![Financial Services Commission logo]

Press Release

May 26, 2021

FSC PLANS TO IMPROVE RULES TO PROMOTE BIG DATA ANALYTICS IN FINANCIAL SECTORS

The FSC announced its plan for improving rules on data convergence of anonymized and pseudonymized data in financial sectors on May 26 with an aim to further promote big data analytics in financial sectors.

With the revised Credit Information Use and Protection Act taking effect on August 5, 2020, data convergence through big data analytics became possible through one of the four government-designated data specializing institutions. As of May 25, 2021, 41 cases of data convergence have been completed on 111 pieces of data by data specializing institutions. A total of 46 financial and non-financial companies have participated by providing their data and 35 companies have received the converged data for analysis and use. The converged data are being used for developing more convenient financial services for diverse types of consumers, introducing new technologies and services and more closely analyzing policy outcomes and improving policies. Against this backdrop, the FSC plans to work on the following measures to further advance big data analytics in financial sectors.

KEY MEASURES

First, the FSC plans to increase the number of designated institutions that specialize in data convergence in the second half of this year to make it possible the provision of more specialized data convergence services and open up more types of data from businesses and public institutions.

Second, the FSC plans to ease some of the restrictions placed on data convergence between a data specializing institution and a third party entity. Currently, data convergence between data stored at a data specializing institution and that provided by a third party is only permitted when the converged data is for use by a third party under the condition that there is no potential conflict of interests in using the converged data. The FSC plans to ease this restriction to allow data convergence and use by the same entity in a way that still prevents conflicts of interests.

Third, the Credit Information Use and Protection Act and relevant regulations currently restrict data convergence of partial sample data. As such, even when one wishes to use only partial samples from the converged data, it needs to provide a whole set of data sample to a data specializing institution. This restriction will be removed to allow data convergence of partial sample data and improve efficiency.

Fourth, the FSC plans to increase access to data convergence and usage for small-sized businesses that may not have their own data samples and wish to use data

made available by other institutions. Under the current rules, when they file a request for data convergence, the entities that provide original data are required to carry out the necessary administrative work. This burden of administrative work will be reduced by allowing the end-user of the converged data to take part in the administrative process.

Fifth, the authorities will revise the current guideline to introduce a more standardized procedure for submitting documents and help minimize inconvenience resulting from inconsistency.

EXPECTATION

The measures are expected to promote data convergence both between financial and non-financial data and between public and private sectors. Even startups and early-stage fintechs that my lack their own data samples will gain more opportunities for data convergence and usage. By allowing convergence of partial sample data and introducing a more standardized procedure, it is also expected that the average time it takes for data convergence will be reduced. The authorities plan to introduce revisions to the relevant rules and regulations in the second half of this year.

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