



## **Governor's Keynote Speech at the FSS SPEAKS 2023**

*The following is the full text of the keynote address that Governor Lee Bokhyun delivered at the FSS SPEAKS 2023, and annual gathering of the executives of foreign financial firms in Korea and FSS supervisors, in Seoul on April 13, 2023.*

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Good morning, ladies and gentlemen.

It's my great pleasure to welcome you to FSS SPEAKS 2023. I want to give a special thanks to the honorable U.S. Ambassador Philip Goldberg, the honorable British Ambassador Colin Crooks, the honorable Netherlands Ambassador Joanne Doornewaard, the honorable Indonesian Ambassador Gandi Sulistiyanto, and the honorable Australian Ambassador Catherine Raper for gracing us with your presence. I hope today's event will foster cooperation between the FSS and the market, and further help us better understand one another.

Financial conditions inside and outside of Korea are still tough these days. Indeed, we see expanding global financial uncertainty and growing concerns over the real-estate project financing sector. Given these tricky situations, the FSS intends to carry out supervision focused on trust and innovation. And that is why we chose the main theme for this year's FSS SPEAKS as "Trust and Innovation: A New Era of Finance." So what should we do to usher in the new era of finance?

The first step is to build trust in the financial industry. Let me start by telling you something obvious: Consumers will not trust a financial market where illegal activities and financial crimes are rampant. And, of course, a market that lacks consumer trust cannot thrive. It is therefore essential that both the regulator and the market try their best to build trust in the financial industry.

For this, the FSS will take the lead by renovating our supervisory framework. We'll make sure to fully meet the core mission of protecting financial consumers more than anything else, and root out financial crimes that pose serious harm to consumers. As well, we plan to establish a special organization to identify and streamline unnecessary regulations, and make prior notice of regular examinations to enhance transparency.

The second step towards the new era of finance is to create a fertile environment for innovation. Today, the financial industry is facing a complex challenge as rapid digitalization blurs the line between the financial and non-financial sectors. There's also a growing demand for greater access to the Korean financial market and a better regulatory system that is in line with global standard. And all these challenges require the FSS to take innovative approaches to reform our supervisory system.



To this end, we decided to lift the mandatory registration policy for foreign investors and put in place an exclusive review process for foreign funds registration. We also set up “fintech innovation fund” to boost investment, while establishing a new regulatory framework for virtual assets. Going forward, the FSS will spare no effort to create an ecosystem where innovation can flourish on the back of healthy financial market.

The last step for opening up the new era of finance is to take strong actions against crisis to restore trust and encourage innovation. So far, I shared with you the supervisory goals we’ve set for this year, but everything we’re envisioning may come to nothing if uncertainty spreads and crisis materializes. The FSS will thus take bold and active steps to make finance the true backbone of our economy. In detail, we’ll proactively identify and tackle potential risks in the real-estate project financing sector, and make sure that financial companies have enough loss-absorbing capacity.

Ladies and gentlemen,

All of you here today have been serving as a critical bridge for developing the Korean financial market. And I ask you to continue joining our efforts to further grow Korea’s financial industry, because its growth will eventually pass on to its members — and that includes you, the foreign financial companies.

With that in mind, I once again ask that you help us bring forth innovation by sharing best practices of your home country and improving ineffectual systems that undermine the rights of consumers, if there is any.

Notwithstanding the difficulties we experienced last year, the Korean financial market is beginning to get back on track, proving its potential to overcome future crisis. Now, Korea’s financial industry is preparing to rise again by building up social capital of “trust” and supporting “innovation.”

So, ladies and gentlemen,

I very much hope that you keep your trust and interest in the Korean financial market, and the FSS will remain your steadfast partner along the way. Throughout the years, we have been strengthening financial cooperation with countries around the world — most notably with Indonesia in recent days.

Together with the Indonesian Embassy in Seoul, the FSS co-hosted a business forum to help Korean financial and fintech companies advance into Indonesia and promote financial cooperation between the two countries. Likewise, I hope to further enhance cooperation with all of you for more days to come.

Thank you.