

## **REGULATION ON RESTRICTION, SUSPENSION, AND DEREGISTRATION OF VASP OPERATIONS**

### **ONE. GENERAL PROVISIONS**

1.1 The purpose of this Regulation is to govern relations related to the imposition of restrictions and suspension of operations, and deregistration of Virtual Asset Service Provider (hereinafter referred as the "VASP") registered with the Financial Regulatory Commission (hereinafter referred to as the "Commission").

### **TWO. IMPOSING RESTRICTIONS ON VIRTUAL ASSET SERVICE PROVIDER OPERATION**

2.1 The Commission may impose restrictions on services specified in Article 10.10 of the Law on Virtual Asset Service Provider, and on specific virtual assets and products in accordance with anti-money laundering and combating the financing of terrorism.

2.2 Imposition of restrictions shall be based on off-site and onsite supervision results of VASP, as well as on the conclusions, recommendations, notices, warnings, and descriptions of other authorized bodies.

2.3 The VASP may submit a request to lift the restrictions with supporting documents of proof to the Commission, and the Commission shall review and resolve the request within 10 working days.

2.4 In case the Commission considers that the grounds and circumstances of the statements specified in Article 2.2 of this Regulation were cured, the restrictions shall be lifted.

2.5 The Commission shall make public its decision on the imposition of and exemption from restrictions.

### **THREE. SUSPENSION OF VIRTUAL ASSET SERVICE PROVIDER OPERATIONS**

3.1 The Commission may suspend the VASP's operations for up to 3 months based on the following grounds:

3.1.1 Failure to comply with the requirements and obligations submitted by the Commission under the Law on Virtual Asset Service Provider, other applicable laws, and regulations within the specified time;

3.1.2 The Commission and its supervision issued notices and warnings regarding the operations of the VASP more than 2 times;

3.1.3 Received a justified request from the competent authorities regarding the VASP operations engagement in the illegal activities.

3.2 In case the grounds for non-compliance and failure that caused the suspension of operations are cured, the VASP shall submit its request to restore its operations with supporting documents of proof to the Commission.

3.3 The Commission shall review and resolve the request specified in Article 3.2 of this Regulation within 20 days.

3.4 The Commission shall make public its decision on suspension and restoration of the VASP operations.

3.5 Suspension by Article 3.1 of this Regulation shall not restrict VASP's right to make virtual and cash withdrawal transactions with the client's consent.

#### **FOUR. DEREGISTRATION OF THE VIRTUAL ASSET SERVICE PROVIDER**

4.1 The Commission shall deregister the VASP based on the following grounds:

4.1.1 Found to be unable to satisfy and comply with the requirements set forth in the Law on Virtual Asset Service Provider, other applicable laws, and regulations;

4.1.2 Failed to start providing services specified in Article 6.1 of the Law on Virtual Asset Service Provider within 3 months after the registration;

4.1.3 Submitted a request for deregistration to the Commission, or a decision of the meeting of shareholders or the court on liquidation has been issued;

4.1.4 Found that the documents were forged for registration with the Commission;

4.1.5 Failed to correct non-compliance or failure that was the basis of the suspension of operations;

4.1.6 Found to have caused significant damage to customers by committing crime.

4.2 Applications for re-registration of the entities which were deregistered shall not be accepted within one year.

4.3 The entities deregistered from the VASP registration must undertake appropriate measures in accordance with the plan and contracts signed with the customers and submit a report to the Commission within 20 working days.

4.4 The Commission shall make public its decision on deregistration.

4.5 Deregistration by Article 4.1 of this Regulation shall not restrict VASP's right to make virtual and cash withdrawal transactions with the client's consent.

