UNITED STATES OF AMERICA

Before the

COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Petition of
Japan Securities Clearing Corporation
For Exemption from Registration
as a Derivatives Clearing Organization

AMENDED ORDER OF EXEMPTION FROM REGISTRATION

On October 26, 2015, the Commodity Futures Trading Commission ("Commission") issued an order pursuant to Section 5b(h) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 7a-l(h), granting Japan Securities Clearing Corporation ("JSCC") an exemption from registration as a derivatives clearing organization ("DCO") to clear interest rate swaps. Section 5b(h) of the Act permits the Commission to exempt, conditionally or unconditionally, a DCO from registration for the clearing of swaps if the Commission determines that the DCO is subject to comparable, comprehensive supervision and regulation by the appropriate government authorities in the home country of the DCO ("Home Country Regulators").

On May 15, 2017, the Commission issued an amended order of exemption from registration as a DCO, pursuant to which JSCC was permitted to clear not only interest rate swaps, but also other swaps, including, but not limited to, credit default swaps.

JSCC has petitioned the Commission for a further amended order of exemption from registration as a DCO ("Order") so that JSCC would be permitted to clear interest rate swaps denominated in Japanese yen for clearing members of JSCC on behalf of U.S. persons under certain conditions. For purposes of this Order, "U.S. person" is defined as set forth in the

Commission's Interpretive Guidance and Policy Statement Regarding Compliance With Certain Swap Regulations, 78 Fed. Reg. 45,292, 45,316-17 (July 26, 2013), as such definition may be amended or superseded by a definition of the term "U.S. person" that is adopted by the Commission with a scope encompassing this Order.

The Commission has reviewed the petition and finds that JSCC has demonstrated compliance with those requirements of the Act with which it must comply to continue to be eligible for an exemption from registration as a DCO.

In light of the foregoing, IT IS ORDERED, pursuant to Section 5b(h) of the Act, 7 U.S.C. § 7a-l(h), that JSCC is granted an exemption from registration as a DCO subject to the terms and conditions specified herein:

(1) Cleared Products. JSCC is permitted to clear, pursuant to this Order, swaps including, but not limited to, interest rate swaps denominated in U.S. dollars, euros, Japanese yen, and Australian dollars and credit default swaps based on an iTraxx Japan index.

(2) Open Access. JSCC must maintain rules with respect to swaps to which one or more of the counterparties is a U.S. person. Such rules must:

(a) Provide that all swaps with the same terms and conditions, as defined by product specifications established under JSCC's rules, submitted to JSCC for clearing are economically equivalent within JSCC and may be offset with each other within JSCC, to the extent offsetting is permitted by JSCC's rules; and

(b) Provide that there must be non-discriminatory clearing of a swap executed bilaterally or on or subject to the rules of an unaffiliated electronic matching platform or trade execution facility.

(3) Consent to Jurisdiction; Designation of Agent for Service of Process. JSCC must consent to jurisdiction in the United States, and must designate, authorize, and identify to the Commission, an agent in the United States who must accept any notice or service of process, pleadings, or other documents, including any summons, complaint, order, subpoena, request for information, or any other written or electronic documentation or correspondence issued by or on behalf of the Commission or the United States Department of Justice to JSCC, in connection with any actions or proceedings brought against, or investigations relating to, JSCC or any U.S. person or futures commission merchant ("FCM") that is a clearing member, or that clears swaps through an affiliated clearing member, of JSCC. JSCC must promptly inform the Commission of any change in its designated and authorized agent.

(4) Compliance. JSCC must comply, and must demonstrate compliance as requested by the Commission, with the requirements of this Order.

(5) Inspection of Books and Records. JSCC must make all documents, books, records, reports, and other information related to its operation pursuant to this Order ("Books and Records") open to inspection and copying by any representative of the Commission; and in response to a request by any representative of the Commission, JSCC must, promptly and in the form specified, make the requested Books and Records available and provide them directly to Commission representatives.

(6) Observance of the CPMI-IOSCO Principles for Financial Market Infrastructures ("PFMIs"). On an annual basis, within 60 days following the end of its fiscal year, JSCC must provide to the Commission a certification that it continues to observe the PFMIs in all material respects.

(7) Representation of Good Regulatory Standing. On an annual basis, within 60 days following the end of its fiscal year, the Commission must receive from the Home Country Regulators, at JSCC's request, a written representation that JSCC is in good regulatory standing. For purposes of this paragraph 7, "good regulatory standing" means that either (a) there has been no finding by the Home Country Regulators of material non-observance of the PFMIs or other relevant home country legal requirements, or (b) there has been a finding by the Home Country Regulators of material non-observance of the PFMIs or other relevant home country legal requirements but any such finding has been or is being resolved to the satisfaction of the Home Country Regulators by means of corrective action taken by JSCC.

(8) General Reporting Requirements. JSCC shall submit to the Commission the following information, as specified:

(a) A report compiled as of the end of each trading day and submitted to the Commission by 10:00 a.m. U.S. Central time on the following business day, containing:

(i) Initial margin requirements and initial margin on deposit for each U.S. person, with respect to swaps; provided, however, if a clearing member margins on a portfolio basis its own positions and the positions of its affiliates, and either the clearing member or any of its affiliates is a U.S. person, JSCC must report initial margin requirements and initial margin on deposit for all such positions on a combined basis for each such clearing member; and

(ii) Daily variation margin, separately listing the mark-to-market amount collected from or paid to each U.S. person, with respect to swaps; provided, however, if a clearing member margins on a portfolio basis its own positions and the positions of its affiliates, and either the clearing member or any of its affiliates is a U.S. person, JSCC must separately list the mark-to-market amount collected from or paid to each such clearing member, on a combined basis;

(b) A report compiled as of the last day of each fiscal quarter of JSCC and submitted to the Commission no later than 17 business days after the end of JSCC's fiscal quarter, containing the following information:

(i) The aggregate clearing volume of U.S. persons during the fiscal quarter, with respect to swaps. If a clearing member is a U.S. person, the volume figure shall include: (1) the transactions of the clearing member and all affiliates; and (2) transactions cleared on behalf of U.S. persons. If a clearing member is not a U.S. person, the volume figure shall include (1) transactions of affiliates that are U.S. persons; and (2) transactions cleared on behalf of U.S. persons;

(ii) The average open interest of U.S. persons during the fiscal quarter, with respect to swaps. If a clearing member is a U.S. person, the open interest figure shall include the positions of the clearing member and all affiliates. If a clearing member is not a U.S. person, the open interest figure shall include: (1) the positions of affiliates that are U.S. persons; and (2) the positions of swaps cleared by the clearing member on behalf of U.S. persons; and

(iii) A list of U.S. persons and FCMs that are either clearing members or affiliates of any clearing member, with respect to the clearing of swaps, as of the last day of the fiscal quarter;

(c) Prompt notice regarding any change in the home country regulatory regime that is material to JSCC's continuing observance of the PFMIs or with any of the requirements set forth in this Order;

(d) As available to JSCC, any assessment of JSCC's or the Home Country Regulators' observance of the PFMIs, or any portion thereof, by a Home Country Regulator or other national authority, or an international financial institution or international organization;

(e) As available to JSCC, any examination report, examination findings, or notification of the commencement of any enforcement or disciplinary action by a Home Country Regulator;

(f) Immediate notice of any change with respect to JSCC's licensure, registration, or other authorization to act as a clearing organization in its home country;

(g) In the event of a default by a U.S. person or FCM clearing swaps, with such event of default determined in accordance with JSCC's rules, immediate notice of the default including the name of the U.S. person or FCM, a list of the positions held by the U.S. person or FCM, and the amount of the U.S. person's or FCM's financial obligation;

(h) Notice of action taken against a U.S. person or FCM by JSCC, no later than two business days after JSCC takes such action against a U.S. person or FCM; and

(i) Any other information that the Commission deems necessary, including, but not limited to, information for the purpose of the Commission evaluating JSCC's continued eligibility for exemption from registration, reviewing JSCC's compliance with any conditions of the exemption, or conducting oversight of U.S. persons and their affiliates, and the swaps that are cleared by such persons through JSCC.

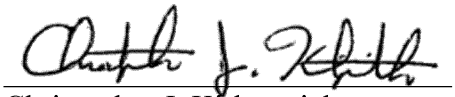
(9) Swap Data Recordkeeping and Reporting Requirements. If a clearing member clears through JSCC a swap that has been reported to a Commission-registered swap data repository ("SDR") pursuant to Part 45 of the Commission's regulations, then JSCC must report to an SDR, pursuant to this Order, data regarding the two swaps resulting from the novation of the original swap that had been submitted to JSCC for clearing. JSCC must also report the termination of the swap accepted for clearing by JSCC, to the SDR to which the swap was originally reported. In order to avoid duplicative reporting for such transactions, JSCC shall

have rules that prohibit the Part 45 reporting of the two new swaps by the original counterparties to the original swap.

(10) Reservation of Rights. This Order is based upon the representations made and supporting material provided to the Commission by JSCC. In the event of any changes to or omissions in the material facts or circumstances pursuant to which this Order is issued, or for any reason in its own discretion, the Commission may condition, modify, suspend, terminate, or otherwise restrict the terms of this Order, as appropriate and as permitted by law, on its own motion.

Issued in Washington, D.C. this 12th day of September, 2025.

By the Commission



Christopher J. Kirkpatrick
Secretary of the Commission