

Potential Crypto Exchange Ban and the Government Position as Clarified by the Blue House

At a New Year's press conference held on January 11, 2018, Justice Minister Park Sang-ki said, "There are great concerns regarding virtual currencies and the Ministry of Justice ("MOJ") is preparing a bill to ban cryptocurrency trading through exchanges." This statement that the MOJ is preparing legislation to ban cryptocurrency trading was widely reported in the media, and is consistent with the statement made by the Minister of the Office of Policy Coordination at a previous press conference on December 28, 2017 ("**Dec. 28 Press Conference**") where he noted that the Ministry of Justice proposed to shut down cryptocurrency exchanges.

The Justice Minister further claimed that the plan to ban cryptocurrency trading was the official position of the Korean government and was made after consulting with other ministries. However, this view seemingly contradicts statements made at the Dec. 28 Press Conference where the Minister of the Office of Policy Coordination implied that other Ministers did not agree with the Ministry of Justice. Moreover, shortly after the Justice Minister's press conference, the Ministry of Strategy and Finance, the Financial Services Commission as well as the Blue House (Korea's equivalent of the White House in the US) clarified that the Justice Ministry's position *did not reflect the opinions of other ministries and is not the official position of the Korean government*.

Please note that the Justice Minister did not provide a timeline for proposal of the new legislation, but any new legislation would require approval by a majority of the National Assembly.

For additional information regarding this alert or to sign up for future updates, please contact Steve Ahn or Steve Kim. For information generally on cryptocurrency, ICOs, regulatory matters or other related questions, please do not hesitate to contact the partners in SEUM's blockchain and cryptocurrency team, Steve Ahn and Hoseok Jung.

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