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FX STABILITY COUNCIL AND MSCI DEVELOPED INDEX INCLUSION TASK FORCE CONVENED

- 13 Out of 39 Tasks Under the MSCI Roadmap Completed in January-February
- Readiness of Domestic and Global Financial Institutions Reviewed Ahead of WGBI Inclusion in April 2026

Second Vice Minister Huh Chang convened the FX Stability Council and the MSCI Developed Markets Index Inclusion Task Force on February 27 (Fri) at the Bankers Association Building in Seoul.

* Participating institutions: Ministry of Finance and Economy (chair), Financial Services Commission, Bank of Korea, Financial Supervisory Service, Korea Exchange, Korea Securities Depository, among others.

Participants first reviewed the implementation status of the “Comprehensive Roadmap for Advancing the Foreign Exchange and Capital Markets for MSCI Developed Markets Index Inclusion,” announced in January. Out of the 39 tasks across eight key areas, 13 tasks (33%) have been completed during January–February. An additional nine tasks are scheduled for March, bringing the total number of completed tasks to 22—over 50%—within the first quarter.

Second Vice Minister Huh emphasized that the government will closely monitor progress on each task to ensure timely implementation of the roadmap and will actively support the smooth introduction and settlement of new systems. He also stressed that it is crucial for investors to quickly experience tangible improvements, and called for continued refinement of policies by actively incorporating feedback from global investors throughout the implementation process.

Participants further agreed to strengthen communication with overseas investors by maintaining ongoing engagement with MSCI and major global institutions, as well as through joint overseas briefings and domestically hosted conferences led by global banks.

Participants also discussed the status of preparations and follow-up measures related to inclusion in the World Government Bond Index (WGBI). Regarding the “Measures to Enhance Securities Settlement Infrastructure” announced in August last year, authorities confirmed that detailed plans have been established through consultations with market participants and that IT system upgrades are progressing smoothly. To ensure stable implementation and facilitate advance preparation by global investors, additional measures will be introduced:

First, ahead of the official inclusion in April 2026, the implementation date will be moved forward

from April 1 to March 30, taking into account global investors' demand for test transactions. A pilot operation will also be conducted for two to three days approximately one week prior to full implementation.

Second, to facilitate smooth funding and settlement during extended hours, the deadline for settlement instructions for omnibus government bond accounts will be brought forward. With the extension of the bond settlement system's operating hours, the deadline for submitting bond settlement instructions to the Korea Securities Depository has also been extended. This has led to delays in confirmation of settlement funds by ICSD correspondent banks and raised concerns about liquidity availability during extended hours. To address this, the deadline for settlement instructions for omnibus government bond accounts will be advanced to 17:30, allowing sufficient time for ICSD correspondent banks to secure funding. The deadline for general bond settlement instructions (excluding omnibus accounts) remains unchanged at 19:00.

Third, starting March 16, the Korea Securities Depository will provide a pre-inquiry function for expected settlement quantities of omnibus government bond accounts. This will enhance predictability for ICSD correspondent banks and support smoother identification of settlement funding needs.

Vice Minister Huh noted that these supplementary measures are expected to further strengthen the stability of Korea's securities settlement system. He also urged relevant authorities to continue encouraging domestic banks to actively supply liquidity so that the short-term funding market can operate smoothly in line with the extended operating hours of the Bank of Korea's payment system.