



Financial Services Commission’s Roadmap for Corporate Participation in the Virtual Asset Market

2025.02.26

Since 2017, Korean regulators have prohibited corporate transactions in virtual assets by restricting the opening of real-name accounts for corporate entities. The government’s decision at that time was driven by concerns over money laundering and market overheating, given that corporate trading was seen as posing higher risks compared to individual trading. Accordingly, banks have refrained from opening real-name accounts for corporate entities, effectively preventing them from transacting on virtual asset exchanges in Korea.

On February 13, 2025, during the third meeting of its Virtual Asset Committee, the Financial Services Commission (the “FSC”) announced its Roadmap for Corporate Participation in the Virtual Asset Market (the “Roadmap”). The Roadmap sets out a phased approach designed to allow corporate entities to open real-name accounts and participate in the market without compromising user protection or market stability. The key measures of the Roadmap are as follows.

Roadmap for Corporate Participation in the Virtual Asset Market

Phase 1: Government, Non-Profit Entities and Virtual Asset Exchanges

Since late last year, law enforcement agencies, such as the Prosecutors’ Office and the National Tax Service, have already been allowed to open real-name accounts to facilitate the confiscation and liquidation of virtual assets as required for their law enforcement purposes.

In the second quarter of 2025, certain non-profit entities, including university foundations, will be permitted to open real-name accounts to receive donations and contributions, provided that they implement certain internal control standards to be required by the FSC.

Virtual asset exchanges will also be allowed to convert virtual assets received as transaction fees into cash to cover their operating expenses. Additionally, to mitigate conflicts of interest when selling virtual assets, exchanges must implement

a joint guideline before such transactions are permitted.

Phase 2: Professional Investors

Starting in the second half of 2025, around 3,500 “professional investors” (other than financial institutions) registered under the Financial Investment Services and Capital Markets Act (the “**Capital Markets Act**”) will be allowed to engage in virtual asset transactions. In other words, qualified professional investors who are already eligible to invest in highly volatile derivative products under the Capital Markets Act will be permitted to engage in virtual asset transactions, subject to a reinforced review process in accordance with a new set of transaction guidelines to be introduced by the FSC prior to the commencement of the pilot program.

The FSC has indicated that such new guidelines will mandate enhanced verification of transaction purposes and fund origins, recommend third-party custody solutions for asset management and require expanded investor disclosures by virtual asset exchanges.

Phase 3: All Corporate Entities

Participation by any other types of corporate entities in the virtual asset market will be considered after Phase 2 and once the general framework for regulating virtual asset transactions (including with respect to foreign exchange and tax regulations) is prepared and implemented.

Implications to Foreign Clients

Notably, the pilot program in Phase 2 is likely to extend foreign entities that are registered as professional investors in Korea. Registration as a professional investor is available online (or via an attorney-in-fact that is resident in Korea for foreign applicants) for any entity that has a minimum balance of KRW 10 billion or more in financial investment products.

Further, any such professional investors that seek to participate in the virtual asset market should ensure that their internal control standards are robust enough to effectively mitigate any money laundering and conflict of interest risks.

We recommend that foreign entities looking to enter the Korean virtual asset market work with experienced advisors. Shin & Kim has a strong track record in the virtual asset practice and can assist with navigating the complex regulatory regime of Korea, from establishing internal control frameworks to ensuring compliance with enhanced KYC measures.

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With a dedicated group of professionals who truly understand the technology, business and regulatory climate, Shin & Kim has extensive expertise in assisting clients successfully navigate the rapidly-evolving virtual asset industry in a compliant yet innovative manner.

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