Korean Stock Trading Risk Disclosure

Last updated: October 2026

1. Pricing, Settlement and Foreign Exchange Rules

1) Korean securities, i.e. stocks listed on the KOSPI (Korea Composite Stock Price Index) market and the KOSDAQ (Korea Securities Dealers Automated Quotations) market in South Korea are quoted in South Korean Won (KRW), while all platform transactions and settlements are processed in US Dollars (USD).

2) Upon order placement, the system converts the KRW order value into the equivalent USD amount using the client-facing exchange rate at the time of order placement, and freezes the corresponding USD amount in the client's account. The exchange rate is locked at order placement and used for final settlement. Clients do not bear or benefit from KRW/USD exchange-rate movements between order placement and settlement. The locked rate includes the platform's FX spread. Final settled amounts are subject to system records upon trade execution.

3) The platform does not support KRW-denominated deposits or withdrawals. Standalone currency conversion between other currencies and KRW is unavailable. All KRW-related FX conversion is triggered exclusively by Korean stock settlement.

4) All funds generated from trading and corporate actions (e.g. cash dividends, rights issues) will be credited to client accounts in USD upon settlement or processing.

2. Trading-Related Fees

Fees for Korean stock trading comprise platform commission and the local Korean securities transaction tax. Additional levies imposed by exchanges or regulators may be charged as incurred.

1) Trading Commission: charged for each executed trade at the published platform rate of 0.08%. During any relevant promotional campaign offered by the platform, clients may be entitled to commission waivers, discounts or other promotional benefits. The scope, conditions and duration of such benefits shall be subject to the campaign rules published by the platform.

2) Securities Transaction Tax: applied only to sell trades at a rate of 0.2% of the transaction value for both KOSPI and KOSDAQ instruments, as stipulated by the Korean local regulator.

3. Dividend Withholding Tax

1) Cash dividends distributed by Korean listed companies are subject to a statutory 22% withholding tax at source.

Net dividend received = Declared gross dividend − Withholding tax

2) Eligibility for tax-treaty-based refunds, application procedures and documentary requirements are the client's sole responsibility. The platform provides no tax advisory or tax-refund agency services.

4. Regulatory Obligation: 5% Major Shareholding Disclosure

Pursuant to rules issued by Korea's Financial Services Commission (FSC) and Korea Exchange (KRX), investors are subject to mandatory disclosure requirements when their aggregate beneficial ownership in a single listed company reaches 5%, or upon any subsequent ownership change of 1 percentage point or more:

1) Disclosure filings must be submitted to the FSC and KRX within 5 business days.

2) This statutory obligation rests entirely with the ultimate beneficial owner (the client) and will not be performed by the platform on the client's behalf. Clients shall monitor their holding ratios and complete the required filings in a timely manner. Non-compliance may lead to penalties imposed by Korean regulators.

5. Other Risks and Reminders

1) Foreign Investor Omnibus Account Quarterly Reporting: under FSS rules, our partnering broker must submit end-investor transaction details to the Korean Financial Supervisory Service on a quarterly basis for trades executed under the Foreign Investor Omnibus Account framework. Only encrypted investor IDs are submitted; clients' plaintext personally identifiable information will not be reported. This is a mandatory regulatory obligation.

2) Corporate Action Risks: Corporate actions and the exercise of shareholder rights are subject to Korean market requirements, the services supported by the platform and its intermediaries, and applicable deadlines. Clients may not be able to participate in all corporate actions or exercise all shareholder rights.

3) Foreign Exchange Risk: KRW/USD exchange-rate movements may reduce the USD value of clients’ investments and returns, even if the share price rises in KRW. Currency conversions are subject to the arrangements and FX spread described in Section 1.

4) This disclosure may be revised to reflect updates to Korean regulatory requirements. Amendments will be published via platform announcements. Clients are advised to review the latest version regularly.