

## FINTECH POLICY DIRECTION FOR 2019

FSC Chairman Choi JongKu outlined the FSC's policy priorities for fintech innovation in 2019 at a meeting with fintech entrepreneurs, executives of financial institutions and investors. Chairman Choi said this year would be an opportune time for Korea's fintech industry to take a step forward, as the groundwork for regulatory, budgetary and institutional support has been laid down. "The FSC will spare no effort to support fintech companies to come with globally competitive services and spread fintech innovation across the financial sector," said Chairman Choi.

### **Financial Regulatory Sandbox**

The financial regulatory sandbox, scheduled to be launched in April 2019, will allow fintech companies to test their innovative services with regulatory exemptions for a certain period of time. Preliminary applications for participation will be open in the end of January. The FSC will provide KRW4 billion to support the regulatory sandbox program.

### **Investment in Fintech**

The FSC will remove regulatory uncertainty that restricts financial companies from investing in fintech companies. In principle, financial companies are prohibited from investing in non-financial companies, except ones closely related to financial services. Currently, financial companies are allowed to invest in fintech companies, based on the FSC's legal interpretation that fintech falls into a category of businesses closely related financial services. To facilitate investment in fintech, the FSC will amend relevant regulations for clarification on the scope of business in which financial companies are allowed to invest. The FSC will also boost investments by venture capital and PEFs in fintech.

### **Financial Regulatory Reform**

The FSC will overhaul formal and informal regulations that hinder fintech innovation. Currently, more than 200 regulations are under review for regulatory reforms. The result of reviews will be announced in the first quarter of 2019. The FSC will also hold a weekly meeting with fintech businesses to gather their suggestions and opinions.

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