



SWIFT Business Forums 2008

Korea report

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Korea contacts

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Fast facts

16-17 July

Delegates:

Day 1: 136

Day 2: 89

SWIFT partners:

- Clearstream
- COMAS
- SIDE International

Traffic:

- 622,781,628 messages (YTD 2008)
- Average daily traffic: 15,006,786
- 22.20% Growth YTD

Live customers: 8,385

Asia-Pacific market harmonisation and South Korea's ambition as a regional financial hub

South Korea is emerging as a major player in the global economy, ambitiously setting its sights on becoming a regional financial hub with a value-added services industry. As a key business partner for the financial sector, SWIFT is contributing by opening a Seoul office later this year, forging even greater cooperation with local financial institutions and government agencies.

South Korea's financial hub vision revolves around a new Capital Market Consolidation Act (CMCA), coming into effect in February 2009. It spells a new era of deregulation and market flexibility, set to advance the financial sector. But to become an Asia-Pacific financial hub, and genuinely play an active role on the world stage, harmonisation with the rest of the region and world is critical. SWIFT's Business Forum 2008 in Seoul created an industry dialogue about South Korea's financial sector – and the role of SWIFT as its partner on the journey.

South Korea's future as a financial hub

The two-day forum began with latest developments in global payments, cash management and supply chain financing. Asif Raza, Managing Director, Head of Trade Services & Logistics Management - Asia Pacific, JPMorgan Treasury Services, pointed out the key challenge of trade finance in the new era: "The banking community should touch all points of the supply chain...and has to be closely connected with each process of trade according to ever-changing corporate needs."

In the same vein, Hyun-joon Cho, General Manager, Hana Bank, introduced the bank's special features of trade services based on its integrated account management and online real-time FX system. Sung-wook Chun, Vice President, Bank of America, next highlighted the trend towards non-cash and open account transactions, while outlining their single global banking platform.

South Korea's Capital Market Consolidation Act will remove barriers in the financial sector by allowing non-bank financial firms to invest and market versatile new funds. Outlining development of the securities and wealth management industry, Rob Edwards, Senior Vice President, Head of Securities Services, SC First Bank, expressed his views on other measures the financial industry should take to keep in step, from developing a high quality human resource pool of lawyers and financial professionals, to tapping into the female workforce and improving productivity.





Day 1 of the forum

Mousuf Chowdhury, Business Manager, Bloomberg, also considered the pros and cons of capital market deregulation, addressing the need for stability amid the changing environment. Considering the future of South Korea's wealth management industry, In-yong Yang, Vice President, Citibank Korea, explained how both domestic and foreign investment funds tend to share the limelight nowadays.

Philippe Draguet, Director, Commercial Division, Communication Services, Euroclear Bank, promoted the benefits of Euroclear's pan-European single financial platform. "Through harmonisation and integration of systems, efficiency can be improved with costs and risks minimised," he noted. Song Dong-keun of Daishin Securities stressed the necessity for well-trained financial professionals and a mature financial market, in terms of both quantity and quality, for South Korea to emerge as a world leader.

Senior financial professionals from across the region next addressed the central theme of 'Growth and competitiveness of the Asia-Pacific financial sector' at the executive plenary. Kathryn Miller, Managing Director and Head of Technology – Asia Pacific, JPMorgan, noted the vastly diverse nature of Asian communities means harmonisation in terms of business environment and culture is critical if the region is to become an axis of the world economy.

Stanley Chan, Head of Financial Infrastructure Development Division at the Hong Kong Monetary Authority, explained how Hong Kong successfully created its own financial hub, and outlined its current focus and future challenges. Dr. Jae-hyun Lee, Managing Director of Korea International Trade Association, praised the excellence of South Korea's electronic trading system, singling out uTradeHub as a prime example. Min-je Kim, Senior Manager of the Korea Financial Telecommunications & Clearings Institute also cited CMCA as a key milestone in the country's vision to become a financial hub. Jennifer Heathfield-Lee, Director, Euroclear Bank, praised SWIFT's contribution, by improving efficiency, to the growth of the funds industry and securities market across the Asia-Pacific.

SWIFT advancing harmonisation with CMCA

Kwon Oh-hoon, General Manager of Korea Exchange Bank and SWIFT Korea User Group Chairperson, welcomed the opening of SWIFT's Seoul office, scheduled for late 2008. He urged SWIFT to strengthen its strategic support for the Asia-Pacific, and particularly for South Korea. The country's banking industry already confronts challenges including high oil and raw material prices, he noted. Now greater competition is inevitable as a result of the Capital Market Consolidation Act. In the face of these challenges, he urged SWIFT to continuously increase the number of local users, from asset management and securities to corporations registering with the SWIFT Korea National Member Group and User Group. Next on the agenda, he said, is adopting a new standards release, commercialising SWIFT Trade Services Utility in the market, and lobbying for SIBOS 2012 to be hosted in Seoul.



Asif Raza, Managing Director, Head of Trade Services & Logistics Management - Asia Pacific, JPMorgan Treasury Services



Engaging in community dialogue



Face-to-face interaction with customers

The presentation 'Brave new world of XML for Standards' by G. Jamieson Bryan, Managing Director, Treasury Services, JPMorgan, focused on latest developments in standardisation. He singled out SWIFT's development of ISO 20022 syntax versions for core clearing and settlement messages, available in ISO 15022. He welcomed its contribution to building a "common standard and harmonisation" in Asia's financial services sector - delivering efficiencies in "settlements, liquidity and reduced costs" to positively shape the future of securities trading, payments and financial market infrastructures.

Noteworthy partners and clients then shared ideas on how they leverage SWIFT from both a business and technology perspective. From a business point of view, Stanley Poon of Investment Fund Services, Clearstream generally outlined what is happening in markets now. "Fund management has room for SWIFT because it is still heavily relying on fax receipt for fund transactions," he noted, as "banks are getting involved in mutual funds and the market is set to grow at double digits". Eric Chua, SWIFT's Regional Head of Investment Fund Solutions, cautioned that South Korea needs to enhance efficiency in its financial markets to become a regional financial hub, citing the example of Singapore's development in a spirit of co-operation with the global financial community.

Lee Jong-sil, Senior Vice President, Global Payments and Cash Management, HSBC agreed, described SWIFT as a key business partner of HSBC. "As SWIFT is a relative newcomer to providing new solutions to the local market, many may be unfamiliar with it," she said. But she assured them: "SWIFT is slowly becoming more visible in the market and I am sure XML ISO 20022 will bring you many benefits."

Also firmly supporting SWIFT, Kang Shin-won, Senior Manager, Korea Exchange Bank delivered a presentation titled 'SWIFT's Trade Services Utility - Opportunities are Coming'. His main point was that SMEs genuinely need Trade Services Utility, as it is the most suitable vehicle for them considering current infrastructure and costs. They do not need to change current channels between banks, whether EDI, internet banking or paper-based. But "without additional investment, South Korean companies can take advantage of Trade Services Utility for their international trade".

A range of SWIFT offerings such as SWIFT Alliance, Relationship Management Application and Online Customer Services were then introduced during the technology sessions. Also unveiled was Alliance Lite, a newly-developed service exclusively for firms with lower messaging traffic.



Networking at the forum

SWIFT links

- [SWIFT Solutions](#)
- [SWIFT Partners](#)
- [Sibos 2008](#)

Upcoming SWIFT business forums in the region

- Mumbai – 18-19 November 2008

More information at the [Events](#) page on www.swift.com

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