



**Asia-Pacific  
Economic Cooperation**



# **Non-Resident Accounts, Tax, Investor Identification and Transparency**

**Moderator: Gaetan Gosset**

Director and Head of Product Management, Asia-Pacific  
Euroclear

Session B-2

# Panelists:



**Sang-Joon Park**

Head of Investor Services Korea  
Deutsche Bank



**Amy Ang**

Partner, Financial Services Tax  
Ernst & Young Solutions LLP  
EY ASEAN and Singapore Leader, Financial Services Tax



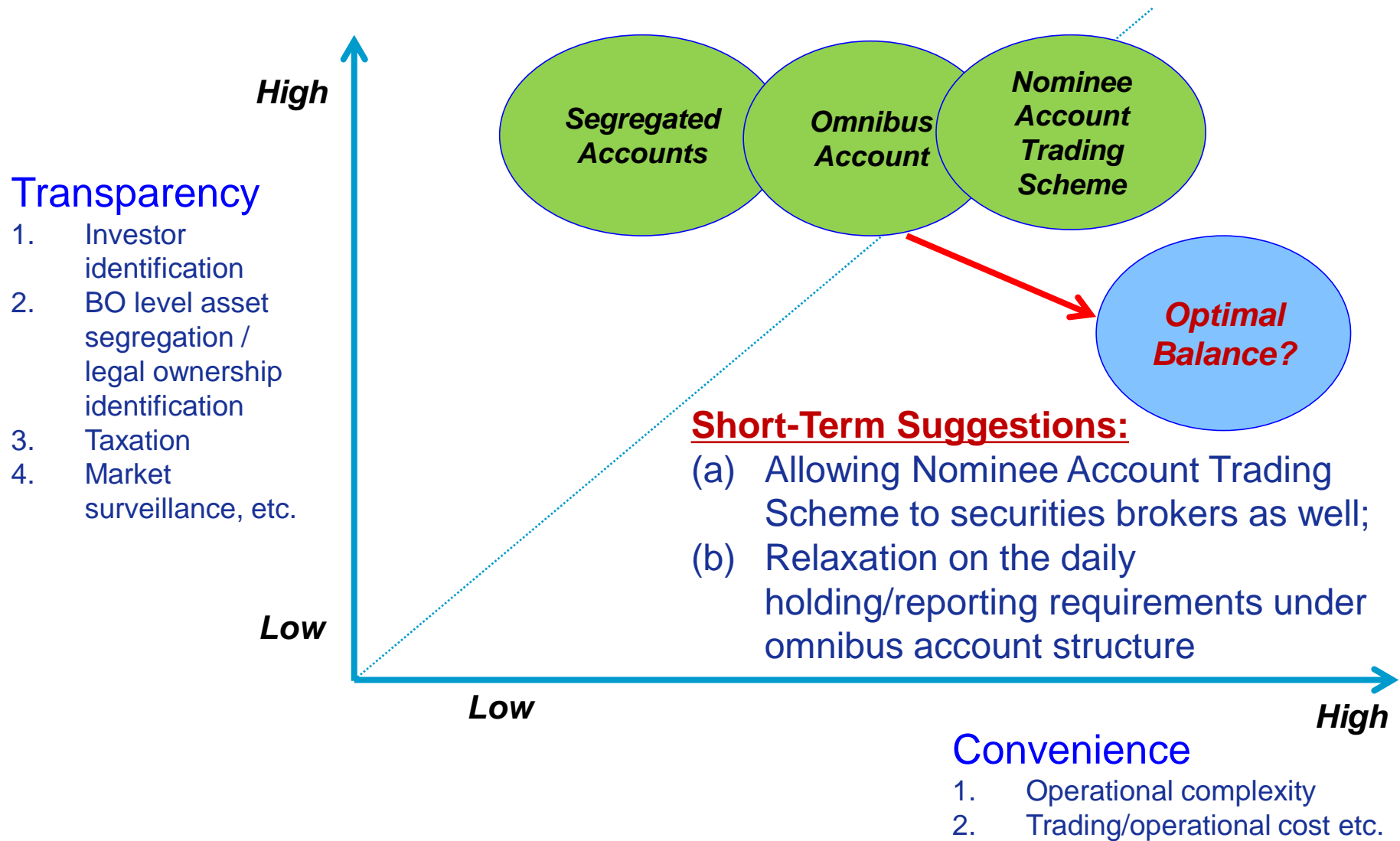
# Korean Market Account Structure: Optimal Balance between Transparency and Convenience ?

April 25, 2017



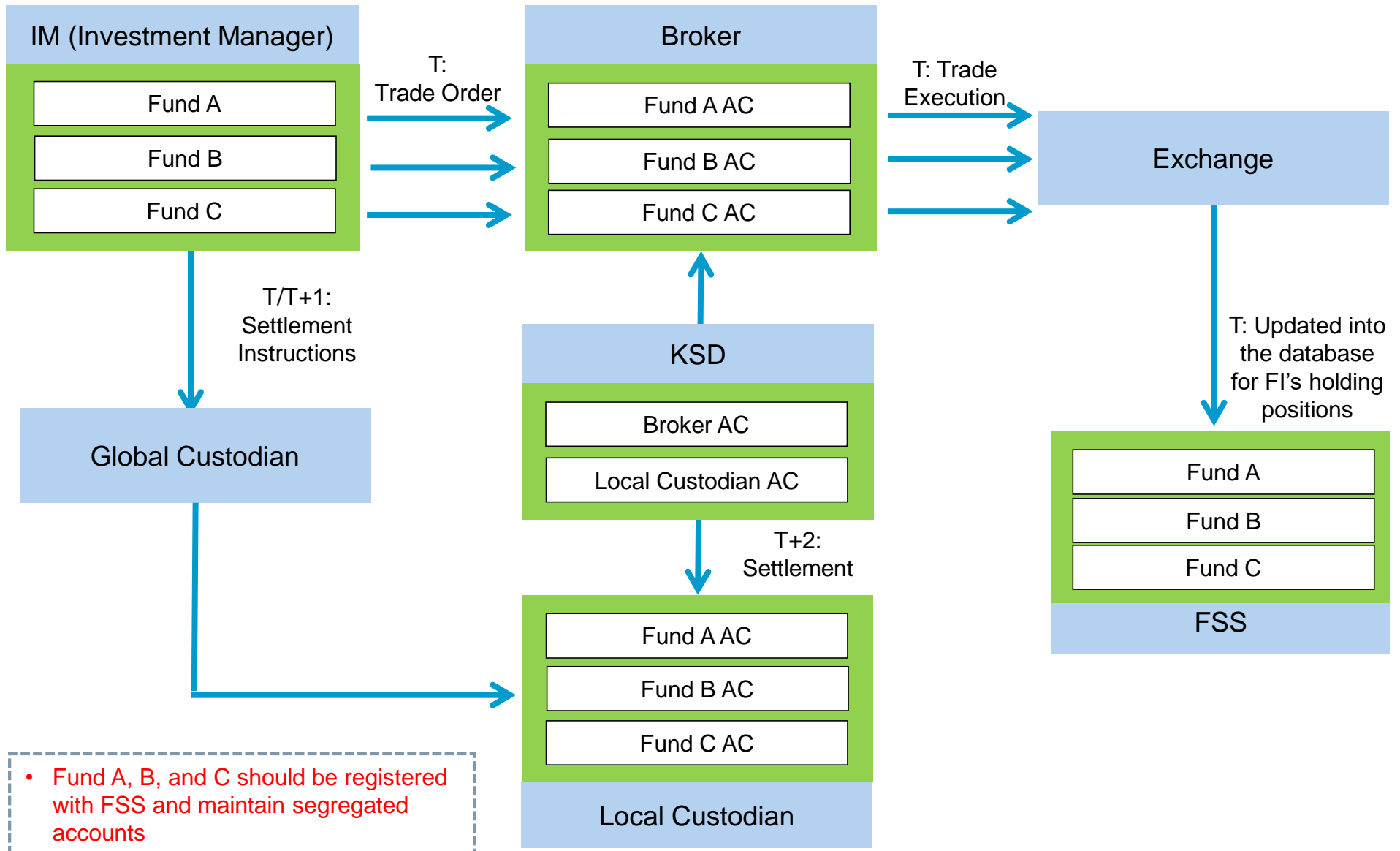


# Optimal Balance Between Transparency and Convenience



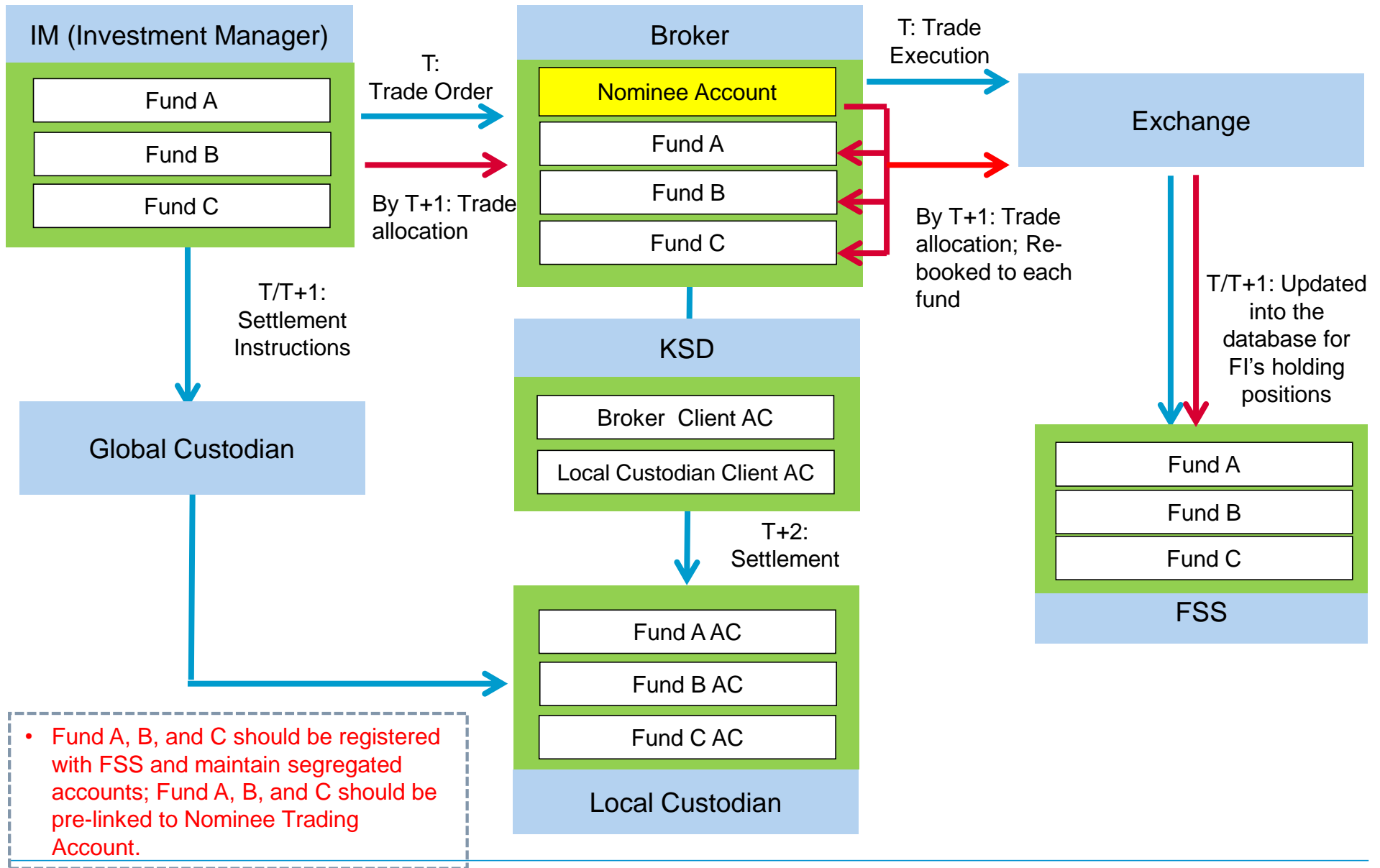


# Segregated Account Structure: Trading, Settlement, & Custody Flows





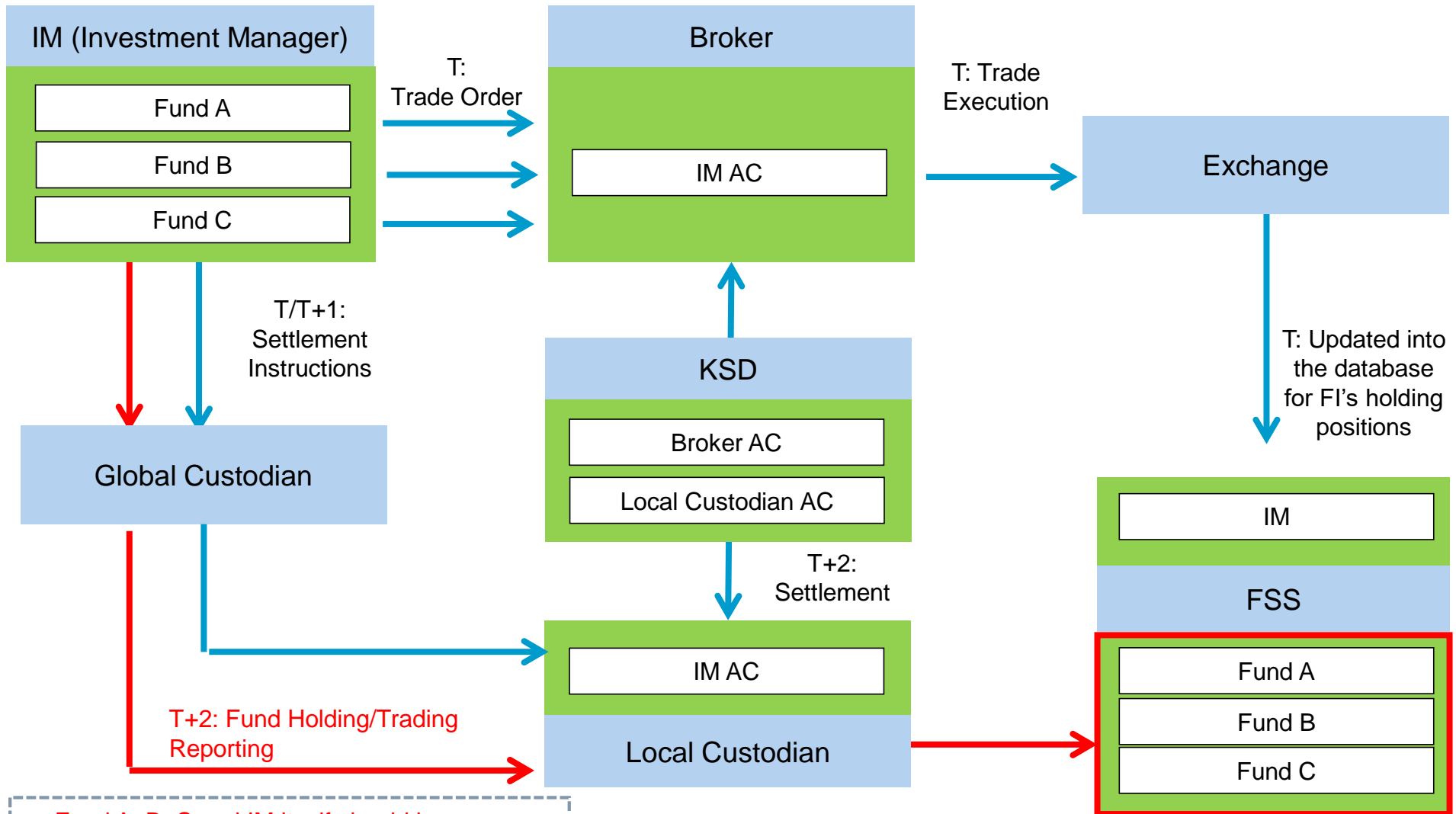
# Nominee Account Trading Scheme (Existing; Optional): Trading, Settlement, & Custody Flows



- Fund A, B, and C should be registered with FSS and maintain segregated accounts; Fund A, B, and C should be pre-linked to Nominee Trading Account.



# Omnibus Account Structure (New; Optional): Trading, Settlement, & Custody Flows



- Fund A, B, C and IM itself should be registered with FSS; Fund A, B, and C should be pre-linked to IM's omnibus trading ID.



# Summarized Features of Account Structures

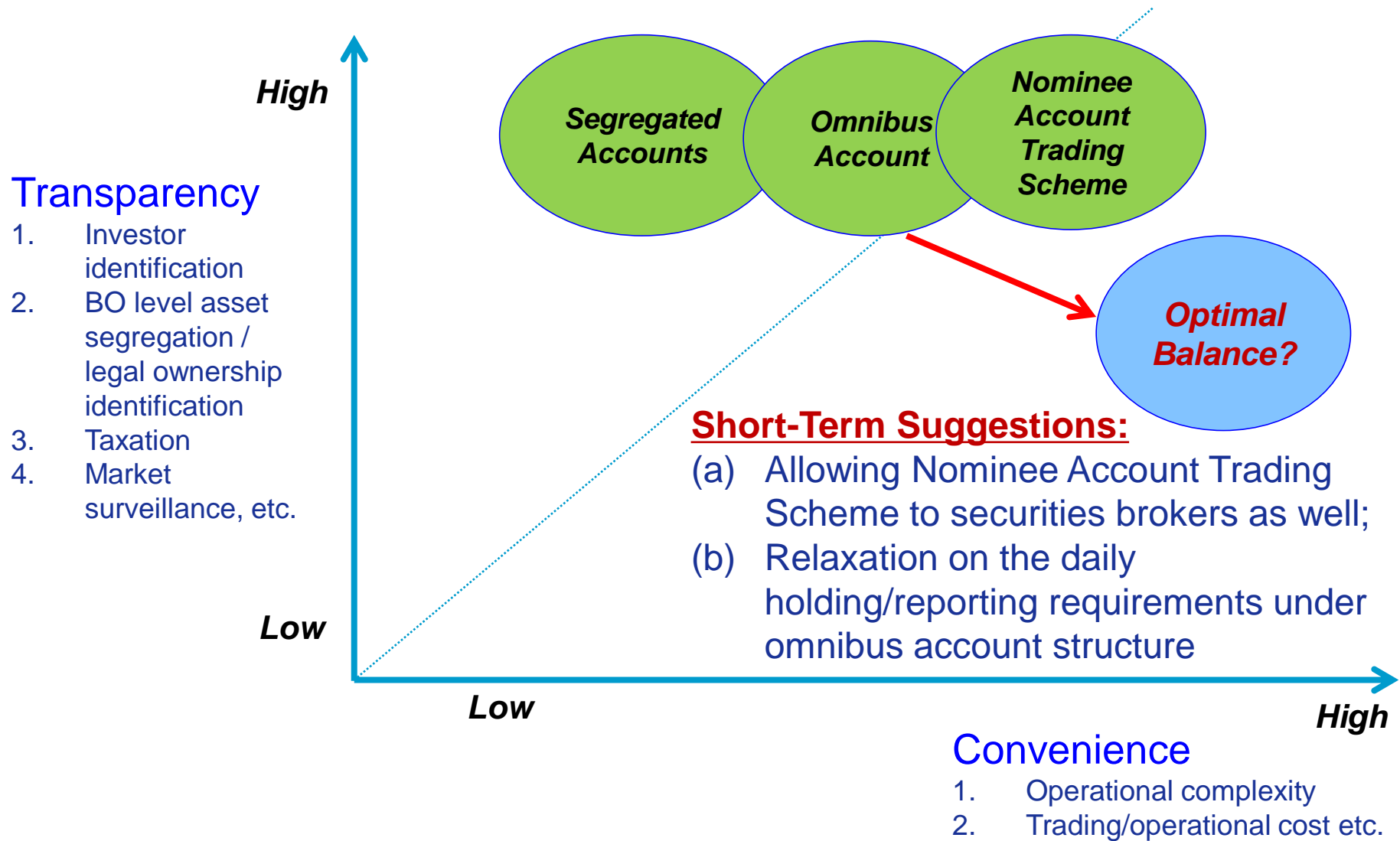
Account Structure Options	Eligible Intermediaries / Investors	Eligible Instruments	Account Structure	Investor Identification / Transparency	Trading	Settlement / Custody
Segregated Accounts	All investors	Stocks; Bonds	Segregated	Yes	Individual	Segregated
Nominee Account Trading Scheme (Optional)	Investment Managers (IMs)	Stocks; <u>Bonds (to be allowed, tentatively from July 2017)</u>	Segregated	Yes; <b><u>Trade allocation</u></b>	Aggregated	Segregated
Omnibus Accounts (Optional)	Investment Managers; Securities Brokers	Stocks	Omnibus	Yes; <b><u>Daily holding/trading reporting</u></b>	Aggregated	Omnibus

Korea made a positive step by allowing omnibus account;  
However, no one uses it yet. *Why?*





# Optimal Balance Between Transparency and Convenience





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# Discussion



**THANK YOU**