

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

March 29, 2021

Tokyo Stock Exchange, Inc.

I Purpose

The arrowhead cash equity trading system failure in October 2020 revealed not only issues with the system itself but also other issues, such as an absence of rules for handling orders in the event of a system failure. In response to this, Tokyo Stock Exchange, Inc. (TSE) established a "Council for Recurrence Prevention Measures" and deliberated with market users on how TSE should develop its rules and regulations. Now, there is a need to clarify rules for cases where TSE is unable to normally send notices of transaction details due to a system failure, etc. TSE has summarized the proposals for this below.

Specifically, it is clarified, among other things, that if TSE becomes aware of deficiencies caused by a system failure, etc. in notices of transaction details that are sent by TSE to the selling trading participant and the buying trading participant, TSE will resend said transaction details in a manner decided by TSE on a case-by-case basis.

II. Outline

Item	Description	Remarks
- Notice of execution of a transaction	- TSE 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, TSE shall resend the details of said transaction to the selling trading participant and buying trading participant in a manner decided by	- As set out by the Council for Recurrence Prevention Measures, in the event that where a system failure occurs causing an inconsistency between TSE and a trading participant in understanding of the status of an execution and TSE cannot send an execution completion notice to the trading participant, TSE will

Item	Description	Remarks
	<p>TSE on a case-by-case basis.</p> <ul style="list-style-type: none"> - TSE will clarify in the rules that a customer shall entrust a transaction of a security to a trading participant with the understanding that the details of a transaction executed on TSE are as stated in the notice issued by TSE to said trading participant (or, if the notice has been resent by TSE, as stated in the resent notice). 	<p>provide a file containing the details of said transaction (execution status list) without delay.</p>

III. Implementation Date

These revisions are scheduled to be implemented around June 2021.