



PRESS RELEASE

October 27, 2015

Japan Securities Clearing Corporation

JSCC obtains Exemption from Registration as Derivatives Clearing Organization from CFTC

On October 26, 2015, Japan Securities Clearing Corporation (“JSCC”) received an Order of Exemption from Registration from the U.S. Commodity Futures Trading Commission (“CFTC”). The Order exempts JSCC from the requirement under the U.S. Commodity Exchange Act to register as a Derivatives Clearing Organization (“DCO”), in accordance with certain conditions, in relation to JSCC’s interest rate swap clearing business.

JSCC has conducted clearing for its Clearing Participants and their Affiliates that are U.S. Persons (Note 1) under relief granted by a time-limited No-Action Letter issued by the CFTC. The Order of Exemption will allow these participants and their affiliates to continue clearing through JSCC on a permanent basis (Note 2).

Mr. Hironaga Miyama, President & CEO of JSCC, had the following to say regarding the exemption: “Following the G20 summit commitment to centralized clearing of OTC derivatives, Japan and the U.S. were the first countries to implement clearing mandates. With this exemption, JSCC has become the first CCP able to clear cross-border transactions between these countries, which are each leading the effort for global regulatory reform. We are sincerely grateful for the efforts of the regulators and all other parties that worked to make this exemption possible. JSCC also has status as a Third-Country CCP from the European Securities and Market Authority (Note 3), and Prescribed CCP status under Australian OTC Derivatives regulations (Note 4). We will continue to make the necessary steps to ensure JSCC’s international compliance and ability to clear diverse cross-border transactions, and continue improving the quality of our services.”

For details, please refer to the following CFTC websites:

CFTC Release: <http://www.cftc.gov/PressRoom/PressReleases/pr7269-15>

CFTC Order: <http://www.cftc.gov/ide/groups/public/@otherif/documents/ifdocs/jsccdcoexemptorder10-26-15.pdf>

(Note 1) U.S. Person as defined in the CFTC’s Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations (78 Fed. Reg. 45292 (July 26, 2013)) IV. A.1.

Link to CFTC website: <http://www.cftc.gov/ide/groups/public/@lfederalregister/documents/file/2013-17958a.pdf>

(Note 2) Clearing Participants and their affiliates may clear through JSCC, however, customers which are U.S. Persons cannot.

(Note 3) Official JSCC release: “JSCC receives ESMA recognition as Third-Country CCP”

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

(Note 4) Official JSCC release: “JSCC Designated as Prescribed CCP in Australia”

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

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