



*The following is the full text of the opening remarks FSS Governor Suk Heun Yoon delivered at the International Conference entitled “Challenges to Future Finance” that the FSS co-hosted in Seoul on Tuesday, September 3, 2019.*

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Good morning, ladies and gentlemen.

I am Suk Heun Yoon, Governor of the Financial Supervisory Service of Korea. I welcome you to the International Conference 2019, “Challenges to Future Finance.” I’d also like to welcome and thank prestigious speakers, moderators, and other participants for their valuable contributions.

Among many, I’d first like to thank the Honorable Mr. Byung-doo Min, Chairman of the National Policy Committee of the National Assembly, who will give a congratulatory speech shortly. Next, I’d like to thank very much our keynote speaker, Mr. Scott Mullins, Global Head at Amazon Web Services. And I’d also like to thank Dr. Hei-sook Kim, President of Ewha Womans University, for being a co-host of the conference and allowing the use of this beautiful Ewha campus for the venue.

As we all know, a new wave of innovation started from IT development is leading us to a whole new world. With the help of smart devices, we can make payments and transfer money anywhere anytime.

Both financial and technology firms are making use of new technology and big data to better serve diverse needs of financial consumers. For example, AI-powered Robo-advisors are providing tailored financial advice to a broader audience at a much lower cost.

InsurTech enables insurance firms to make use of policyholders’ biological information to properly set insurance premiums. And banks make use of big data, gathered from social media and online transactions, to better assess the debt-repaying ability of their borrowers. As a result, banks can actually help SMEs and less creditworthy borrowers get their financing cheaper and easier.

In order to effectively cope with upcoming financial innovations, regulatory authorities too are in the process of changing their supervisory paradigm.

In this context, Dr. Andrew Bailey, Chief Executive of FCA UK, once said that financial regulation needs to embrace a new viewpoint other than forbid, require, and permit. He went on to say to the effect that support from supervisors is needed in order to lead changes to be in line with policy objectives, i.e., financial stability and consumer protection.

In Korea, too, we at the FSS along with the FSC have started to encourage financial

innovation by implementing the regulatory sandbox. Furthermore, we are also trying to create a new and innovative financial ecosystem that incorporates open banking, digital identification, and data standardization.

Today's conference is the second annual international conference hosted by the FSS with a view to discussing global developments in financial innovation as well as financial regulation and supervision. I am especially pleased to announce that this year, along with Ewha Womans University, we are holding an international job fair in which we can successfully host CEOs from world-renowned IT firms and financial firms, and students and job applicants all over from Korea. I am sure the job fair will make this year's conference all the more meaningful.

Ladies and gentlemen,

Dr. Mark Carney, Governor of the BOE, once said that banks should promote innovation and competition, along with financial stability as their prime values. I would like to add another value to the list, that is, cooperation.

In the FinTech era, distinction between finance and IT will be less and less clear. Thus, understanding both finance and IT sectors as well as finding ways for their potential cooperation will become more important in successfully dealing with many challenges ahead.

I hope today's conference serves as a valuable starting point in that direction.

Thank you.