

4TH DIGITAL FINANCE MEETING OUTLINES THREE KEY PRINCIPLES FOR MYDATA INDUSTRY

Vice Chairman Doh Kyu-sang presided over the 4th consultative body meeting on digital finance on November 12 and laid out the following three key principles for the MyData industry—(a) guaranteeing consumer rights to data ownership, (b) improving safety and scalability of MyData services and (c) creating a cooperative ecosystem for all stakeholders.

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

SIGNIFICANCE OF MYDATA INDUSTRY

MyData industry has been introduced to strengthen consumer rights to data ownership and cultivate new data industries. With MyData services, individuals will be able to manage within a single platform not only their credit data from different financial institutions, such as banks, credit card companies and insurance companies, but also non-financial information, such as data on telecommunication and public utilities fees. There have been similar attempts in other countries, such as the EU, the UK and Japan, but their services have been restricted to bank account data.

MyData industry in Korea is the first in its kind, offering an integrated credit data management platform beyond banking services. Currently, a preliminary license application review is taking place on thirty-five existing MyData business entities, with the application results expected to be announced at the beginning of next year. The market entrance of MyData businesses as new players will bring about a few changes. First, consumers will be able to practice data ownership instead of financial institutions in which consumer data is stored. Consumers' control over their own data will be enhanced as they can easily check, manage, correct or delete according to their needs. Second, there will be increased competition and innovation in the financial industry. Large financial companies will no longer have a monopoly over consumer data, but instead be encouraged to compete over consumer utility. Lastly, MyData businesses will help create quality jobs in ICT and fintech sectors.

THREE KEY PRINCIPLES FOR MYDATA INDUSTRY

To promote a stable development of MyData industry, there are various issues that need to be discussed. In this regard, the FSC will help facilitate discussions based on the following three key principles. First, consumer right to data ownership should be considered as the utmost priority. Personal credit information should be transferred,

stored and utilized according to consumer preferences and to the benefit of consumer convenience. Consumer data gathered for MyData services should not be used for other profit-seeking purposes or in sales practice of financial products. MyData service providers should closely manage individual credit information and maintain independence and impartiality in offering asset management and other types of services to consumers.

The second principle revolves around the safety and scalability of MyData services. In this regard, the authorities will work to ensure that there is no privacy infringement or concerns about data breach. The government will make the process of making data transfer requests as simple and user-friendly as possible to facilitate data transfers when consumers need them, while working to guarantee safety in data transfers, storage and utilization. In addition, the government will work to expand the scalability of MyData services by promoting a convergence with open banking and MyPayment services as well as with different industries.

The third principle focuses on creating a cooperative MyData ecosystem by strengthening communication between different stakeholders. This involves financial companies, MyData service providers, financial regulators and consumers who have the ownership over their data. In this regard, the government will work to boost cooperation and communication in search of mutually beneficial solutions.

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