



*The following is the full text of the opening remarks FSS Governor Suk Heun Yoon delivered at the International Symposium entitled “Finance of the Future, New Financial Supervision” that the FSS hosted in Seoul on Thursday, November 29, 2018.*

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Ladies and gentlemen,

It is my great pleasure to welcome you to the International Symposium. On behalf of the Financial Supervisory Service, Korea, I would like to thank everyone for taking part in today’s symposium.

We have with us today many dignitaries, special guests, speakers, and other participants who deserve recognition. However, given the time constraint, I would like to limit my recognition to only a few. I ask for your pardon for this.

First, I’d like to extend my special thanks to two gentlemen who are going to deliver congratulatory remarks: the honorable assemblyman Min Byung-doo, the Chairman of the National Policy Committee of the National Assembly; and Director General Tjark Tjin-A-Tsoi from the Netherlands’ Central Bureau of Statistics.

Next, I’d like to thank three keynote speakers: His Excellency Lody Embrechts Ambassador of the Kingdom of the Netherlands to Korea; Ms. Tracy Basinger Executive Vice President and Director of Financial Institution Supervision and Credit at the Federal Reserve Bank of San Francisco; and Mr. Mauro Sauco Technical Director from Google Cloud.

I also wish to express my appreciation to all other guests and participants—especially those from outside Korea—for their interest in the symposium and willingness to share their expertise and experience with us today.

The theme of today’s symposium is: Finance of the Future, New Financial Supervision. In part, this reflects the desire of the FSS to look ahead to the uncertain future after two decades of executing financial supervision since the establishment of the Financial Supervisory Service in January 1999. So, as we look ahead, I believe it is worthwhile to ask how we could envision the future and how we would prepare for it.

I believe the first clue to the future has something to do with technology. Today, we are living in a time of great technological transition. By this, I mean a transition to technologies that are changing and even displacing our traditional ways of doing financial transactions.

And, as you can infer from the very word “Fintech,” finance is supposed to lead the way towards the convergence with technological advancement. Indeed, these days we see a growing number of fintech companies that are competing to attract customers in the marketplace. As a result, there seem to be financial disintermediation and decentralization already taking place.

Policymakers and regulators, for their part, are trying to foster a fintech-friendly environment and encourage innovation. They are working to adopt new technologies and integrate them into their own regulatory process as well.

Starting shortly, we are going to hear about these fintech-driven changes from a select group of professionals. One is innovations made possible by big data, A.I., and cloud solutions from companies like Google, Amazon, Bloomberg, and the Bank of America. Another is how the ways Samsung, Starbucks, Microsoft, and Google pay meet our everyday personal banking needs will change. You will also hear about steps that the Monetary Authority of Singapore, the Bank of Korea, and the Financial Supervisory Service are taking in order to regulate finance of the future

The second clue to the future next to technology is changes occurring to human behavior and business culture. Even as technology and the financial landscape continue to evolve, one simple truth would remain unchanged, I believe. That is the importance of trustworthiness in the financial system.

Unfortunately, events like the 2008 financial crisis, the Libor manipulation scandal, the Wells Fargo fraud and missellings all over the world do not give us much comfort in this regard. Some financial firms are known to abuse their superior information and make profits at the expense of consumer weaknesses. This suggests that more effective regulatory and supervisory oversight is indeed necessary, which requires better understanding of financial firms’ behavior and culture and financial markets. You will hear more about this in Track 2 Session. There will be discussions by the central bank of the Netherlands and ING as well as the U.K. Financial Conduct Authority.

Ladies and gentlemen,

The famous Chinese author Lu Xun once wrote that, “Actually, the earth had no roads to begin with, but when many men pass one way, a road is made.” Well, I think the same can be said to the “Finance of the Future, New Financial Supervision.” We have to build a new road with our minds open and our eyes clear, ready for communication and collaboration. Once again, I would like to thank you for your participation in today’s symposium.

Thank you.