

Business Outlines Related to Agency Clearing Scheme and Other Measures to Realize Use of Clearing by Non-resident Transactions in JGB OTC
Transaction Clearing Service

January 28, 2026
Japan Securities Clearing Corporation

I . Purpose

In response to the increased needs for the use of clearing by non-residents in JGB OTC Transaction Clearing Service, we clarify the inclusion of GMRA-based transactions, a globally traded form of repo transactions, as eligible for clearing. Furthermore, necessary amendments to the framework is made to introduce transfer position related to a customer (hereinafter referred to as “Customer Position”), out of unsettled positions of an Agency Clearing Participant to another Agency Clearing Participant (hereinafter referred to as “Transfer Scheme”).

II . Outlines

Item	Description	Remarks
1. Clarify inclusion of GMRA as eligible for clearing	• As for Gensaki transactions that are eligible for clearing, it is clarified the transactions based-on the Global Master Repurchase Agreement (hereinafter referred to as “GMRA”) are included.	• The requirements for clearing of GMRA are same as those for Gensaki transactions.
2. Introduction of Transfer Scheme for Customer Position		
(1) Outlines of Position Transfer Scheme	• A customer who commissions a Brokerage for Clearing of Securities, etc. to an Agency Clearing Participant may transfer its customer’s position under an Agency Clearing Participant from which the position is transferred (hereinafter referred to as “Transferring Clearing Participant”) to another Agency Clearing Participant to which the position is transferred (hereinafter referred to as “Receiving Clearing Participant”). The said transfer may be performed both when Default Determination with respect to of an Agency Clearing Participant has occurred and when the said Default Determination has not occurred (under business-as-usual condition).	

Item	Description	Remarks
<p>c. Clearing and settlement of customer's position after transfer becomes effective</p>	<p>Form”) through a Receiving Clearing Participant, followed by JSCC’s acceptance of the said form.</p> <ul style="list-style-type: none"> • Registration of multiple Receiving Accounts shall be permitted and when submitting a request for transfer, a customer shall specify Receiving Account from the pre-registered Receiving Accounts. • Clearing and settlement related to the customer’s position after transfer completion shall be performed under a Receiving Clearing Participant. • Request for clearing may be submitted from the completion of transfer on the Default Determination Date for a Receiving Account. <ul style="list-style-type: none"> ➤ Sending of the Allocable Balance Notice related to Subsequent Collateral Allocation Repo Transactions shall be available from the transfer completion on the Default Determination Date. • Settlement in the Receiving Account shall be available from the settlement start time on the following business day of the Default Determination Date. 	<p>Brokerage Agreement) shall be required.</p> <ul style="list-style-type: none"> • During the period between pre-registration of a Receiving Account and transfer completion, as the said account shall not be opened as a Netting Account, charging of Account Management Fee shall be exempted. • During the period between Default Determination and transfer completion, submission of a new clearing request from the Defaulting Clearing Participant shall be suspended. • On Default Determination Date, customer’s position shall not be settled as in the same manner as for the Defaulting Clearing Participant’s house position, which shall cause Fails of settlement related to delivery of JGB and a suspension of a receipt of JGB. As for the position related to Subsequent Collateral Allocation Repo Transactions for a customer’s position, collaterals shall be allocated based on an Allocable Balance Notice submitted by Defaulting Clearing Participant (if

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<p>d. Required amount and deposited amount of clearing deposit for customer's position at transfer completion</p>	<ul style="list-style-type: none"> Required Initial Margin Amount and Required Clearing Fund related to the transferred customer's position shall succeed the amounts calculated on the immediately preceding business day of the Default Determination Date (Initial Margin shall be the required amount calculated at the 3rd timing). Required Amount of clearing deposit related to customer's position shall be calculated from and including the immediately following business day of the Default Determination Date. Clearing deposit deposited for customer's position to be transferred shall be transferred to a Receiving Account. 	<p>submission of the said notice is failed, the excess allocation shall be caused).</p> <ul style="list-style-type: none"> Out of clearing requests submitted after the transfer completion, Buying/Selling and Standard Repo Transactions for which clearing request has been submitted by 18:30 on Default Determination Date shall be cleared on Default Determination Date. When a closeout netting event occurs with respect to a Defaulting Clearing Participant, the closeout netting with respect to the said customer's position related to the said Defaulting Clearing Participant shall not be carried out until the existence of the said transfer is confirmed. When preceding participant's Default exists, Default Contingent Margin and other loss compensation financial resource shall be also target of transfer. When calculating Clearing Fund/Default Contingent Margin for customer's position, Required Cleared Fund Amount on the

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	<ul style="list-style-type: none"> ➤ Clearing deposit deposited by the Defaulting Clearing Participant related to customer's position to be transferred shall be deemed deposited with JSCC, with the Receiving Clearing Participant acting as an agency. 	<p>Default Determination Date shall succeed the required amount on the immediately preceding business day of the Default Determination Date.</p> <ul style="list-style-type: none"> • Items calculated in reference to the past data shall be succeeded in the Receiving Account. • Variation Margin deposited for customer's position to be transferred shall be transferred to a Receiving Account. • When calculating Risk Amount Exceeding Collateral, the said amount shall be aggregated for all accounts for an Agency Clearing Participant. In aggregating these amounts, given the possibility that customer's position may be transferred, profit portion shall be deemed zero in calculation.
e. Default Settlement and others when Position Transfer Failed	<ul style="list-style-type: none"> • Customer's position for which request for transfer has not been submitted or has not been approved due to an error in its content shall be processed through default settlement with Defaulting Clearing Participant's house position. • Fail Charges and funding cost incurred by JSCC related to a customer's position shall be borne by a Transferring Clearing Participant as costs for closeout netting and so on. 	<ul style="list-style-type: none"> • Fail charges and funding cost incurred between an Agency Clearing Participant and its customer shall be handled according to the agreement between the parties.
f. Fees and Fail Charges	<ul style="list-style-type: none"> • No fee is set for fees related to use of the position Transfer Scheme at time of Clearing Participant's Default. 	

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	<ul style="list-style-type: none"> • When Customer Position Transfer is carried out, Clearing Fees shall be handled as follows. <ul style="list-style-type: none"> ➤ Account Management Fee <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, Account Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the immediately preceding day of the transfer date. ✓ With respect to a Receiving Clearing Participant, Account Management Fee related to its Receiving Account shall be calculated for the period on and after the transfer date. ➤ Obligation Assumption Fee <ul style="list-style-type: none"> i. Buying/selling, Cash-secured Bond Lending Transactions and Standard Repo Transactions <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, in calculating monthly cleared value related to its Netting Account from which the position is transferred, target of calculation shall be the period up to and including the immediately preceding business day of the transfer date. ✓ With respect to a Receiving Clearing Participant, in calculating monthly cleared value related to its Receiving Account, target of calculation shall be the period on and after the transfer date. ii. Subsequent Collateral Allocation Repo Transactions <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, in calculating monthly cleared value related to its Netting Account from which the position is transferred, target of calculation shall be the period up to and including the transfer date. ✓ With respect to a Receiving Clearing Participant, in calculating monthly cleared value related to its Receiving Account, target of calculation shall be the period on and after the immediately 	

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	<p data-bbox="741 204 1267 233">following business day of the transfer date.</p> <ul style="list-style-type: none"> <li data-bbox="589 284 1554 647"> <p data-bbox="589 284 965 312">➤ Collateral Allocation Fees</p> <ul style="list-style-type: none"> <li data-bbox="645 325 1554 523">✓ With respect to a Transferring Clearing Participant, in calculating the delivery amount related to Starting/Rewind JGB Delivery Obligation (Basket) subject to Collateral Allocation related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the transfer date. <li data-bbox="645 536 1554 647">✓ With respect to a Receiving Clearing Participant, delivery amount related to its Receiving Account shall be calculated for the period on and after the immediately following business day of the transfer date. <li data-bbox="589 699 1554 1062"> <p data-bbox="589 699 976 727">➤ Balance Management Fee</p> <ul style="list-style-type: none"> <li data-bbox="645 740 1554 938">✓ With respect to a Transferring Clearing Participant, Balance Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the immediately preceding business day of the transfer date. <li data-bbox="645 951 1554 1062">✓ With respect to a Receiving Clearing Participant, Balance Management Fee related to its Receiving Account shall be calculated for the period on and after the transfer date. <li data-bbox="589 1114 1554 1437"> <p data-bbox="589 1114 1066 1142">➤ Settlement Day Management Fee</p> <ul style="list-style-type: none"> <li data-bbox="645 1155 1554 1353">✓ With respect to a Transferring Clearing Participant, Settlement Day Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the immediately preceding business day of the transfer date. <li data-bbox="645 1366 1554 1437">✓ With respect to a Receiving Clearing Participant, Management Fee related to its Receiving Account shall be calculated for the period on 	

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	<p>and after the transfer date.</p> <ul style="list-style-type: none"> ➤ DVP Settlement Fee <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, DVP Settlement Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the transfer date. ✓ With respect to a Receiving Clearing Participant, DVP Settlement Fee related to its Receiving Account shall be calculated for the period on and after the immediately following business day of the transfer date. ➤ Collateral Management Fee <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, Collateral Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the transfer date. ✓ With respect to a Receiving Clearing Participant, Collateral Management Fee related to its Receiving Account shall be calculated for the period on and after the immediately following business day of the transfer date. <ul style="list-style-type: none"> • As for Fail Charges related to settlement of customer's position to be transferred, portion incurred up to and including the immediately preceding day of the transfer date will be borne by a Transferring Clearing Participant and portion incurred on and after the transfer date will be borne by a Receiving Clearing Participant. • Funding costs incurred during the period between Default Determination and transfer completion related to the transferred customer's position shall be out of scope of closeout netting with respect to the Defaulting Clearing Participant and shall be paid by a Receiving Clearing Participant to JSCC. 	

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<p>(3) Transfer under Business-as-Usual condition</p> <p>a. Request procedure related to transfer</p>	<ul style="list-style-type: none"> • A customer who intends to commission Brokerage for Clearing of Securities, etc. to an Agency Clearing Participant shall, when intending to transfer its position to another Agency Clearing Participant, obtain a prior approval of the transfer from a Receiving Clearing Participant and notify a Transferring Clearing Participant of the said transfer. A Receiving Clearing Participant shall, when it approves a request for transfer from the said customer, submit a request for transfer to JSCC by noon on the desired transfer date. • A Receiving Clearing Participant shall, when submitting a request for clearing, specify the following items. <ul style="list-style-type: none"> ➤ Desired transfer completion date ➤ Receiving Clearing Participant to which the position is transferred ➤ Netting Account from which the position is transferred by applying position Transfer Scheme ➤ Receiving Account • JSCC shall, when it acknowledges content of a request for transfer and a Receiving Account are appropriate, it approve the said request by 14:00 on the desired transfer date. • When a request for transfer is approved by JSCC, target customer's position shall be transferred to a Receiving Account after 17:00 of the desired transfer date. Completion of the said transfer shall be deemed a completion of position transfer to a Receiving Clearing Participant. 	<ul style="list-style-type: none"> • With respect to a Netting Account from which the position is transferred held by a Transferring Clearing Participant, the said account will be abolished on the transfer date. • With respect to a Netting Account held by a Receiving Clearing Participant, the said Receiving Account shall be open on the transfer date.
<p>b. Prior notification of a Receiving Account</p>	<ul style="list-style-type: none"> • A customer who intends to use the Transfer Scheme shall notify JSCC of the Receiving Account to which positions are to be transferred in advance. • Target of Receiving Account registered in advance shall be limited to new accounts of another Agency Clearing Participant only. • A customer may designate a Receiving Account by submitting a Receiving 	<ul style="list-style-type: none"> • When submitting a Receiving Account Registration Form, a prior conclusion of an agreement for the purpose of commissioning of Brokerage of Clearing between a

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	<p>Account Registration Form through a Receiving Clearing Participant, followed by JSCC's acceptance of the said form.</p> <ul style="list-style-type: none"> Registration of multiple Receiving Accounts will be permitted and when submitting a request for transfer, a customer shall specify Receiving Account from the pre-registered Receiving Accounts. 	<p>customer and the said Agency Clearing Participant (Clearing Brokerage Agreement) shall be required.</p> <ul style="list-style-type: none"> During the period between pre-registration of a Receiving Account and transfer completion, as the said account shall not be opened as a Netting Account, charging of Account Management Fee shall be exempted.
c. Clearing of customer's position during the period up to transfer completion	<ul style="list-style-type: none"> Clearing related to customer's position before the transfer completion shall be performed under a Transferring Clearing Participant. 	
d. Settlement of customer's position during the period up to transfer completion	<ul style="list-style-type: none"> Settlement related to customer's position before the transfer completion shall be performed under a Transferring Clearing Participant. 	
e. Clearing and settlement of customer's position after transfer becomes effective	<ul style="list-style-type: none"> Clearing and settlement related to customer's position after transfer completion will be performed under a Receiving Clearing Participant. 	
f. Required amount and deposited amount of	<ul style="list-style-type: none"> Required Initial Margin Amount and Required Clearing Fund related to the transferred customer's position shall succeed the amounts calculated at 	<ul style="list-style-type: none"> Items calculated in reference to the past data shall be succeeded in a

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clearing deposit for customer's position at transfer completion	<p>immediately prior to the transfer completion (Initial Margin shall be the required amount calculated at the 3rd timing).</p> <ul style="list-style-type: none"> Clearing deposit deposited for customer's position to be transferred shall be transferred to a Receiving Account. <ul style="list-style-type: none"> ➤ Clearing deposit deposited by a Transferring Clearing Participant related to customer's position to be transferred shall be deemed deposited with JSCC, with the Receiving Clearing Participant acting as an agency. 	<p>Receiving Account.</p> <ul style="list-style-type: none"> Variation Margin deposited for customer's position to be transferred shall be transferred to a Receiving Account. When calculating Risk Amount Exceeding Collateral, the said amount shall be aggregated for all accounts. In aggregating these amounts, given the possibility that customer's position may be transferred, profit portion shall be deemed zero.
g. Consolidation of positions	<ul style="list-style-type: none"> When a single customer holds multiple Netting Accounts under the same Agency Clearing Participant, a customer may consolidate those accounts in a single Netting Account. When consolidating multiple Netting Accounts to a single Netting Account, a customer shall obtain a prior approval for the position consolidation from an Agency Clearing Participant. The said Agency Clearing Participant shall, when it approves a request for position consolidation from the said customer, submit a request for position consolidation to JSCC in advance. An Agency Clearing Participant shall, when submitting a request for position consolidation, shall specify the following items. <ul style="list-style-type: none"> ➤ Desired effective date of position consolidation ➤ Netting Account from which positions are transferred ➤ Netting Account in which positions are consolidated 	<ul style="list-style-type: none"> The number of Netting Accounts subject to position consolidation shall be capped at two (2).
h. Fees and Fail Charges	<ul style="list-style-type: none"> Fee related to use of the Transfer Scheme under business-as-usual condition, when no Default has occurred shall be 10,000 yen per transfer. 	

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	<p data-bbox="736 202 1267 231">following business day of the transfer date.</p> <ul style="list-style-type: none"> <li data-bbox="589 284 1556 646"> <p data-bbox="589 284 963 312">➤ Collateral Allocation Fees</p> <ul style="list-style-type: none"> <li data-bbox="645 325 1556 523">✓ With respect to a Transferring Clearing Participant, in calculating the delivery amount related to Starting/Rewind JGB Delivery Obligation (Basket) subject to Collateral Allocation related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the transfer date. <li data-bbox="645 533 1556 646">✓ With respect to a Receiving Clearing Participant, delivery amount related to its Receiving Account shall be calculated for the period on and after the immediately following business day of the transfer date. <li data-bbox="589 699 1556 1061"> <p data-bbox="589 699 976 727">➤ Balance Management Fee</p> <ul style="list-style-type: none"> <li data-bbox="645 740 1556 938">✓ With respect to a Transferring Clearing Participant, Balance Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the immediately preceding business day of the transfer date. <li data-bbox="645 948 1556 1061">✓ With respect to a Receiving Clearing Participant, Balance Management Fee related to its Receiving Account shall be calculated for the period on and after the transfer date. <li data-bbox="589 1114 1556 1436"> <p data-bbox="589 1114 1066 1142">➤ Settlement Day Management Fee</p> <ul style="list-style-type: none"> <li data-bbox="645 1155 1556 1353">✓ With respect to a Transferring Clearing Participant, Settlement Day Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the immediately preceding business day of the transfer date. <li data-bbox="645 1362 1556 1436">✓ With respect to a Receiving Clearing Participant, Management Fee related to its Receiving Account shall be calculated for the period on 	

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<p>3. Clarify Default Determination events</p>	<p>and after the transfer date,</p> <ul style="list-style-type: none"> ➤ DVP Settlement Fee <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, DVP Settlement Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to and including the transfer date, ✓ With respect to a Receiving Clearing Participant, DVP Settlement Fee related to its Receiving Account shall be calculated for the period on and after the immediately following business day of the transfer date. ➤ Collateral Management Fee <ul style="list-style-type: none"> ✓ With respect to a Transferring Clearing Participant, Collateral Management Fee related to its Netting Account from which the position is transferred shall be calculated for the period up to the transfer date. ✓ With respect to a Receiving Clearing Participant, Collateral Management Fee related to its Receiving Account shall be calculated for the period on and after the immediately following business day of the transfer date. • As for Fail Charges related to settlement of customer's position to be transferred, portion incurred in the period up to and including the immediately preceding day of the immediately following business day of the transfer date shall be borne by a Transferring Clearing Participant and portion incurred business day following on and after the immediately following business day of the transfer date shall be borne by a Receiving Clearing Participant. <p>The definition of "Default, Etc." events shall be clarified to include the case where a Clearing Participant is likely to become unable to pay or to become</p>	<p>• In line with JSCC's other Clearing Services, the definition of Default</p>

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4. Other matters	<p>insolvent.</p> <ul style="list-style-type: none"> Other necessary amendments shall be made related to the revision of the scheme. 	Determination Events in JGB OTC Transaction Clearing Service shall be clarified.

III. Implementation timing

Scheduled for implementation in June 2026.

End of Document