

Enforcement Rules for Clearing and Settlement Regulations

(As of March 4, 2024)

Osaka Exchange, Inc.

Rule 1. Purpose

These Rules shall prescribe matters specified by OSE pursuant to the Clearing and Settlement Regulations (hereinafter referred to as "Regulations").

Rule 2. Treatment of Postponed Settlement by Non-Clearing Participants

1. In the event that a Government Bond Futures, etc. Non-Clearing Participant has postponed the delivery of government bonds for settlement by physical delivery pursuant to the provisions of Rule 4, Paragraph 11 of the Regulations, it must deliver government bonds pertaining to the settlement by physical delivery by the fourth day after the delivery date.
2. For transactions subject to DVP settlement prescribed in the Business Rules of JSCC, a Securities Non-Clearing Participant may not postpone settlement as prescribed in Rule 18 of the Regulations on days which JSCC deems necessary to specify as days on which delivery failure must not be caused.

Rule 3. Treatment of Requests Pertaining to Applications for Cross Margining

1. A Government Bond Futures, etc. Non-Clearing Participant may make a request pertaining to an application to make its positions in government bond futures and interest rate futures subject to cross margining as prescribed in Rule 4-13, Paragraph 1 of the Regulations only if it is able to confirm that the positions for which the request is made do not exceed the respective positions in government bond futures and interest rate futures on its own account.
2. A Government Bond Futures, etc. Non-Clearing Participant may broker a request pertaining to an application for making positions in government bond futures and interest rate futures subject to cross margining as prescribed in Rule 4-13, Paragraph 2 of the Regulations only if it is able to confirm that the positions for which the request is made do not exceed the respective positions in government bond futures and interest rate futures on said customer's account.

Supplementary Provisions

1. These revisions shall take effect on March 4, 2024.
2. Notwithstanding the provisions of the preceding paragraph, if OSE deems it inappropriate to implement the revisions on March 4, 2024 due to problems with operating the trading system or any other unavoidable reasons, they shall be implemented on later date specified by OSE.