

FSC CHAIRMAN HOLDS TALKS WITH FINTECH INDUSTRY AND PLEDGES SUPPORT FOR FINANCIAL INNOVATION

FSC Chairman Koh Seungbeom met with officials from the fintech industry and held talks on ways to further promote the growth of fintechs and financial innovation. Chairman Koh talked about the need for regulatory improvements aimed at facilitating financial companies' investment in fintechs, providing incentives to enable more collaboration between financial companies and fintechs and providing more opportunities to launch financial services (including MyData service) via online and contactless channels.

CHAIRMAN'S REMARKS

(FINTECH INNOVATION OVERVIEW) In the midst of the fourth industrial revolution driven by big data, artificial intelligence and platform-based services, fintech innovation has led major changes in the financial sector and how financial services are being delivered. First, there is the recent re-bundling phenomenon observed in the fintech industry. The unbundling of various financial services into different units was a major trend in the early era of fintech development. However, more recently, re-bundling of various services using a single platform is being observed. Second, there is more cooperation and collaboration between traditional financial institutions and fintechs. Financial institutions seeking digital innovation and fintechs in need of strategic partnership have created increased synergies between them. Third, the growth of fintechs led to the growth of platform-based financial services, which may have contributed to the increased level of consumer convenience but also raise concerns about consumer safeguards and monopolistic behaviors.

(FINTECH INNOVATION STRATEGY) Against this backdrop, the authorities plan to work on the following areas to support financial innovation. First, the authorities will help build regulatory foundations to facilitate innovation rooted in a safe and stable financial environment. To this end, the authorities will seek regulatory improvements to further promote digital innovation while ensuring consumer safeguards for online-based financial services. The authorities will also work on measures to further promote innovation in the payment, MyData and financial data privacy sectors. Second, the authorities will provide strong support for collaborative efforts between traditional financial institutions and fintechs and promote digital innovation drives by financial companies by making use of the financial regulatory sandbox and digital data testbed programs. Third, the authorities will continue to seek ways to strengthen consumer protection and guarantee stability in the financial system by improving rules and requirements on network security, online sales practices and big data monopolies.

Financial innovation in a digital era is not a choice but a necessity. In order to support financial innovation that is sustainable, market stability and consumer protection should be guaranteed. The government will continue to closely communicate with the industry to promote innovation in financial services.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.