



PRESS RELEASE

September 1, 2016

Japan Securities Clearing Corporation

Authorization as ATS-CCP and Designated CCP in Hong Kong

On August 31, 2016, Japan Securities Clearing Corporation (JSCC) was authorized by the Securities and Futures Commission (SFC), in accordance with the Securities and Futures Ordinance of Hong Kong, as an ATS-CCP, which is the qualification required for JSCC to provide OTC derivatives clearing services to Hong Kong corporations, and as a designated CCP, which makes JSCC available for trading parties to fulfill their mandatory central clearing requirements, in respect of its IRS Clearing Services. The effective date of the authorizations is September 1, 2016.

Mandatory central clearing requirements in Hong Kong for certain OTC derivative transactions, namely, JPY, USD, EUR, GBP, and HKD-denominated IRS transactions, are scheduled to come into force on September 1, 2016. Trading parties are required to clear these trades, by the prescribed time, through CCPs that satisfy certain qualifications. As a result of the ATS-CCP and designated CCP authorizations, granted to JSCC, the trading parties will be able to fulfill their mandatory central clearing requirements under the Hong Kong regulations, by clearing their trades through JSCC.

In response to this determination, Hironaga Miyama, President & CEO of JSCC, commented as follows: “JSCC has been working to address regulatory requirements in the US, Europe, and Australia, so that JSCC may be able to clear a diverse range of cross border transactions. As JSCC has now been granted a regulatory status in Hong Kong, where many major global financial institutions are located, it is ready to provide its IRS Clearing Services in Hong Kong. As international financial reforms make progress in Asia, the emerging needs for CCP will be expected. JSCC is working to meet the expanding requirements of the financial industry, by striving to enhance its clearing service functions.”

For details of the authorization from the SFC, please refer to the following (SFC) Website:

Announcement of the SFC

Link to Website : <http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=16PR86>

Notice on designated CCP

Link to Website : http://www.sfc.hk/web/EN/files/SOM/OTC/JSCC_notice%20of%20designation%20.pdf

Notice on authorization for ATS-CCP

Link to Website : http://www.sfc.hk/web/EN/files/SOM/ATS/JSCC_notice%20of%20authorization%20for%20ATS.pdf

(Note 1) JSCC Press Release “JSCC obtains Exemption from Registration as Derivatives Clearing Organization from CFTC”

Link to Website :

http://www.jsc.co.jp/en/information/press_releases/jsc-obtains-exemption-registration-derivatives-clearing-organization-cftc.html

(Note 2) JSCC Press Release “JSCC receives ESMA recognition as Third-Country CCP”

Link to Website :

http://www.jsc.co.jp/en/information/press_releases/jsc-receives-esma-recognition-third-country-ccp.html

(Note 3) JSCC Press Release “JSCC Designated as Prescribed CCP in Australia”

Link to Website : http://www.jsc.co.jp/en/information/press_releases/jsc-designated-prescribed-ccp-australia.html

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