Partial Revision of Clearing Framework associated with Trading Hours Revisions at Tokyo Stock Exchange, etc.

May 11, 2023

Japan Securities Clearing Corporation

I. Purpose

Japan Securities Clearing Corporation (JSCC) will implement the partial revision of its clearing framework as outlined below, in association with the trading hours revisions at the listed cash equity and listed derivatives markets scheduled for November 2024 by Tokyo Stock Exchange, Inc., Osaka Exchange, Inc. and Tokyo Commodity Exchange, Inc.[1]:

II. Outlines

Item	Outline	Remarks
1. Listed Cash Products Clearing	・ Operation hours and settlement cutoff time for the listed cash products clearing and ETF Creation/Redemption will remain unchanged.	・ Distribution timing of some of the reports to be distributed from the cash products clearing system on the trade date will be revised to conform to the revised trading hours. Refer to Annex 1 for the outlines of the post trade operations for the listed cash products, including major cutoff times and distribution data.
2. Listed Derivatives Products Clearing	・ For the listed derivatives products clearing, the cutoff time for the Position Transfer application and approval request submission shall be 2:30 p.m. on the day the relevant party intends to implement the Position Transfer. ・ Other notification/report cutoff time concerning the position fixing and the settlement cutoff time will remain unchanged.	・ Current cutoff time is 2:00 p.m. ・ Settlement prices and margin parameters fixing/distribution time will be revised to conform to the revised trading hours.

[1] For detail, please refer to:
"Revisions to Trading Rules for Strengthening Functions of Cash Equity Market in Connection with Launch of Next Generation Trading System"
https://www.jpx.co.jp/english/rules-participants/public-comment/index.html

Item	Outline	Remarks
		Refer to Annex 2 for the outlines of the post trade operations for the listed derivatives products, including major cutoff times and distribution data.
3. Other	・ Other necessary revisions will be made.	

III. Implementation Timing (Tentative)

To be implemented concurrently with the trading hours revisions at each exchange (scheduled for November 5, 2024).

1. Post Trade Operations for Listed Cash Equity Market

Annex 1

I. Cutoff Times/Distribution Timings for Cash Products Clearing: Distribution timing of Summary Report by Issue (Stock) and Summary Report by Participant / Trade Type (Stock) will be pushed back for 30 minutes (shown in red)

- As to operations/reports on Trade Day (**Day T**), only **Summary Report by Issue (Stock) and Summary Report by Participant / Trade Type (Stock)** will be **pushed back for 30 minutes.** Other operations and reports on Day T will remain unchanged.
- **No change** to operations/reports on the business day before the settlement day (**Day S-1**) and the settlement day (**Day S**).

II. Cutoff Times for ETF Creation/Redemption: No change

- No change to application/acceptance cutoff times.

Hour		8–22
Cash Products Clearing	Day T Operation	Update Cleared Trade Data for Contracts Executed on Day T (8:20 - 18:00) ★ Around 15:40 DVP Settlement Price Data ★ **19:00~** Summary Report by Issue (Stock) Summary Report by Participant / Trade Type (Stock)
	Day S-1 Operation	★ 14:30~ Loans for Margin Transactions Data ★ 14:30~ Settlement Report Provisional Quantity by Issue Aggregate Funds Payment/Receipt Statement (Provisional Advance Report for Cash Transactions) ★ 16:00~ Settlement Report Final Quantity by Issue, Summary Table
	Day S Operation	★ 13:00 Securities Settlement Cutoff Time
ETF Creation/Redemption		Application for ETF Creation/Redemption (~17:00) Acceptance of Application for ETF Creation/Redemption (~17:30) Finalize Statement (~21:30)

2. Post Trade Operations for Listed Derivatives Market

Annex 2

I. Settlement Price Fixing/Distribution Timing and Margin Parameters Distribution Timing: Push back for 30 minutes in principle (shown in blue)

II. Margin and VM/OP Premium Distribution Timing: No change

III. Cutoff Time for Post Trade Operations: Push back Position Transfer notification cutoff time for 30 minutes (shown in blue)

- **No change** to position fixing time (19:00), cutoff time for notifications/reports to be submitted by position fixing (give-up, take-up, allocation, close-out quantity, position) and option exercise cutoff time (17:00).
- No change to settlement cutoff time for derivatives, including cutoff time for physical delivery.

Hour	8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
Margin, VM/OP Premium Data Distribution Time/Cutoff Time	Around 16:10 Settlement Price; Around 16:15 Margin Parameters; Around 18:00 Distribute VM/OP Premium Value; 19:00 Position Fixing Timing; Around 19:30 Distribute Margin Requirement; 30:10 Today's Position Correction Cutoff Time
Give-up Notification (For Current Day)	8:00 ～ 16:45; Around 17:00 ～ 17:30; 19:00 ～ 30:10 (Correction Notification)
Take-up Notification (For Current Day)	8:00 ～ 17:45; 19:00 ～ 30:10 (Correction Notification)
Allocation Report	8:00 ～ 18:00; 19:00 ～ 30:10 (Correction Notification)
Close-out Quantity Report / Position Report	8:00 ～ 19:00; 19:00 ～ 30:10 (Correction Notification)
Option Exercise Notification	8:00 ～ 17:00; 17:00 Exercise/Assignment
Position Transfer Application	8:00 ～ 14:30

2. Post Trade Operations for Listed Derivatives Market – List of Timings

Annex 2

		After Revision (Changes shown in underlined blue letters)	(Ref.) Before Revision (Assuming after VaR Method Launch)
1. Settlement Price Fixing			
(1)	JGB Futures/Option	Around 15:15	
(2)	Index Futures/Option	**Around 16:10**	Around 15:40
(3)	Commodity Futures/Option	**Around 16:10**	Around 15:40
2. Margin-related Parameter File Distribution			
(1)	BPF (For EOD margin calculation. Files to be distributed by products) - File for JGB Futures/Options calculation - File for Index Futures/Options calculation, File for Commodity Futures/Options calculation * Distribution timings for other files are TBA.	Around 15:45 **Around 16:15**	Around 15:45 Around 15:45
(2)	VPF	**Around 16:15**	Around 15:45
(3)	APF (File for Margin Add-on Charge Calculation)	**Around 17:00**	Around 16:30
(4)	Risk Factor Data for AS-VaR Method	**Around 17:30 every weekend**	Around 17:00 every weekend
3. Post-Trade Operations			
(1)	Position Transfer Application	08:00 ~ **14:30**	08:00 ~ 14:00
(2)	Give-up Notification, Take-up Notification, Allocation Report, Close-out Quantity Report, Position Report, Option Exercise Notification	See table in p.2 (No change)	
4. Distribution of VM/OP Premium / Margin Data			
(1-1)	Distribute VM/OP Premium Data (cCran)	Around 17:00 (Early), Around 18:00 (Final)	
(1-2)	Distribute VM/OP Premium Data (EOD1: WebPortal/FTP)	Around 19:30	
(2-1)	Calculate/Distribute Margin (cCran - Distribute Historical Risk)	17:00, 18:00, 19:00, 30:10	
(2-2)	Distribute Margin Requirement (EOD1, 2: WebPortal/FTP)	Around 19:30 (EOD1), Around 30:30 (EOD2)	