

FINANCIAL DEVELOPMENT REVIEW COMMITTEE HOLDS MEETING TO DISCUSS 2022 POLICY AGENDA

The Financial Development Review Committee held a meeting on December 17 to discuss key policy initiatives for 2022 and review current trends and risks in the financial markets. In a keynote address, FSC Chairman Koh Seungbeom said that the government's financial policy for 2022 will be centered on ensuring stability in the financial system, promoting financial development, supporting an overall economic growth and expanding financial inclusion. The following is a summary of Chairman Koh's remarks.

CHAIRMAN'S REMARKS

Despite overall expectations for a sustained recovery momentum into the next year, there still exist uncertainties regarding domestic economic and financial market conditions. With the global tapering move, market instability may grow. As such, the FSC plans to preemptively tackle financial imbalances to maintain stability in the financial system. To this end, the FSC will work on a steady implementation of the household debt management measures and an orderly exit and normalization from the pandemic-era policy measures while closely examining and managing the vulnerable and the so-called shadow banking sector. In terms of promoting financial development, the FSC will maintain a well-balanced approach between promoting innovation and competition between traditional financial institutions and new players such as big tech and fintech companies and working on consumer protection. In the midst of important structural changes taking place in the economy and industries to achieve carbon net zero goals and make digital transformations, the financial sector should provide active support for businesses attempting to reorganize, searching for new growth areas and making transitions to lower carbon growth models. As the current economic condition demands an ever stronger measure for financial inclusion, the FSC will work to ensure a steady access to financial support for vulnerable groups including credit recovery while seeking improvements to consumer safeguards.

During the meeting, the committee members raised various issues including the need to preemptively control household debt levels from both quantitative and qualitative perspectives, to improve the financial soundness of insurers in preparation for the implementation of IFRS 17 in 2023 and to make financial education more broadly available for the general public. The FSC will take key discussion points from today's meeting into consideration when devising and implementing policy agenda for 2022.

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