



Focus on Busan

October 2019



Financial Centre Futures





We are pleased to present a short update on the progress being made in the Busan International Finance Center (BIFC). **BIFC** is a member of [Z/Yen's Vantage Financial Centres](#) network. The aim of this update is to provide readers with news about the exciting progress being made by the city of Busan in attracting more financial services activity to the area.

Since 2009, Busan Metropolitan City has been developing a financial hub specializing in maritime finance and derivatives. With its strategic location in the center of the southeast economic bloc of Korea and the crossroads of a global logistics route, Busan envisions growing into an international financial city in North East Asia. Following the successful launch of the 63-storey Busan International Finance Center in 2014, the second phase development of the Busan Financial Hub was completed in 2018 and is expected to provide world-class business infrastructure for financial institutions.

BIFC offers an attractive incentive package to global financial leaders and the cooperation network of Busan Metropolitan City, the BIFC Promotion Center, the Busan Economic Promotion Agency (BEPA), and Financial Hub Korea will support you to identify opportunities in Busan, one of the fastest developing cities in Asia.

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Busan International Finance Center

Busan, a dynamic city with over 3.5 million people, is located in the center of an economic bloc in South East Korea. This bloc encompasses Busan, Ulsan, and Gyeongnam Province.

Busan is the second largest city in Korea and home to the largest port in the country, which currently ranks as the sixth largest in the world. Neighboring cities such as Geoje and Ulsan are locations for some of the world's leading shipbuilders. With its strategic location in the center of marine logistics in North East Asia, Busan serves as a gateway to the world for the Eurasian continent.

Busan was designated as a financial hub of South Korea in 2009 and is growing into an international financial center with a focus on maritime finance, derivatives, and back office operations. To enhance its position as a financial center, Busan has prioritised the development of its strategy to attract financial institutions and to improve the business environment to become a more competitive cluster.

The South Korean government has recently selected Busan as a smart city to act as a test bed for other cities. Other Korean cities wish to become smart cities in which platforms for the fourth industrial revolution technological services will be implemented by 2021. With advanced IT infrastructure nationwide, Busan has been selected by global leaders, such as Amazon and Microsoft, as a cloud innovation and technology center and as a data hub for Asian market.

Busan boasts its world-class infrastructure for MICE industry and has been a successful venue for international congresses including the Plenary Meeting of FATF in 2016, the IDB-IIC Annual Meeting in 2015, and the ASEAN-Republic of Korea Commemorative Summit in 2014. In May 2018, Busan became the fifth city outside Africa to hold the Annual Meetings of the African Development Bank. In addition in November 2019, Busan will again host the ASEAN-Republic of Korea Commemorative Summit.

BIFC Development Plan

As part of Busan's drive to grow the city into a competitive financial hub, the BIFC, a 63-storey landmark, was completed in 2014 and is the first stage of a development plan. The BIFC is now home to a number of financial institutions including the Korea Exchange, the Korea Securities Depository, the Korea Asset Management Corporation, and the Marine Finance Center. The Marine Finance Center also acts as home to a collaborative body of maritime finance departments of Korea Eximbank, KDB Bank, and K-Sure. In 2016, FATF TREIN, the Financial Action Task Force Training and Research Institute, was created on the 53rd floor of BIFC and has successfully delivered a number of training courses involving approximately 500 experts from different countries around the world each year.

The second stage of development of the BIFC was completed in 2018 and added two more high-rise buildings to the financial district. With the expansion of commercial and residential facilities in the region, BIFC has become better equipped to offer a distinguished environment and atmosphere to those who work in the area.

The third stage development of Busan International Finance Center is focused on building a cluster of high-tech startups driven by the deregulation in the fintech sector. Busan is confident that the robust IT economy of Korea will provide an unrivaled environment for startups and the plan is for the advanced infrastructure to become the next hotspot for technology startups.

Incentives

Busan offers attractive incentive packages to those organization that plan to make visible entrance into Busan. There are tax benefits and financial support for those who meet pre-determined criteria. The more business the institution is designed to deliver in Busan, the larger the benefits are. For more information, see the additional details on the next page or please visit www.bifc.kr/eng.



Incentives Offered By Busan

Long Term Rent-free Provision of Landmark Space in BIFC: Busan Metropolitan City provides a long-term free lease for part of the top (63rd) floor of the Busan International Finance Center (BIFC) Building in the Munhyeon Finance Complex to Financial institutions for 20 years.

- Applicable foreign institutions with a sales base (HQ, regional HQ, branch etc.) located in Busan, are expected to benefit from cost reduction and business expansion opportunities.

- Rental space will be provided free of charge for 20 years, after which it will be possible to continue renting at a low price.
- Offer available for: financial companies and international financial institutions.
- Rental area : The 63rd floor of the Busan International Finance Center (BIFC) Building (165m² each for three companies):
 - ◆ Location: Busan International Finance Center, Munhyeon Geumyoong-ro 40, Nam-gu, Busan
 - ◆ If more than three companies wish to move in, the successful companies will be selected after being evaluated by Busan Metropolitan City.
- Savings: Annual KRW 60 million x 20 years = KRW1.2 billion (for each 165m² area):
 - ◆ Corporate income tax and individual income tax exemption: 100% for 3 years and 50% for next two years (Establishing in Busan)/property tax exemption for five years (Relocating from Seoul and other metropolitan areas to Busan).

※ If you are interested in this offer, please contact us at nhyun@bepa.kr with a brief introduction to your company.



Past Events In Busan

Seminar on the 10th Anniversary of Busan International Financial Center – February 2019

In 2019, Busan marked the 10th anniversary of its designation as a financial center. In memory of this, Busan Metropolitan City and Korea Institute of Finance co-hosted the ‘Seminar on the 10th Anniversary of Busan International Financial Center’ on 15 February.

A number of industry experts in finance, related professional services, and government officers including the Chairman of the Financial Services Commission of South Korea participated in intensive discussions on the Status and Tasks of the Busan Financial Hub.



FIA Forum : Busan 2019

In May 2019, the FIA Forum was held for the second time in Busan, the home to the KRX. FIA (Futures Industry Association) is the world’s largest derivatives industry organization. This forum was focused on the themes “The Korean Derivatives Market Landscape” and “Globalization of the Korean Derivatives Market”.



Various speakers from the relevant organizations, industry, and public officers expressed their opinions at the event.

IGE International Conference

Also In May, IGE International Conference was co-hosted by IGE (Institute for Global Economics), Busan Metropolitan City, BNK Financial Group, World Bank Group, and IIF was held in Busan on 26-27 May 2019.

Internationally renowned scholars, business leaders and senior policy makers participated in intensive discussions on issues 'The Future of Digital Finance and FinTech Industry: Towards Busan FinTech Hub'



Opening of KRX·IBK Chang-gong, U-Space BIFC, BNK FinTech Lab For Start-ups

In May, the Korea Exchange (KRX) and the Industrial Bank of Korea (IBK) set up a Startup Support Platform called KRX·IBK Chang-gong at BIFC. This provides office space, business consulting, investment, and other programs with 20 companies currently operating in it.



Furthermore in October, with participation of BIFC-based public institutions as well as Busan Metropolitan City, U-Space was opened (continuing the works of the FinTechHub Centre), housing 35 startups to assist entrepreneurs in building strategies. Many of these residents are in a vigorous growth phase and are actively recruiting talent to materialise their business plans.

Lastly, BNK FinTech Lab began its operation as a result of collaboration between Busan city, BNK Busan Bank and WeWork Labs to identify and fund FinTech startups with promising technologies.

Forthcoming Events In Busan

South Korea - China Financial Cooperation Forum

The Fourth South Korea - China Financial Cooperation Forum will be co-hosted by Busan Metropolitan City, the Korea Securities Depository, the city of Qingdao, and the National Institute for Finance & Development of China; and will be held in Busan from 20 to 21 November 2019.

A number of industry experts in finance, related professional services, and government officers will participate in intensive discussions on issues cooperation between the local governments of Korea and China in Finance including maritime finance and asset management.

2019 Busan International Financial Week on 4 to 8 November 2019

Busan Metropolitan City is organizing the 2019 Busan International Financial Week (BIFW). BIFW is a festival of live financial industry events designed to showcase and celebrate the best of finance and spurring financial inclusion while providing networking, social, learning and business opportunities for all. The BIFW brings together a series of events addressing a host of topics facing the global financial and business communities.

BIFW will be held for the first time this year, with exhibitions and seminars on various topics such as financial technology, maritime finance as well as regional trends and development.

Come and enjoy this rewarding week of financial and investment intelligence, insight, and networking with the beautiful nature of Busan right on the ocean!

[Marine Money] Korea Ship Finance Forum

Busan Metropolitan City is all set to host the 13th annual Korea Ship Finance Forum at the Paradise Hotel on 6 November 2019 together with Marine Money Asia. This year, the annual event will focus on the theme "Future Proof Shipping and Capital" and various speakers from the ship finance institutions, ship-builders, legal sector, and relevant organizations will share their insights and perspectives on IMO 2020 challenges and opportunities.

Busan MONEYSHOW

Busan MONEYSHOW is an annual finance exhibition that provides the latest trends and knowledge in finance. This year it will take place from 7 to 9 November 2019 in BEXCO. A number of featured lectures related to personal finance and profitable investments designed to enlighten the visitors will be organised by Busan International Financial City Promotion Center and many other exhibitors. The event is co-hosted by Busan Metropolitan City and Maeil Business Newspaper.

Busan Global Financial Forum

Busan Global Financial Forum with the theme “Envisioning the Future of Financial City Busan” will be held jointly with Busan Metropolitan City, the Busan Financial News, BNK Financial Group, Pusan National University, and Korea Maritime and Ocean University on November 2019. Speakers from academia, financial services, and supervisory authorities will deliberate on how to shape Busan into a hub city of finance.



Busan And The Global Financial Centres Index (GFCI)

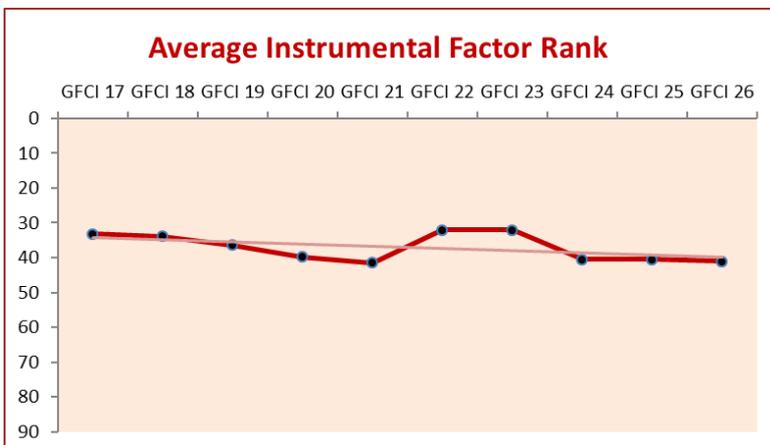
In March 2007, Z/Yen released the first edition of the [Global Financial Centres Index \(GFCI\)](#), which continues to provide evaluations of competitiveness and rankings for the major financial centres around the world.

The GFCI is updated every March and September and receives considerable attention from the global financial community. The index serves as a valuable reference for policy and investment decisions. The 26th edition of the GFCI ([GFCI 26](#)) was published in September 2019.

Busan first appeared in the GFCI in 2014 (GFCI 15) and has been featured ever since. It has a steady history and is currently ranked 43rd out of 104 financial centres. To appear in the top half of the index as a specialist financial centre (focusing on maritime finance and derivatives), is a highly creditable performance and one that Busan can be proud of.



The GFCI measures the competitiveness of financial centres across five broad areas - the Business Environment, Human Capital, Infrastructure, Financial Sector Development, and Reputation. GFCI 26 is compiled using 134 'instrumental factors'. These quantitative measures are provided by third parties including the World Bank, The Economist Intelligence Unit, the OECD, and the United Nations. The instrumental factors are combined with over 32,000 financial centre assessments provided by respondents to the [GFCI online questionnaire](#).



In order to rank so highly in the GFCI, Busan performs well in all five areas of competitiveness. Part of this success is illustrated by the average rank it achieves in the instrumental factors. The chart shows that Busan is currently 41st out of 100 financial centres) - higher than its GFCI rating.

Notes

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AND



www.bifc.kr/eng/

Busan International Financial City Promotion Center supports Busan City to grow into a global financial center specialized in maritime finance, derivatives, and back-up centers. It aims at promoting Busan as an attractive Financial Hub for global financial institutions. The center was established by Busan Metropolitan City in 2008 and is under the umbrella of the Busan Economic Promotion Agency.

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Financial Centre Futures is a programme within the Long Finance Initiative that initiates discussion on the changing landscape of global finance. Financial Centre Futures comprises the Global Financial Centres Index, the Global Green Finance Index with other research publications that explore major changes to the way we will live and work in the financial system of the future.



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