

**Partial Amendment to Handling Procedures of Interest Rate Swap Business Rules  
in association with Suspension of Clearing of Foreign Currency Denominated IRS**

I. Purpose of Amendment

As to JSCC's IRS Clearing Service, in order to suspend Clearing of IRS Transactions denominated in currencies other than Japanese yen (hereinafter referred to as "Foreign Currency Denominated IRS"), JSCC will make necessary amendments to the Handling Procedures of Interest Rate Swap Business Rules as per Appendix attached hereto.

II. Outlines of Amendment

1. Handling of Requirements of Eligible IRS Transaction related to Foreign Currency Denominated IRS

- Out of the requirements of Eligible IRS Transaction, handling of the requirements related to Foreign Currency Denominated IRS shall be prescribed by JSCC in a public notice.

2. Public Notice

- Pursuant to the amendment related to 1., the requirements for Floating Rate Option set forth in Article 9. (5). e. to g. of the Handling Procedures of Interest Rate Swap Business Rules (USD-LIBOR-BBA, EUR-EURIBOR-Telerate, EUR-EURIBOR-Reuters and AUD-BBR-BBSW) shall be eliminated from the requirements of Eligible IRS Transaction for the time being through the public notice dated April 1, 2020.

(Remarks)

- Article 9 of the Handling Procedures of Interest Rate Swap Business Rules

III. Effective Date

These amendments shall come into force on April 1, 2020

End of Document

## Handling Procedures of Interest Rate Swap Business Rules

**Original Document Title :** 金利スワップ取引清算業務に関する業務方法書の取扱い

Note:

1. JSCC hereby certifies that to the best of its knowledge, the foregoing is a fair and accurate English translation of a document originally written in Japanese. In the event of any inconsistency between the original Japanese document and this reference English translation, the original Japanese document will prevail.
2. For convenience purposes, we have only listed changes to “Handling Procedures of Interest Rate Swap Business Rules” and other necessary changes in this document. Changes are underlined in the following pages.

#### Article 9. Requirements of Eligible IRS Transaction

The requirements prescribed under Article 2.1.(47) of the Business Rules shall be all of the following, or, in respect of the IRS Transactions between Clearing Brokers executed for Clearing Brokerage and the Hedge Transactions, all of the following requirements except for Item (1); provided, however, that a handling of the matters listed in Item (5). e. to g. shall be prescribed by JSCC in a public notice:

- (1) It shall be an IRS Transaction governed by the ISDA Definitions or the 2000 ISDA Definitions;
- (2) Deleted;
- (3) Both of the Clearing Participants that are the parties to the IRS Transaction shall have requested Clearing for such IRS Transaction to JSCC pursuant to Article 48 of the Business Rules ;
- (4) The transaction involves an exchange of a fixed rate and a floating rate or an exchange of a floating rate and another floating rate;
- (5) The Floating Rate Option is any of those listed in a. to g. below, with the Designated Maturity specified in such sub-item:
  - a. JPY-LIBOR-BBA with Designated Maturity of 1 month, 3 month or 6 month;
  - b. JPY-TIBOR-ZTIBOR with Designated Maturity of 1 month, 3 month or 6 month;
  - c. JPY-TIBOR-17097 with Designated Maturity of 1 month, 3 month or 6 month;
  - d. JPY-TONA-OIS-COMPOUND with Designated Maturity of one day;
  - e. USD-LIBOR-BBA with Designated Maturity of 1 month, 3 month or 6 month;
  - f. EUR-EURIBOR-Telerate or EUR-EURIBOR-Reuters with Designated Maturity of 3 month or 6 month; or
  - g. AUD-BBR-BBSW with Designated Maturity of 3 month or 6 month;
- (6) Deleted;
- (7) The Notional Amount and the settlement currency of the IRS Transaction shall be the currency specified in below items by each of below-listed Floating Rate Options:
  - a. For JPY-LIBOR-BBA, JPY-TIBOR-ZTIBOR, JPY-TIBOR-17097 or JPY-TONA-OIS-COMPOUND: Japanese yen;
  - b. For USD-LIBOR-BBA: United States dollars;
  - c. For EUR-EURIBOR-Telerate or EUR-EURIBOR-Reuters: Euro; and
  - d. For AUD-BBR-BBSW: Australian dollars.

- (8) The Term shall be not less than the number of days specified in a. and b. below in respect of each Floating Rate Option:
- a. JPY-TONA-OIS-COMPOUND: 7 days;
  - b. All other Floating Rate Options: 28 days;
- (9) The remaining period to the Termination Date as of the date Clearing is requested shall be the period specified in a. to d. below:
- a. IRS Transaction referencing AUD-BBR-BBSW:  
Not less than 3 days and not more than 3,666 days;
  - b. IRS Transaction referencing JPY-TIBOR-17097, EUR-EURIBOR-Telerate or EUR-EURIBOR-Reuters:  
Not less than 3 days and not more than 7,318 days
  - c. IRS Transaction referencing JPY-TIBOR-ZTIBOR or USD-LIBOR-BBA but does not qualify b. above:  
Not less than 3 days and not more than 10,971 days
  - d. IRS Transaction other than those qualifying any of a. through c. above:  
Not less than 3 days and not more than 14,623 days;
- (10) The Notional Amount of the IRS Transaction is constant throughout the Term, or has feature of periodic step-down or step-up, wherein the method of such periodic step-down or step-up is agreed at the execution of the IRS Transaction and will not be changed during the term of such IRS Transaction, and the Notional Amount satisfies the following criteria according to Floating Rate Option of the IRS Transaction;
- a. For IRS Transaction referencing JPY-LIBOR-BBA, JPY-TIBOR-ZTIBOR, JPY-TIBOR-17097 or JPY-TONA-OIS-COMPOUND: 1 JPY or more and up to 4 trillion JPY (4,000,000,000,000 JPY) without any fraction less than 1 JPY;
  - b. For IRS Transaction referencing USD-LIBOR-BBA, EUR-EURIBOR-Telerate, EUR-EURIBOR-Reuters or AUD-BBR-BBSW: One hundredth of the currency unit or more and less than 4 trillion currency unit of the currency of denomination of the IRS Transaction without any fraction less than 2 decimal places. ;
- (11) The Day Count Fraction is either those set forth in Section 4.16(b) through Section 4.16(h) of the ISDA Definitions or those set forth in Article 4.16(b) through Article 4.16(f) of Annex to the 2000 ISDA Definitions;

- (12) The Business Day Convention shall be Following Business Day Convention, Modified Following Business Day Convention or Preceding Business Day Convention;
- (13) As Business Day applicable to the Payment Date, below listed city, which may be other than Tokyo, or Settlement Day is designated for below-listed Floating Rate Option:
- a. IRS Transaction referencing JPY-LIBOR-BBA, JPY-TIBOR-ZTIBOR, JPY-TIBOR-17097 or JPY-TONA-OIS-COMPOUND: Tokyo
  - b. IRS Transaction referencing USD-LIBOR-BBA: New York
  - c. IRS Transaction referencing EUR-EURIBOR-Telerate or EUR-EURIBOR-Reuters: TARGET Settlement Day
  - d. IRS Transaction referencing AUD-BBR-BBSW: Sydney.
- (14) As Business Day applicable to the Reset Date, below listed city, which may be other than Tokyo, or Settlement Day is designated for below-listed Floating Rate Option:
- a. IRS Transaction referencing JPY-TIBOR-ZTIBOR, JPY-TIBOR-17097 or JPY-TONA-OIS-COMPOUND: Tokyo
  - b. IRS Transaction referencing EUR-EURIBOR-Telerate or EUR-EURIBOR-Reuters: TARGET Settlement Day
  - c. IRS Transaction referencing AUD-BBR-BBSW: Sydney
  - d. IRS Transaction referencing JPY-LIBOR-BBA or USD-LIBOR-BBA: London
- (15) In addition to those set forth above, it shall be an IRS Transaction which satisfies any other requirements prescribed by JSCC in a public notice.

#### Supplementary Provision

These amendments shall come into force as of April 1, 2020.