

FSC AND FSS HOLD MEETING TO REVIEW REGISTRATION OF VASPs

FSC Chairman Koh Seungbeom presided over a joint meeting between the FSC and the FSS on September 22 to review the progress of registration of virtual asset service providers as the September 24 deadline for business registration draws near.

KEY DETAILS

(REGISTRATION STATUS OF VASPs) As of September 22, six VASPs¹ have filed their registration reports and the authorities have so far decided to grant approval to one entity (Upbit).

The authorities expect that most VASPs and other entities (wallet or depository service providers) that have obtained ISMS certifications will file registration reports as 31 other entities (21 VASPs and 10 others) besides those mentioned above have entered preliminary consultation.

Since September 17 when VASPs were required to start issuing advance notices about the prospect of business termination, the FSC and the FSS have been operating a monitoring team to review compliance on a daily basis. Except for four entities that have secured partnership with banks to open real-name transaction accounts, the authorities confirmed that 24 entities with ISMS certifications have put up notices informing about termination of KRW-based transaction services. Out of 14 entities that have applied for but failed to obtain ISMS certification, the authorities found that most of them have put up notices concerning their business termination or have already closed their business.

(CHAIRMAN'S REMARKS ON VASPs) In order to prevent and minimize potential damages incurred to virtual asset service users, Chairman Koh urged them to continuously check whether their VASPs have obtained ISMS certification and/or have been approved for operating their business beyond the September 24 deadline.

While expressing his appreciation for VASPs that have been complying with the authorities' recommendation to inform their customers about impending business termination, Chairman Koh also urged them to take necessary steps to ensure a seamless withdrawal of deposits and prevent damage to users.

¹ VASPs: Upbit (Aug. 20), Bithumb (Sep. 9), Coinone (Sep. 10), Korbit (Sep. 10), Flybit (Sep. 17)
Other (wallet or depository service provider): KODA (Sep. 17)

Chairman Koh urged the authorities to continue to closely monitor the registration situation and work to minimize damages inflicted on users while streamlining the registration process. Moreover, Chairman Koh stressed the urgency in establishing transparency in virtual asset transactions from the standpoint of users.

(MARKET MONITORING OVER EVERGRANDE DEFAULT CONCERN) During the meeting, Chairman Koh and officials also reviewed market situations amid rising concerns about a potential default by China's Evergrande Group. Although there appears to be limited possibility of a systemic risk in the global financial market, Chairman Koh urged close monitoring of the situation as risks may spread in the process of asset market adjustment coupled with global tapering moves.

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