

Management of Clearing Deposit through Deposit in Current Account Opened at Bank of Japan

April 1, 2019

Japan Securities Clearing Corporation

1. Matters concerning Cap in Amount to be Managed through Deposit in Current Account Opened at Bank of Japan (Handling Procedures of CDS Business Rules, Article 52-2.3, Proviso)

- (1) The amount of cap applicable to Initial Margin shall be the product of (i) the latest Required Initial Margin for the relevant Clearing Participant or Clearing Customer calculated on the immediately preceding business day and (ii) 1.3.
- (2) The amount of cap applicable to CDS Clearing Fund shall be the product of (i) the Required CDS Clearing Fund Amount calculated on the immediately preceding business day and (ii) 1.3; provided, however, that, during the Default Settlement Period, the amount obtained as a product of (i) the sum of the Required CDS Clearing Fund Amount and the required Default Contingent Margin amount and (ii) 1.3 shall be the cap applicable to the sum of CDS Clearing Fund and Default Contingent Margin.

2. Matters concerning Advance Notification (Handling Procedures of CDS Business Rules, Article 52-2.5)

A notification to be submitted by a Clearing Participant or a Clearing Customer in advance, including a notification for withdrawal, shall be submitted to JSCC in the form prescribed by JSCC by 20th day of February, May, August or November (and, in case of a notification by a Clearing Customer, through its Clearing Participant on Customer Account). When such notification is submitted, the provisions of the Handling Procedures of CDS Business Rules, Article 52-2.3 shall apply from the first JSCC Business Day of the month that is the 2nd month following the month in which such notification is submitted.

However, when an applicant for the CDS Clearing Qualification acquires such Clearing Qualification or when a Clearing Participant opens a new Customer Transaction Account, such applicant may submit the notification at the same timing as its acquisition of the Clearing Qualification, or such Clearing Customer may submit the notification at the same timing as the opening of the relevant Customer Transaction Account, and in either case, the provisions of the said Article shall apply immediately.

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