

# FXSeoul Rulebook

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## 1. General Provisions

### 1-1 (Purpose)

The purpose of this Rulebook is to provide the basic rules for the use of FXSeoul, a FX trading platform provided by Seoul Money Brokerage Services (hereinafter referred to as "SMBS").

### 1-2 (Applicable Target)

This Rulebook applies to those users who use FXSeoul based on Foreign Exchange Agreement with SMBS.

1-2 (**Definitions**) The definitions of main terms in this Rulebook are as follows:

"FXSeoul" - FX electronic trading platform operated by SMBS

"FXSeoul Web" (hereinafter "Web") - Online web platform that can be accessible on FXSeoul

"API" - Application Programming Interface to use to access FXSeoul

"Foreign Exchange Transaction Agreement" - Standard agreement for use of all FX trading related services provided by SMBS through FXSeoul

"Brokerage Fee Agreement" - Agreement on the brokerage fee to be paid by the User when using brokerage services provided by SMBS

"SMBS API Service Agreement" - Standard agreement on the use of API services and fees provided by SMBS

"Foreign Exchange Transaction (or Transaction)" - Certain activities of buying or selling a trading instrument using FXSeoul

"Trading Instrument" - Products provided by SMBS for trading via FXSeoul

"Trading Currency" - Currency pair that is the subject of a Trading Instrument

"Trading Hours" - The period of time during which users can perform Transaction via FXSeoul

"User(s)" - Authorized users accessing FXSeoul for the purpose of Transaction following proper procedures provided by SMBS

"SMBS Administrator" – An entity belonging to SMBS who performs related businesses for the efficient use of FXSeoul for users

"Participating Institution(s)" - An institution to which the user belongs to use FXSeoul Service based on the Foreign Exchange Transaction Agreement with SMBS.

"Authorized Trader" – An entity designated by the Participating Institution and has been granted the authority by the SMBS to trade on FXSeoul and to perform such actions as cancellations and inquiries only for the user's own orders.

"Trading Administrator" - A person designated by the Participating Institution and has been granted the authority by the SMBS to view and cancel all orders of the Participating Institution and to set credit limits, etc. in addition to the authority of the Authorized Trader.

"ID" - User's unique identifier consisting of English letters and numbers given by SMBS to access FXSeoul

"Password" - A combination of English letters, numbers, and special symbols individually set by the user to access FXSeoul.

"Login" - The process by which the user accesses FXSeoul using the ID and Password

"Order Entry" - The action to enter trading conditions into FXSeoul to trade FX.

"Order Cancel" - The action to cancel order submitted by the user with FXSeoul prior to the execution of the order

"Order Change" - The action to change the order entered by the user on FXSeoul

"Trade Filled" - The execution of the trading when "Buy" or "Sell" Trading party and the Counterparty match the terms of the quoted order, provided that both parties have sufficient credit limits

"Price Filled" - The price at which the trading was executed

"Time Filled" - The time at which the trading was executed

"View" – The action to check the history of Order Entry and Trade Filled by the User.

"Credit Limit" - The credit limit granted by a Trading party to a Counterparty for the purpose of Transaction

"Trading party(s)" or "Counterparty(ies)" – An entity who conducts Transaction through FXSeoul and is responsible for fulfilling the obligations related to the execution of the Transaction

"Quote(s)" - The real-time Bid and Ask price of a Trading Instrument that can be entered, changed and cancelled by the User through FXSeoul

"Bid" - The action to buy a trading instrument through FXSeoul

"Ask" – The action to sell a trading instrument through FXSeoul

"Trading Switch" - The act of changing the Counterparty to another Counterparty that has sufficient Credit Limit against the Trading party for a trade at the request of the Trading party in the event that the trade with the original Counterparty needs be changed due to the insufficient Credit Limit against the Trading Party.

"Trade Confirmation" – An electronic statement detailing the essential terms of an executed FX trading by the user.

"Day Order" ("DAY") - A type of order in which the remaining balance of the order is automatically entered if only the order entered by the user is partially filled.

"Immediate or Cancel Order" (hereinafter "IOC") - A type of order in which the remaining balance of the order is automatically cancelled if only the order entered by the user is partially filled.

"Fill or Kill Order" ("FOK") - A type of order where the entire balance of the order by the user is executed immediately at a specified rate, or the entire balance of the order is automatically canceled.

"Cancel on Disconnect" (hereinafter "COD") - An optional function to automatically cancel all remaining orders of a user when the connection to the FXSeoul is terminated abnormally during trading hours.

"Business Day" - A day on which Transaction is available through FXSeoul

"Relevant Guidelines" - Legal and regulatory framework applied to the Transaction through FXSeoul

"Relevant Authorities" - Any organization, government, committee, etc that have the authority to supervise and regulate the services provided by SMBS

## **2. Participation**

### **2-1 (Eligibility)**

Participating Institution must be registered as a Foreign Exchange agency in accordance with the Relevant Guidelines and possess the technical capabilities to use FXSeoul.

### **2-2 (Procedure/Process)**

After concluding the Foreign Exchange Transaction Agreement and Brokerage Fee Agreement between the SMBS and the User (provided, in the case of API Users, an additional SMBS API Service Agreement is required) and if the technical environment for using FXSeoul has been established, the following procedures shall be followed for participation:

#### (1) Request for User ID generation

- Follow the ID generation criteria required by SMBS.
- Each user belonging to the Participating Institution must be issued an ID individually and cannot create an ID identical to an existing ID. However, Participating Institutions that use the FXSeoul Service via the API shall be limited to a maximum of 10 user IDs per institution.

#### (2) Configuration for User password

- Users can set their own password or request the SMBS Administrator to do so. However, in the case of Users who use FXSeoul services via API, the password shall be set by the SMBS Administrator.

### (3) Configuration of the Credit Limit

- Before using FXSeoul, new Participation Institution shall establish a sufficient Credit Limit with the Counterparty and have a plan to manage it.
- In order to facilitate Users' Credit Limit setting, the SMBS Administrator may provide information on the Counterparty's Credit Limit contact staff in charge upon request.
- Credit Limits that are exhausted with a Counterparty during trading hours will be reinstated after the close of FXSeoul operations for the day and before the start of FXSeoul operations on the next business day.
- Credit Limits set by the Trading Administrator upon request from the Participating Institution or the Trading Administrator will be applied to the Participating Institution, not to individual Users.

### **3. Obligations of the Participating Institution**

(1) The Participating Institution shall be responsible for all actions performed by the User who has FXSeoul access rights, including the configuration of Credit Limits, Order Entry, Order Cancel and Order Change.

(2) The Participating Institution shall not allow any third party to access FXSeoul other than the person authorized to access FXSeoul.

(3) The Participating Institution shall immediately notify the SMBS of any changes to the information of any user authorized to access FXSeoul and request that it be reflected.

(4) The Participating Institution shall comply with all security measures required by the SMBS for the stable operation of FXSeoul.

(5) The Participating Institution should not arbitrarily process, distribute, sell, or retransmit any information provided by the SMBS through FXSeoul.

(6) The Participating Institution should not disrupt the market or cause disruption to SMBS's system by using FXSeoul in a fraudulent way.

### **4. Trading Rules (General)**

#### **4-1 (How to Access FXSeoul by User)**

Users can access FXSeoul via dedicated terminals, API and Web, and shall use a pre-confirmed ID and Password to access FXSeoul.

#### **4-2 (Trading Instruments)**

Users of FXSeoul can trade only the specified Trading Instruments.

#### **4-3 (Trading Hours)**

Transaction using FXSeoul is only possible during the time set by the Relevant Guidelines and Relevant Authorities.

#### **4-4 (Trading Amount)**

The minimum order amount for Transaction using FXSeoul shall be subject to the Relevant Guidelines determined by the Relevant Authorities.

#### **4-5 (Trading Filled)**

##### **4-5-1**

All orders are filled in the order of (1) price and (2) time, and if the ordered quantity is not fully filled, the remaining quantity will be entered automatically. However, in the case of using the FXSeoul service through API, whether or not to automatically enter the remaining quantity not filled shall be determined according to the order type set by the User.

##### **4-5-2**

Cancellation or amendment of the Trade Filled shall be executed through the SMBS Administrator only if there is mutual agreement between the Trading Party and the Counterparty.

##### **4-5-3**

The Credit Limit against the Counterparty Participating Institution is exhausted when a Trade Filled takes place with the Counterparty, regardless of whether it is “Buy” or “Sell”.

##### **4-5-4**

If The Credit Limit with a Counterparty Participating Institution does not exist or has been exhausted completely, it is not possible to execute Transaction with the relevant Counterparty Participating Institution until a new Credit Limit is set up.

#### **4-6 (Order Entries)**

#### **4-6-1**

All orders will be entered in the order of (1) price and (2) time.

#### **4-6-2**

If you want to change the price of the order entered, the changed order shall be treated as a new order.

#### **4-6-3**

FXSeoul provides a function to select one of the following three order types only for the User via the API.

- DAY: A type of order in which the remaining balance of the order is automatically entered if only the order entered by the user is partially filled.
- IOC: A type of order in which the remaining balance of the order is automatically cancelled if only the order entered by the user is partially failed.
- FOK: A type of order where the entire balance of the order by the user is executed immediately at a specified rate, or the entire balance of the order is automatically canceled.

### **4-7 (Confirmation of Orders and Trade Filled)**

(1) SMBS shall immediately notify the Trading party when the Trading party enters an order and the order is filled, and the Trading party shall be obliged to confirm the same immediately.

(2) If the details of order entered or the Trade Filled are not confirmed, immediately contact SMBS to request the details.

(3) SMBS may provide the details of the Trade Filled upon request of the Participating Institution.

### **4-8 (Order Cancel)**

#### **4-8-1**

A User may cancel the unexecuted order only if the order is entered by the user. However, a Trading Administrator of a Participating Institution may cancel the unexecuted orders of all Users of the Participating Institution.

#### **4-8-2**

SMBS will provide a COD function for Web users only, which automatically cancels all open orders of the user only if the user's connection to FXSeoul is abnormally disconnected during trading hours. However, it is up to the user to decide whether or not to use the COD function.

### **4-8-3**

The COD function may not work properly depending on the user's configuration, so the user must check the FXSeoul connection and the working condition of the COD function in person, and SMBS is not responsible for the consequences if the user fails to do so.

## **4-9 (Trading Cancel)**

### **4-9-1**

In principle, Trade Filled cannot be cancelled, and SMBS may cancel such Trade Filled only if both the Trading party and the Counterparty agree to cancel such trading.

### **4-9-2**

Since the trading can only be cancelled by SMBS, the Trading party who wishes to cancel the Transaction for a justifiable reason must request SMBS to cancel such Transaction.

### **4-9-3**

Brokerage fees are not charged for the Transaction cancelled.

### **4-9-4**

If it is necessary to change the Counterparty of the Trade Filled due to the Trading party's Credit Limit constraints, SMBS shall cancel the existing Transaction and enter a Transaction with a new Trading party after obtaining the Counterparty approval.

## **4-10 (Open Orders)**

### **4-10-1**

Authorized Traders and Trade Administrator of Participating Institutions shall check all open orders before logging off or disconnecting from FXSeoul.

### **4-10-2**

If an open order is filled after logging off FXSeoul, the Participating Institution shall be responsible for such Transaction.

### **4-10-3**

All open orders will be canceled automatically at the end of Trading Hours.

## **4-11 (Order Cancel due to Suspension of Operation)**

In the event of suspension of FXSeoul operation, new orders and cancellations will not be

accepted.

## **5. Services provided by FXSeoul**

### **5-1 (Authorization)**

(1) Services available through FXSeoul depending on the User's permissions are as follows:

(i) (Trading Administrator ID)

- View Quotes
- View and configuration of Credit Limit
- View and cancel the history of all orders of the Participating Institution
- View the history of all Trade Filled of the Participating Institution

(ii) (Authorized Trader ID)

- View Quotes
- View and cancel the details of the User's order submitted
- View the details of the User's Trade Filled.

(2) However, Users who use FXSeoul services through API can use only the privilege of the Authorized Trader ID.

### **5-2 (Credit Limit Management)**

(1) FXSeoul provides a function that allows the User to set his/her own Credit Limits in person. Direct setting of Credit Limits can only be done by Trading Administrator or SMBS.

(2) When using FXSeoul Services via API, the credit limit can only be set by the SMBS administrator, and to this end, the user must request the SMBS to set the Credit Limit.

### **5-3 (Market Information)**

#### **5-3-1 (Price Information)**

FXSeoul provides the following two types of real-time market prices:

- (1) (BEST) Real-time market best Quote
- (2) (AVAIL) Real-time market best Quote that can be filled by the Trading party; the Avail quote will be subject to the availability of the Credit Limit between the Trading party and the Counterparty.

#### **5-3-2 (Quantity Information)**



(1) FXSeoul provides the following order quantity information along with the Best quote as determined by the Seoul Foreign Exchange Market Operations Council:

- Less than USD 10 million: Indicates the actual quantity
- Over USD 10 million: Indicates "R"

However, when using FXSeoul services via API, the quantity of USD 10 million or more will be displayed as "10".

(2) Quantity information will not be provided for Avail quotes.

#### **5-4 (Prevention of Order Errors)**

FXSeoul provides the following pre-order control features to prevent Users from entering unintentional order. However, the pre-order control function shall be only available to those Users who use the FXSeoul Service via a dedicated terminal or the Web:

- (1) A function to set a maximum order quantity for entering one time order to prevent large quantities from being traded abnormally; and
- (2) A function to limit the number of consecutive orders under the same conditions to prevent orders with the same price and quantity conditions from being entered continually and unintentionally.

#### **5-5 (Order Cancel)**

A User accessed with the Authorized Trader ID may cancel only the order placed by that ID. However, an ID specified as a trading Administrator may cancel orders of all users of the Participating Institution or specific users.

#### **5-6 (Trading Filled History Information)**

- (1) Authorized Trader and Trading Administrator of the Participating Institution can view the Trading Filled history information on FXSeoul. However, Authorized Trader IDs can only view the information on the User's Trading Filled history.
- (2) The information providing service is only available to those users who use the FXSeoul service via dedicated terminals or the web, excluding APIs.

### **6. Discontinuation of FXSeoul Services**

SMBS may stop the FXSeoul Service in the following cases:

- (1) In the event of termination or cancellation of the Foreign Exchange Transaction Agreement between the User and SMBS;
- (2) Where it is determined that the User's ID, Password, etc. have been leaked to a third party; and
- (3) Where the user intentionally causes disruptions such as hacking, etc

## **7. Confidentiality**

SMBS shall keep all important non-disclosure information provided by the Participating Institution confidential except for the following cases:

- (1) Where the Participating Institution has agreed to disclose the information.
- (2) When requested by the Relevant Authorities or required by Applicable Guidelines; and
- (3) Other cases where it is deemed necessary and approved by the Participating Institution

## **8. Authority and Indemnification of SMBS**

### **8-1 (Authority)**

SMBS shall have the following authorities for the efficient operation of FXSeoul:

- (1) Registration of the Participating Institution.
- (2) Create user ID and set Password upon request.
- (3) Monitoring of the Participating Institution access to FXSeoul and Transaction.
- (4) Cancel or change the Participating Institution orders submitted and Trade Filled upon request by the Participating Institution or when other necessary circumstances arise; and
- (5) View the brokerage fee of Users and Participating Institution for brokerage fees billing

### **8-2 (Indemnification)**

- (1) SMBS shall not be liable to compensate for any losses caused by the User's intention, negligence, malfunction of computer equipment, neglect of Password management, hacking, etc.

- (2) SMBS shall not be liable to compensate for any losses caused by force majeure events such as natural disasters or unavoidable errors.

## **9. Suspension of FXSeoul Operation**

SMBS may stop the operation of FXSeoul in the following cases:

- (1) In case of force majeure.
- (2) In case of a major failure.
- (3) Upon request by the Relevant Authorities; and
- (4) Where SMBS deems it inevitable

## **10. Brokerage Fee**

The Participating Institution shall be responsible for paying the Brokerage fee to SMBS in accordance with the Brokerage Fee Agreement.

## **11. Cooperation with the Relevant Authorities**

- (1) SMBS shall comply with all Applicable Guidelines and requests from the Relevant Authorities.
- (2) SMBS may provide information related to the Transaction of the Participating Institution if requested by the relevant authorities.
- (3) If the Relevant Authorities request information or documents received from the Participating Institution, SMBS may provide the same.

## **12. Priority to apply the Rulebook**

The Rulebook shall take precedence over the Transactions through FXSeoul, and any other subjects not provided for in the Rulebook shall be subject to the following relevant laws, regulations, and codes of conduct:

- (1) Foreign Exchange Transactions Act and the Enforcement Decree of the same Act

- (2) Foreign Exchange Transaction Regulations
- (3) Guidelines on Foreign Exchange Business of Foreign Financial Institutions
- (4) Seoul Foreign Exchange Market Code of Conduct and Global Foreign Exchange Market Code of Conduct

### **13. Governing Law**

The Rulebook shall be construed and applied in accordance with the laws of the Republic of Korea.

### **14. Amendment of the Rulebook**

SMBS may amend the Rulebook as necessary and shall notify the Participating Institution of any amendments made.

<Annex 1. General Information on the FX Trading>

Trading Currency	USD/KRW
Trading Instrument	USD/KRW SPOT
Trading Hours (KST)	From 9:00 AM to 2:00 AM the next day (However, the first business day of each year will be from 10:00 AM to 2:00 AM the next day)
Minimum Trading Amount	USD 1 Million
Trading Unit	Multiple of USD 1 Million

<Annex 2. General Information on the Transaction (API)>

Subject	Description
Minimum Quote Lifespan (MQL)	To keep Bid-Ask Price for more than 0.2 seconds
Limit the number of order-related actions per second	Within 20 times per second without limitation on order entry /cancel
API Sidecar	Interbank API stops for 10 minutes when the price fluctuates more than 3.0% from the previous day's closing price.

※ The above general information on the FX Trading shall be subject to the provisions of the Seoul Foreign Exchange Market Operations Council.