

## FSC UNVEILS 5<sup>TH</sup> PLAN FOR FINANCIAL HUB POLICY

The FSC unveiled the 5<sup>th</sup> three-year plan for Korea's financial hub policy (2020-2022) on May 15. The specific strategies include pursuing regulatory reforms to promote private sector-driven innovation, building infrastructure to continue innovative growth in the financial industry and adopting a 'selection and concentration' approach to build global capacity with a particular attention paid to the ASEAN markets.

To accomplish these goals, the FSC adopted three key sectoral tasks—(a) supporting financial sectors that have comparative advantages, (b) developing financial infrastructure on a par with global standards and (c) providing effective support for financial hubs.

Since 2008, the FSC has drawn up three-year plans for Korea's financial hub policy, maintaining a consistent policy direction while effectively responding to rapid changes taking in the industry.

### **KEY TASKS**

#### **I. SUPPORT FINANCIAL SECTORS WITH COMPARATIVE ADVANTAGES**

**(FINTECH INNOVATION)** Foster the fintech industry through adequate funding support and creating a virtuous cycle between the financial regulatory sandbox program and regulatory reforms

**(ASSET MANAGEMENT MARKET)** Promote pension fund management services and facilitate innovation in the asset management sector through improvements in regulations

**(PUBLIC FUNDS' OVERSEAS INVESTMENT)** Have the National Pension Service (NPS) and Korea Investment Corporation (KIC) boost their overseas investment as well as their contribution to the growth of the domestic asset management industry

#### **II. DEVELOP FINANCIAL INFRASTRUCTURE ON PAR WITH GLOBAL STANDARDS**

**(DATA USE)** Establish legal and institutional frameworks to promote a widespread use of big data in the financial industry

**(ANTI-MONEY LAUNDERING)** Improve the regulatory framework on anti-money laundering scheme on a par with global standards and strengthen capacity to combat money laundering

**(FOREIGN EXCHANGE SYSTEM)** Ensure smooth overseas transactions by improving user convenience in foreign exchange transactions and promote the operation of small-sum overseas remittance businesses through improvements in regulations

**(INTERNATIONAL STANDARDS)** Work to improve the credibility of domestic financial system vis-à-vis overseas markets by establishing regulatory frameworks on a par with global standards

### **III. PROVIDE EFFECTIVE SUPPORT FOR FINANCIAL HUBS**

**(BUSINESS CONDITIONS)** Improve business conditions to host foreign-based financial companies at home and help domestic financial firms to enter foreign markets and expand their business opportunities abroad

**(REGION-SPECIFIC STRATEGIES)** Set up region-specific strategies tailored to the needs of financial hubs and build a regional governance mechanism to ensure effective implementation of these strategies

### **SCHEDULE & EXPECTATION**

The 5th plan for financial hub policy will be finalized at a FSC meeting on May 27. The FSC expects that the plan will help enhance key advantages of Korea's financial industry while improving its global competitiveness.

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