

## VICE CHAIRMAN SPEAKS ON IMPORTANCE OF FINANCIAL INFORMATION SECURITY

Vice Chairman Sohn Byungdoo attended the Financial Information Security Conference 2019 hosted by the Financial Security Institute on November 7, and delivered congratulatory remarks on the theme of financial information security and maintaining innovation in the financial sector.

The following is a summary of Vice Chairman Sohn's remarks:

The advancement of digital technologies has made hyperconnectivity possible where individuals are able to get connected with devices in multiple ways. In personal finance, too, opening a bank account to wire transferring money and managing assets can all be done in the palm of your hands using a mobile device. The blurring of boundaries between different industries has brought significant changes.

Amid these changes, the government has been promoting digital innovation in the financial services industry. First, the implementation of financial regulatory sandbox has encouraged fintech firms and financial institutions to test innovative ideas. Second, the government introduced open banking system, and has been working on revising the relevant laws, such as the Credit Information Act, to provide greater access to financial services.

The accelerating convergence between financial services and information technologies has expanded the type and scope of potential cyber threats. Due to an increased dependence on non-financial sectors, such as ICT, the financial services sectors are exposed to greater risks from non-financial sectors. Digital transformation has led to increased interconnectedness between finance and telecommunications, which makes financial information security a high priority.

In order to continue digital innovation in the financial sectors, a proper mix of stability, harmony and innovation is required. Financial information security should be considered as investment toward innovation, instead of cost and regulation. Financial institutions and fintech firms should be able to take primary responsibility in protecting information and guaranteeing security. Amid digital transformation, financial information security is a necessary condition for ensuring stability in our financial system.

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