

Korean Virtual Asset Market Access for Foreign Entities

Legal Advisory Services by Cha & Kwon

Executive Summary

Cha & Kwon is a leading Korean law firm specializing in cryptocurrency and Virtual Asset Service Provider (VASP) regulations. We provide comprehensive legal support for foreign entities seeking to access Korean virtual asset exchanges including Upbit, Korbit, Bithumb, and Coinone. Our expertise covers regulatory compliance, corporate structuring, and the evolving professional investor registration framework.

Current Regulatory Landscape

The Korean virtual asset market presents significant opportunities for foreign investors, with recent regulatory developments opening new pathways for corporate participation. In early 2025, the Financial Services Commission (FSC) announced guidelines that will enable broader corporate access to Korean exchanges, though implementation details continue to evolve.

Foreign entities currently face a two-tier market structure. The BTC and USDT markets (with USDT service launching soon) are accessible to foreign corporations through standard KYC procedures. However, access to KRW markets requires professional investor status, with specific criteria expected to be finalized in the second half of 2025.

Strategic Approach for Market Entry

We recommend a phased approach for foreign clients seeking to maximize their

participation in Korean virtual asset markets. Beginning with registration for BTC and USDT markets allows entities to establish their presence on Korean exchanges while preparing for future KRW market access. This approach provides operational familiarity with Korean VASP requirements and positions clients advantageously for when professional investor registration becomes available.

Corporate Structuring Options

Foreign entities have two primary pathways for Korean VASP access, each with distinct advantages and considerations:

Option 1: Utilizing Existing Foreign Entity

This approach offers the fastest market entry and is our generally recommended starting point. Foreign entities can register directly with Korean VASPs for BTC and USDT market access. However, this structure may face challenges meeting future professional investor requirements for KRW market access, as criteria for foreign entities are not yet specified.

Option 2: Establishing a Korean Entity

Creating a Korean LLC provides greater flexibility for future regulatory compliance, particularly regarding professional investor registration. While this approach requires more initial setup time and potential capital injection to meet professional investor thresholds (anticipated to be similar to traditional markets at approximately KRW 10 billion in financial assets), it positions the entity optimally for full market access.

KYC Requirements and Documentation

Korean VASPs maintain rigorous KYC standards for foreign entities. The process varies depending on whether the entity has Korean representation:

For entities with a Korean national representative residing in Korea, the KYC process follows standard procedures. For those without local representation, we facilitate

appointment through either the standing representative system or Power of Attorney arrangements.

Required documentation includes business registration certificates, corporate registry extracts showing company officers, shareholder registries identifying beneficial owners, identification documents, and VASP-specific compliance forms. All foreign documents require notarization, and we manage the complete documentation preparation and submission process.

Our Comprehensive Service Offering

Cha & Kwon provides end-to-end legal support tailored to each client's specific needs and chosen market entry strategy. Our services encompass initial strategic consultation to determine optimal corporate structure, complete entity formation services for those choosing to establish Korean subsidiaries, and arrangement of Korean representation through appropriate legal mechanisms.

We manage the entire exchange registration process, recognizing that each VASP maintains unique requirements and procedures. Our team handles documentation preparation, notarization, and submission, maintaining direct relationships with compliance teams at all major Korean exchanges. For clients targeting future KRW market access, we provide ongoing advisory services on professional investor registration requirements and assist with structuring to meet anticipated thresholds.

Engagement Process

Our engagement begins with a comprehensive consultation to understand your investment objectives and timeline. We then develop a customized market entry strategy aligned with your goals, whether prioritizing speed to market or positioning for maximum future flexibility. Throughout the implementation process, we provide regular updates and coordinate all necessary steps, from entity structuring through successful exchange registration.

Next Steps

The Korean virtual asset market represents a significant opportunity for well-prepared foreign entities. With regulatory frameworks continuing to evolve favorably, early positioning can provide substantial advantages. We invite you to schedule a consultation with our team to discuss how Cha & Kwon can facilitate your entry into this dynamic market.

For further information or to arrange a consultation, please contact:

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