

JSCC Quantitative Disclosures Summary

Q3 2024

Nov 29, 2024

Updated on Dec. 12th, 2024



Contents

Disclaimer	3
Introduction	4
Highlights	6
Topic of this Quarter	7
Composition of Clearing Membership Categories	12
Notional Value of trades	13
SIG(Contribution by JSCC & Exchanges/PTSs)	14
Mutualized Loss Compensation Resources	16
Kccp	18
Stress Testing	19
Initial Margin	21
Initial Margin Back Testing	24
Variation Margin & Initial Margin Calls	26
Collateral Composition of Initial Margin	27
Total Cash Received	29
Liquidity	31
Operational Availability	33

Disclaimer

Japan Securities Clearing Corporation has taken every effort to ensure the accuracy of the information contained in this document. JSCC shall accept no responsibility or liability for any actions involving the use of this information. JSCC reserves the right to, without notice, revise or alter the contents of this document, or withdraw or halt its publication.

本文書に掲載されている情報の正確性については万全を期していますが、JSCC は、この文書の情報を用いて行われる一切の行為について、何ら責任を負うものではありません。JSCC は、予告なしにこの文書の内容の修正・変更やこの文書の削除・公表の中止をする場合があります。

This document is written in English, but some parts are written in both English and Japanese.

本文書は原則として英語表記ですが、一部日本語を併記しています。

Introduction

JSCC is a clearing organization licensed in Japan to conduct financial instrument obligation assumption (clearing) services under the Financial Instruments Exchange Law. JSCC is required to strictly comply with "Principles for Financial Market Infrastructures (hereinafter referred to as "PFMI")", as published by the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) in April 2012.

To enhance overall transparency in financial market infrastructures, CPMI and IOSCO published "Principles for financial market infrastructures: disclosure framework and assessment methodology" in December 2012. In addition, as a supplement to the Principles, they released "Public quantitative disclosure standards for central counterparties" to encourage Clearing Organizations to disclose quantitative information.

License granted by Regulatory Authority in Japan

JSCC was licensed as the Financial Instruments Clearing Organization under the Financial Instruments and Exchange Act in January 2003, and as Commodity Clearing Organization under the Commodity Futures Act in July 2020 when JSCC integrated the commodity clearing services of Japan Commodity Clearing House Co., Ltd. As a result, JSCC is regulated and supervised directly by the Financial Services Agency, the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry of Japan.

License from Overseas Regulatory Authorities for Clearing Business

- U.S.: Exempt DCO (for Interest Rate Swap Clearing Business and Credit Default Swap Clearing Business)
- EU: Third-Country CCP (for all Clearing Businesses)
- Australia: Designation as Prescribed CCP (for Interest Rate Swap Clearing Business)
- Hong Kong: ATS-CCP and Designated CCP (for Interest Rate Swap Clearing Business)
- Switzerland: Foreign Central Counterparty (for Interest Rate Swap Clearing Business)
- Canada: Exempt Clearing Agency (for Interest Rate Swap Clearing Business)*

* JSCC was granted interim exemption from Clearing Agency recognition under the Securities Act of Ontario, Canada.

- UK: Third-Country CCP (for all Clearing Businesses)*

* JSCC has obtained temporary recognition for the provision of services in the U.K. as a Third Country CCP.

はじめに

JSCCは、金融商品取引法に基づき金融商品債務引受業の免許を取得している清算機関であり、決済・市場インフラ委員会（CPMI）と証券監督者国際機構（IOSCO）により2012年4月に公表された「金融市場インフラのための原則（以下「FMI原則」という。）」を遵守する必要があります。CPMI及びIOSCOは、金融市場インフラの透明性を全般的に向上させるため、2012年12月に「FMI原則：情報開示の枠組みと評価方法」を公表しましたが、更にこれを補完するため、2015年2月に、清算機関が高い頻度で開示すべき定量的な情報の開示を促す、「清算機関のための定量的な情報開示基準」（原題：Public quantitative disclosure standards for central counterparties）を公表しています。

日本の規制当局からの免許取得状況

当社は、金融商品取引清算機関として2003年1月に金融商品債務引受業の免許を取得しており、また、2020年7月に株式会社日本商品清算機構の持つ清算機能を統合して商品市場に係る清算業務を承継するにあたり、商品取引清算機関として商品取引債務引受業の許可を取得しており、日本国の金融庁、農林水産省及び経済産業省による直接の規制と監督を受けています。

海外の規制当局からの認証等の取得状況

- 【米国】 Exempt DCO（対象業務：金利スワップ清算業務、CDS清算業務）
- 【欧州連合】 第三国CCP（対象業務：全清算業務）
- 【豪州】 Prescribed CCPへの指定（対象業務：金利スワップ清算業務）
- 【香港】 ATS-CCP及びdesignated CCP（対象業務：金利スワップ清算業務）
- 【スイス】 外国CCP（対象業務：金利スワップ清算業務）
- 【カナダ】 Exempt Clearing Agency（対象業務：金利スワップ清算業務）*

* JSCC はカナダ・オンタリオ州法上の清算機関としての認証免除に関して、暫定的な決定を受けています。

- 【英国】 第三国CCP（対象業務：全清算業務）*

* JSCC は外国 CCP として英国でサービスを提供することについて、暫定的な認証を取得しています。

Highlights

- 71 bil. JPY of JSCC SIG and Compensation by Exchanges/PTS – 73% of JSCC shareholder equity
- 3 breaches on stress testing for ETP Cash Securities, resolved on the following business days through the required additional collateral.
- Coverage of margin back testing (12-month period) above the JSCC risk appetite.
 - * JSCC risk appetite: IRS & CDS: 99.5% / Other Clearing Businesses: 99%
- 0 Liquidity Stress Testing breaches during the quarter
- 0 Defaults during the quarter
- 100% Operational Availability of the core system over the previous 12 months

Skin in the Game (SIG)

(PQD 4.1.1, 4.1.2, 4.1.6, 4.1.10)

	(in bil. JPY)	(in mil. USD)	SIG/DF
ETP Non-Commodity	49.49	349	9%*
ETP Commodity	11.49	81	
CDS	3.00	21	15%
IRS	4.00	28	22%
OTC-JGB	4.00	28	2%

*The sum of ETP Non-Commodity and ETP Commodity.

Note: Compensation by Exchanges & PTSs are included in SIG for ETP.

USD/JPY: as of Sep. 30, 2024

Stress Testing

(PQD 4.4.4, 4.4.5, 4.4.8, 4.4.9)

3 Estimated Stress Losses Exceedance

- ETP(Cash Securities): 3 days 9,270 mil. JPY at maximum.

Achieved Coverage Level of Initial Margins

(PQD 6.5.3)

ETP(Cash Securities)	99.25%	(-0.48%)
ETP(JGB F&O-OSE)	99.77%	(-0.21%)
ETP(INDEX F&O-OSE)	99.23%	(-0.63%)
ETP Commodity	99.11%	(-0.20%)
CDS	100.00%	(±0.00%)
IRS	99.95%	(-0.05%)
OTC-JGB	99.78%	(-0.19%)

Operational Availability

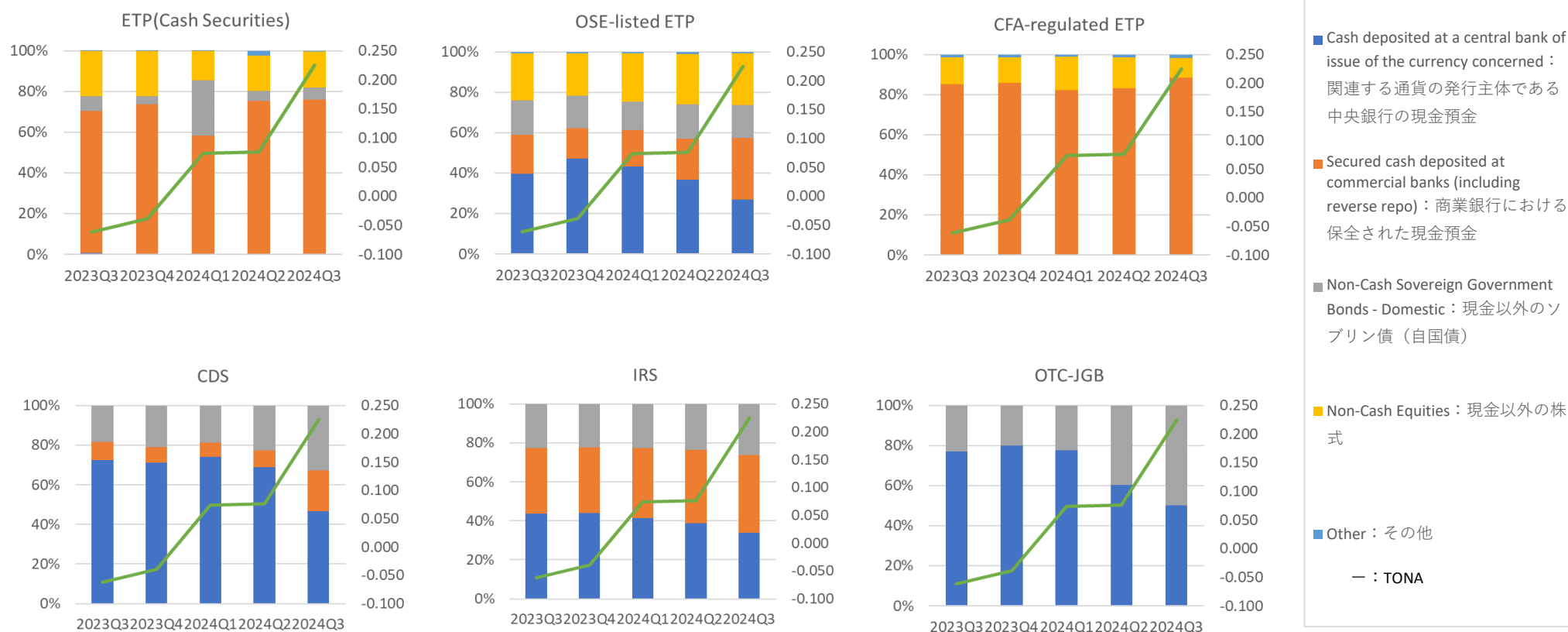
(PQD 17.2.1)

ETP	100.00%
CDS	100.00%
IRS	100.00%
OTC-JGB	100.00%

Topic of this Quarter 1 Collateral Shifts Post-Zero Interest Rate Policy

An examination of changes in the composition of collateral deposited by participants, following the lifting of zero interest rates, reveals a switch from cash to JGBs and a preference for commercial bank deposits over central bank deposits in some services, as shown below.

A significant shift has been observed in the OTC-JGB since 2023Q3, when interest rates were negative. During this period, the proportion of non-cash collateral has increased substantially from 23% to 50%.



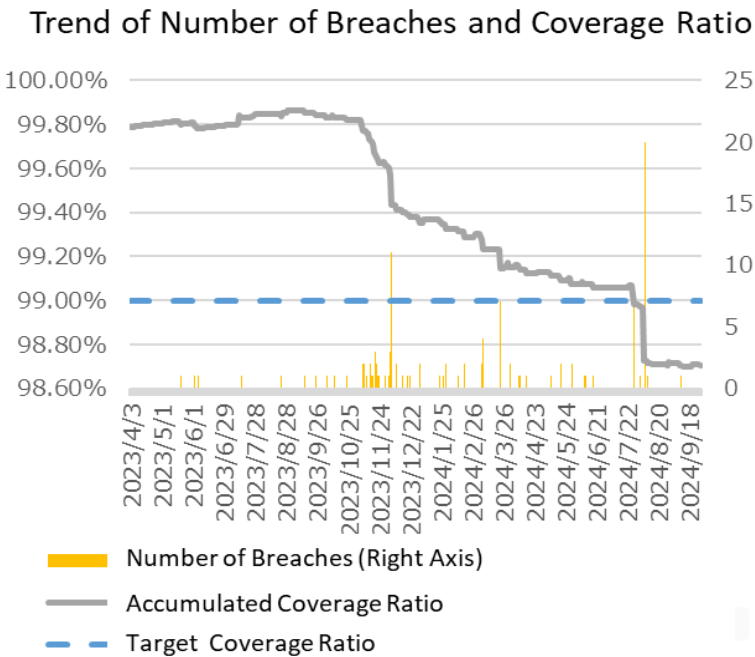
Topic of this Quarter 2 Changes to Parameters for OSE Precious Metals Futures

As a result of the IM backtesting for OSE Precious Metals, the accumulated coverage ratio for the past 1-year period was 98.71% (as of 8/9), which was below the target coverage ratio of 99%.

JSCC revised i) Base Profit Loss (BPL) setting method* and ii) Spread Fluctuation Risk (SFR) setting method on 8/23 (applied on 8/26) to improve the coverage ratio**.

* Adopted EWMA in BPL setting, which is equivalent to IM per futures contract, for OSE Precious Metals and ODEX Precious Metals to promptly respond to varying market conditions.

** Increased the referenced contract months in SFR setting, which is the base value for cross-contract month spread risk, for all Commodity Futures/Option instruments to cover risks of various cross-contract months positions (for example, position comprised of long 2nd contract month and short 6th contract month).



i) Revision of BPL Setting Method

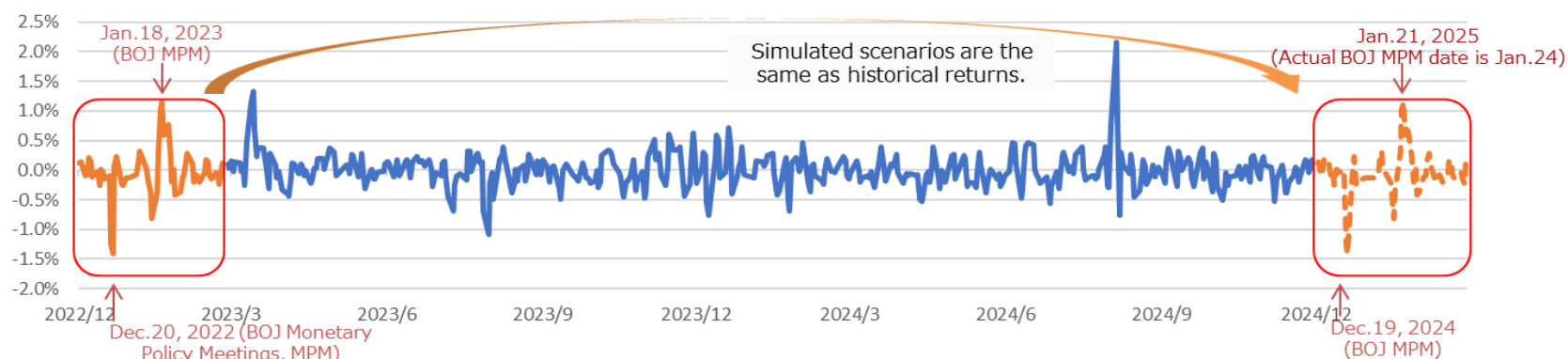
	Before Revision	After Revision
Reference Period	"1 month" or "1 year" whichever the value is greater	5 years
Volatility Adjustment (Consider EWMA)	No	Yes (Parameter λ to weigh recent data is 0.985)
Values to be Adopted	99 percentile value	Expected shortfall value of 97.5% or above

ii) Revision of SFR Setting Method

	Before Revision	After Revision
Referenced Contract Months	Only a pair of "5th" and "6th" contract months	Pairs of "each contract month from 2nd to 5th" and "6th"
Reference Period	"1 month" or "1 year" whichever the value is greater	"Just 1 year"

Topic of this Quarter 3 Simulations for forward-looking key margin and parameter changes (1/3) (Updated based on the historical price returns by the end of November)

- Margin changes of key Japanese-yen rate products are estimated given that the same historical returns of those products at the past BOJ monetary policy meeting would occur again when its meeting is held on December 2024 and January 2025.
- Specifically, with an assumption that a simulation period since December 2nd, 2024 would encounter the same historical returns since December 1st, 2022 so that the same historical return on December 20, 2022 would be the simulated return on December 19, 2024, margin changes during the period are simulated.
- Note that the actual returns may be different during the period, while the simulations do not represent the possible largest actual price returns or margin changes.



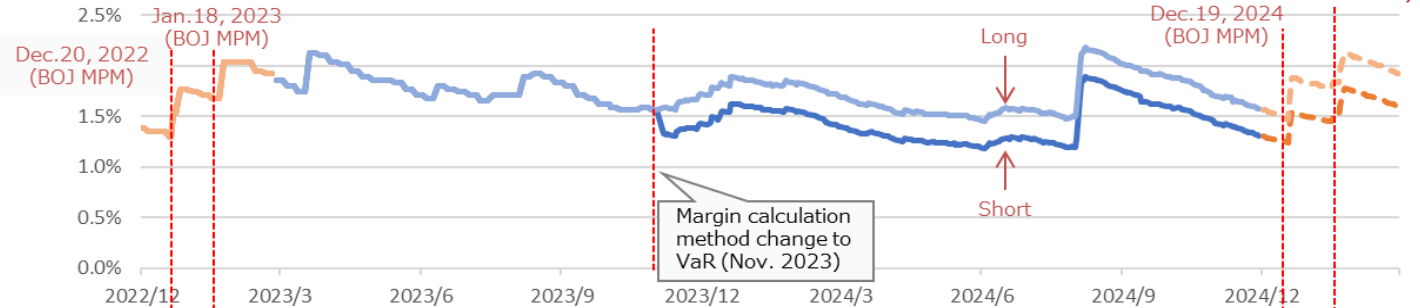
[Simulation results: Summary] The ratio of margins to face values (notional amounts)

Products	A. @11/29	B. Largest results	C.=B/A
10-Year JGB Futures Short	1.31%	1.78%	135%
10-Year JGB Futures Long	1.57%	2.12%	135%
JGB (D class) Market Price Fluctuation Risk Factor	1.23%	1.28%	104%
10-Year OIS Pay Fix	2.44%	2.65%	109%
10-Year OIS Receive Fix	2.73%	3.15%	115%

Topic of this Quarter 3 (2/3) (Updated based on the historical returns by the end of November)

[Simulation results: Charts of margin/parameter changes]

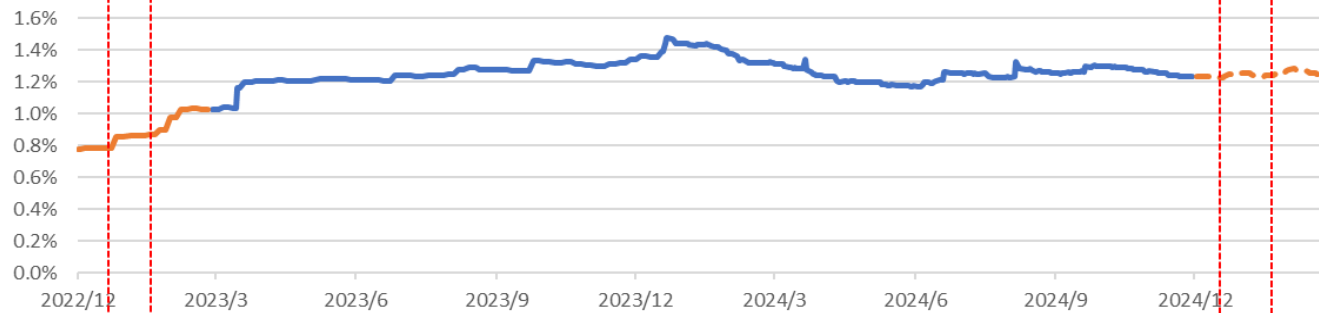
10 Year JGB Futures Base IM



Large increase on Dec.19, 2024 and Jan.21, 2025 and gradual decrease until these increase.

- Dec.21,2022 1-day increase +19%
- Dec.19,2024 1-day increase +11%(Short), +13%(Long)
- The largest results (1.78% face value (Short), 2.15%(Long), Jan.24, 2025) are -17% and -3% respectively compared to those in Dec.2022 to Nov.2024 (2.13% face value (Short, Mar.20-24, 2023), 2.18%(Long, Aug.8, 2024))

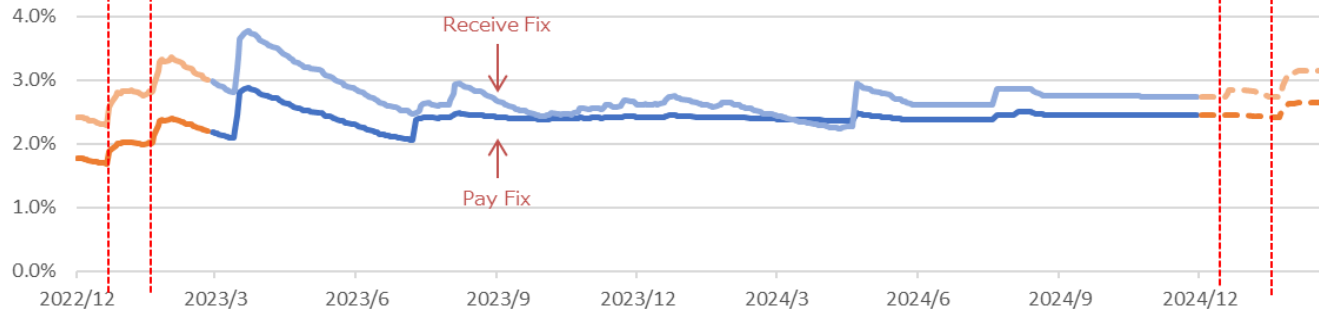
JGB (D class) Market Price Fluctuation Risk Factor



Generally flat during the simulation period

- The largest result (1.28% face value, Feb.4, 2025) is 13% lower than that in Dec.2022 to Nov.2024 (1.48% face value, Dec.22, 2023)

10-Year OIS Base IM

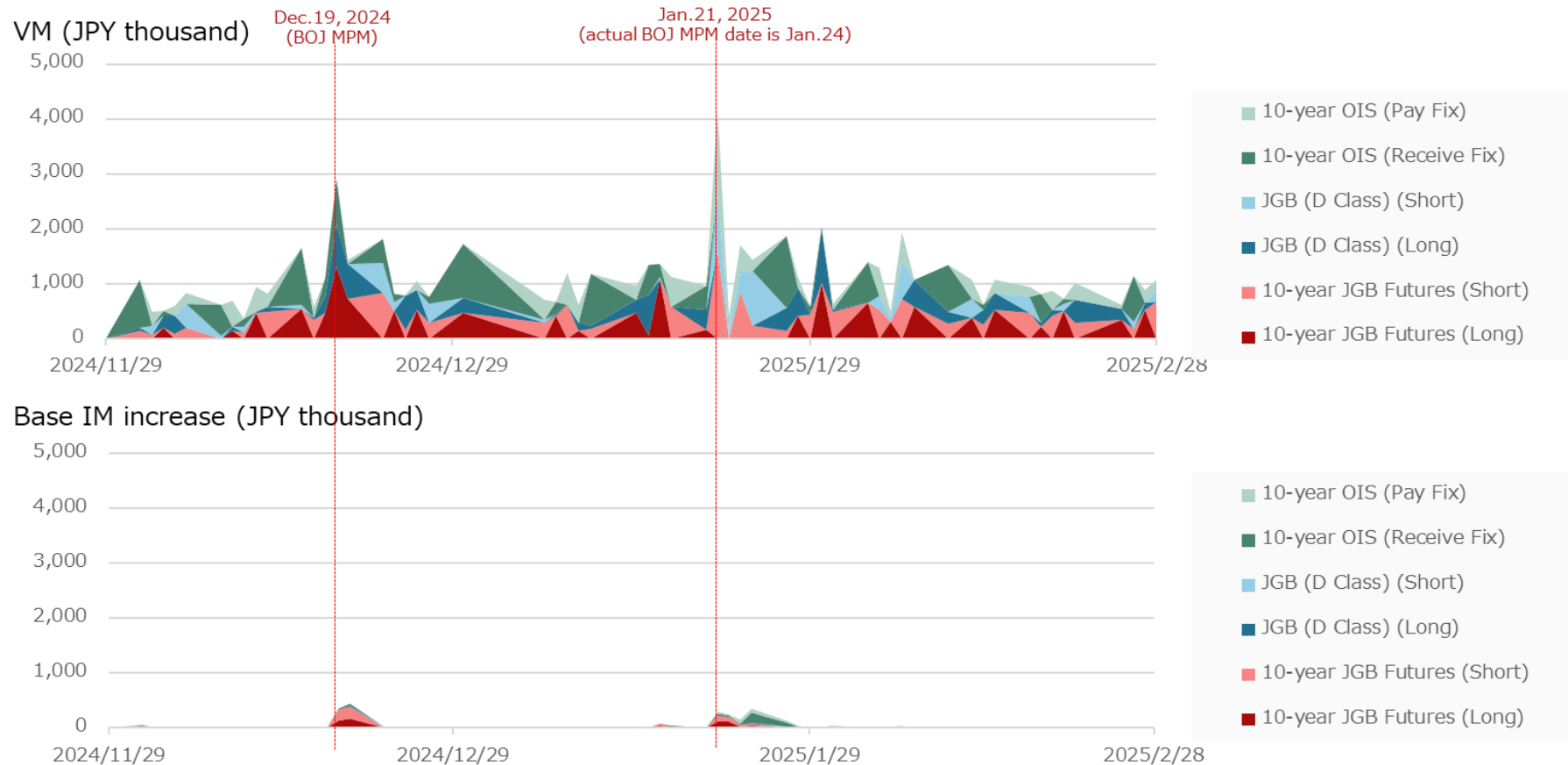


(Pay) Generally flat during Dec and increase on Jan.24, 2025 (Receive) Increase on Dec.19, 2024 and Jan.24, 2025

- Dec.21, 2022 1-day increase +6% (Pay), +6% (Receive)
- Dec.19, 2024 1-day increase ±0% (Pay), +2% (Receive)
- The largest results (2.65% notional (Pay), 3.15% (Receive), Feb.3, 2025) are -8% and -17% respectively compared to those in Dec.2022 to Nov.2024 (2.89% notional (Pay), 3.78% (Receive), Mar.22, 2023)

Topic of this Quarter 3 (3/3) Simulation results: Flows of VM received/delivered and Base IM increase

- With fluctuations in Japanese yen markets, there are receipt and delivery of a variation margin (VM) of position values as well as changes in an initial margin (IM).
- As amounts of VM received and delivered tend to significantly exceed those of IM required, those of the maximum VM received and delivered on January 21st are approximately 9 times higher than those of base IM increase on December 20th.



* Above graphs show stacked area charts in the case of face value(notional) JPY 100 mil.

* The graph of VM shows the paid amounts. Base IM increase means the difference from the previous business day.

Composition of Clearing Membership Categories

JSCC provides clearing services to clearing members of 14 different categories, each of which has a default fund to address any losses resulting from the default of a clearing participant in the relevant category. Some of the resources, such as liquidity resources, may be shared across the categories.

当社は、以下の14の清算資格に区分して清算業務を行っており、清算資格毎に清算参加者が破綻した場合を想定した損失をカバーするための清算基金制度を設けています。なお、流動性供給枠等は複数の清算資格で共有しています。

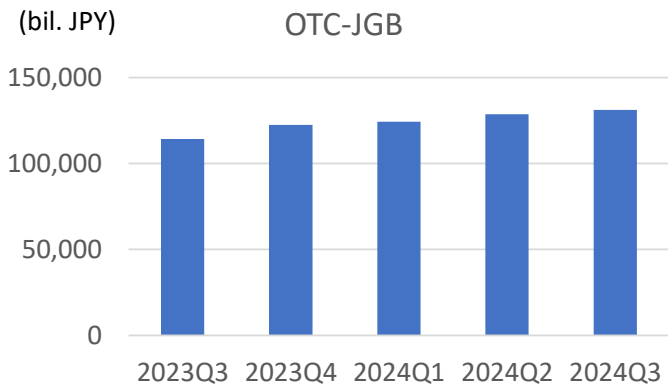
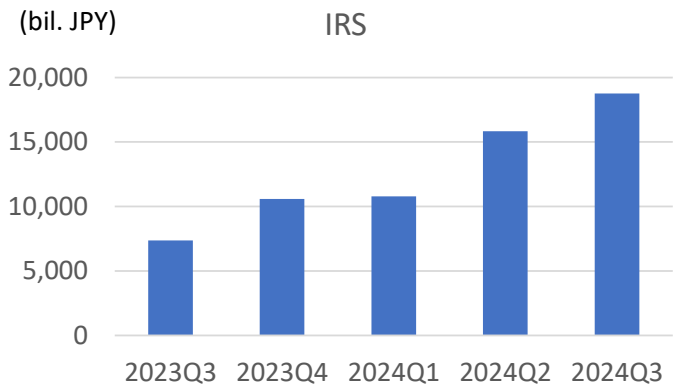
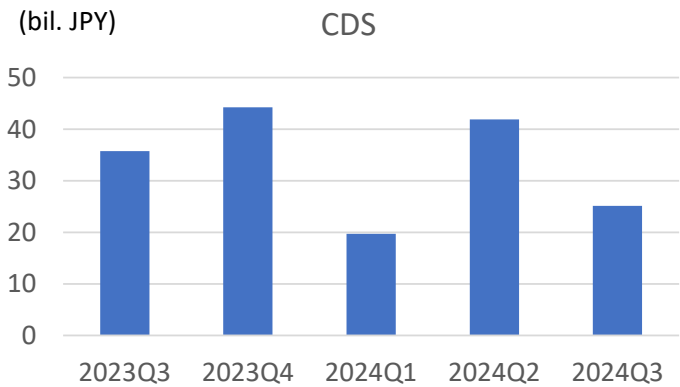
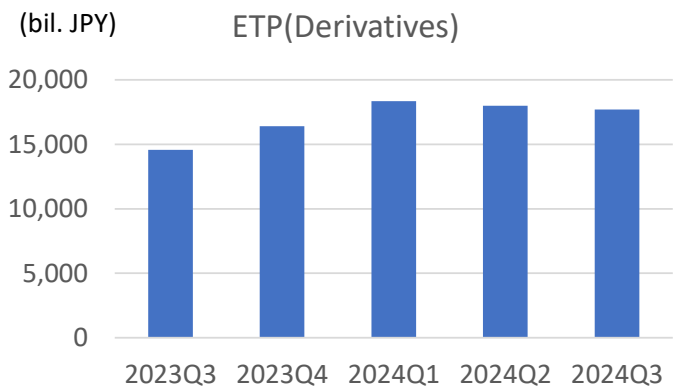
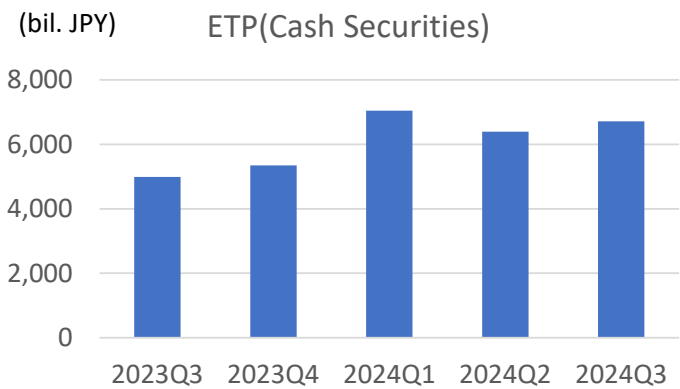
Clearing Membership Category*		1. Cash Securities	2. JGB F&O 3. INDEX F&O	4. Precious Metals 5. Rubber 6. Agricultural 7. Petroleum	8. Energy	9. Agricultural (ODEX) 10. Sugar 11. Precious Metals(ODEX)	12. CDS 13. IRS 14. OTC-JGB	
Market		ETP						OTC
		Cash Securities “ETP(Cash Securities)”	Derivatives					
			“ETP Non-commodity derivatives”	Commodity “ETP Commodity”				
Exchanges/ PTSs	Japanese Securities Exchanges, PTSs	OSE (Osaka Exchange) “OSE-listed ETP”			TOCOM (Tokyo Commodity Exchange)	ODEX (Osaka Dojima Exchange) “ODEX-listed ETP”		
Regulatory Law		FIEA (Financial Instruments and Exchange Act) “FIEA-regulated ETP”				CFA (Commodity Futures Act) “CFA-regulated ETP”	FIEA	

* Underlined abbreviations in each segment are those used in the quantitative disclosure of JSCC.

Notional Value of trades

PQD References: 23.1.2

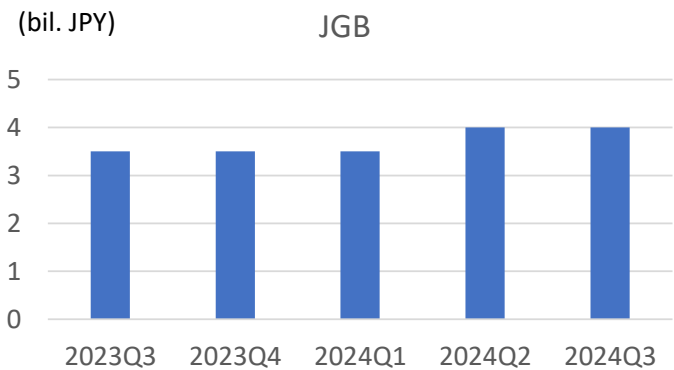
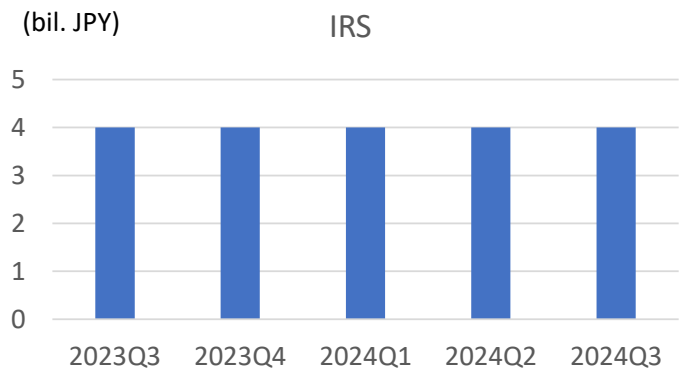
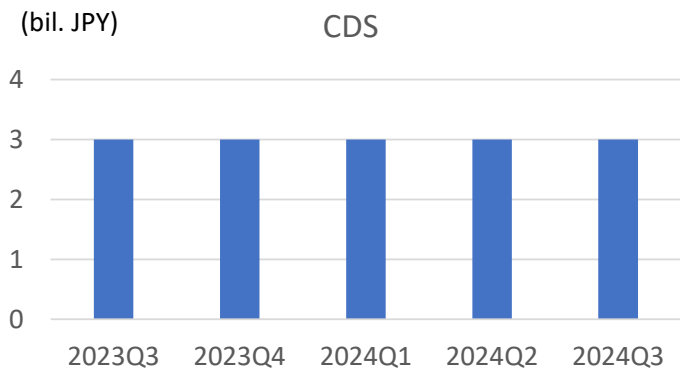
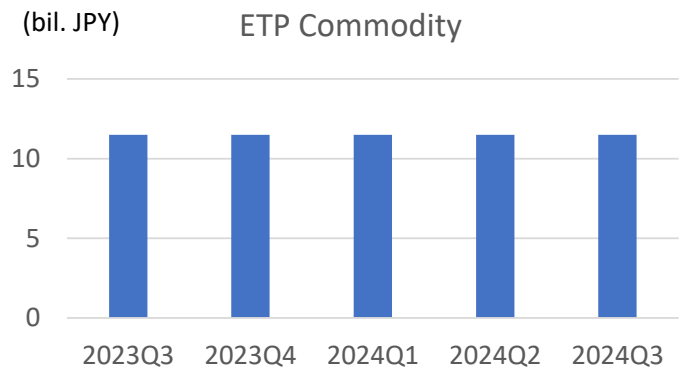
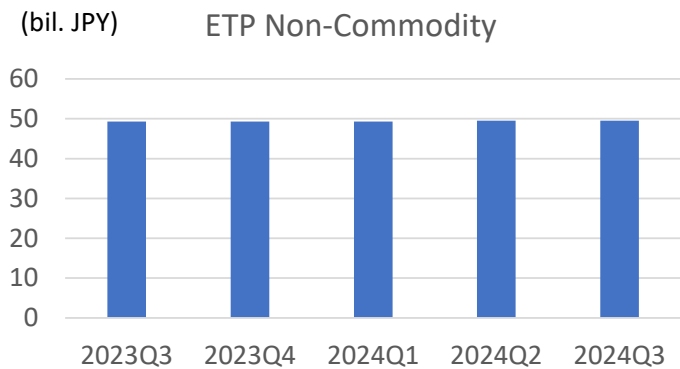
Daily Average Notional Value of trades cleared by Asset Class (during Quarter)



SIG(Contribution by JSCC & Exchanges/PTs) (1/2)

PQD References: 4.1.1, 4.1.2, 4.1.6, 4.1.10

SIG(Contribution by JSCC & Exchanges/PTs) (end of Quarter)



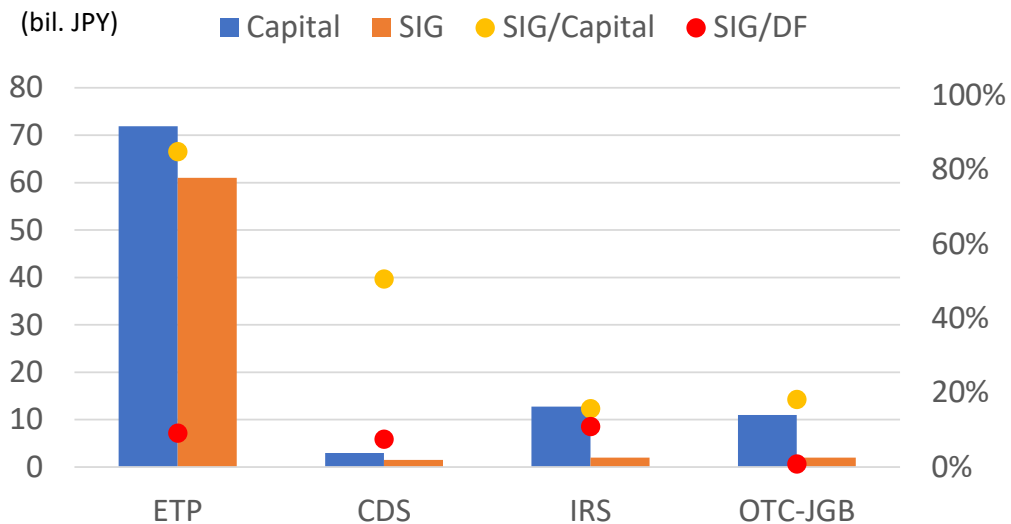
Note: Compensation by Exchanges & PTs are included in SIG for ETP.
About 90% of the Compensation by Exchanges & PTs are arranged to be contributed by exchanges affiliated with JSCC.
注：取引所並びにPTSによる損失補償を含みます。取引所及びPTSによる損失補償の約90%は、日本取引所グループ内の取引所により拠出されています。

SIG(Contribution by JSCC & Exchanges/PTs) (2/2)

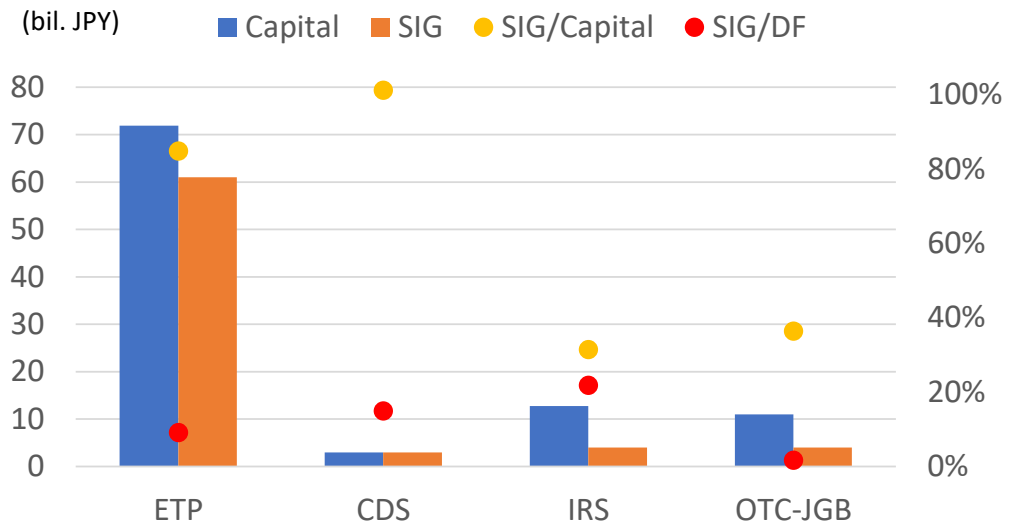
PQD References: 4.1.1, 4.1.2, 4.1.6, 4.1.10

SIG - JSCC Capital (end of Quarter)

SIG before Default Fund of Clearing Participants



SIG before and alongside Default Fund of Clearing Participants



Note: Compensation by Exchanges & PTs are included in SIG for ETP.

JSCC has adopted class share structure to maintain its own funds for each of clearing businesses - Class A shares for Exchange Traded Products(Cash and Derivatives(Commodity and Non-Commodity)), Class B shares for CDS, Class C shares for IRS, and Class D shares for OTC JGB.

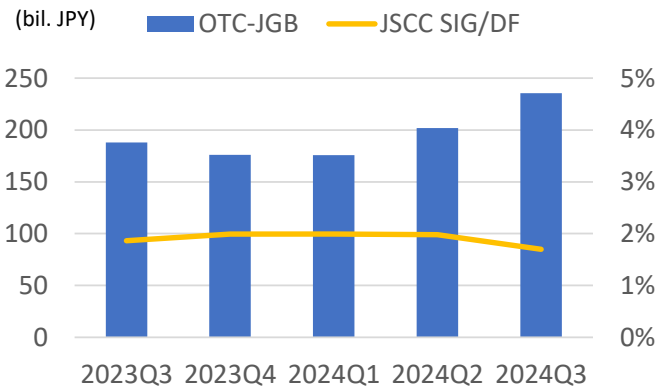
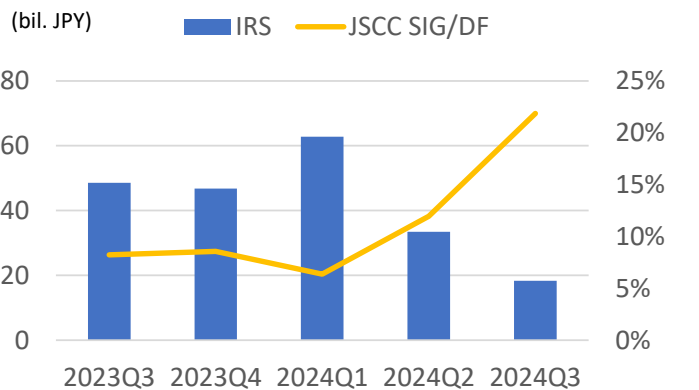
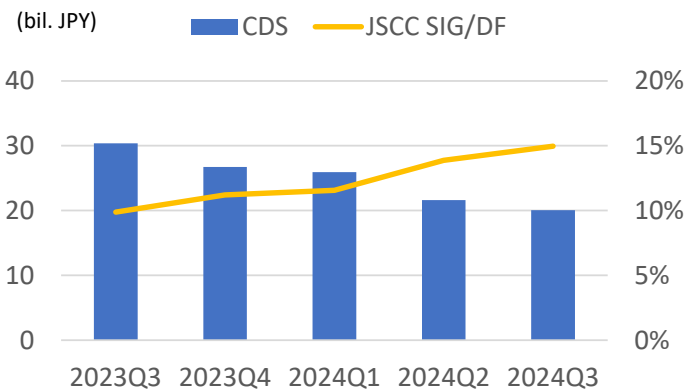
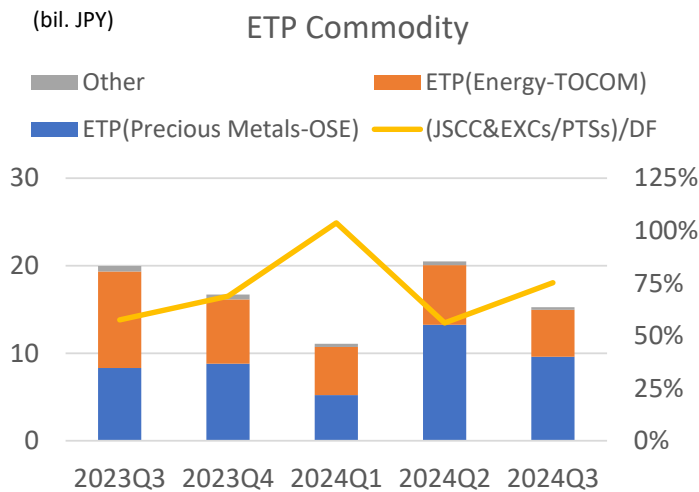
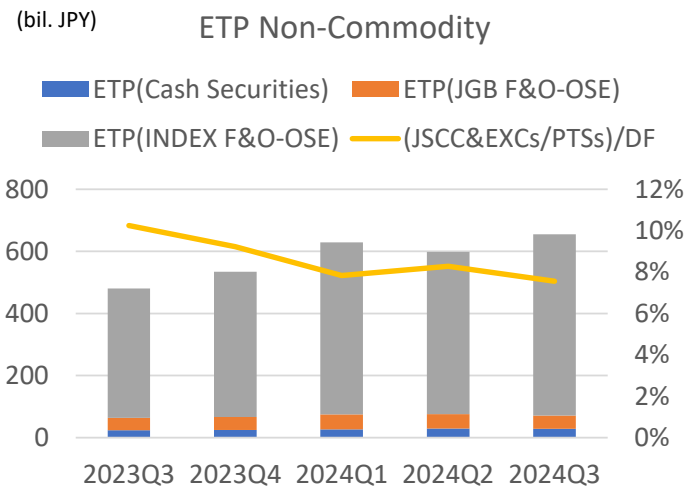
注：取引所並びにPTSによる損失補償を含みます。

JSCCは4つの種類株式（A種類株式：現物取引及び上場デリバティブ取引(商品と商品以外)の清算業務、B種類株式：CDS清算業務、C種類株式：金利スワップ取引清算業務、D種類株式：国債店頭取引清算業務）を発行しています。

Mutualized Loss Compensation Resources (1/2)

PQD References: 4.1.4

Default Fund (end of Quarter)



Mutualized Loss Compensation Resources (2/2)

PQD References: 4.1.4, 4.1.8

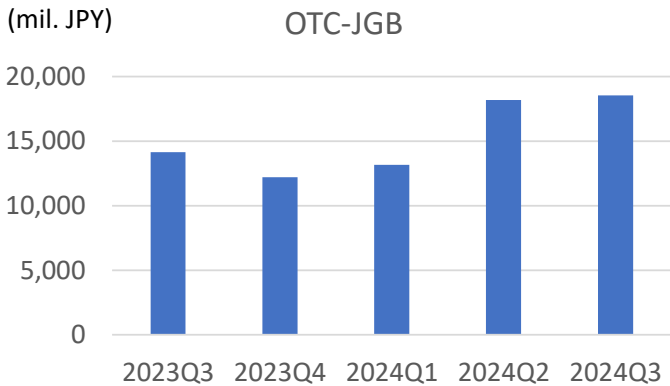
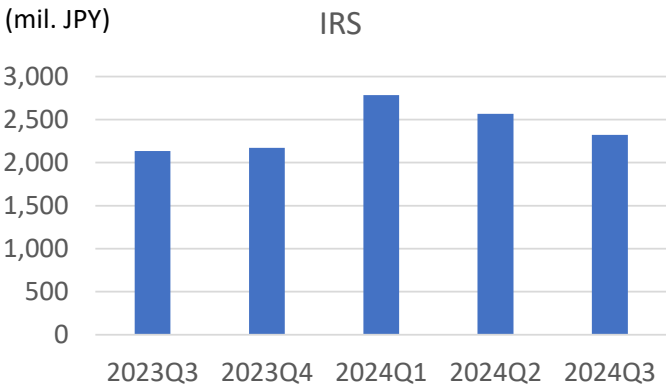
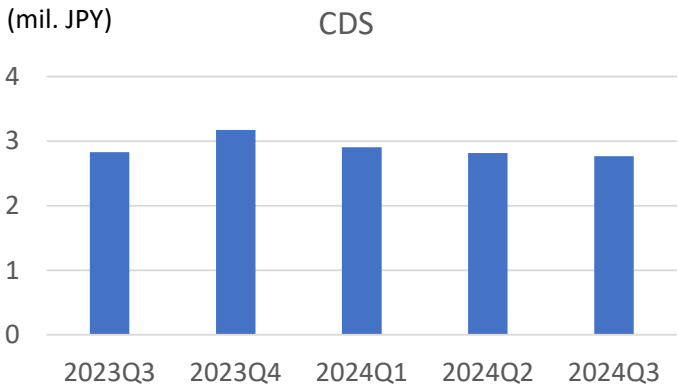
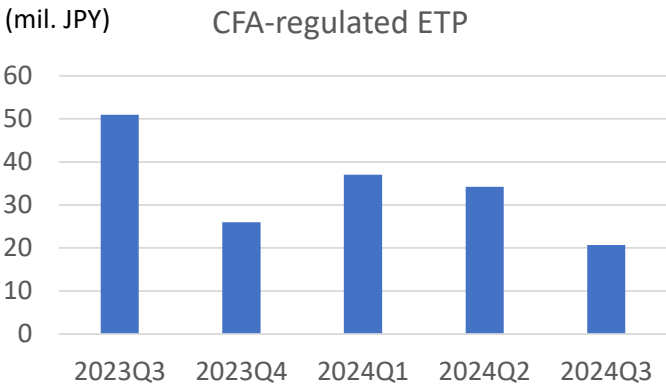
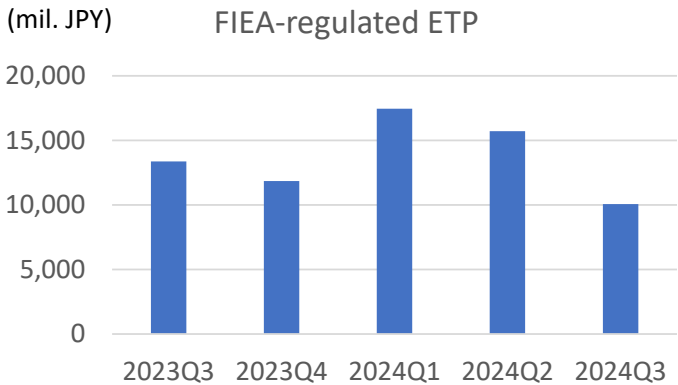
Default Fund (end of Quarter)						Assessment (end of Quarter)					
				(bil. JPY)						(bil. JPY)	
	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	SIG	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Cash Securities)	24	25	26	29	28	ETP(Cash Securities)	n/a	n/a	n/a	n/a	n/a
ETP(JGB F&O-OSE)	39	41	48	46	42	ETP(JGB F&O-OSE)	118	124	144	138	127
ETP(INDEX F&O-OSE)	416	467	554	522	583	ETP(INDEX F&O-OSE)	1,250	1,402	1,662	1,566	1,751
ETP(Precious Metals-OSE)	8	8	5	13	9	ETP(Precious Metals-OSE)	24	26	15	39	28
ETP(Rubber-OSE)	0	0	0	0	0	ETP(Rubber-OSE)	1	1	0	0	0
ETP(Agricultural-OSE)	0	0	0	0	0	ETP(Agricultural-OSE)	0	0	0	0	0
ETP(Petroleum-OSE)	0	0	0	0	0	ETP(Petroleum-OSE)	0	0	0	0	0
ETP(Energy-TOCOM)	11	7	5	6	5	ETP(Energy-TOCOM)	33	22	16	20	16
ETP(Agricultural-ODEX)	0	0	0	0	0	ETP(Agricultural-ODEX)	0	0	0	0	0
ETP(Sugar-ODEX)	0	0	0	0	0	ETP(Sugar-ODEX)	0	0	0	0	0
ETP(Precious Metals-ODEX)	0	0	0	0	0	ETP(Precious Metals-ODEX)	0	0	0	0	0
CDS	30	26	25	21	20	CDS	30	26	25	21	20
IRS	48	46	62	33	18	IRS	48	46	62	33	18
OTC-JGB	188	176	175	201	235	OTC-JGB	188	176	175	201	235

Note: For ETP derivatives, the required amount of the assessment is capped at 3 times the Clearing Fund Requirement of each non-defaulting Clearing Participant.
For OTC products, the required amount of the assessment is capped at the Clearing Fund Requirement of each non-defaulting Clearing Participant.
注：上場デリバティブに係る特別清算料（VMへアカットを除く）は、生存参加者の清算基金所要額の3倍の額を上限としています。
OTC取引に係る特別清算料（VMへアカットを除く）は、生存参加者の清算基金所要額を上限としています。

Kccp

PQD References: 4.2.1

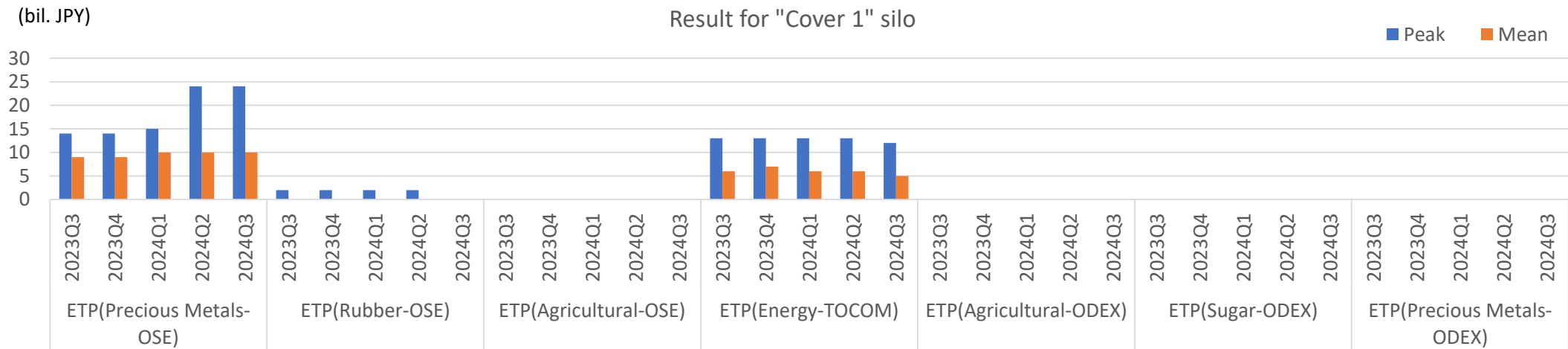
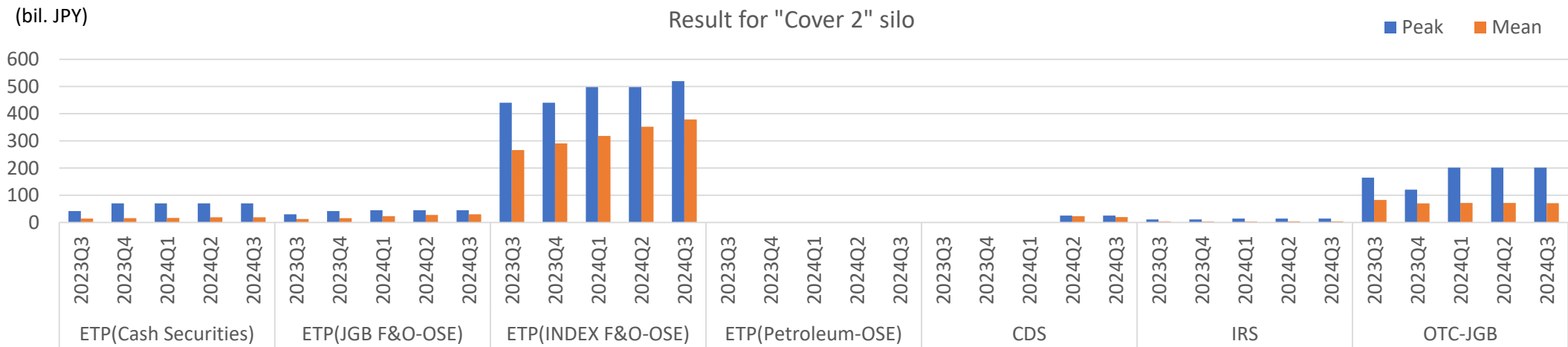
Kccp (end of Quarter)



Stress Testing (1/2)

PQD References: 4.4.3, 4.4.7

Estimated Largest Aggregate Stress Loss in Excess of Initial Margin (previous 12 months)



Note: The default assumptions for prefunded financial resources are Cover 2(two Clearing Participants including affiliates with the largest expected loss) for ETP(Cash Securities, Derivatives for Non-Commodity and Petroleum), CDS, IRS, & OTC JGB, and Cover 1 + 5 financially weakest Clearing Participants for Commodity ex. Petroleum.

注：現物株式、上場金融デリバティブ及び原油については上位2先、原油を除く上場商品デリバティブについては上位1先及び純財産額が下位の5先の破綻を想定しています。

Stress Testing (2/2)

PQD References: 4.4.4, 4.4.5, 4.4.8, 4.4.9

Number of Days exceeded Actual pre-funded Default Resources (during Quarter)

- Result for "Cover 2" silo

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Cash Securities)	2	3	3	2	3
ETP(JGB F&O-OSE)	2	0	0	0	0
ETP(INDEX F&O-OSE)	0	0	0	0	0
ETP(Petroleum-OSE)	0	0	0	0	0
CDS	0	0	0	0	0
IRS	0	0	0	0	0
OTC-JGB	0	0	1	0	0

- Result for "Cover 1" silo

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Precious Metals-OSE)	1	0	0	0	0
ETP(Rubber-OSE)	1	0	0	0	0
ETP(Agricultural-OSE)	0	0	0	0	0
ETP(Energy-TOCOM)	8	0	0	1	0
ETP(Agricultural-ODEX)	0	0	0	0	0
ETP(Sugar-ODEX)	0	0	0	0	0
ETP(Precious Metals-ODEX)	0	0	0	0	0

Maximum Amount exceeding Actual pre-funded Default Resources (during Quarter)

- Result for "Cover 2" silo

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Cash Securities)	5,882	27,165	25,883	10,545	9,270
ETP(JGB F&O-OSE)	4,439	0	0	0	0
ETP(INDEX F&O-OSE)	0	0	0	0	0
ETP(Petroleum-OSE)	0	0	0	0	0
CDS	0	0	0	0	0
IRS	0	0	0	0	0
OTC-JGB	0	0	12,241	0	0

(mil. JPY)

- Result for "Cover 1" silo

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Precious Metals-OSE)	98	0	0	0	0
ETP(Rubber-OSE)	34	0	0	0	0
ETP(Agricultural-OSE)	0	0	0	0	0
ETP(Energy-TOCOM)	469	0	0	233	0
ETP(Agricultural-ODEX)	0	0	0	0	0
ETP(Sugar-ODEX)	0	0	0	0	0
ETP(Precious Metals-ODEX)	0	0	0	0	0

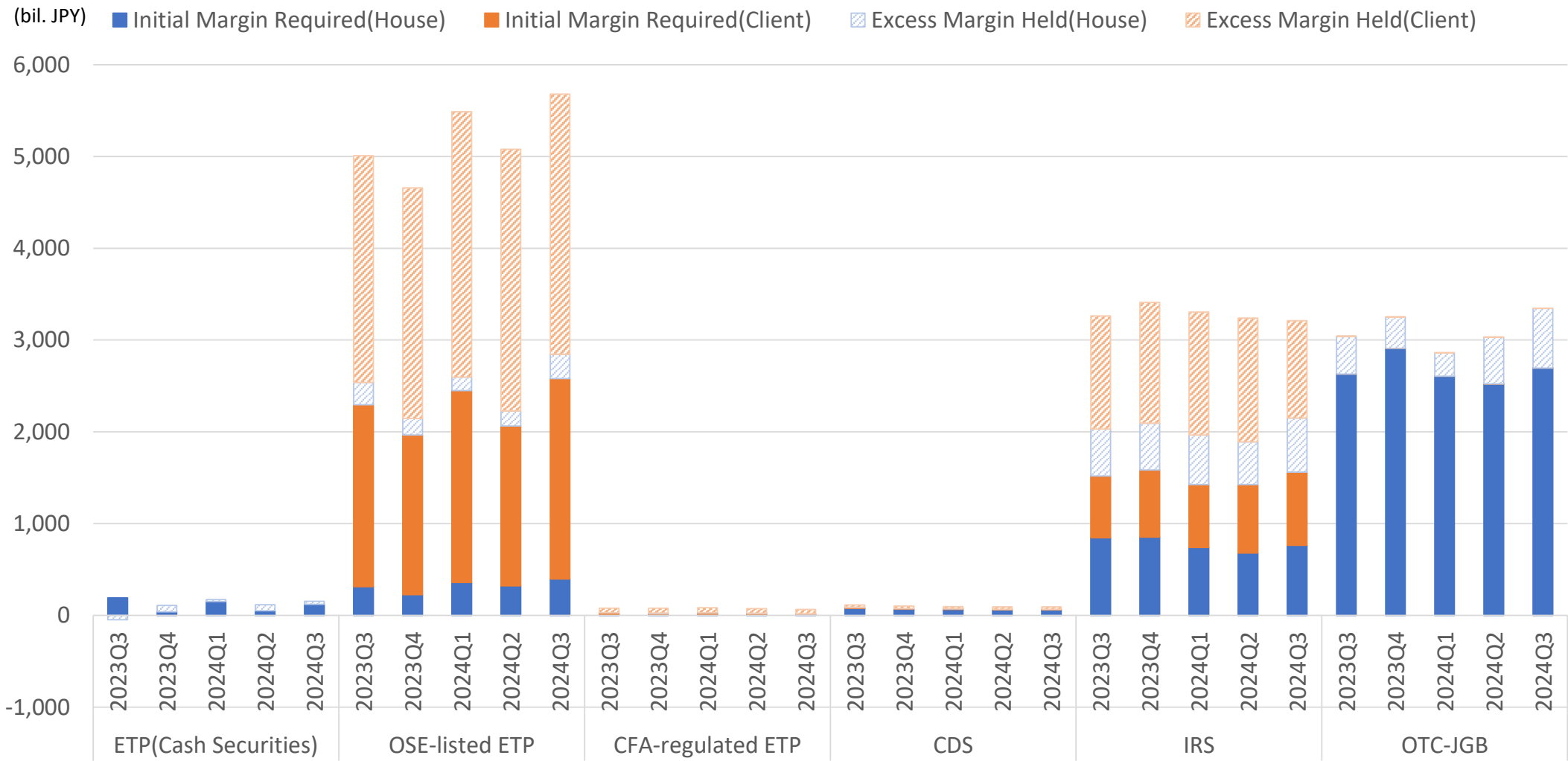
(mil. JPY)

Note: Possibility of breaches continuing for consecutive days is minimized by applying additional initial margin in ETP(Cash Securities) and the daily revision of default fund in other clearing services.

注：現物清算資格は当初証拠金追加所要額の適用、その他の清算資格は清算基金の日次更新により、当日発生したブリーチは翌営業日には解消することを想定しています。

Initial Margin (1/3)

PQD References: 6.1.1, 6.2.15



Note: Excess margin held is calculated by subtracting initial margin required from initial margin held (post haircut).

注：証拠金余剰額は、ヘアカット後の証拠金預託額から証拠金所要額を減じて計算しています。

Initial Margin (2/3)

Initial Margin Required (end of Quarter)

(bil. JPY)					
ETP(Cash Securities)	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
Total	190	38	151	51	119
OSE-listed ETP	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	311	225	358	321	396
Client	1,982	1,738	2,091	1,742	2,184
Total	2,294	1,964	2,450	2,064	2,581
CFA-regulated ETP	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	10	10	11	9	6
Client	15	10	13	11	9
Total	26	21	25	21	16
CDS	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	76	66	65	59	59
Client	7	6	5	4	4
Total	83	72	71	64	64
IRS	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	846	852	739	680	764
Client	671	732	686	744	795
Total	1,517	1,585	1,426	1,424	1,559
OTC-JGB	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	2,629	2,908	2,605	2,522	2,695
Client	0	0	0	0	0
Total	2,629	2,908	2,605	2,522	2,695

PQD References: 6.1.1, 6.2.15

Initial Margin Held (Post Haircut) (end of Quarter)

(bil. JPY)					
ETP(Cash Securities)	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House(Total)	142	109	171	115	152
OSE-listed ETP	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	554	406	506	483	658
Client	4,454	4,252	4,981	4,596	5,020
Total	5,008	4,658	5,487	5,080	5,679
CFA-regulated ETP	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	13	13	14	11	7
Client	66	64	67	63	57
Total	79	78	82	75	65
CDS	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	79	69	68	62	63
Client	34	32	27	30	29
Total	114	101	95	93	92
IRS	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	1,359	1,362	1,279	1,145	1,354
Client	1,903	2,048	2,025	2,093	1,856
Total	3,262	3,410	3,305	3,239	3,210
OTC-JGB	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	3,041	3,250	2,860	3,032	3,345
Client	1	1	1	1	1
Total	3,042	3,251	2,861	3,033	3,346

Initial Margin (3/3)

Excess Margin Held (end of Quarter)

					(bil. JPY)
ETP(Cash Securities)	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
Total	-47	71	20	63	33
OSE-listed ETP	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	242	180	147	162	262
Client	2,471	2,513	2,890	2,853	2,835
Total	2,714	2,694	3,037	3,016	3,097
CFA-regulated ETP	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	2	3	2	1	1
Client	50	54	53	52	48
Total	53	57	56	53	49
CDS	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	3	2	2	2	3
Client	27	25	21	26	25
Total	30	28	24	28	28
IRS	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	513	509	539	465	589
Client	1,231	1,315	1,339	1,349	1,060
Total	1,745	1,825	1,878	1,815	1,650
OTC-JGB	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
House	411	341	254	509	649
Client	0	0	0	0	0
Total	412	342	255	510	650

Default Fund / Initial Margin (end of Quarter)

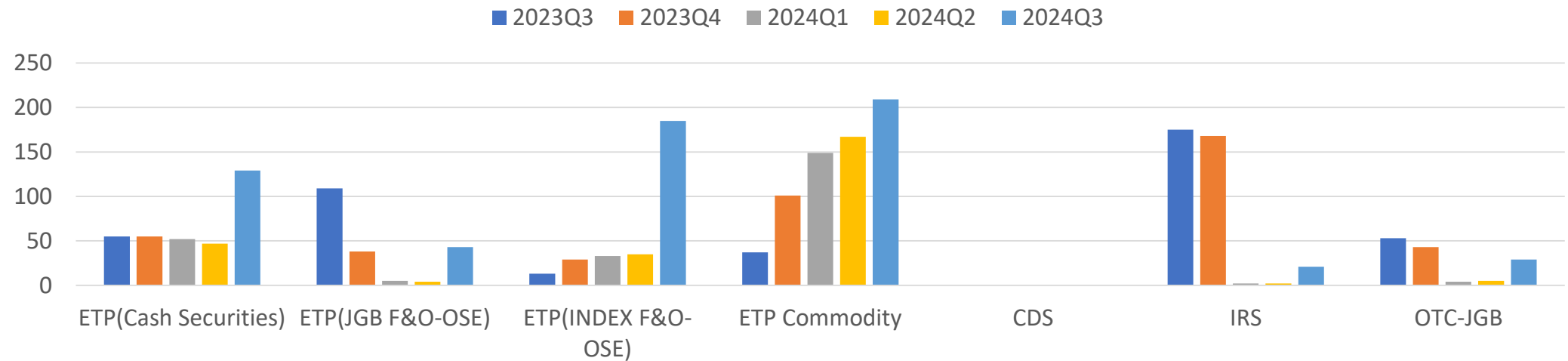
	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Cash Securities)	41.05%	54.39%	31.84%	55.86%	35.33%
ETP(Derivatives)	20.53%	26.47%	24.78%	28.24%	24.71%
CDS	36.23%	36.86%	36.28%	33.44%	31.18%
IRS	3.20%	2.95%	4.40%	2.35%	1.17%
OTC-JGB	7.15%	6.05%	6.74%	8.00%	8.74%

Note: For Cash Securities, monthly average values are used for Initial Margin.

Initial Margin Back Testing (1/2)

PQD References: 6.5.1.1, 6.5.3

Number of Margin Breaches (previous 12 months)



Achieved Coverage Level (previous 12 months)

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
ETP(Cash Securities)	99.69%	99.69%	99.70%	99.73%	99.25%
ETP(JGB F&O-OSE)	99.39%	99.80%	99.98%	99.98%	99.77%
ETP(INDEX F&O-OSE)	99.95%	99.89%	99.87%	99.86%	99.23%
ETP Commodity	99.84%	99.57%	99.39%	99.31%	99.11%
CDS	100.00%	100.00%	100.00%	100.00%	100.00%
IRS	99.50%	99.52%	100.00%	100.00%	99.95%
OTC-JGB	99.60%	99.67%	99.97%	99.97%	99.78%

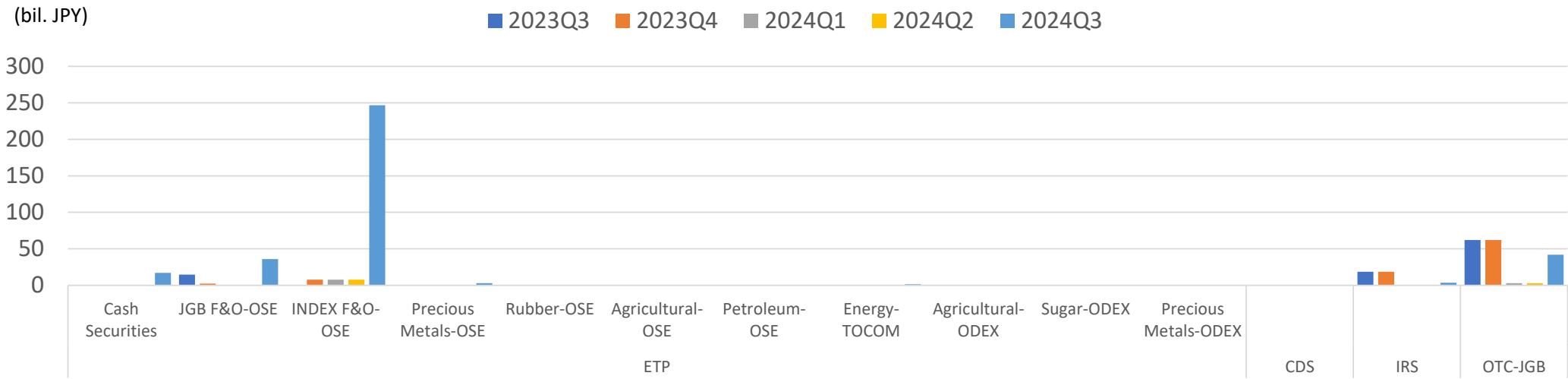
Number of Margin Breaches

- The number of breaches was due to market turmoil in early August, in reaction to the BOJ's Monetary Policy Meeting on 7/31 (interest rate hike to 0.25%), weak US job figures, and other data published during the Asian nighttime on the same day.

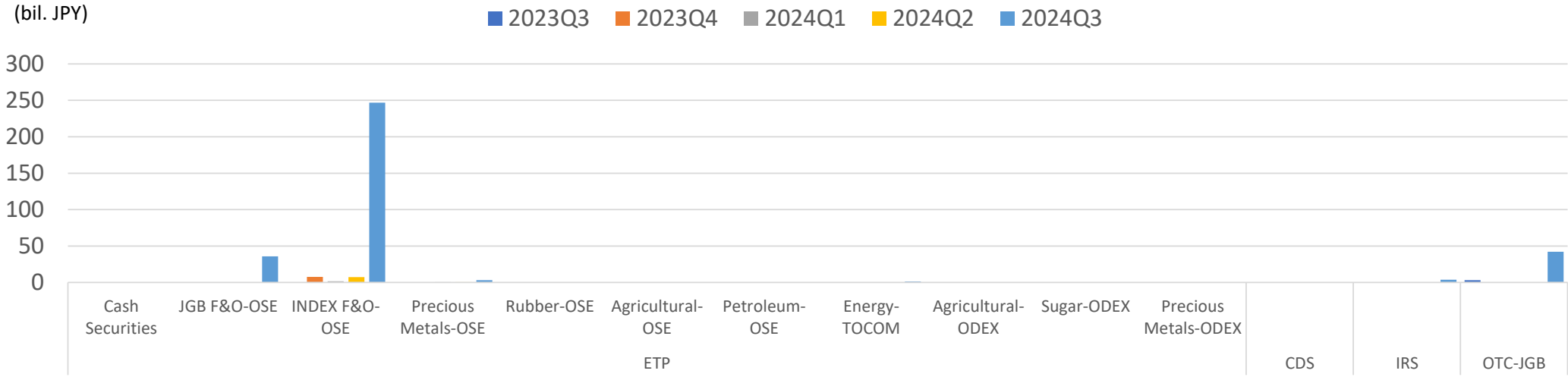
Initial Margin Back Testing (2/2)

PQD References: 6.5.4

Peak Size of Uncovered Exposure (previous 12 months)



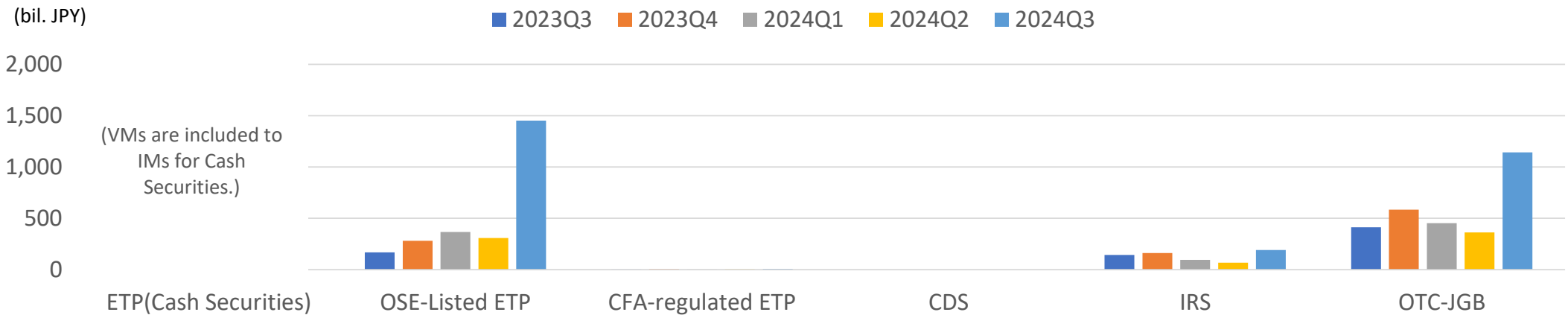
Peak Size of Uncovered Exposure (previous 3 months)



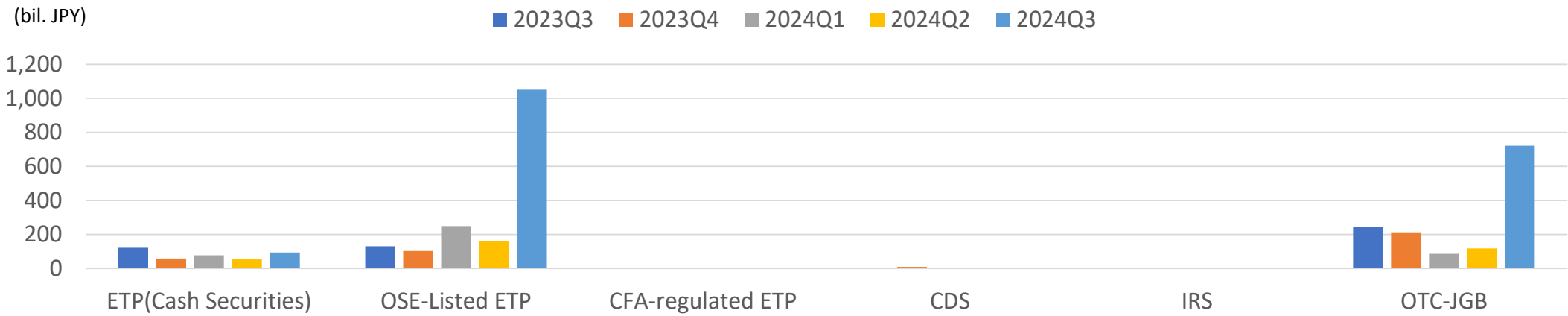
Variation Margin & Initial Margin Calls

PQD References: 6.7.1, 6.8.1

Maximum Total Variation Margin Paid to JSCC (during Quarter)



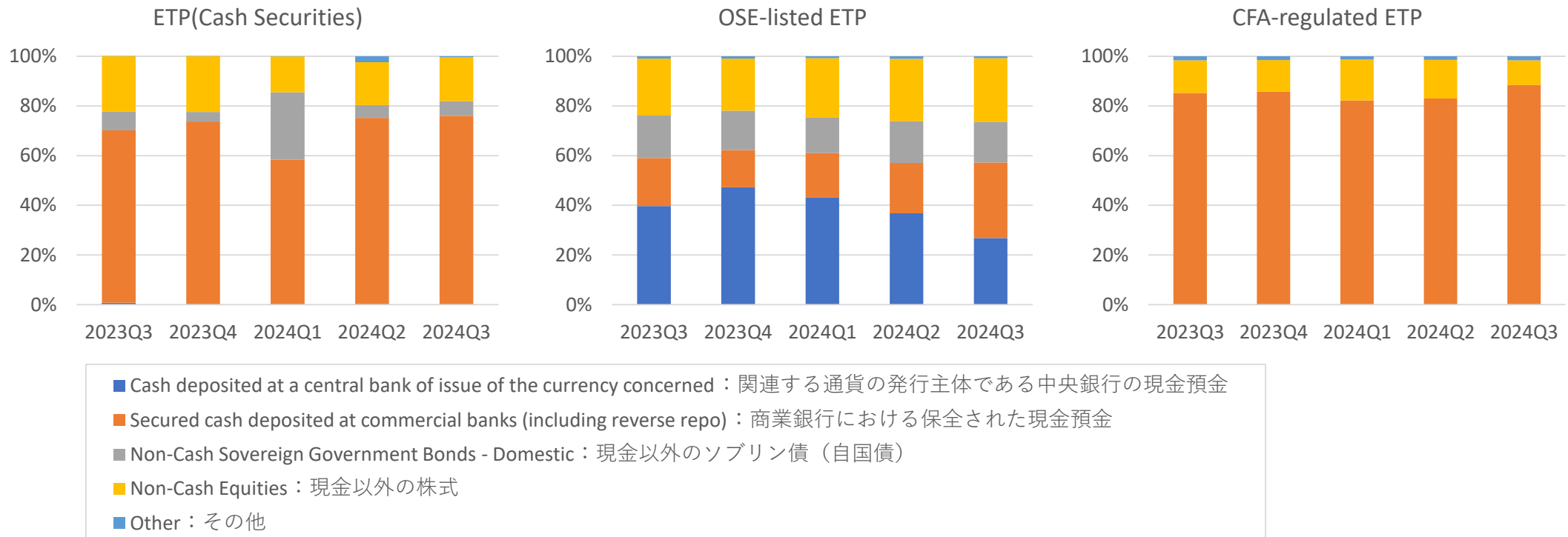
Maximum Aggregate Initial Margin Call (during Quarter)



Collateral Composition of Initial Margin (1/2)

PQD References: 6.2.1-6.2.14

Collateral Composition of Initial Margin-ETP (end of Quarter)



Note: “Secured cash deposited at commercial banks (including reverse repo)” is held in settlement accounts of commercial banks, which are entirely protected by the Japanese Deposit Insurance Corporation.

“Non-Cash Sovereign Government Bonds – Domestic” is JGBs.

“Non-Cash Equities” means domestic listed securities (including convertible bonds for ETP Derivatives). Details of the eligible collateral can be found at the following link:

注：「商業銀行における保全された現金預金」は全額が預金保険制度の対象となる決済性預金です。

「現金以外のソブリン債（自国債）」は日本国債です。

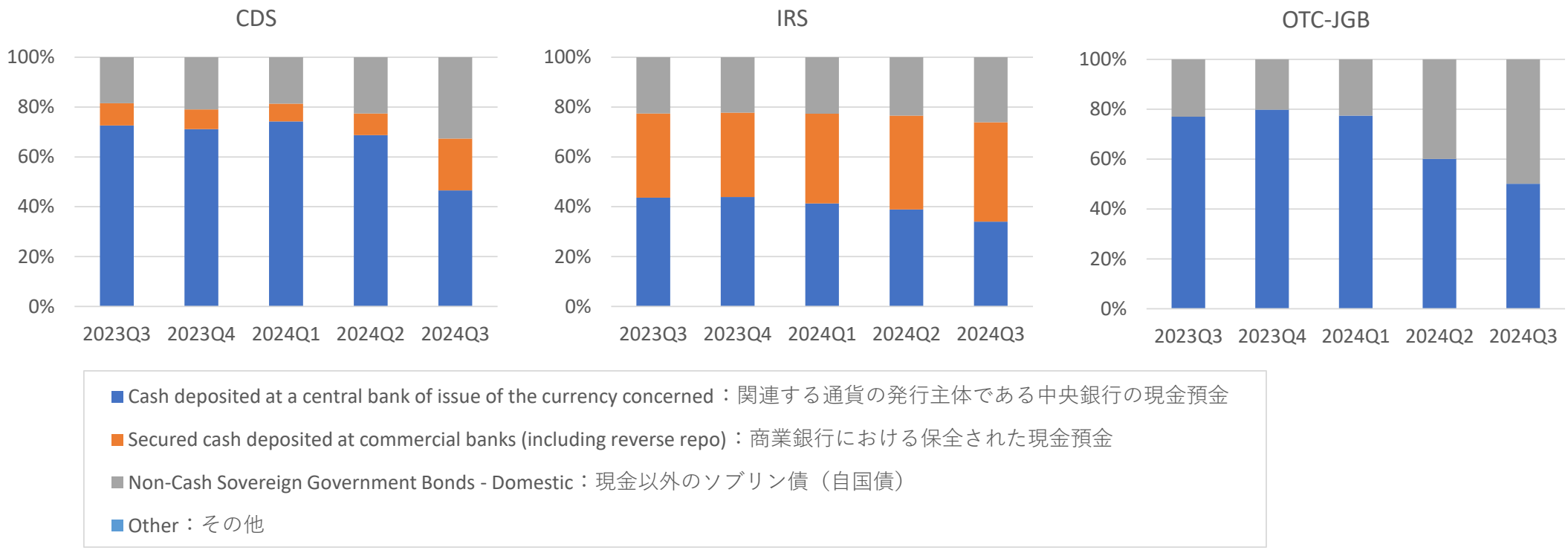
「現金以外の株式」は内国上場株式です（上場デリバティブはC Bも含む）。適格担保については以下をご覧ください。

<https://www.jpx.co.jp/jscc/en/risk/collateral/collateral.html>

Collateral Composition of Initial Margin (2/2)

PQD References: 6.2.1-6.2.14

Collateral Composition of Initial Margin-OTC (end of Quarter)



Note: “Secured cash deposited at commercial banks (including reverse repo)” is held in a trust account, which is bankruptcy remote from JSCC and clearing participants. For OTC derivatives, clearing participants and clients may choose between custodying their collateral in a trust or in the central bank.

“Non-Cash Sovereign Government Bonds – Domestic” is JGBs.

注：「商業銀行における保全された現金預金」は信託銀行に信託されており、JSCC及び清算参加者の破綻リスクから保護されています。

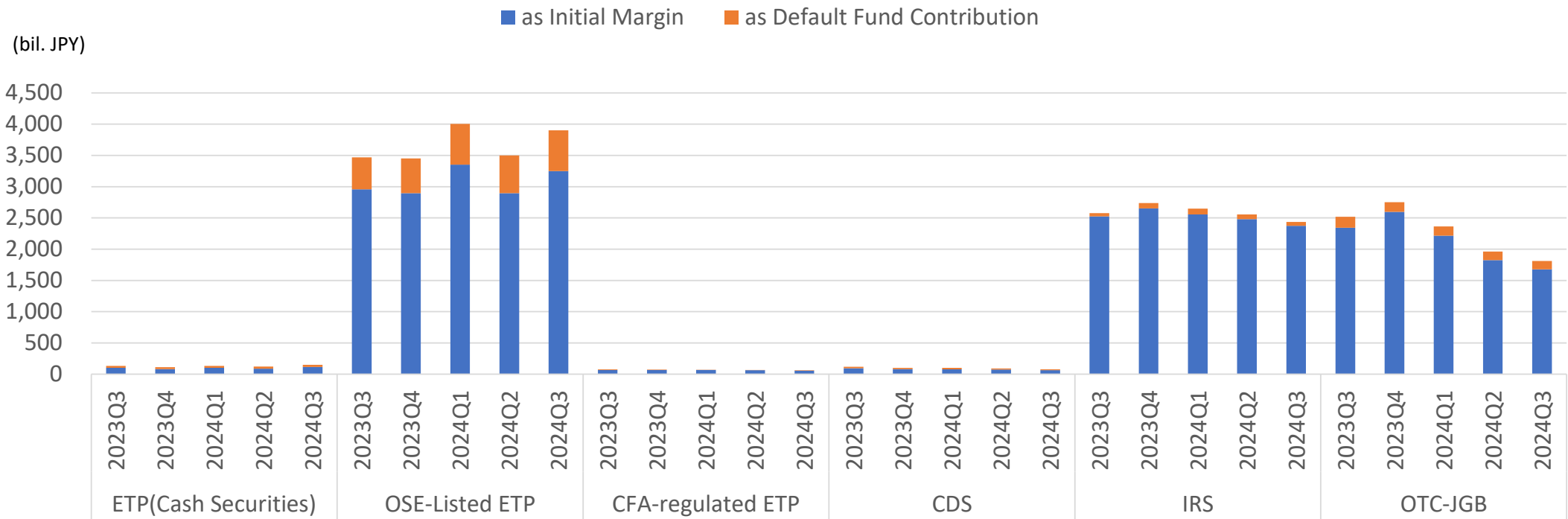
OTCデリバティブの担保の預託先は、清算参加者・清算委託者の選択に従います。

「現金以外のソブリン債（自国債）」は日本国債です。

Total Cash Received (breakdown by IM/DF)

PQD References: 16.1.1, 16.1.2

Total Cash Received from Participants (end of Quarter)



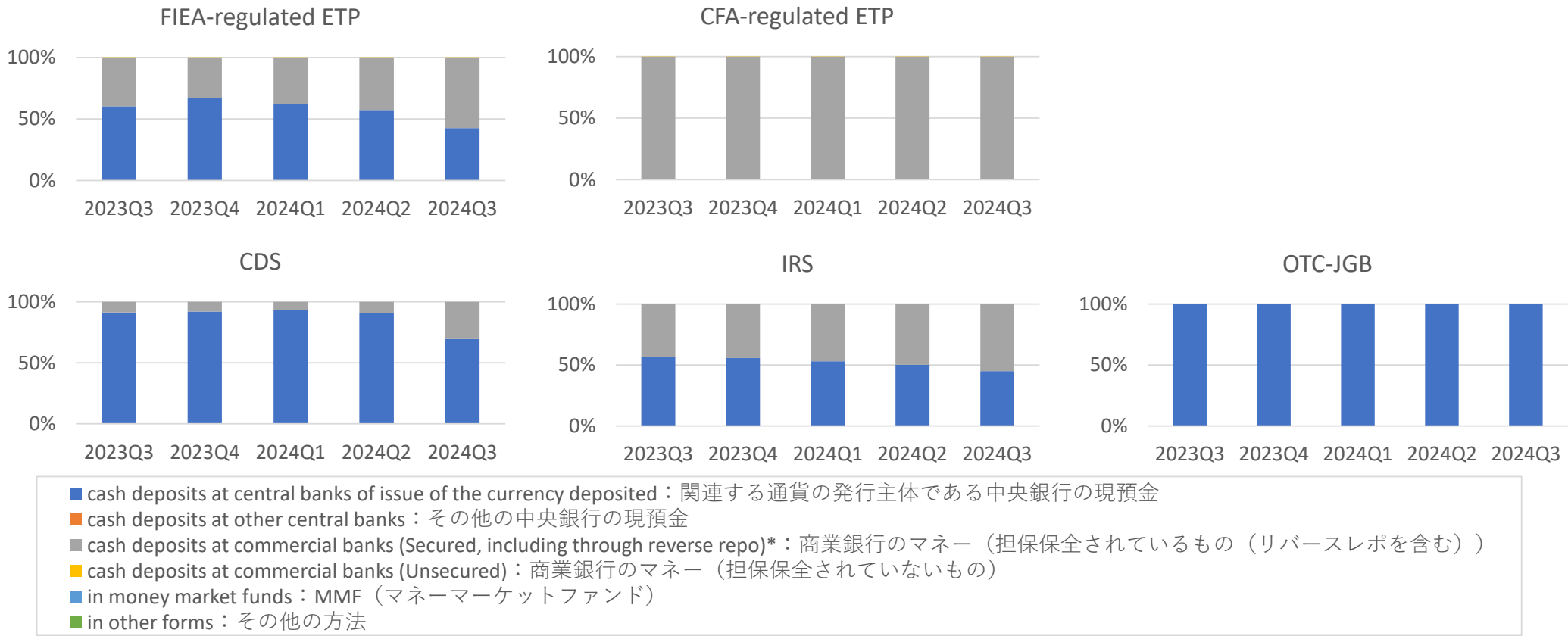
Note: For ETP, each Clearing Participant must deposit yen cash with a value that is at least 50% of their default fund requirement, minus JPY1 billion.

注：JSCCは上場商品において、清算基金所要額から10億円を控除した額の半額以上について円貨での預託を求める清算基金の現金預託制度を設けています。

Total Cash Received (breakdown by the custody)

PQD References: 16.2.2-16.2.7

Percentage of Total Participant Cash Held as Cash Deposits (end of Quarter)



Note: "Cash deposits at commercial banks" are bankruptcy remote from JSCC and clearing participants (for the trust scheme used for CDS and IRS). They are deposited in settlement accounts for other clearing membership categories.

Deposits for CFA-related ETP are not deposited at the central bank.

Only non-JPY currencies are deposited at unsecured commercial banks.

注：「商業銀行の現預金」は、CDS及びIRSにおいてはJSCC及び清算参加者から倒産隔離された信託口座に保管されており、その他においては預金保険によって保護された決済性預金です。

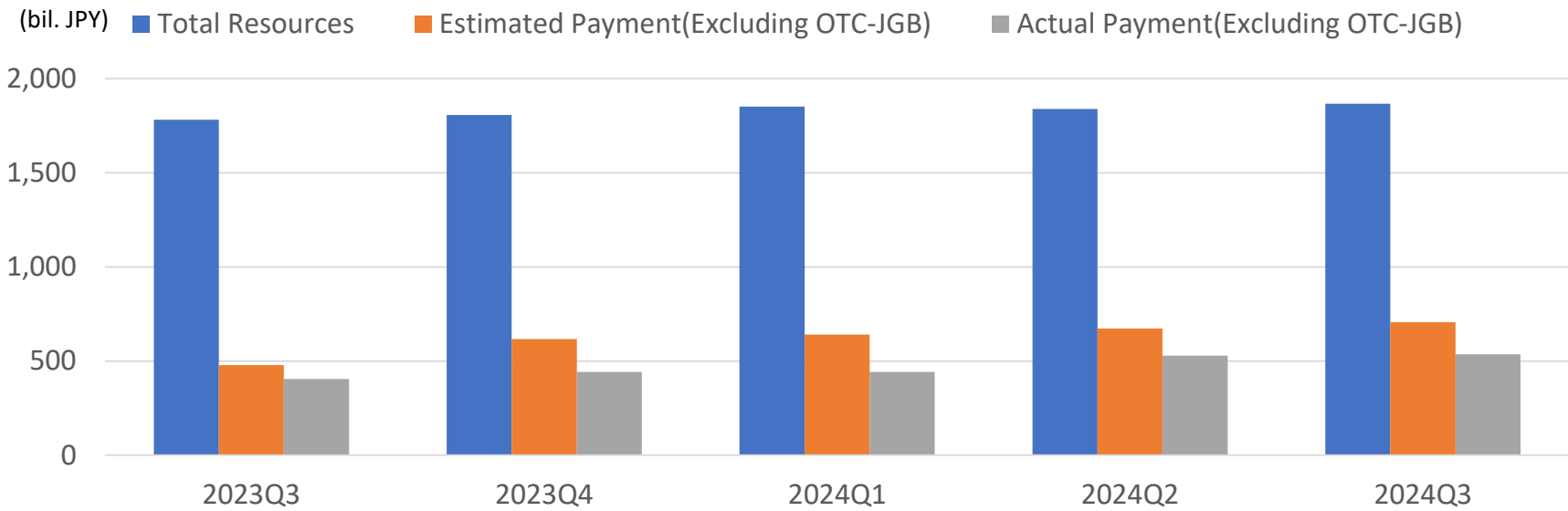
商先法に基づく商品の担保は中央銀行口座を利用していません。

外貨のみを未保全の商業銀行口座に預託しています。

Liquidity (1/2)

PQD References: 7.1.2-7.1.8, 7.3.1, 7.3.2, 7.3.4

Qualifying Liquid Resources (end of Quarter)
and Cover 1 Result of Estimated(during Quarter)/Actual(previous 12 months) Largest Payment Obligations



Number of Liquidity Stress Test Breaches (during Quarter)

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
Excluding OTC-JGB	0	0	0	0	0

Note: For OTC- JGB, JSCC has established a liquidity framework via JGB repo transactions with Clearing Participants and other financial institutions.

注：国債店頭取引においては、清算参加者又はそれ以外の金融機関との国債証券のレポ取引により、資金流動性を調達する制度を設けています。

Liquidity (2/2)

PQD References: 7.1.2-7.1.8

Size and Composition of Qualifying Liquid Resources (end of Quarter)	(bil. JPY)				
	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
Cash deposited at a central bank of issue of the currency concerned*	212.1	220.0	220.0	220.0	220.0
Cash deposited at other central banks	0.0	0.0	0.0	0.0	0.0
Secured cash deposited at commercial banks (including reverse repo)*	2.9	19.9	65.4	52.2	79.7
Unsecured cash deposited at commercial banks	41.2	41.2	41.2	41.7	41.7
Secured committed lines of credit including committed foreign exchange swaps and committed repos	0.0	0.0	0.0	0.0	0.0
Unsecured committed lines of credit	1,525.2	1,525.2	1,525.2	1,525.2	1,525.2
Highly marketable collateral and convertible into cash with prearranged and highly reliable funding arrangements	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Total	1,782	1,806	1,852	1,839	1,867

Note: Cash is deposited at a central bank and secured cash deposited at commercial banks, depending on JSCC's rules. For ETP, each Clearing Participant must deposit yen cash with a value that is at least 50% of their default fund requirement, minus JPY1 billion. Therefore, the level of cash varies depending on the default fund requirement.

"Unsecured committed lines of credit" mean secured yen-denominated and foreign currency denominated liquidity supplies from its parent company and multiple commercial banks that have been designated as Fund Settlement Banks (Liquidity Supply Facilities).

注：中央銀行及び商業銀行の現金預金は、清算基金所要額から10億円を控除した額の半額以上について円貨での預託を求める上場商品に係る清算基金の現金預託制度によるものであり、その額は清算基金所要額に連動します。

「コミットされた無担保信用供与枠：Unsecured committed lines of credit」とは、親会社及び資金決済銀行として指定された複数の商業銀行から確保している流動性供給枠（資金流動性供給ファシリティ）を指します。

Operational Availability

PQD References: 17.1.1, 17.2.1

Actual/Target Availability of the Core Systems (previous 12 months)

	2023Q3	2023Q4	Actual			Target
			2024Q1	2024Q2	2024Q3	
ETP	100.00%	100.00%	100.00%	100.00%	100.00%	99.99%
CDS	100.00%	100.00%	100.00%	100.00%	100.00%	99.90%
IRS	100.00%	100.00%	100.00%	100.00%	100.00%	99.90%
OTC-JGB	100.00%	100.00%	100.00%	100.00%	100.00%	99.99%

Questions

For inquiries related to the JSCC CPMI-IOSCO Quantitative Disclosures, please contact Japan Securities Clearing Corporation, Clearing Planning Department.

[Contact Us](#)

