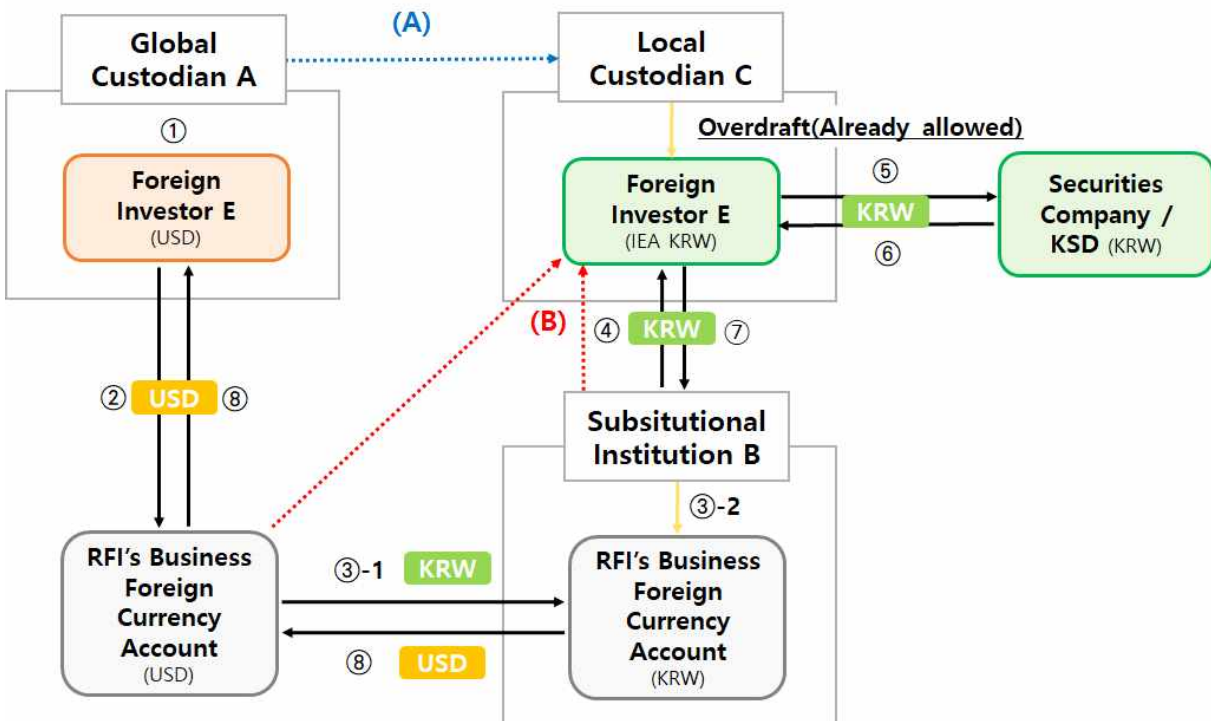


RFI Settlement Flows & Confirmation Obligations Across Procedures



Stages	Confirmation Obligations		
	RFI	SI	LC
<p>① The customer completes the FX transaction contract with an RFI and sends the fund allocation information to the global custodian bank and the RFI.</p> <ul style="list-style-type: none"> • RFI: trade customer volumes in the interbank market • Global custodian bank: send fund allocation information (A) to the local custodian bank 	<p>Name (Non-resident)</p>	—	—
<p>② The global custodian bank or the foreign investor transfers funds to the RFI's business foreign currency account.</p>	<p>Name (Non-resident)</p>	—	—
<p>③-1 KRW funds raised by the RFI in the interbank market are deposited in the RFI's business KRW account.</p> <ul style="list-style-type: none"> • RFI: send information (B) to the local custodian bank (upon completion of prior consultation) 	<p>Name (Non-resident)</p>	—	—

③-2 RFI borrows KRW from SI (if necessary)	Settlement Purpose	Settlement Purpose	—
④ The RFI transfers KRW ¹⁾ from the business KRW account to an Investment Exclusive KRW account (IEA) in the name of the investor at the local custodian bank.	Name (Non-resident)	Name (Non-resident)	Name (Non-resident)
• SI: send fund allocation information (B) to the local custodian bank		Transfer to the IEA	(A) = (B)
⑤ The local custodian bank transfers money from the customer's IEA to the securities company or KSD's account for securities settlement.	—	—	Recipient
• Customer: Overdrafts are available from the local custodian bank (if necessary).			
⑥ The local custodian bank deposits the securities trading profits and dividend income into the customer's IEA	—	—	Source of funds (④ + capital & dividend income)
⑦ The local custodian bank transfers KRW ¹⁾ from the IEA to the RFI's business KRW account upon customer's request.	Name (Non-resident)	Name (Non-resident)	Name (Non-resident)
• RFI: trade customer volumes in the interbank market			
⑧ The RFI deposits foreign currency funds raised from the interbank market into the business foreign currency account and transfers foreign currency to the customer	Name (Non-resident)	—	—

1) It is also allowed for the SI to send and receive the entire amount of the FX transaction to a local custodian bank's business purpose won account opened at the local custodian bank or a reserve account opened at the Bank of Korea.