

FINTECH INNOVATION FUND TO INVEST MORE THAN KRW85.5 BILLION IN FINTECH FIRMS IN 2020

The FSC announced on April 9 that the fintech innovation fund created in December 2019 will be put to use with direct investment expected in the amount of KRW20 billion in April this year. With many fintech firms expected to have troubles finding investment amid the COVID-19 pandemic, the FSC will continue to encourage effective and prompt investment through the fintech innovation fund.

BACKGROUND

The fintech innovation fund in the amount of KRW300 billion for a 4-year period (2020-2023) was created on December 23, 2019, led by major financial holding companies, banks and Koscom, to make more funding for investment available for innovative fintech firms. It is a fund of funds that provides tailored investments to fintechs from start-up to scale-up stages.

For fintech start-ups with less than 5 years of experience, blind-pool feeder funds will be created for investment of about KRW150 billion. For scale-ups, project investment feeder funds will be established in the amount of KRW150 billion.

Based on the future direction of fund management and market demand, the size of the fund of funds may be expanded to KRW500 billion over six years.

PLANS FOR 2020

A total of more than KRW85.5 billion in investment will be made available to fintech firms through the fintech innovation fund in 2020.

- ▶ **START-UPS:** At least three feeder funds will be established with about KRW48 billion in investment. Korea Investment Partners and KB Investment have been selected as the designated fund management companies for this year with each managing KRW22.5 billion. In the second quarter, another fund manager will be designated for the management of a feeder fund specifically designed for a fintech accelerator or a foreign based fintech beginning in the fourth quarter.
- ▶ **SCALE-UPS:** The first investment will be made in the amount of KRW20 billion to three fintech firms (big data, blockchain and foreign-based financial platform) in April and an additional investment of at least KRW17.5 billion will be made available within this year.

FURTHER PLANS

The government will continue to promote fintech innovation by fostering the growth of diverse types of fintech services and encouraging investment through the fintech innovation fund.

In order to speed up the investment process to help fintech firms having troubles finding investment amid the COVID-19 pandemic, the fund management companies will work to streamline the investment process.

The financial authorities, major financial companies and other relevant institutions will regularly meet with fintech firms to help resolve difficulties operating businesses and improve the regulatory framework, while also working to maintain strong ties between the financial companies and the fintech firms to promote successful fintech scale-up projects.

#

For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr.