

FSC CHAIRMAN HIGHLIGHTS IMPORTANCE OF BUILDING MUTUAL TRUST BETWEEN START-UPS AND INVESTORS

FSC Chairman Eun Sung-soo attended the global start-up conference NextRise 2020 on June 23 in Seoul, and delivered congratulatory remarks. During his speech, Chairman Eun explained the government's policy to promote innovation in financial services while encouraging start-up entrepreneurs.

The following is a summary of Chairman Eun's remarks.

(START-UP ENVIRONMENT) Despite unexpected difficulties and uncertainties caused by the COVID-19, the changing economic conditions provide challenges as well as new opportunities. We may be able to seize new opportunities if we are well prepared for the post-pandemic world and changing global economic conditions.

(INNOVATION IN FINANCIAL SERVICES) The government is pursuing diverse strategies to change our economy from a 'chaser' to a 'leader.' In finance, the government will focus on promoting innovative financial services to help support companies. Working with other ministries, the FSC will select about 200 innovative firms to provide targeted financial assistance. To support innovative firms at their growth stage, the government will work to expand the scale-up fund from KRW8 trillion to KRW15 trillion by 2022. To promote crowdfunding as an important financing channel for start-ups, the government will allow start-ups as well as SMEs to issue securities to raise funds and expand the annual issuance cap from KRW1.5 billion to KRW3 billion. The government-backed start-up incubating center Mapo Front1 will become operational next month. During the second half of this year, the government will work on improving the business credit evaluation system.

(BUILDING MUTUAL TRUST) Aside from government policies, building mutual trust is important between businesses and investors. Innovative ideas and technological prowess should earn trust from investors. Similarly, investors and lending institutions should build trust from the market through transparent management of capital.

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