

KOFIU UNVEILS H2 2023 SURVEY RESULT ON VIRTUAL ASSET SERVICE PROVIDERS

The Korea Financial Intelligence Unit (KoFIU) conducted a survey on the twenty-nine registered virtual asset service providers (VASPs) to see the current state of the domestic virtual asset market and keep relevant statistics up to date.

SURVEY OVERVIEW

(RESPONDENTS) 29 VASPs¹ (22 exchange service providers and 7 wallet and custodian service providers)

(SURVEY METHOD) Data collected from VASPs

(PERIOD COVERED) July 1, 2023 to December 31, 2023

KEY SURVEY RESULTS

Type	H1 2023	H2 2023	Change (%)
I. Virtual Asset Service Providers			
Average daily trading volume (in KRW)	2.9 trillion	3.6 trillion	+0.7 trillion (+24%)
Total operating profits (in KRW)	228.0 billion	269.3 billion	+41.3 billion (+18%)
Total deposits (in KRW)	4.0 trillion	4.9 trillion	+0.9 trillion (+21%)
II. Virtual Assets			
Total market capitalization (in KRW)	28.4 trillion	43.6 trillion	+15.2 trillion (+53%)
# of types of virtual assets	1,399	1,333	-66 (-4.7%)
- Excluding those cross-listed on multiple virtual asset exchanges	622	600	-22 (-3.5%)
# of types of exclusively listed virtual assets	366	332	-34 (-9.3%)
Price volatility (Maximum Drawdown) ²	62.4%	61.5%	-0.9%p
III. Virtual Asset Users			
# of users eligible to trade	6.06 million	6.45 million	+0.39 million (+6.4%)
Most prevalent age group	30s	30s	-
# of users holding less than KRW1 mil.	4.43 million	4.55 million	+0.12 million (+2.8%)

※ a) The survey results are not government statistics as they are compiled from data submitted by businesses.
b) Responses from individual businesses cannot be disclosed as they may constitute trade secrets.

¹ Out of the total of 37 registered entities thus far, 8 of them were excluded from this survey results as 4 of them terminated business operation and 4 others did not submit data.

² (Highest price minus lowest price) / highest price

KEY SURVEY FINDINGS FOR H2 2023

The domestic market for virtual assets in H2 2023 saw increases in terms of average daily trading volume (*up 24%*), market capitalization (*up 53%*), total operating profits (*up 18%*), and total volume of deposits in KRW (*up 21%*), as virtual asset prices increased and investment sentiment recovered. The total number of users eligible to trade (*up 6%*) also turned back up from the decline seen in the first half of 2023.

When compared with the survey results of H1 2023, in the latter half of the year, the KRW-based exchange service providers saw a notable increase in new listings (*up 70%*), while the coin-only exchange service providers experienced a significant number of delistings (*down 82%*), which brought down the total number of virtual asset types available for trade (*down 3.5%*). Especially, the number of exclusively listed virtual assets—those tradable via single VASP in domestic market—dropped considerably (*down 9.3%*).

Maximum drawdown, or price volatility, still remained high at 61.5 percent (*62.4% in H1 2023*). External transfers of virtual assets by exchange service providers also increased considerably (*up KRW8.4 trillion, or 28%*). Among them, those transferred to the registered entities under the travel rule rose rapidly (*up KRW3.8 trillion, or 57%*).

As of the end of December 2023, there were two coin-only exchange service providers and two wallet and custodian service providers that announced plans to terminate their business operations. As there are growing numbers of VASPs closing down their businesses, users should continue to practice caution in their dealings with VASPs.

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