

AML REQUIREMENTS OF VIRTUAL ASSET SERVICE PROVIDERS TO TAKE EFFECT FROM MARCH 25

The FSC announced that the revised rule that mandates AML duties on virtual asset service providers (VASPs) will go into effect on March 25, 2021, as the government approved the revised Enforcement Decree of the Act on Reporting and Using Specified Financial Transaction Information at a cabinet meeting held on March 16.

KEY PROVISIONS¹

I. SCOPE OF VASPs

Virtual asset service providers are virtual asset trading service providers, virtual asset safekeeping and administration service providers and virtual asset digital wallet service providers that are engaged in the purchase and sales, exchange and transfer, safekeeping and administration, intermediation and brokerage of virtual assets and virtual asset transactions.

II. BUSINESS REGISTRATION OF VASPs

VASPs are required to register their business with the Korea Financial Intelligence Unit (KoFIU) prior to the commencement of their business operation. Existing businesses that qualify as VASPs should register within six months (until September 24, 2021) or they will be subject to penalties.²

III. AML DUTIES OF VASPs

Beginning on March 25, 2021, the registered VASPs will be subject to the anti-money laundering (AML) requirements, such as duties to verify identities of customers, file reports on suspicious transactions, etc. The authorities will carry out inspection and supervision on VASPs with regard to their compliance of AML requirements from the time of business registration.

As the requirement to check and verify the identity of customers applies only to the registered businesses, consumers are advised to check the status of business registration and practice caution against VASPs requesting information about their resident registration numbers.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ Please click [here](#) to see more details on the revised Enforcement Decree.

² Unregistered entities will be subject to penalties of up to five years of imprisonment or KRW50 million.