

KOFIU UNVEILS H1 2022 SURVEY RESULT ON VIRTUAL ASSET SERVICE PROVIDERS

The Korea Financial Intelligence Unit (KoFIU) conducted a survey on 35 registered virtual asset service providers (VASPs) in order to see the current state of the domestic virtual asset market.

SURVEY OVERVIEW

(RESPONDENTS) 35 VASPs (26 exchange service providers and 9 other businesses)

(SURVEY METHOD) Collect data from VASPs by paper surveys

(PERIOD COVERED) January 1, 2022 to June 30, 2022

SURVEY RESULTS

Type	H1 2022	H2 2021	Growth (%)
I. Virtual Asset Service Providers			
Daily average transaction volume (in KRW)	5.3 trillion	11.3 trillion	-6 trillion (-53%)
Total sales profits (in KRW)	0.63 trillion	1.64 trillion	-1 trillion (-62%)
Deposit (in KRW)	5.9 trillion	7.6 trillion	-1.7 trillion (-22%)
II. Virtual Assets			
Market capitalization (in KRW)	23 trillion	55.2 trillion	-32.2 trillion (-58%)
# of virtual assets	1,371	1,257	+114 (+9%)
- Excluding those listed by multiple VASPs	638	623	+15 (+2%)
# of stand-alone virtual assets	391	403	-12 (-3%)
Price volatility (Maximum Drawdown) ¹	73%	65%	+8%p
III. Virtual Asset Users			
# of registered accounts	13.1 million	15.25 million	-2.15 million (-14%)
# of users eligible to trade	6.9 million	5.58 million	+1.32 million (+24%)
Most prevalent age group	30s	30s	-
# of users holding less than KRW1 million (%)	5.05 million (73%)	3.13 million (56%)	+1.92 million (+17%p)

※ (a) Individual data submitted by businesses is nondisclosable confidential business information.

(b) The survey results are not government-approved statistics as they rely on data submitted by businesses.

¹ (Highest price minus lowest price) / highest price

KEY SURVEY FINDINGS FOR H1 2022

The domestic market for virtual assets in H1 2022 has been downsized significantly compared to that of H2 2021 in terms of market capitalization, trading volume, etc.² This seems to be caused by a slowdown in economic activities following the crisis in Ukraine, interest rate hikes and decreasing liquidity as well as falling level of confidence in virtual assets in the wake of the Terra-Luna crash. Total sales profits gained by VASPs stood at KRW630.1 billion, a drop of 62 percent compared to KRW1.6 trillion in H2 2021.

According to the survey, the number of virtual assets traded in domestic market was 1,371. When excluding duplicates on multiple exchanges, the number of virtual assets stood at 638, and among them, the number of stand-alone virtual assets listed and traded on a single exchange was 391 (or 61 percent). The proportion (% of market capitalization) of the global top ten virtual assets handled by the KRW-based exchange service providers increased from 41 percent to 47 percent, while the proportion (% of market capitalization) of stand-alone virtual assets increased from 84 percent to 86 percent for the coin-only exchange service providers. About 36 percent of stand-alone virtual assets (or 139 of them) were small-scale in their size with market capitalization of KRW100 million or less. For these small-scale virtual assets, users need to practice caution as they may be prone to abrupt price volatility³ and liquidity shortage.

As of the end of June 2022, the number of users eligible to trade in virtual assets stood at 6.9 million. The amount of virtual assets held by these users decreased from H2 2021. For example, each of 66 percent of users (or 4.55 million users) holds virtual assets valued less than KRW500,000.

The KoFIU will continue to carry out these surveys every six months to accumulate data on the domestic virtual asset market.

#

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

² (Market capitalization) KRW23 trillion (down KRW32.2 trillion or 58 percent from KRW55.2 trillion in end-2021)
(Daily average transaction amount) KRW5.3 trillion (down KRW6 trillion or 53 percent from KRW11.3 trillion in H2 2021)

³ Maximum drawdown (MDD) of domestic virtual assets was 73% on average but 76% for stand-alone virtual assets.