

Partial Amendment to Handling Procedures of CDS Business Rules and Other Rules in
Association with revision of market price multiplier

I. Purpose of Amendment

To revise the market price multiplier to calculate substitute price of Substitute Securities to the level reflecting recent market condition, JSCC will incorporate the necessary revision in "Handling Procedures of CDS Business Rules" which set forth provisions for CDS Clearing Business, "Handling Procedures of Interest Rate Swap Business Rules" which set forth provisions for IRS Clearing Business and "Handling Procedures of Japanese Government Bond Over-the-Counter Transaction Clearing Business Rules" which set forth provisions for JGB OTC Clearing Business, as attached hereto.

II. Outline of Amendment

(Remarks)

○ Revision of the market price multiplier

- JSCC revises the market price multiplier to calculate substitute price of Substitute Securities to the level reflecting recent market condition.

• Appendix 1 and Supplementary Provisions of the Handling Procedures of CDS Business Rules
• Appendix 1 and Supplementary Provisions of the Handling Procedures of Interest Rate Swap Business Rules
• Article 24 and Supplementary Provisions of the Handling Procedures of Japanese Government Bond Over-the-Counter Transaction Clearing Business Rules

III. Effective Date

These amendments shall come into force on November 21, 2022.

End of Document

Partial Amendment to Handling Procedures of CDS Business Rules and Other Rules

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Handling Procedures of CDS Business Rules

<Appendix 1> Schedule of Substitute Prices of Substitute Securities

Type of Substitute Securities		Market Price (*1)	Market Price Multiplier (*2)
Japanese Government Bonds	whose over-the-counter trading reference prices are published by the Japan Securities Dealers Association	Average of the over-the-counter trading reference prices	(1) Interest-bearing Japanese government bond and discount government bond (excluding government bond with floating rate and STRIPs) <ul style="list-style-type: none"> a. Years to maturity of less than 1 year: 99% b. Years to maturity over 1 year and less than 5 years: 98% c. Years to maturity over 5 years and less than 10 years: <u>98%</u> <u>97%</u> d. Years to maturity over 10 years and less than 20 years: 96% e. Years to maturity over 20 years and less than 30 years: <u>94%</u> <u>93%</u> f. Years to maturity over 30 years: 92% (2) Government bond with floating rate <ul style="list-style-type: none"> a. Years to maturity of less than 1 year: 99% b. Years to maturity over 1 year and less than 5 years: 99% c. Years to maturity over 5 years and less than 10 years: 99% d. Years to maturity over 10 years and less than 20 years: 99%
	Which are listed on a domestic financial instruments exchange, but whose over-the-counter trading reference prices are not published	The closing price (*4) on the financial instruments exchange (*3)	(3) STRIPs <ul style="list-style-type: none"> a. Years to maturity of less than 1 year: 99% b. Years to maturity over 1 year and less than 5 years: 98% c. Years to maturity over 5 years and less than 10 years: <u>98%</u> <u>97%</u> d. Years to maturity over 10 years and less than 20 years: 96% e. Years to maturity over 20 years and less than 30 years: 93% f. Years to maturity over 30 years: 91%
US Treasuries		The final indicative market price on the New York market on the previous day converted into Japanese Yen by the TTB rate vis-à-vis customers on the Tokyo Foreign Exchange Market of two days before	(1) Years to maturity of less than 1 year: <u>94%</u> <u>95%</u> (2) Years to maturity over 1 year and less than 5 years: <u>93%</u> <u>94%</u> (3) Years to maturity over 5 years and less than 10 years: 92% (4) Years to maturity over 10 years and less than 20 years: 90% (5) Years to maturity over 20 years and less than 30 years: 88% (6) Years to maturity over 30 years: 88%

Supplementary Provisions

These revised Rules shall come into force as of November 21, 2022.

Handling Procedures of Interest Rate Swap Business Rules

<Appendix 1> Schedule of Prices Used to Determine Value of Eligible Securities Collateral

Type of Eligible Securities Collateral		Market Price (*1)	Market Price Multiplier (*2)
Japanese Government Bonds	whose over-the-counter trading reference prices are published by the Japan Securities Dealers Association	Average of the over-the-counter trading reference prices	(1) Interest-bearing Japanese government bond and discount government bond (excluding government bond with floating rate and STRIPs) <ul style="list-style-type: none"> a. Years to maturity of less than 1 year: 99% b. Years to maturity over 1 year and less than 5 years: 98% c. Years to maturity over 5 years and less than 10 years: 98% 97% d. Years to maturity over 10 years and less than 20 years: 96% e. Years to maturity over 20 years and less than 30 years: 94% 93% f. Years to maturity over 30 years: 92% (2) Government bond with floating rate <ul style="list-style-type: none"> a. Years to maturity of less than 1 year: 99% b. Years to maturity over 1 year and less than 5 years: 99% c. Years to maturity over 5 years and less than 10 years: 99% d. Years to maturity over 10 years and less than 20 years: 99% (3) STRIPs <ul style="list-style-type: none"> a. Years to maturity of less than 1 year: 99% b. Years to maturity over 1 year and less than 5 years: 98% c. Years to maturity over 5 years and less than 10 years: 98% 97% d. Years to maturity over 10 years and less than 20 years: 96% e. Years to maturity over 20 years and less than 30 years: 93% f. Years to maturity over 30 years: 91%
	Which are listed on a domestic financial instruments exchange, but whose over-the-counter trading reference prices are not published	The closing price (*4) on the financial instruments exchange (*3)	
US Treasuries		The final indicative market price on the New York market on the previous day converted into Japanese Yen by the TTB rate vis-à-vis customers on the Tokyo Foreign Exchange Market of two days before	(1) Years to maturity of less than 1 year: 94% 95% (2) Years to maturity over 1 year and less than 5 years: 93% 94% (3) Years to maturity over 5 years and less than 10 years: 92% (4) Years to maturity over 10 years and less than 20 years: 90% (5) Years to maturity over 20 years and less than 30 years: 88% (6) Years to maturity over 30 years: 88%

Supplementary Provisions

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Handling Procedures of Japanese Government Bond Over-the-Counter Transaction

Clearing Business Rules

(Article 24 Handling of Substituting Japanese Government Bonds)

6. The market value prescribed by JSCC as stipulated in Article 70-8, Paragraph 2 of the Business Rules shall be the average price of such issue stated in the reference statistical prices for over-the-counter transactions published by the Japan Securities Dealers Association as of the date of the deposit day and the rate prescribed by JSCC shall be as prescribed in each of the following Items, in accordance with the classification of Japanese government bonds listed in the respective Item:

- (1) Interest-bearing Japanese government bonds and discount Japanese government bonds (excluding Japanese government bonds with floating rate, Inflation-Indexed Japanese government bonds, Principal only book-entry transfer Japanese government bonds and Coupon only book-entry transfer Japanese government bonds)
 - C) Remaining Period over 5 years within 10 years ~~97%~~ 98%
 - E) Remaining Period over 20 years within 30 years ~~93%~~ 94%
- (4) Principal only book-entry transfer Japanese government bonds and Coupon only book-entry transfer Japanese government bonds
 - C) Remaining Period over 5 years within 10 years ~~97%~~ 98%

Supplementary Provisions

These revised Rules shall come into effect on November 21, 2022.