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South Korea Creates Cryptoassets Unit at Central Bank

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SEOUL – July 30, 2025: The Bank of Korea (BOK), South Korea’s central bank, has launched a new internal division dedicated to overseeing developments in the cryptocurrency sector, marking a significant institutional shift as central banks worldwide adapt to the digital finance era.

According to South Korean news outlet *News 1*, the BOK officially established a “**Cryptoassets Department**”, which will be responsible for monitoring digital asset trends and advising on issues related to **stablecoins pegged to the Korean won**. The move

comes amid growing public and institutional interest in blockchain-based financial instruments, particularly stablecoins and central bank digital currencies (CBDCs).

The bank also announced that its existing **Digital Currency Research Lab**, previously part of the Financial Settlement Bureau, will be renamed the **Digital Currency Lab** as of **July 31**. This lab will continue to focus on research and development concerning digital currencies, while the new department will handle broader regulatory and policy-related aspects of the crypto sector.

The restructuring is seen as a proactive step by the BOK as discussions on **central bank-issued digital currencies (CBDCs)** gain momentum in major economies. The new department is expected to play a critical role in providing technical and regulatory guidance as South Korea explores possible models for implementing a national digital currency.

The BOK has not announced a specific timeline for launching a CBDC but has conducted multiple pilot programs and research projects on distributed ledger technology and digital payments. This structural overhaul signals the institution's intent to maintain readiness for rapid policy implementation if the government chooses to proceed with a full-scale digital currency rollout.

Internationally, central banks have increased their focus on crypto policy. The **European Central Bank, Federal Reserve, and People's Bank of China** are all actively studying CBDCs, while several smaller economies, including the Bahamas and Nigeria, have already introduced digital versions of their currencies.

South Korea, with its advanced technological infrastructure and active crypto investor base, is viewed as a strong candidate to lead innovation in digital monetary systems in East Asia. However, the BOK has repeatedly emphasized the need for caution, citing risks related to financial stability, monetary control, and illicit use of cryptoassets.

As the crypto sector continues to evolve, the Bank of Korea's creation of a dedicated department reflects a growing recognition that digital finance is no longer a fringe phenomenon but a core issue in contemporary monetary policy.