

FSC HOLDS SEMINAR TO FURTHER DEVELOP OPEN BANKING SYSTEM

The FSC held an open banking seminar to promote vibrant discussions on ways to further develop the open banking system on July 6. Vice Chairman Sohn Byungdoo attended the seminar and delivered congratulatory remarks. The following is a summary of Vice Chairman Sohn's remarks.

The launching of open banking service last year brought about meaningful changes to the financial industry and increased convenience for consumers. Cooperation between banks and fintechs & big techs is making a "banking as a platform" possible. The ease of access to payments networks has enabled fintechs and big techs to come up with more innovative financial services in more efficient ways. For consumers, the increased convenience of being able to use a variety of financial services in a single app and not having to switch between different platforms offers them more choice.

In order to build upon the progress and further develop our open banking system, the following factors should be considered.

- (a) Expandability: expanding open banking service to non-banks, such as mutual finance, to promote competition and innovation while boosting consumer convenience
- (b) Consumer trust: guaranteeing information security, data protection and consumer protection
- (c) Openness: providing an open platform for all participating banks and institutions
- (d) Stability: ensuring a close monitoring system to minimize risks that may arise from the participation of multiple players

The government will support open banking's expandability, stability and reciprocal openness through relevant regulations. It is expected that the open banking system will catalyze the development of more innovative financial services, as it combines the accountability and stability of the so-called legacy banks and the convenience and innovativeness of the fintechs and big techs.

FURTHER PLAN

The FSC and the KFTC will draw up specific plans to further improve the open banking system in the third quarter this year. More types of financial institutions will begin to offer open banking as their systems become ready throughout this year.

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