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Busan Strengthens Digital Financial Hub Ambition as Fractional Investment Market Emerges

Korea has established a legal framework for Security Token Offerings (STOs), with amendments to the Capital Markets Act and the Electronic Securities Act. These amendments provide a basis for issuing and distributing digital securities using blockchain-based distributed ledger technology. This would expand the scope of securitisation beyond what the existing electronic securities system can easily accommodate, opening the market to fractionalised products linked to assets such as real estate, fine art, and music copyrights.

Building on this policy momentum, Korea is preparing to launch its first regulated over-the-counter (OTC) trading platform for fractional investment market. The objective is to transition fractional investment from a regulatory sandbox into a supervised market environment with clearer rules and stronger investor protection, creating a formal pathway for secondary trading and broader market participation.

Amid intensifying competition over who will operate the new regulated platform, one of the leading contenders is KDX Consortium led by the Korea Exchange (KRX), which has a notable footprint in Busan. With KRX headquartered in Busan, the consortium brings together key regional stakeholders, including BNK Financial Group and Busan-linked digital-asset initiatives such as the Busan Digital Asset Exchange (BDAN). In practical terms, one of the strongest bids for the new fractional-investment trading venue is anchored by Busan-based institutions.

As Korea builds national market infrastructure for fractional investment securities, Busan is well-positioned to play a central role through a leading locally anchored consortium. If the KDX Consortium is selected to operate the regulated OTC platform, it would further reinforce



Busan's role as a digital finance hub, supporting growth in tokenisation, regulated secondary markets, and the fractional investment sector.