

FSC HOLDS 2ND CONSULTATIVE BODY MEETING ON DIGITAL FINANCE

Vice Chairman Sohn Byungdoo presided over the 2nd consultative body meeting on digital finance on September 24 and discussed the current status of platform businesses entering the financial sector and their impact on the market as well as ways to improve the personal authentication and identity verification system in financial services.

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

(PROMOTING FAIR COMPETITION) With a growing number of platform businesses launching convenient financial services, it has brought positive changes for financial consumers but also raised concerns about their impact on traditional financial companies. As such, it is important to create an environment where fair competition takes place between the newly entering platform businesses and the traditional financial institutions. With the aim of establishing a sound market order for both platform service providers and financial companies, the government will (i) work to set up rules that will ensure transparency, fairness and accountability from service providers, (ii) expedite discussions on data sharing among market participants while focusing on the importance of 'informed consent' and data privacy rights and (iii) draw up plans to level the playing field between platform service providers and traditional financial companies.

(PERSONAL AUTHENTICATION AND ID VERIFICATION) In order to promote the application of innovative technologies in the personal authentication and identity verification system in financial services, the government will (i) lay foundations for the application of diverse types of innovative personal authentication and ID verification technologies, (ii) strengthen requirements for data safety and security in financial transactions and (iii) clarify the division of responsibilities between financial companies and service users during the authentication and ID verification process.

The government expects that close communication and discussions between market regulators and market participants will help promote innovation while facilitating the establishment of an appropriate market order.

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