

FSC CHAIRMAN SPEAKS ABOUT OPPORTUNITIES AND CHALLENGES IN EMBRACING AI IN FINANCIAL SECTOR

FSC Chairman Kim Joo-hyun attended a seminar on boosting the competitiveness of artificial intelligence (AI) in financial sectors hosted by Korea Credit Information Services on May 17 and delivered congratulatory remarks. At today's seminar, experts from both public and private sectors shared key trends of AI usage in financial sectors and discussed policy strategies to boost the competitiveness of the financial industry. The following is a summary of FSC Chairman Kim's remarks.

SUMMARY OF FSC CHAIRMAN'S REMARKS

The development of hyper-scale, generative AI has recently put a new spotlight on the potential of AI. Investment in AI and its usage have been growing in diverse areas where AI can be put to use to help increase convenience for consumers and make financial companies' core functions more efficient. At the same time, it is also crucial to consider ways to effectively respond to situations of AI failures or digital herding. Financial institutions are strongly encouraged to invest in AI and make use of the technology to enhance the global competitiveness of domestic financial businesses.

The FSC has been working to embrace the use of AI in financial services and will continue to provide active support in this regard. So far, authorities have introduced a number of guidelines on AI, for example, on using and developing AI in financial sectors, verifying AI-based credit scoring models and ensuring security in AI-based financial services. Going forward, first, the FSC plans to establish a data library for AI in financial sectors and designate more data specializing institutions to facilitate big data analytics. Second, the FSC will work to improve the regulatory environment on financial data to promote an expansion of new AI-based services. Lastly, the FSC will set up a testbed for AI in financial sectors and prepare a guideline on explainable AI (XAI) with a goal to help increase confidence in AI-based financial services.

The FSC will work to ensure that the specific measures to promote the use of AI in financial services announced in the second half of last year¹ are implemented seamlessly. At the same time, authorities will build a foundation for promoting the use of AI in tandem with the progress in technological advancement, trends in international discussions and the voices and needs on the field.

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¹ For details of the measures, please click [here](#) to see the press release dated August 4, 2022.