January 16, 2026

KEY DEVELOPMENTS AND IMPLICATIONS OF GOOGLE PLAY'S RESTRICTION ON OVERSEAS VIRTUAL ASSET EXCHANGE AND WALLET APPS

On January 14, 2026, Google Play released a document titled *"Understanding the Cryptocurrency Exchange and Software Wallet Policy"* (the "App Policy"), announcing detailed guidelines (the "Guidelines") for publishing virtual asset exchange and wallet applications on Google Play. Under this policy, overseas virtual asset exchange and wallet apps will no longer be accessible in Korea, a development expected to have a material impact on the business operations of both domestic and foreign virtual asset service providers ("VASPs").

This newsletter outlines the key elements of Google Play's policy changes, their regulatory background, and the resulting implications.

I. BACKGROUND OF THE POLICY CHANGE

As is widely known, beginning on March 25, 2025, Korea's Financial Intelligence Unit ("KoFIU") implemented app download bans, through cooperation with Google Play and Apple App Store, targeting only those foreign virtual asset exchanges deemed to be conducting unreported business activities directed at Korean residents (the so-called "blacklisted exchanges").[1] As virtual asset regulations have continued to evolve globally, supervisory authorities in multiple jurisdictions are likely to have made similar requests to Google Play regarding app download restrictions.

In response to evolving global regulatory frameworks governing virtual assets, Google Play began independently preparing revisions to its app policies in the second half of 2025 to ensure alignment with applicable regulations. Since July 2025, Google Play has progressively announced jurisdiction-specific restrictions on the distribution of virtual asset–related applications. The most recent policy change should be understood as part of this broader series of regulatory updates.

II. KEY FEATURES OF THE REVISED APP POLICY

1. Implementation as a Global App Policy

For apps targeting specific countries or regions, Google Play will no longer permit publication in those jurisdictions unless the app developer provides evidence of the registrations or licenses required under local law (see table below). As a result, users in

1 Implementation of Domestic Access Blocking for Google Play Apps of Unregistered Overseas Virtual Asset Service Providers

such jurisdictions will not be able to search overseas virtual asset exchange or wallet apps via Google Play, making it difficult to use the apps.

However, non-custodial wallets fall outside the scope of Google Play's cryptocurrency-related app policy and therefore may continue to be offered to local users without obtaining licenses or registration in the relevant jurisdictions.

The revised policy will take effect on **January 28, 2026**.

2. Application to All Overseas Exchanges and Wallet Apps

A key feature of the revised policy is that it applies not only to previously blacklisted exchanges, but to all overseas virtual asset exchanges and wallet providers that are not registered as Korean VASPs with KoFIU.[2] Accordingly, from January 28, 2026 onward, overseas virtual asset exchange and wallet apps operated by non-Korean VASPs will no longer be available for new downloads in Korea via Google Play.

Users who have already downloaded such apps may continue to use them; however, app updates will no longer be available. Therefore, while continued use may be possible for a limited period, it is expected that, over time, the lack of security and functional updates will render continued use impractical.

3. Scope of the Policy and Exemptions

The revised Google policy applies only to apps distributed via Google Play and local users may still access overseas virtual asset exchanges and wallet services directly via their websites using a PC, or download apps through alternative channels outside Google Play, such as the providers' own websites.

In addition, Apple App Store has not yet implemented comparable restrictions. As a result, iPhone users may continue, for the time being, to download and update overseas virtual asset exchange and wallet apps without restriction.

III. IMPACT ON THE KOREAN MARKET AND KEY IMPLICATIONS

As emphasized above, this development arises from a policy change by Google Play as a private-sector entity. Accordingly, the inability to download certain overseas exchange or wallet apps in Korea does not mean that all transactions with such overseas service providers are prohibited.

Specifically, deposits to and withdrawals from overseas service providers by Korean exchanges remain restricted only with respect to exchanges listed on KoFIU's blacklist. For major overseas exchanges and wallet providers that are not registered as Korean VASPs but are also not blacklisted, deposits and withdrawals are expected to remain permissible under the current regulatory framework. Consequently, asset transfers through Travel Rule solutions or account ownership verification mechanisms should likewise remain unchanged.

2 Financial Intelligence Unit (KoFIU), List of Registered Virtual Asset Service Providers (as of January 14, 2026) (Link: https://www.kofiu.go.kr/kor/notification/notice_view.do?ntcnYardOrdrNo=194&seCd=0007)

Google Play's revised app policy represents a form of voluntary regulatory compliance by a private market participant with significant influence, and similar initiatives are expected to expand in the future. Korean users should clearly understand that use of overseas exchanges and wallet services not registered in Korea is undertaken at their own risk. Likewise, overseas exchange and wallet providers that are not blacklisted should refrain from actively marketing their services in the countries and regions listed in the Guidelines.

Bae, Kim & Lee LLC remains committed to standing by our clients with the highest level of expertise and dedication.

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Appendix: Jurisdictions Where Publication of Cryptocurrency Exchange and Software Wallet Apps Is Restricted

<table>
<tr><th>Country / Region</th><th>Cryptocurrency Exchanges</th><th>Software Wallets</th></tr>
<tr><td>Bahrain</td><td colspan="2">License for Crypto-Asset Services issued by the Central Bank of Bahrain (CBB) required</td></tr>
<tr><td>Canada</td><td colspan="2">Registration as a Money Services Business with FINTRAC (CANAFE) required</td></tr>
<tr><td>Hong Kong</td><td>Type 1 (Dealing in Securities) and Type 7 (Automated Trading Services) licenses from the SFC required</td><td>Not required</td></tr>
<tr><td>Indonesia</td><td>Crypto Asset Physical Trader license issued by Bappebti required</td><td>Not required</td></tr>
<tr><td>Israel</td><td colspan="2">(a) CMISA license as a financial service provider, or (b) banking license from the Bank of Israel required</td></tr>
<tr><td>Japan</td><td colspan="2">Registration as a Crypto Asset Exchange with the Financial Services Agency required</td></tr>
<tr><td>Philippines</td><td colspan="2">Certificate of Registration from the Bangko Sentral ng Pilipinas (BSP) required</td></tr>
<tr><td>South Africa</td><td colspan="2">Registration with the Financial Sector Conduct Authority (FSCA) required</td></tr>
<tr><td>Republic of Korea</td><td colspan="2">Filing of VASP registration with KoFIU required</td></tr>
<tr><td>Switzerland</td><td colspan="2">Authorization from the Swiss Financial Market Supervisory Authority (FINMA) required</td></tr>
<tr><td>Thailand</td><td>Digital Asset Business license from the Securities and Exchange Commission (SEC) required</td><td>Not required</td></tr>
<tr><td>United Arab Emirates</td><td colspan="2">Authorization from (a) FSRA, (b) VARA, or (c) DFSA required</td></tr>
<tr><td>United Kingdom</td><td colspan="2">Registration with the Financial Conduct Authority (FCA) required</td></tr>
<tr><td>United States</td><td colspan="2">(a) FinCEN registration and state money transmitter licenses, or (b) federally or state-chartered bank status required</td></tr>
<tr><td>European Union</td><td colspan="2">Authorization as a Crypto-Asset Service Provider (CASP) under MiCA by a competent authority; compliance with all applicable local laws required</td></tr>
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