

Handling of Cases Where There Are Deficiencies in Notices of Transaction Details Due to System Failure, etc.

March 29, 2021
Osaka Exchange, Inc.

I. Purpose

In light of equity trading system failures that occurred in October 2020, Tokyo Stock Exchange, Inc. (hereinafter “TSE”) established “Council for Recurrence Prevention Measures” (hereinafter “Council”), in which discussion was developed with its members and TSE on how TSE should develop its responses to system failures and its rules and regulations.

In response to discussion in Council, Osaka Exchange, Inc. (hereinafter “OSE”) has summarized proposed revisions to the rules, as indicated below, to clarify rules for cases where OSE is unable to normally send notices of transaction details due to a system failure, etc.

II. Outline

Item	Details	Remarks
- Notice of execution of a transaction	<ul style="list-style-type: none">- OSE will clarify in the rules that, if it becomes aware of a delay, absence or other deficiency caused by a system failure in a notice of execution of a transaction, OSE shall resend the details of said transaction to the selling trading participant and buying trading participant in a manner decided by OSE on a case-by-case basis.- OSE will clarify in the rules that a customer shall entrust a market derivatives transaction to a trading participant with the understanding that the details of a transaction executed on OSE will be as stated in the notice issued by OSE to said trading participant (or, if the notice has been resent by OSE, as stated in the resent notice).	- In the event that where a system failure occurs causing an inconsistency between OSE and a trading participant in understanding of the status of an execution and OSE cannot send an execution completion notice to the trading participant, OSE will provide a file containing the details of said transaction without delay.

III. Implementation Date

These revisions are scheduled to be implemented in 2021.