

Global Custody Service of KSD

NOV 25, 2020

Edward Lee
Associate
Global Business Department
Korea Securities Depository

Contents

1. KSD Global Custody Service

2. Account Structure

3. Procedure in Detail

1.1. Key Indicators

40 Markets worldwide through

4 Global Custodians

43.6 billion USD held in
custody, composed of

15,950 securities for

57 direct clients

170 billion USD of
annual settlement volume,

1,802,185 settlement
instructions annually
(**6,931** settlement instructions daily)

239,943 CA processing
instructions annually
(**1,142** CA instructions daily)

1.1. Overview

Global Custody Service of KSD

- **Definition**

Post-trade service for foreign securities transaction by Korean investors through foreign custodians

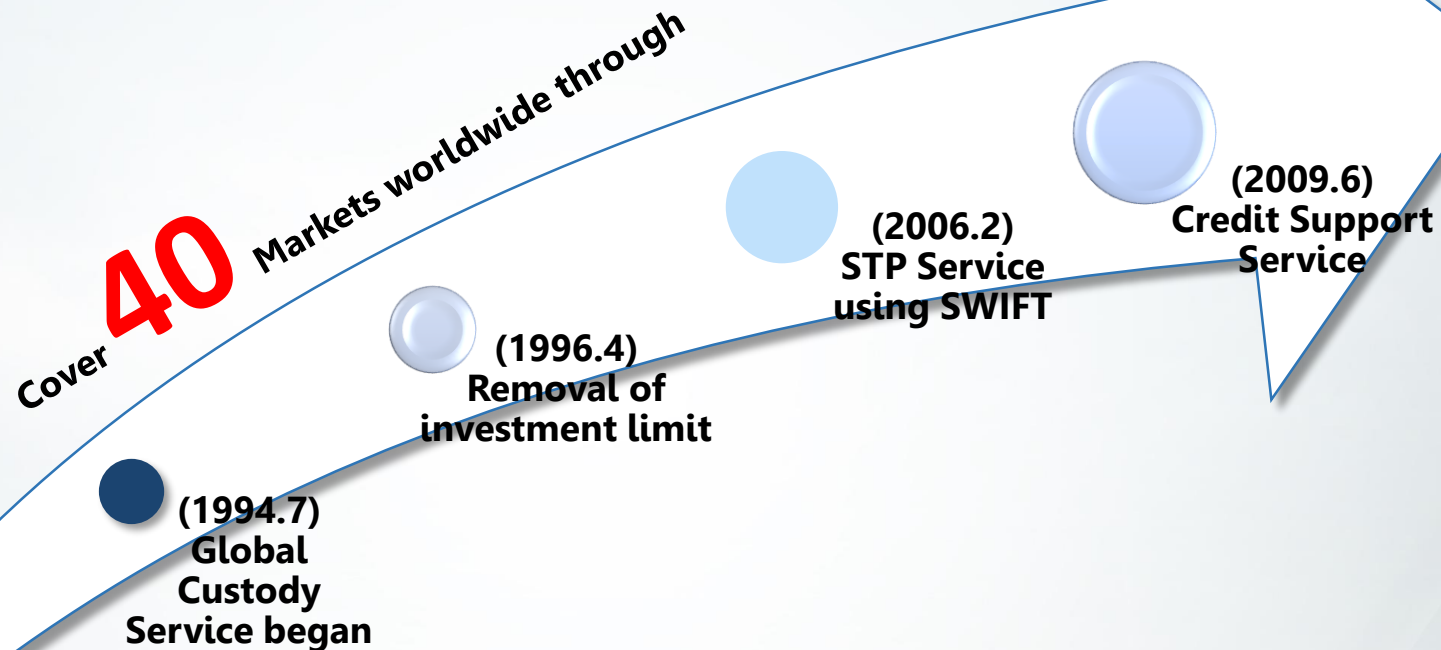
- **Purpose**

Protect individual investors, increase efficiency

- **Legal basis**

- **Mandatory deposit of foreign securities holdings by securities companies and its clients (Capital Market & Financial Investment Business Act)**
- **Assign KSD to build detailed procedures of settlement, safekeeping, CA processing of foreign securities trades and holdings by securities companies and its clients (Financial Investment Business Regulation)**

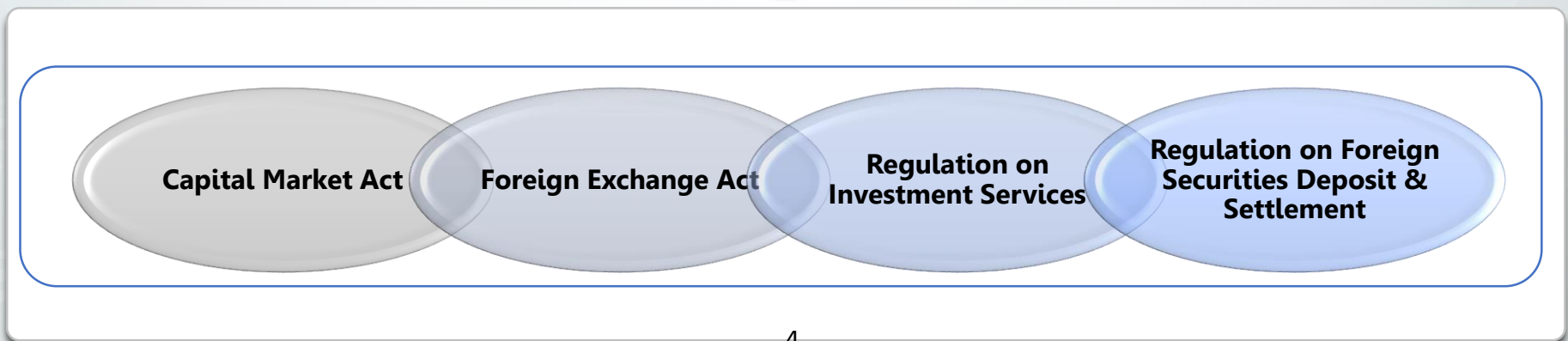
1.2. History



KSD has greatly contributed to huge development of overseas investment by creating market-friendly investment environment

1.3. Regulatory Framework for Outbound Investment KSD

	Contents	Articles
Eligible Foreign Securities	Foreign Securities are legally regarded as "Securities"	Article 2 & 4 of Act
Centralized Deposit	Foreign Securities invested by Individual Investors through brokers and dealers	Article 75 of Act
	Foreign Securities invested by Financial Investment Service Provider(Except Banks and Insurance Companies)	Article 61 of Act



1.5. Eligible Securities & Networks

Eligible Securities

- No restriction(Foreign Exchange Transaction Act)
- Eligible for Global Custodian and CSDs(Availability of Book Entry Transfer)

Communication Networks

- Mainly communicate with global custodian via SWIFT



Easyway (Euroclear)
CreationOnline (Clearstream)
CitiDirect (Citibank.N.A)
HSBCnet (HSBC)

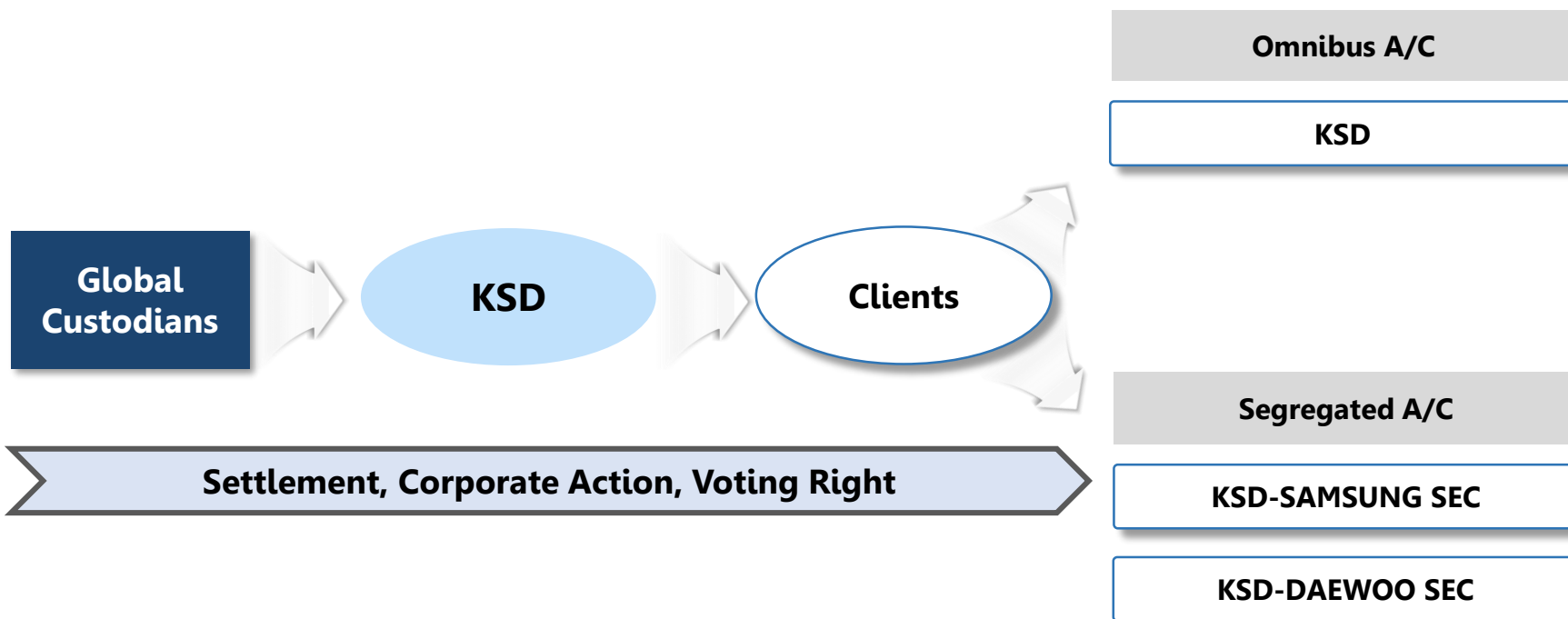
Contents

1. KSD Global Custody Service

2. Account Structure

3. Procedure in Detail

2.1. Foreign Nominee Account



2.2. Voting Right related to Account Structure



Global Custodian



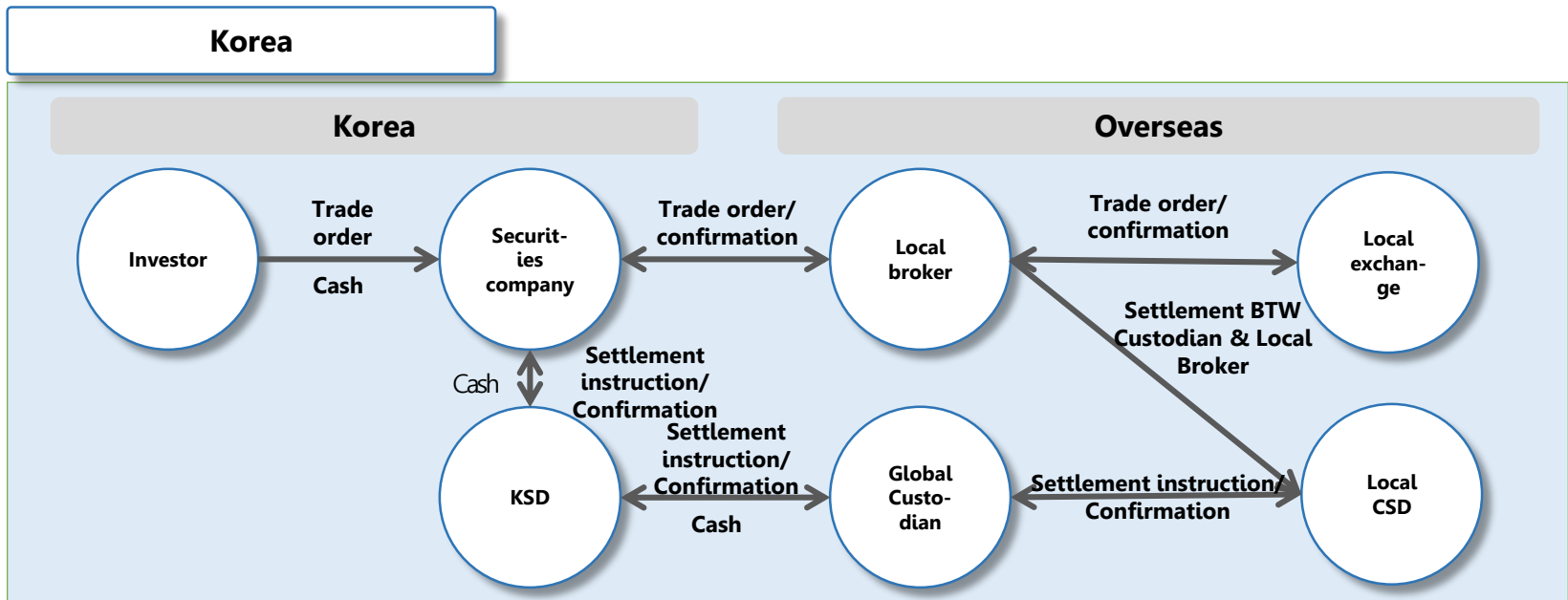
KSD provides convenient voting right services on behalf of actual beneficiary owner, handling the administrative steps necessary to exercise rights.

Process

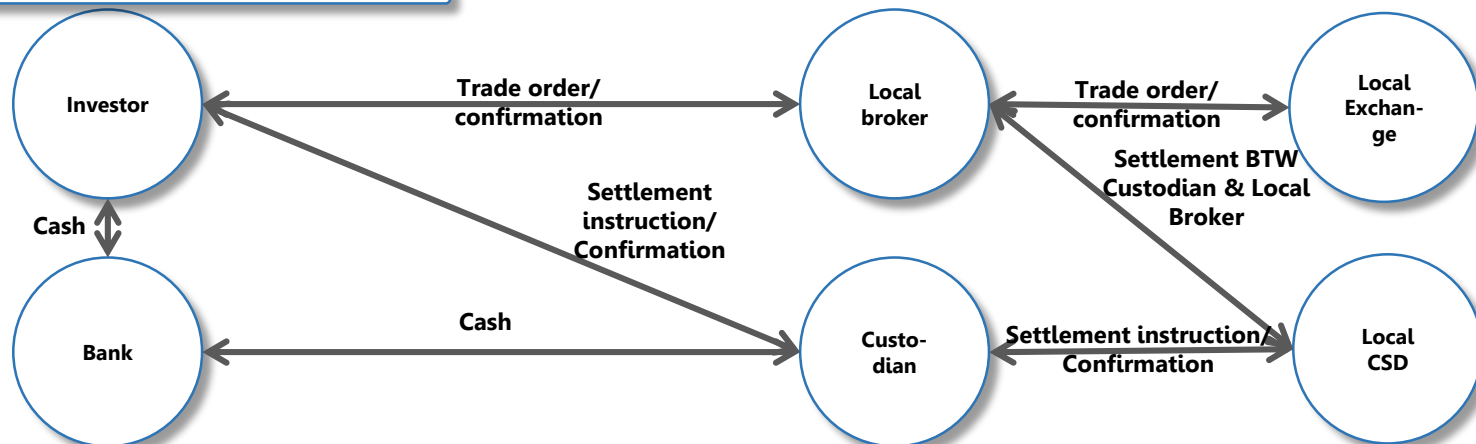
Contents

1. KSD Global Custody Service
2. Account Structure
- 3. Procedure in Detail**

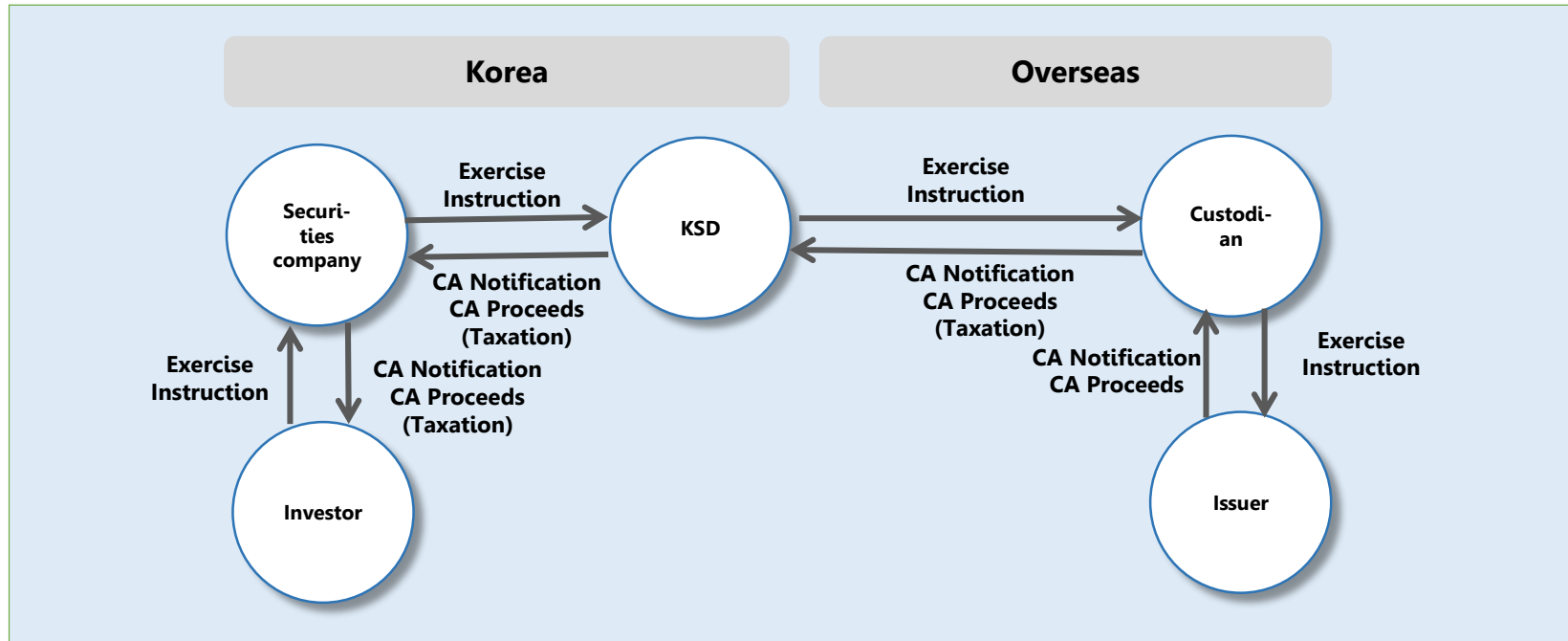
3.1. Unique Korean Global Custody Service System



Typical Style



3.2. Corporate Action Flow



- **Mandatory Event : No Action Required**
 Coupon, Dividend(Stock/Cash), Consolidation of shares, Stock split ...
- **Voluntary Event : Action Required**
 Voting, Rights issue...

Thank you!

Contact

Jong-Won Lee

Assistant Manager

Global Corporate Action team

Global Securities Services Department

Email : ksdckrse@ksd.or.kr

ksd11642@ksd.or.kr
