

FSC CHAIRMAN DISCUSSES IMPORTANCE OF INNOVATION AND ADVANCEMENT OF FINANCIAL SERVICES PLATFORMS

FSC Chairman Koh Seungbeom met with officials from platform service providers, financial companies and other relevant institutions on December 15 and held talks on ways to promote digital innovation through an advancement of financial services platform. In his keynote address, Chairman Koh said that the government will draw up strategies to promote digital innovation in the five key areas, such as big data, new technology, platform service, digital security and digital asset. The following is a summary of Chairman Koh's keynote address.

CHAIRMAN'S REMARKS

(PERSONALIZED FINANCIAL SERVICES PLATFORM) Recent trends in the financial industry have shown a growing tendency toward the provision of more platform-based financial services. Different types of financial services ranging from payment to advisory to asset management services are linked together in a platform to provide more comprehensive and personalized services in digital environments. The entrance of e-commerce businesses into the financial industry and the merging of traditional financial services with non-financial services through a single app are also significant trends. Against this backdrop, there exist concerns about platform service regulation, consumer protection and data monopoly. Platform-based financial services should also be provided with stability in the financial system, consumer protection and fair competition in mind. Based on these principles, the government will seek measures to promote digital transformation in the financial industry in the following areas—big data, new technology, platform service, digital security and digital asset.

(OVERVIEW OF DIGITAL INNOVATION STRATEGIES) First, the government will help build the infrastructure necessary for promoting innovation through big data. While working on a seamless operation and gradual expansion of MyData services, the authorities will seek ways to improve SMEs and small merchants' access to financial services using big data analytics. Second, the government will work to enhance the use of new technology such as artificial intelligence in financial services by introducing sector-specific guidelines for using AI in financial services, improving convenience and safety in the personal identification and verification system, etc. Third, the government will seek ways to expand open banking service into an "open finance" platform service and promote MyData service to develop into a "MyPlatform" service where consumers are able to enjoy more personalized financial and lifestyle services. The authorities will work on updates to the current regulatory regime to promote big techs' entrance to the financial sector, support traditional financial companies' efforts

at digital transformation and guarantee effective supervision over unfair activities such as data monopoly and biased service offering. Lastly, the government will work on measures to properly respond to digital security risks and work to bring about improvements in the virtual asset ecosystem. In this regard, the authorities will work to improve the current regulatory regime on network separation, strengthen screening of cloud service providers, introduce zero trust architecture (ZTA) to bolster cyber security and foster innovation through blockchain technology while ensuring consumer protections in the virtual asset industry.

The participants put forward diverse opinions on the promotion of digital innovation in the financial industry. While pledging to maintain close communication in the future, Chairman Koh said that the authorities will take their comments into account when formulating policy measures.

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