

FSC ANNOUNCES PLANS TO FURTHER PROMOTE USE OF BIG DATA IN FINANCE

The FSC announced its plans to make financial big data more widely available on July 1, which include making improvements to the Korea Credit Information Services' CreDB system and newly creating an open big data system at the Korea Financial Telecommunications & Clearings Institute.

BACKGROUND

Data is considered as an essential commodity in digital economy, and opening up large sets of data stored at public institutions to be utilized by companies is crucial. In this regard, the FSC has been building the necessary big data infrastructure to facilitate the opening up, distribution and convergence of data through following stages.

(CREDB SYSTEM) Personal and business credit information system called CreDB was established at the Korea Credit Information Services, offering financial data to financial companies, enterprises and academia beginning on June 3, 2019.

(FINANCIAL DATA EXCHANGE) Financial data exchange was launched on May 11, 2020, providing a one-stop data search, transaction and distribution service.

(OPENING UP PUBLIC FINANCIAL DATA) About 44.5 million pieces of public financial data stored at the FSC and nine other public financial institutions have been opened up to the private sector enterprises on June 9, 2020.

(DESIGNATING DATA SPECIALIZING INSTITUTION) To ensure safety and security in the data convergence process, data specializing institutions will be designated in August 2020.

IMPROVEMENTS TO CREDB

Due to a rise in demand, the CreDB system needs to be improved to (a) make more types of data sets available, (b) improve server capacity to make deep learning and other types of more sophisticated data analysis possible and (c) make cross-convergence and analysis possible between the CreDB data and other types of nonfinancial data.

(DATA SETS) Introduce insurance database (from July 1), user tailored database (from H2 2020) and educational database (from July 1) to be newly added to the CreDB

(SERVER CAPACITY) Boost the current server capacity in H2 2020 to enable deep learning and other AI based data analysis methods

(DATA CONVERGENCE) Promote research based on convergence of data between CreDB data and other nonfinancial data sets by building a database specifically designated for converged data sets in H2 2020

KFTC'S FINANCIAL BIG DATA SYSTEM

Korea Financial Telecommunications & Clearings Institute manages and stores extensive amounts of payment information, such as account transfers, electronic payments, electronic bill transactions, etc. These data can be used to analyze cash flows and how consumers use financial services. Until now, the access to payment-related data was only available to members of KFTC, while fintechs and start-ups were unable to freely access information.

As such, the government will support the creation of KFTC's financial big data system through a three-stage process.

(DATA ANALYSIS) KFTC will begin to provide big data analysis service for financial companies to help improve their operation (H2 2020).

(OPEN DATA) With the revised Credit Information Act taking effect on August 5, the use of anonymized and pseudonymized data will be more widely available. To facilitate the use of financial payment information for research and other purposes, KFTC will create an open big data system for financial payment information, which will be made available through websites and API as well as upon request (H1 2021).

(DATA CONVERGENCE) Once designated as a data specializing institution, KFTC will provide data convergence service to financial and nonfinancial companies as well as fintechs (H1 2021).

EXPECTATION & FURTHER PLAN

The improved CreDB system will help increase credit data usage by financial and nonfinancial companies as well as academia. The upgrades made to the CreDB will facilitate the development of more innovative financial and convergence-based services while also promoting the advancement of more in-depth research and AI development.

With the creation of KFTC's financial big data system, the use of financial big data and data convergence with other industries will become more widespread. Fintechs and start-ups will be given more opportunities to venture into new business areas while consumer convenience will also be improved.

The government will continue to work on developing the data infrastructure in the financial sectors and launch a public-private joint council on promoting big data to further advance the big data industry.

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