

Outlines related to Revision of Clearing Broker Take-up Process in IRS Clearing Service

June 15, 2023

Japan Securities Clearing Corporation

I. Purpose

JSCC will make necessary framework revisions in its IRS Clearing Service so that JSCC and a Clearing Broker may skip the process of checking Clearing Broker's intention related to the clearing brokerage ("Take-up Process") to streamline the clearing process related to the trades of Clients (for this purpose, a "Client" refers to a Customer not in the same corporate group as the Clearing Broker acting on its behalf; the same applies hereinafter).

II. Outline

Item	Description	Remarks
1. Skip Take-up Process		
(1) Notification of Client Trades subject to Skipping Take-up Process	<ul style="list-style-type: none">A Clearing Broker wishes to skip Take-up Process related to its Client trades shall notify information related to the subject trades to JSCC in advance.	<ul style="list-style-type: none">Trades for which Take-up Process may be skipped based on the notification shall be the Client trades executed on either Swap Execution Facility (SEF) or Multilateral Trading Facility (MTF)."Information related to subject trades" includes Client's name, account and the type of trade execution platform (SEF, MTF or both) related to the trades subject to skipping Take-up Process.
(2) What is Skipped	<ul style="list-style-type: none">As to the trades subject to skipping Take-up Process, JSCC deems that a notification related to a request for clearing brokerage has been given by JSCC to the Clearing Broker, and a notification of the acceptance of the clearing brokerage has been given by the Clearing Broker to JSCC.	<ul style="list-style-type: none">Take-up Process will continue to be required for the trades with respect to which no notification under (1) above has been given.Even if Take-up Process is skipped, JSCC will still perform the trade eligibility check and the sufficiency check of the Margin Required to Clear in the same manner as current procedures.

III. Implementation Timing

Implementation is aimed at September 2023.

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