a global testbed with innovation-friendly policy and a speedy process. The FSC will also stimulate venture capital investment into fintech startups to support their sustainable and stable growth.

- **Regulatory reform for fintech innovation**

The FSC will eliminate regulatory obstacles to fintech innovation and make a regulatory shift towards a negative list system, under which everything not forbidden is allowed. The FSC is also considering small licenses with simpler procedures to make it easier for fintech firms to enter the financial services sector.

- **Support for digital transformation of incumbents**

As financial institutions are accelerating their digital transformation through a partnership or close cooperation with fintech firms, the FSC will create a regulatory and investment environment so that financial institutions and fintech firms build a competing yet cooperative relationship.

- **Pioneering new markets for fintech**

The FSC will build a legal and institutional framework to help fintech grow into a new growth driver. To this end, the FSC will create an open and competitive financial ecosystem with the introduction of open banking system and the commercialization of personal financial data.

The FSC will help financial firms pioneering overseas markets in South East Asia, taking advantage of Korea's advanced financial infrastructure in payment, security and credit information. The FSC will also support Korea's fintech challengers tapping advanced fintech markets such as U.K.

- **Balance between innovation and inclusiveness**

The FSC will seek a right balance between financial innovation and social inclusiveness. In the process of digital transformation, helping those left behind is as much important as supporting innovation. In order for innovation to bring benefits to a society as a whole, safeguards should be in place to protect its members from the impact of innovation. The FSC will keep in mind that the ultimate goal of innovation is to improve the welfare of all members in a society.