

Revisions to Trading Participant Regulations in Connection with the Revisions to the Rules for Disciplinary Actions Against and Recommendations to Trading Participants

February 13, 2025
Osaka Exchange, Inc.

I. Purpose

Osaka Exchange Inc. (OSE) will revise the Trading Participant Regulations (hereinafter the “Regulations”) with effect from February 17, 2025 (for details, please refer to the Revisions to Rules and Regulations: Tracked Changes.)

In light of recent cases of disciplinary actions against and recommendations to trading participants, OSE will make some necessary revisions to the rules.

II. Outline

1. Revisions to the rules for disciplinary actions

- Under the current rules, the maximum fine amount is JPY 100 million as a general rule, with a special provision that prescribes a maximum fine amount of JPY 500 million when a trading participant is deemed to have seriously damaged the credibility of OSE. This two-tiered system will be integrated into a single tier where the maximum fine amount will be JPY 500 million.

(Notes)

- Rule 42, Paragraph 1, Items (6), (7), and (11) of the Regulations

2. Revisions to the rules for recommendations

- The fact that OSE deems that a trading participant has not made adequate improvements in response to a recommendation will be added to the reasons for taking disciplinary action against the trading participant.
- Depending on the content of the recommendation, if OSE deems it particularly necessary to issue an alert to investors, it will be able to give notification to that effect to each trading

- Rule 42, Paragraph 1, Item (10) of the Regulations
- Rule 52, Paragraph 3 of the Regulations

participant and make a public announcement.

3. Other

- Other necessary revisions will be made.

III. Effective Date

- These revisions will take effect on February 17, 2025.