

# Why KOREA

A Road to More Attractive Financial Hubs



FINANCIAL SUPERVISORY SERVICE

Fn  Hub  
K O R E A

# Table of contents

## **1 Gateway to Korea's Financial Hubs**

Mission & Functions of the Financial Supervisory Service

Mission & Functions of Fn Hub Korea

## **2 Why KOREA**

Steadily & Consistently Growing Economy

Digital Infrastructure & Innovative Workforce

Korea's Global Competitiveness

## **3 Korea's Efforts to Develop Capital Markets**

Corporate Value-Up Program

Improving Systems to Attract Overseas Capital

# Mission & Functions of the Financial Supervisory Service

As a **watchdog of Korea's financial markets**, the FSS ensures **soundness** of financial institutions and credit order, establishes **fair financial transaction** practices, and **protects financial consumers**, contributing to the growth of the national economy



## Sound financial institutions

- Conduct risk-based supervision through the Basel Framework, ICS, etc.
- Look into unlawful and improper business activities of FIs

## Orderly capital markets

- Examine unfair trade practices in the capital markets
- Review corporate disclosure filings to create a sound securities investment culture

## Audit oversight

- Increase transparency of the accounting system
- Execute regulatory review to ensure fairness and credibility in the independent audit system

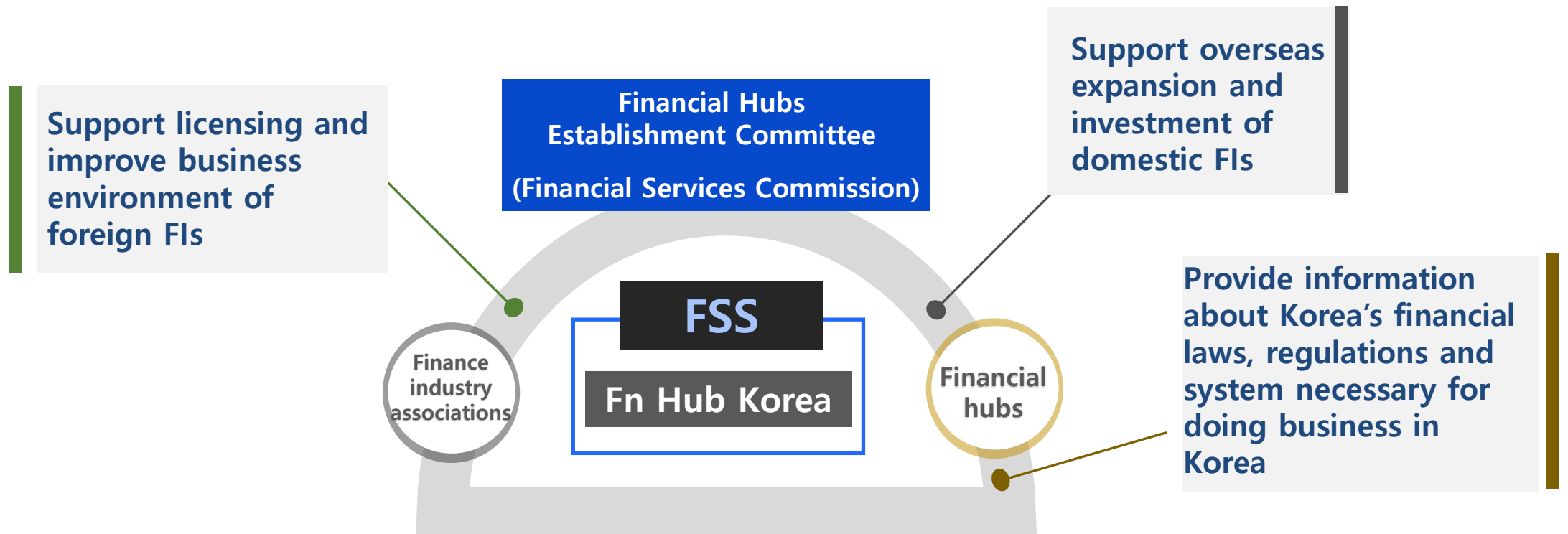
## Consumer protection

- Settle disputes and conduct financial education for consumers
- Respond financial crimes (e.g., phishing or insurance scams)

# Mission & Functions of Fn Hub Korea, the Gateway to Korea's Financial Hubs

Fn Hub Korea was established **according to relevant laws and regulations** to facilitate business of foreign financial companies in Korea

**Fn Hub Korea** helps create a more attractive environment to foreign FIs



# Gateway to Korea's Financial Hubs: Fn Hub Korea

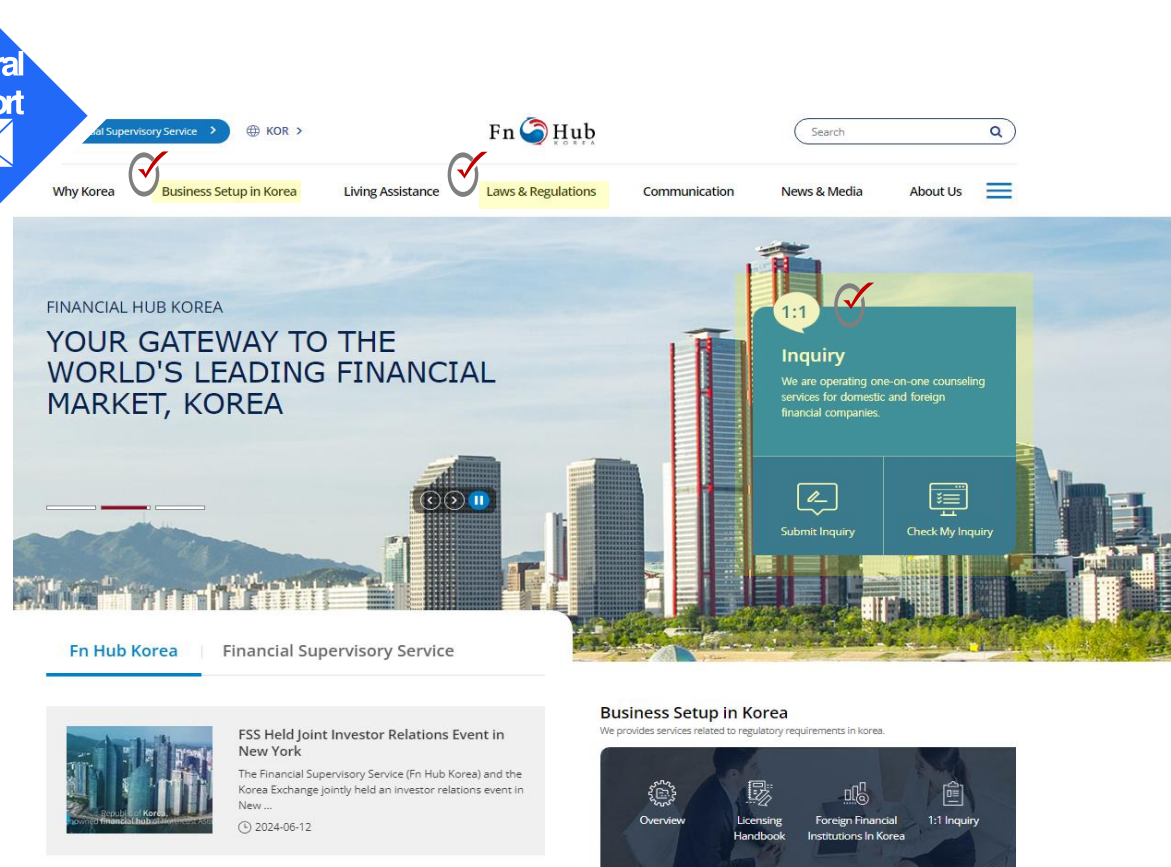


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## START: Licensing prior consultation system (accessible via FSS website)

One-stop service that allows applicants to request **prior consultation** on **188 financial business licenses**

[www.fss.or.kr](http://www.fss.or.kr)



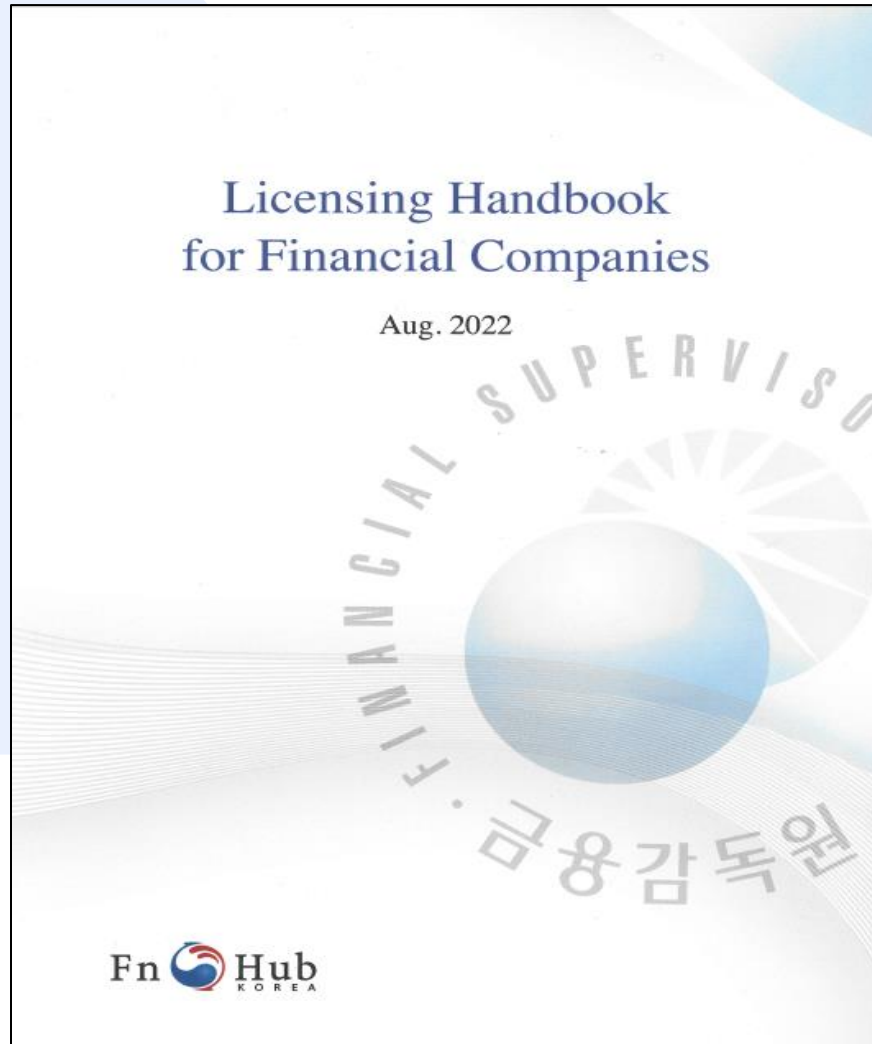
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## Fn Hub Korea website

1:1 channel for business setup and living in Korea of foreign FIs (**apart from licensing**)

[www.fnhubkorea.kr](http://www.fnhubkorea.kr)

# Gateway to Korea's Financial Hubs: Fn Hub Korea



Financial Supervisory Service > KOR > Fn Hub

Why Korea Business Setup in Korea Living Assistance Laws & Regulations Communication News & Media About Us

## Business Setup in Korea

Business Setup in Korea / Licensing Handbook / Financial Holding Companies

### Business Setup in Korea

- Overview
- Licensing Handbook**
- Financial Holding Companies
- Banking
- Financial Investment
- Insurance
- Microcredit, Specialized Credit Finance
- Electronic Finance
- Common

Foreign Financial Institutions

### Financial Holding Companies

#### Licensing of Financial Holding Companies

**Overview**

- A Financial Holding Company requires licensing from the Financial Services Commission (FSC) since it serves public interest by governing financial companies such as banks, financial investment companies and insurance companies.

**Licensing Procedure**

- ① Guide on Procedure
- ② Application Received (FSC) Supplementary, Additional Data Submission
- ③ Evaluation of Application (FSS)

Available on the Fn Hub Korea website ([www.fnhubkorea.kr](http://www.fnhubkorea.kr))



# Foreign Financial Institutions in Korea (Mar. 2024)

**172 FIs from 33 countries**

## By sector

**Banking** – 60 FIs (34.9%)

**Financial investment** – 70 FIs (40.7%)

**Insurance** – 25 FIs (14.5%)

**Non-banking** – 17 FIs (9.9%)

## By continent

**Americas** – 42 FIs (24.4%)

**Europe** – 53 FIs (30.8%)

**Asia** – 69 FIs (40.1%)

**Others** – 8 FIs (4.7%)

42 FIs from Americas  
(24.4%)

U.S. (38 FIs)

53 FIs from Europe  
(30.8%)

France (14 FIs)

69 FIs from Asia  
(40.1%)

China & Hong Kong  
(22 FIs)

Japan  
(19 FIs)

Singapore (11 FIs)

Australia (5 FIs)

# Why KOREA: Steadily & Consistently Growing Economy



10th (2022)

**USD 1.66 T**



6th (2022)

**USD 1.41 T**



6th (2022)

**USD 683.6 B**



9th (Feb. 2023)

**USD 426.1 B**





# Why KOREA: Digital Infrastructure & Innovative Workforce

World's best **digital infrastructure** and high-skilled workforce with **the innovator's DNA**

## Digital infrastructure

 **1st** Households with broadband internet access at home (99.96%) (OECD, 2022)

 **1st** High-speed internet penetration rate (87.31%) (OECD, 2022)


 **1st** Rate of households with access to mobile internet (99.98%) (OECD, 2021)

 **1st** Information and communication technologies (WIPO, 2022)

 **1st** Digital transformation of public sector (Gov Tech Maturity Index) (World Bank, 2022)




## Innovator's DNA

 **1st** OECD university graduation rate by country (69%) (OECD, 2022)

 **1st** No. of researchers per 1,000 person employed (16.7 persons) (OECD, 2022)

 **1st** Resident patent applications per unit of USD 100B GDP (8,159 patents) (WIPO, 2022)

 **1st** Bloomberg Innovation Index (90.49 points) (Bloomberg, 2021)

 **1st** European Innovation Scoreboard (119 points) (EC, 2024)

# Why KOREA: Korea's Global Competitiveness

## Innovative Korea is shaping the future

by utilizing world's leading **digital infrastructure** and **human capital**

- 1 World's 10th largest economy by GDP** that is growing steadily and consistently  
6th largest trade amount (2022, IMF), 9th largest foreign exchange reserves (2023, IMF)
- 2 World's leading innovator** where highly-skilled talents engage in aggressive R&D efforts  
\* 1st in Bloomberg Innovation Index (2022, Bloomberg), highest number of researchers per 1,000 person employed (2022, OECD)
- 3 Logistics hub in East Asia** that is well-situated to connect key cities around the world  
\* Incheon Airport - 2nd largest international air cargo volume (2022, ACI), Busan Port – 2nd busiest transshipment volume (2022) / 21 FTAs with 59 countries (2023)
- 4 Testbed & gateway to the global market** that boasts the world's 14th largest consumption market and trendy and savvy consumers  
1st in spending on luxury goods (2021, Morgan Stanley), 3rd largest number of Starbucks stores (2022, Kneoma.com)
- 5 Country with good quality of living** that has a safe and secure environment and an excellent education system for expats  
※ 1st in number of hospital beds per 1,000 population (2021, OECD), 3rd in Safety Index by Country (2023, NUMBEO)
- 6 World ICT leader** with the best digital infrastructure and mobile environment
  - 1st in households with broadband internet access at home (2022, OECD), 1st in information and communication technologies (2022, WIPO), 3rd in UN E-Government Survey (2022, UN)

# Summary of Advantages

## Credibility

- Strong economic fundamentals
- Resilient financial industry
- Impressive track record of overcoming crises

- World-class technical capacity and infrastructure in ICT
- Regulatory support for promoting financial innovation

## Innovation

## Openness

- Korean government's dedication**
- to increase foreign investors' access
  - To improve the business environment of foreign financial companies

# Korea's Efforts to Advance Capital Markets: Corporate Value-Up Program

## Background

- Improving corporate governance centering on controlling shareholders
- Advancing capital markets to attract overseas capital
- Addressing prolonged "Korea Discount"



- ✓ Improving economic structures from liability-centered to **capital-centered**
- ✓ Changed investors' preference toward stable **long-term investments**
- ✓ Fostering an environment which encourages **entrepreneurship**

**Dynamic, Stable, Sustainable** Capital Markets

# Korea's Efforts to Advance Capital Markets: Improving Systems to Attract Overseas Capital



## Tax revision (Jan. 2023)

- Non taxation on foreign investors' government bond investment
- Corporate tax cut by 1%p, Extending flat tax (19%) for foreign employees (20yrs)

## FX Market (Jul. 2024)

- Allowing Registered Foreign Institutions to participate in onshore FX markets
- Extending FX trading hours (9 AM to 2 AM<sub>(D+1)</sub>)

## Capital Market (Jan. 2024)

- Abolishing the Investor Registration Certificate
- Mandatory English disclosures (KOSPI-listed companies from 2024)

## Investor Protection (Scheduled in 2025)

- Upgrading dividend distribution process to enhance predictability for investors
- Introducing virtual shareholder meetings

# Thank you



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