

Changes of Rules in Association with Revision of JSCC's Loss Compensation Framework for Listed Derivatives Clearing Services

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I . Purpose

In association with the introduction of an early termination of the issues/quantity of defaulter's position (i.e. partial tear-up), etc. as measures for solving unsuccessful default auction in JSCC's loss compensation framework for Listed Derivatives Clearing Services, OSE revises related rules as follows.

II . Outline

Item	Outline	Remarks
1 . Handling of position subject to brokerage for clearing when partial tear-up is activated	<ul style="list-style-type: none">When partial tear-up is assigned to position subject to brokerage for clearing, non-clearing trading participant with that position shall settle the position between its designated clearing participant under the conditions determined by JSCC upon the partial tear-up.	<ul style="list-style-type: none">For listed commodity derivatives, the same measure applies when default auction for Defaulting Delivery Position (i.e. defaulter's position for which settlement by delivery is decided) becomes unsuccessful.
2 . Assignment of torn-up position to clients	<ul style="list-style-type: none">In the case where a trading participant receives notice that torn-up position is assigned to its client position pursuant to the Business Rules of JSCC, the trading participant shall assign that torn-up position to the client immediately in accordance with a method determined in advance.	
3 . Handling of the case where torn-up position is assigned to client position	<ul style="list-style-type: none">The client position to which torn-up position is assigned shall be settled under the condition determined by JSCC.	<ul style="list-style-type: none">For listed commodity derivatives, the same measure applies when default auction for Defaulting Delivery Position (i.e. defaulter's position for which settlement by delivery is decided) becomes unsuccessful.
4 . Other	<ul style="list-style-type: none">Other necessary revision will be made	

III. Implementation Date (Tentative)

July, 2020

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