

# KOTEC Newsletter

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## **Appointing JEONG Yoon-Mo to the Chairman and President of KOTEC**

KOTEC(Korea Technology Finance Corporation) said that JEONG Yoon-Mo was appointed as the new chairman and President on Thursday. He has a three-year term and the end of his term will be October 10, 2021.

According to the Act on the Management of Public Institutions, an executive recommendation committee recommends candidates to the Ministry of SMEs and Startups minister, then the minister recommends the final candidate to the president.

Mr. Jung was born in 1964, graduated from Jangchung High School, Yonsei University, and the University of Illinois School of Economics.

After passing the Public Administration Exam in 1987, he served as the head of the Business Start-up and Venture Bureau of Small and Medium Business Administration, the Secretary to the President for Small and Medium Enterprises, Deputy Administrator of the Small and Medium Business Administration and Director General for policy planning and coordination of the Ministry of SMEs and Startups.

The new chairman is a policy expert who has served in the government of Korea for about 30 years and played a leading role in drafting support policies for venture SMEs and fostering businesses, and is expected that he will greatly contribute to development of KOTEC through cooperation with the MSS.

Mr. JEONG will take office tomorrow (October 11) and will oversee KOTEC for the next three years.

## **KOTEC Designated as a Technical Trust Management Institution – Contribute to the protection of technology by SMEs and the revitalization of private technology transfer –**

KOTEC(Korea Technology Finance Corporation) was designated as a technology trust management institution under the Technology Transfer and Commercialization Promotion Act. Accordingly, KOTEC will directly manage, protect, and transfer technology of SMEs.

The technology trust management system is that the trust method for money and real estate to promote the transfer and commercialization of patents held by research institutes, universities and companies is used in the field of technology.

The system was implemented in a full-scale with the government's announcement on Feb. 12, which included the decision to designate KOTEC as a technology trust management institution.

Technology trust management institutions have been operating unused patents of research institutes and universities as major trust targets. KOTEC will mainly operate the trust system based on outstanding patents held by SMEs, which is expected to contribute to the technology protection of SMEs and the revitalization of the private technology transfer.

It is expected that SMEs will be able to manage due date management services such as patent fees and cost support services, such as annual cost and consulting expenses, through the use of technology trust management system, and that they will be able to generate profits from technology transfer when transferring trust technology.

Beginning next year, KOTEC plans to implement technology trust management services and will receive 3,000 technologies in trust to transfer 600 technologies over the next five years. It has been assessed to have the best

conditions for technology trust management for SMEs by having networks with SMEs and a technology evaluation system and infrastructure for technology transfer.

A KOTEC official said "KOTEC will focus on protecting technologies of SMEs by carrying out technical trust management tasks and create an ecosystem of private technology transactions in which innovative technologies of SMEs can be traded fairly."

## **Introduction of investment know-how in reporting and strengthening cooperation with private VC**

### **– First Networking day for private VC about the investment firm by KOTEC –**

Korea Technology Finance Corporation (KOTEC) announced that it held a "Networking day with private VC" to support the successful IPO of the investment firm at Ramada Hotel in Gangnam-gu, Seoul on Wednesday. Networking Day was established to create a platform for continuous investment by actively sharing information on the group of start-up companies invested in by KOTEC with VCs.



About 150 people, including those involved in the investment firm and VC, attended the event, expressing keen interest in the investment work of KOTEC. In particular, it was natural for start-up companies to share investment networks with SMEs clients, VC officials, and KOTEC officials, and it became a place to directly explain and discuss the business of the company.

KOTEC provided an open forum for start-ups to grow their businesses through investments by offering ▲specialized courses in IPO at Korea Investment & Securities Co. and ▲corporate CEO's IR pitching.

Networking Day is the biggest event that has been held since KOTEC started investment business in 2005. It is expected that public institutions and private companies will be able to create synergy effects by strengthening mutual cooperation.

Executive Director BAEK, Kyoung-Ho of KOTEC said, "We are exploring startups with excellent technology through the technology evaluation infrastructure. With this event, we will create a new investment platform that

can reduce the asymmetry of information and increase accessibility to venture start-ups by sharing information on technology evaluation and investment in the future with private VC."

In the future, KOTEC plans to expand funding for scale-up of venture-invested firms and further strengthen cooperation with private venture capital in order to continue fostering the nation's potential unicorn companies.

Since starting its investment in 2005, KOTEC has invested 269.8 billion won in 244 companies, listed 22 companies on the KOSDAQ, and is a policy investment institution that currently has 191 billion won in 165 companies. In particular, the ratio of investment to Startup companies within five years is 65% that is much higher rate than private venture capital.

The reason is that it is faithfully performing its function of public investment banking that compensates for market failures by operating investments centered on start-up companies that are likely to be excluded from the market.

In addition, KOTEC has helped expand investment by local venture companies, which are relatively alienated, by increasing the proportion of investment to 39% through the nationwide network of operations.