

## FSC ANNOUNCES 6<sup>TH</sup> FINANCIAL HUB POLICY

The FSC held the 49<sup>th</sup> meeting on promoting financial hubs in Korea on May 31 and decided on the 6<sup>th</sup> financial hub policy for 2023-2025.

At the meeting, FSC Chairman Kim Joo-hyun delivered opening remarks and discussed some changes that took place in the global financial environment over the past three years. In this regard, Chairman Kim said that compared to the year 2020 when the 5<sup>th</sup> three-year plan for promoting financial hubs in Korea was formulated, today's global financial environment is experiencing rapid changes amid digital transformation and spread of sustainable finance. In this regard, Chairman Kim stressed that how we respond to these changes will determine the competitiveness of global financial hubs.

As such, the 6<sup>th</sup> three-year plan to promote financial hubs in Korea contains the following four key task areas which will allow the government and the financial sector to quickly respond to the changing global financial environment and actively make use of the areas where the Korean financial industry has a comparative advantage.

- a) Continue to seek innovation in financial regulations and boost support for fintech businesses to improve the global competitiveness of Korean financial companies amid digital transformation.
- b) Ensure establishment of relevant infrastructure to be able to make the most use of the changing trends in financial sector such as digital finance and sustainable finance.
- c) Pursue bold regulatory reforms to help increase foreign investors' investment in domestic capital markets and alleviate factors associated with the so-called "Korea discount."
- d) Make utmost use of the financial industry globalization taskforce to provide active support for domestic financial companies' business expansion overseas and to create synergetic effects with the efforts to promote foreign financial companies' entry in domestic market and the Seoul and Busan metropolitan governments' own financial hub development strategies.

At today's meeting, the Seoul Metropolitan Government and the Busan Metropolitan City also made presentations on their financial hub development plans. Members of the financial hub development committee stressed the need to have a concerted effort from the government ministries, promote fintech businesses and remove uncertainties in financial regulations. The 6<sup>th</sup> three-year plan to promote financial hubs in Korea will be finalized after a deliberation by the FSC in the coming days.

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