



## **Rules Concerning the Required Participants Fund Amount**

**JASDEC DVP Clearing Corporation**

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## Rules Concerning the Required Participants Fund Amount

Established on May 6, 2004

Amended on November 25, 2015

### (Article 1 Purpose)

These rules shall set forth the Required Participants Fund Amount pursuant to Article 51, Paragraph 1 of the Business Rules.

### (Article 2 Required Participants Fund Amount)

- 1 The Required Participants Fund Amount of each DVP Participant shall be determined in accordance with the Schedule attached hereto; provided, however, that JDCC may temporarily change the Required Participants Fund Amount, in the case where such DVP Participant conducts a merger or in any other cases where JDCC deems it necessary.
- 2 Notwithstanding the provisions of the preceding Paragraph, the Required Participants Fund Amount, which a company having newly obtained the Clearing Qualification should deposit, shall be determined by JDCC on each occasion in consideration of the size of the company, actual results and outlook of transactions of such applicant for the Clearing Qualification and the Required Participants Fund Amount, and other similar matters, of each DVP Participant as of the day on which the application to obtain the Clearing Qualification is filed, and the same shall apply for the period deemed necessary by JDCC.

### (Article 3 Extra Default Compensation Charge)

- 1 The amount prescribed in the rules set forth in Article 88, Paragraph 2 of the Business Rules is the amount equal to the sum of the Basic required fund amount and the Additional required fund amount set forth in Paragraph 1 of Schedule.

### Supplementary Provisions

1. The Rules Concerning the Required Participants Fund Amount shall come into effect on and from May 6, 2004.
2. Notwithstanding the provisions of Article 2, Paragraph 2 thereof, the Required Participants Fund Amount of the company which obtains the Clearing Qualification by May 17, 2004 shall be pursuant to Article 2, Paragraph 1 thereof.

Supplementary Provision (Notified on November 25, 2015)

The amended provisions shall come into effect on and from the date designated by JDCC, which shall be on or after March 31, 2017.

Note: The date designated by JDCC is March 31, 2017.

## Schedule

### Table Concerning Calculation of the Required Participants Fund Amount

1. The Required Participants Fund Amount shall be the amount obtained in accordance with the following calculation formula:

Required Participants Fund Amount = Basic required fund amount + Additional required fund amount + Excess required fund amount of Associated Company Group

(Note 1) The “basic required fund amount” shall be the amount of money that all DVP Participants must deposit uniformly to be determined by JDCC separately.

(Note 2) The “additional required fund amount” shall be the amount obtained by apportioning, in proportion to the amount of JDCC’s assumption of the obligations against each DVP Participant, the amount obtained by subtracting (i) the amount (hereinafter referred to as the “Total Basic Required Fund Amount”) obtained by multiplying the basic required fund amount by the number of DVP Participants (meaning the number of DVP Participants as of the Application Date set forth in Article 51, Paragraph 2 of the Business Rules) from (ii) the Total Basic Participants Fund Amount (meaning the amount determined by JDCC separately as a combined amount of Basic required fund amount and Additional required fund amount, which exceeds the range of the Participant Settlement Amount of all DVP Participants; the same shall apply hereinafter), and this amount shall be calculated in accordance with the following Paragraph.

(Note 3) The “Excess required fund amount of Associated Company Group” shall be the amount deposited to JDCC by DVP Participants belonging to the DVP Participant Group (meaning the DVP Participant Group set forth in Article 3, Paragraph 1 of the Rules Concerning Net Debit Cap; the same shall apply hereinafter) which Excess Net Debit Cap of Associated Company Group (meaning the Excess Net Debit Cap of Associated Company Group set forth in Article 4, Paragraph 1 of the Rules Concerning Net Debit Cap; the same shall apply hereinafter) is applied to Total Net Debit Cap (meaning the

Total Net Debit Cap set forth in Article 3, Paragraph 1 of the Rules Concerning Net Debit Cap). The Excess required fund amount of Associated Company Group shall be calculated in accordance with Paragraph 3 below.

2. The additional required fund amount shall be the amount (any fractional amount less than one (1) yen shall be rounded up) obtained in accordance with the following calculation formula:

Additional required fund amount = Individual apportion amount \* Additional coefficient

(Note 1) The “additional coefficient” shall be the amount (fractions to and less than the thirteenth (13th) decimal place shall be rounded up) obtained by dividing (i) the amount obtained by subtracting the Total Basic Required Fund Amount from the total Basic Participants Fund Amount by (ii) the amount obtained by subtracting the Total Basic Required Fund Amount from the greatest value, out of the average peak value (fund) of the Net Debit, set forth in the following (Note 2).

(Note 2) The “average peak value (fund) of the Net Debit” shall be the average value (any fractional amount less than one (1) yen shall be disregarded) of the values for six (6) days in the order of the greatest out of the peak value of the Net Debit set forth in the following (Note 3) for the past seventy (70) days (excluding holidays) on or immediately preceding the day of the calculation set forth in Article 51, Paragraph 2 of the Business Rules; provided, however, that when such average value is less than the Total Basic Required Fund Amount, such Total Basic Required Fund Amount shall be applicable.

(Note 3) The “peak value of the Net Debit” shall be the greatest amount (when the Net Fund Balance does not become the Net Debit as of the Settlement Date, it shall be zero (0); the same shall apply hereinafter) of the Net Fund Balance as the Net Debit on each Settlement Date of each DVP Participant ; provided, however, that in the case where the relevant DVP Participant is the Sub-Account Group User, the value obtained by aggregating the greatest amounts, of the Net Fund Balance as the Net Debit on each Settlement Date of each Sub-Account Group , shall be applicable.

(Note 4) The peak value of the Net Debit for the period immediately preceding to the day on which the relevant DVP Participant obtained the Clearing Qualification shall be the

amount to be determined by JDCC from time to time in consideration of the value stated to JDCC at the time of application for the Clearing Qualification, the size of the company, and actual results and outlook of transactions of such DVP Participant.

(Note 5) The “individual apportion amount” shall be the aggregate amount of each amount obtained, with respect to each DVP participant, by equally apportioning (x) each amount (fractions to the fourth (4th) decimal place shall be rounded up) obtained by dividing (i) each gap amount between a certain average peak value (fund) of the Net Debit (when there are more than one same average peak value (fund) of the Net Debit, it must be one value of them.) and the next average peak value (fund) of the Net Debit in the sequence of the average peak value (fund) of the Net Debit of all the DVP Participants ordered from the smallest amount, by (ii) the number of all the DVP Participants whose average peak value (fund) of the Net Debit exceeds such certain average peak value (fund) of Net Debit, to (y) such DVP Participants.

(Note 6) After calculating the Net Debit Cap, which is reduced in accordance with the Paragraph 2 of Schedule of the Rules Concerning Net Debit Cap with application of the Maximum Net Debit Cap of Associated Company Group (meaning the Maximum Net Debit Cap of Associated Company Group set forth in Article 3, Paragraph 1 of the Rules Concerning Net Debit Cap), the peak values of the Net Debit during the days before the date on which the Maximum Net Debit Cap of Associated Company Group is applied shall be the values determined by JDCC in consideration of the Net Debit (meaning the Net Debit set forth in Article 46, Paragraph 1 of the Business Rules; the same shall apply hereinafter).

3. The Excess required fund amount of Associated Company Group shall be calculated in the following order.

(1) For each DVP Participant Group to which the Excess Net Debit Cap of Associated Company Group is applied, calculate the amount equal to the Excess Net Debit Cap of Associated Company Group deducting the Basic Commitment Amount (the amount designated by JDCC as a minimum requirement of cash which is enough to satisfy the payment obligations which JDCC owes to the Participant Payees pursuant to Article 69, Paragraph 1 of the Business Rules) (hereinafter referred to as the “Total Excess required fund amount of Associated Company Group”).

(2) Among the Total Excess required fund amounts of Associated Company Group of all the DVP Participant Groups, arrange those amounts in ascending order (limited, in this Item, to one out of those when there are multiple equivalent amounts) and calculate the difference between the Total Excess required fund amounts of Associated Company Group and the next bigger Total Excess required fund amounts of Associated Company Group.

(3) Among the Total Excess required fund amounts of Associated Company Group of all the DVP Participant Groups, the smallest amount (limited to one out of those when there are multiple equivalent amounts) shall be allocated to the DVP Participants which belongs to the DVP Participant Group set forth in Paragraph 1 based on the average peak value (fund) of the Net Debit. The amount of difference calculated in accordance with the preceding Paragraph shall be allocated to the DVP Participants related to the amount of difference (limited to the case where the Total Excess required fund amounts of Associated Company Group of the DVP Participant Group exceeds the Total Excess required fund amounts of Associated Company Group which is used for the calculation of the amount of difference.) based on the average peak value (fund) of the Net Debit. The allocated amounts calculated in this Item shall be added up per DVP Participant. In such event, the preceding Paragraph shall apply *mutatis mutandis*.

(Note) After calculating the Total Excess required fund amounts of Associated Company Group with application of the Excess Net Debit Cap of Associated Company Group, the peak values of the Net Debit during the days before the date on which the Total Excess required fund amounts of Associated Company Group is applied shall be the values determined by JDCC in consideration of the Net Debit.