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Press Release

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Chairman/Governor Yoon Jeung-Hyun Proposes Regular Dialogue between Asia's Regulators and Global Financial Services Firms at the First "Strategic Dialogue on Effective Regulation in Asia" Jointly Hosted by the FSC/FSS and the Institute of International Finance

The Financial Supervisory Commission/Financial Supervisory Service jointly hosted with the Washington DC-based Institute of International Finance (IIF) Asia's first "Strategic Dialogue on Effective Regulation" on May 10, 2007. The meeting was held in Seoul and attended by senior regulators from ten regulatory authorities and central banks in the Asia/Pacific region and executives and representatives from global financial services firms that are active in the region.

In his remark, Chairman/Governor Yoon Jeung-Hyun commended the initiative taken by the IIF to encourage dialogue between regulators and globally active financial services firms and stressed the need for stepped-up efforts on harmonization of cross-border financial regulations in order to build a more effective regulatory environment across the Asia/Pacific region. To this end, he proposed that the public/private sector dialogue take place regularly as a way to build new momentum and facilitate continued progress. As a first concrete step out of the May 10 dialogue, Chairman/Governor Yoon also proposed the creation of a task force made up of representatives from the region's regulatory community, the financial services industry, and the IIF for more in-depth discussions and exchange of public/private sector views.

Since assuming the helm of the FSC and the FSS in August 2004, Chairman/Governor Yoon has been a strong advocate of cooperation among regulators and has signed MOUs on exchange of information and cooperation with 16 regulatory authorities in 11 countries. The successful conclusion of the May 10 strategic dialogue and Chairman Yoon's proposal for continuing public/private sector engagement also highlight Korea's commitment to promoting robust regional cooperation and building an effective regional regulatory framework that supports financial stability and economic growth in the Asia/Pacific region.

*Attached: Welcoming remark by Chairman/Governor Yoon Jeung-Hyun,
Strategic Dialogue on Effective Regulation,
May 10, 2007, Seoul, Korea*



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Yoon Jeung-Hyun

*Chairman, Financial Supervisory Commission
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Welcoming Remark

Strategic Dialogue on Effective Regulation in Asia

May 10, 2007, Seoul, Korea

Distinguished Guests, and Ladies and Gentlemen,

I am pleased to welcome all of you to the first “Strategic Dialogue on Effective Regulation” in Asia. We are delighted to host today’s event jointly with the Institute of International Finance. And I thank all of you for joining us today here in Seoul. I must also take a moment to specially thank Mr. Dallara and the IIF for working with us to host today’s gathering. Mr. Dallara has shown great leadership in fostering genuine public-private sector dialogue and deserves much of the credit for today’s event.

As the forces of globalization continue to gather momentum, economic integration is accelerating worldwide. And more than any other region, the Asia-Pacific region is experiencing rapid economic development and growth. Asia’s financial markets are growing as well and taking on an increasingly greater role in the global financial markets.

Creating an effective regulatory environment and ensuring financial stability is a goal shared by Asia’s regulators and global financial service firms active in the region. As the pace of investment and trade in the Asia-Pacific region accelerates, we are also seeing an influx of global financial firms into Asia.

So, more than ever, the primary responsibility of Asia’s regulators should be to promote stable domestic markets in their own jurisdiction within a framework of efficient regulation. And as Asian firms compete more and more on global financial markets, we must build strong relationships with our neighbors to strengthen cross-border cooperation and to share best practices.

In short, a robust dialogue between Asia’s regulators and financial firms is more urgent than ever. That is, we must work together to recognize our shared interest in a regulatory environment that supports economic growth and financial stability, and to encourage public-private sector dialogue.



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Today's meeting originated from a "dialogue on effective regulation" that the IIF proposed in December, 2006. The proposal set out guiding principles aimed at promoting close discussions and interactions between regulators and the financial services industry.

We also recognize the need for an effective regulatory environment to ensure sustained financial market development. So, we have been pushing for regulatory reform to create a better, more efficient market environment for all. And going forward, we will continue to take a fresh look at our regulations, deregulate, and stay responsive to the market. I may also note that raising the "quality" of regulations, rather than merely reducing the "quantity" of regulations, has been our priority.

We also embrace integration into the regional and global marketplaces. The recently concluded Korea-U.S. free trade agreement, which will further open up domestic market and help us move closer to global regulatory standards, is a good example of this. Moreover, we know the important role that foreign financial firms and investors play in Korea. So we welcome them and have made it clear that we will provide a level playing field for all, equal regulatory treatment for all, and the same, consistent, strict enforcement for all.

The globalization of financial services industry has meant that national borders are no longer the barrier they used to be. This is true for Asia as well. So Asia's regulators will need to work closely together to develop sound and vibrant financial markets. One common task Asia's regulators face is to recognize differences in regulatory systems across the region and take steps to move toward greater regulatory harmonization.

Ladies and Gentlemen,

I therefore would like to propose that our dialogue take place regularly as a way to ensure continued progress on creating an effective regulatory environment in Asia. For specific steps on how the dialogue can be most effectively utilized, we can create a task force made up of representatives from the IIF, Asian regulators, and the industry. We are certainly ready to take part in this endeavor and help achieve our common goals. I have no doubt that, working together, we can make a genuine difference in building a regulatory environment that promotes economic growth throughout Asia. Let me also note that we will be paying close attention to the ideas and proposals coming out of this dialogue with a view to improving our regulatory environment.

Again, I welcome you, and I thank you for joining us here today for a very special meeting.

Thank you.



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