

KoFIU HOLDS MEETING TO MONITOR FRAUDULENT ACCOUNT ACTIVITIES OF VASPs

The Korea Financial Intelligence Unit held a meeting with relevant institutions on June 30 to review the progress of monitoring fraudulent accounts of virtual asset service providers and other AML requirements.

The KoFIU has been carrying out comprehensive inspections on fraudulent activities and fictitious accounts held by VASPs and taking appropriate measures on those that have been detected for illegitimate activities. Upon detection, fraudulent accounts are being suspended for use and relevant information is shared with investigative authorities. In this regard, the authorities are also working on setting up a risk management system on VASPs across all financial sectors to facilitate the suspension of account transactions, suspicious transaction reporting and information sharing. As such, the KoFIU will continue to work on strengthening the risk management system in the future.

With the deadline (Sep. 24) approaching for VASPs to register their business with the authority, there is a greater risk of VASPs closing their business with investors facing the risk of losing their deposit money. To help prevent embezzlement and damages to investors, financial institutions are asked to file STRs to the KoFIU immediately when detecting large amount transfers from VASPs' deposit collection accounts.

With regard to the AML duties of financial institutions, the KoFIU also called for stronger internal control measures to prevent money laundering and other illicit transactions through loan, investment and fund management sectors.

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