

## CONFLICT OF INTEREST RULE INTRODUCED FOR VASPs TO IMPROVE TRANSPARENCY IN TRANSACTIONS

The government introduced the conflict of interest rule for virtual asset service providers through a revision to the Enforcement Decree of the Act on Reporting and Using Specified Financial Transaction Information, which was approved at a cabinet meeting held on September 28.

The conflict of interest rule prohibits VASPs from trading virtual assets issued by their own platforms or by other specially related entities<sup>1</sup> and restricts operators and staff members of VASPs from trading virtual assets via their own platforms. The measures are intended to prevent damages to users and improve transparency in virtual asset transactions.

VASPs are required to set up internal standards regarding the conflict of interest rule within one month. A failure to implement the rule may be subject to suspension of business or up to KRW100 million in fine.

The revised Enforcement Decree will take effect immediately after promulgation.

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<sup>1</sup> As defined in the Commercial Act