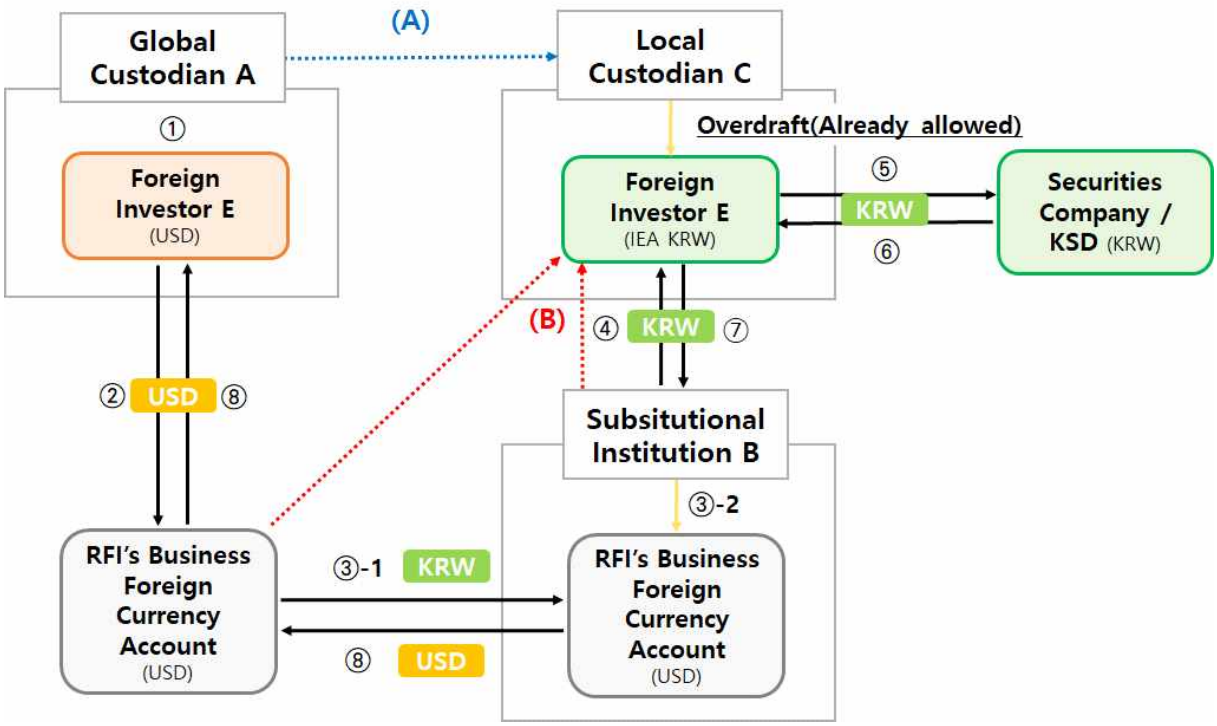
RFI Settlement Flows & Confirmation Obligations Across Procedures



Stages	Confirmation Obligations		
	RFI	SI	LC
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. • **RFI**: trade customer volumes in the interbank market • **Global custodian bank**: send fund allocation information **(A)** to the local custodian bank	Name (Non-resident)	–	–
② The global custodian bank or the foreign investor transfers funds to the RFI's business foreign currency account.	Name (Non-resident)	–	–
③-1 KRW funds raised by the RFI in the interbank market are deposited in the RFI's business KRW account. • **RFI**: send information **(B)** to the local custodian bank (upon completion of prior consultation)	Name (Non-resident)	–	–

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. • **SI**: send fund allocation information (B) to the local custodian bank	Name (Non-resident)	Name (Non-resident) Transfer to the IEA	Name (Non-resident) (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. • **Customer**: Overdrafts are available from the local custodian bank (if necessary).	-	-	Recipient
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. • **RFI**: trade customer volumes in the interbank market	Name (Non-resident)	Name (Non-resident)	Name (Non-resident)
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.