

Third-Party FX Transactions Guidelines

(Revised: March 23, 2026)

1. RFI Checklist

- 1) Pursuant to Article 10(1) of the Foreign Exchange Transactions Act, the RFI must verify the identity (residency status) of the customer requesting the FX transaction, as well as account information and fund allocation details.
 - ① Confirm whether the customer is a non-resident under the Foreign Exchange Transactions Act through the Legal Entity Identifier (LEI) or Investor Registration Certificate (IRC).
 - ② Verify which foreign exchange bank holds the customer's "Investment-Only Non-resident Won Account", including the account number, and whether the account name matches the customer's identity (LEI or IRC).
 - * Example: The customer (i.e. foreign investor) may request account documentation from the domestic custodian bank or global custodian bank, and submit the relevant information to the RFI.
 - If the customer uses an investment-only omnibus account opened under the name of an International Central Securities Depository (ICSD) or a global custodian bank, the RFI must verify the account information and supporting documentation related to the use of that account.
 - Customers should also be informed that if account information changes during the course of transactions (e.g., account opening or closure), additional notification to the RFI is required.
 - * Account verification is required only once initially. Additional verification is unnecessary unless account information changes.
 - ③ The RFI must obtain fund allocation information by individual fund from the customer.
 - * Even in the case of bulk orders, information must be secured at the individual fund level.
- 2) The RFI must provide the fund-by-fund allocation information^(b) to the bank where the customer's investment-only non-resident won account is opened (domestic custodian bank) before payment instructions are executed, either directly or through a substitutional institution (SI).

* Required settlement information includes: (1) Value date, (2) Credit / Debit classification, (3) Settlement amount (KRW), (4) Settlement cash account number, etc.

- When the RFI must provide information for multiple funds, the information may be submitted in bulk using a standardized settlement data format (e.g., Excel file).

<Example format:>

No (Fund ID)	Value Date	Credit/Debit	Settlement Amount (KRW)	Cash Account No
1	2026-03-20	Credit	10,000,000	123-456-78901
2	2026-03-20	Debit	2,000,000	123-456-78902
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- The method of providing fund allocation information(b) (directly by the RFI or via the SI) may be determined by agreement between the RFI and the SI.
 - Where the global custodian bank, RFI, SI, and domestic custodian bank belong to the same financial group, or where prior arrangements exist between institutions, verification procedures may be simplified or modified under the principle of self-responsibility.
- 3) The RFI must verify that the transfers and receipts of KRW funds, and foreign currency funds are conducted in accordance with the transaction terms among the relevant parties, including: the customers, global custodian banks, domestic custodian banks, SIs, interbank counterparties.
- * The RFI may delegate these responsibilities to an intermediary agent through mutual agreement (contract).
- 4) If the RFI receives a settlement failure notification from the SI, the RFI must reconfirm with the customer whether the information previously provided contains any errors.

2. Substitutional Institution Checklist

- 1) Upon receiving fund-by-fund allocation information^(b) from the RFI, the SI must forward it in advance to the domestic custodian bank.

- 2-1) When the customer purchases KRW with foreign currency, the SI transfers KRW funds to the customer's investment-only non-resident won account in accordance with the RFI's payment instruction.
 - Alternatively, the SI may transfer the entire FX transaction amount to a KRW account opened at the domestic custodian bank for business purposes, or a reserve account at the Bank of Korea.

- 2-2) When the customer purchases foreign currency with KRW, the SI receives KRW funds transferred by the domestic custodian bank to the RFI's operational won account.
 - Alternatively, SI may receive the FX transaction amount from an operational won account of the domestic custodian bank, or a reserve account at the Bank of Korea.

- 3) Based on the fund allocation information^(b) and payment instructions received from the RFI, the SI sends or receives funds to/from the domestic custodian bank.
 - * If the RFI has already provided the fund allocation information directly to the domestic custodian bank, the SI may process transfers using only the payment instruction information.
 - Unless otherwise specified in contractual agreements, the SI is not responsible for verifying whether the total payment instruction amount matches the fund allocation data^(b).

- 4) If the SI receives a settlement failure notification from the domestic custodian bank, the SI must notify the RFI.

- 5) If the RFI cannot execute the customer's payment instruction due to settlement errors or temporary KRW liquidity shortages, the SI may provide KRW loans to the RFI.

3. Global Custodian Bank Checklist

- 1) The global custodian bank receives transaction and fund allocation information (a) from the customer and forwards it to the domestic custodian bank.
 - If the global custodian bank aggregates foreign currency transfers and payment instructions across multiple funds, it must provide fund-level transaction and allocation information (b) (identified by LEI or IRC) to the RFI before payment instructions are executed.

* This information must be identical to the fund-level transaction and allocation information that the RFI must provide to the SI or domestic custodian bank.

- 2) If the global custodian bank receives notification from the domestic custodian bank that (a) does not match (b), it must reconfirm with the customer whether the information originally provided is accurate.

4. Domestic Custodian Bank Checklist

- 1) Based on the transaction information (a) received from the global custodian bank, the domestic custodian bank allocates funds received from the RFI's substitutional institution to the customer accounts, or transfers funds to the RFI's operational won account, while verifying the accuracy of the information through the RFI or the SI.
 - If (a) is consistent with (b), the domestic custodian bank finalizes the settlement, and notifies the SI of its completion via phone or email.
 - If (a) is not consistent with (b), the domestic custodian bank reconfirms the allocation by fund and total transaction amount through the global custodian bank.
- 2) To facilitate smooth settlement of securities and derivatives transactions, the domestic custodian bank may provide KRW loans to customers for up to two business days (Regulation §2-6(3)).
 - Even if the total amount transferred by the SI to domestic custodian bank does not exactly match the total settlement amount or fund composition, settlement may still proceed for funds whose amounts match partially.

5. Investor Checklist

- 1) Investors must provide the same total transaction amount and fund allocation information to both the RFI and the global custodian bank before payment instructions are executed so that (a) matches (b).
- 2) If FX settlement through the RFI fails, investors may use overdraft facilities provided by the domestic custodian bank. Investors are encouraged to coordinate with their global custodian bank in advance to prepare for such situations.
- 3) If the global custodian bank or RFI notifies the investor of settlement failure, the investor must reconfirm the accuracy of the information originally provided.