Japan

This document provides citations of the relevant legislation, regulation, policy and guidance, and notes explaining the assigned ratings for all relevant Principles of a given jurisdiction, by FMI type. It is a direct download of all the information for one jurisdiction that is included in the online CPMI-IOSCO PFMI implementation database (www.bis.org/committees/cpmi/pfmi/l2-database and www.iosco.org/about/?subsection=cpmi_iosco).

It includes all Principles and all key considerations: for the ones where gaps were identified the last column provides details on key conclusions and recommendations. The online CPMI-IOSCO PFMI implementation database allows to search information by Principle across different jurisdictions.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	1.0	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.			Consistent	
CCP	1.1	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	The legal basis should provide a high degree of certainty for each material aspect of an FMI's activities in all relevant jurisdictions.	The FSA published a policy statement on 18 December 2012. The measure came into force on the same date. Further, the FSA published its Supervisory Guidelines in December 2013. The BOJ published its Policy on Oversight of Financial Market Infrastructures on 12 March 2013. The measure came into force on 1 April 2013.	Consistent	
CCP	1.2	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI should have rules, procedures, and contracts that are clear, understandable, and consistent with relevant laws and regulations.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	1.3	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI should be able to articulate the legal basis for its activities to relevant authorities, participants, and, where relevant, participants' customers, in a clear and understandable way.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	1.4	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI should have rules, procedures, and contracts that are enforceable in all relevant jurisdictions. There should be a high degree of certainty that actions taken by the FMI under such rules and procedures will not be voided, reversed, or subject to stays.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	1.5	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI conducting business in multiple jurisdictions should identify and mitigate the risks arising from any potential conflict of laws across jurisdictions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	2.0	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.

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CCP	2.1	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	An FMI should have objectives that place a high priority on the safety and efficiency of the FMI and explicitly support financial stability and other relevant public interest considerations.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	2.2	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	An FMI should have documented governance arrangements that provide clear and direct lines of responsibility and accountability. These arrangements should be disclosed to owners, relevant authorities, participants, and, at a more general level, the public.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	2.3	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The roles and responsibilities of an FMI’s board of directors (or equivalent) should be clearly specified, and there should be documented procedures for its functioning, including procedures to identify, address, and manage member conflicts of interest. The board should review both its overall performance and the performance of its individual board members regularly.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	2.4	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The board should contain suitable members with the appropriate skills and incentives to fulfil its multiple roles. This typically requires the inclusion of non-executive board member(s).	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	2.5	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The roles and responsibilities of management should be clearly specified. An FMI’s management should have the appropriate experience, a mix of skills, and the integrity necessary to discharge their responsibilities for the operation and risk management of the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	2.6	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The board should establish a clear, documented risk-management framework that includes the FMI's risk-tolerance policy, assigns responsibilities and accountability for risk decisions, and addresses decision making in crises and emergencies. Governance arrangements should ensure that the risk-management and internal control functions have sufficient authority, independence, resources, and access to the board.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System Supervisory Guidelines section III-2-2 Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly address risk-management functions having sufficient authority, independence, resources and access to the board.
CCP	2.7	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The board should ensure that the FMI's design, rules, overall strategy, and major decisions reflect appropriately the legitimate interests of its direct and indirect participants and other relevant stakeholders. Major decisions should be clearly disclosed to relevant stakeholders and, where there is a broad market impact, the public.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a CCP to reflect the legitimate interests of its direct and indirect participants in its design, rules, overall strategy, and major decisions, or clearly disclose major decisions to relevant stakeholders. However, the Supervisory Guidelines explicitly require a CCP's board of directors to seek external experts when making major decisions, and disclose and explain major changes to its business rules to participants and their customers.
CCP	3.0	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together; convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	3.1	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should have risk-management policies, procedures, and systems that enable it to identify, measure, monitor, and manage the range of risks that arise in or are borne by the FMI. Risk-management frameworks should be subject to periodic review.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	3.2	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should provide incentives to participants and, where relevant, their customers to manage and contain the risks they pose to the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System Supervisory Guidelines section III-3-1-2 on Fair Participation Requirements BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines require a CCP to have a collateral system that provides incentives to participants to manage and contain the risks that they pose to the CCP as well as loss sharing arrangements based on the exposures of participants to the CCP. The Supervisory Guidelines, however, do not address other potential incentive tools referenced by the PFMIs (such as risk-management policies and systems).
CCP	3.3	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should regularly review the material risks it bears from and poses to other entities (such as other FMIs, settlement banks, liquidity providers, and service providers) as a result of interdependencies and develop appropriate risk-management tools to address these risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework Supervisory Guidelines section III-3-3 on Operational Risk Management Supervisory Guidelines section III-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	3.4	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for recovery or orderly wind-down. An FMI should prepare appropriate plans for its recovery or orderly wind-down based on the results of that assessment. Where applicable, an FMI should also provide relevant authorities with the information needed for purposes of resolution planning.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-2 on Business Continuity Management Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	4.0	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.

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CCP	4.1	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.	An FMI should establish a robust framework to manage its credit exposures to its participants and the credit risks arising from its payment, clearing, and settlement processes. Credit exposure may arise from current exposures, potential future exposures, or both.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-3 on Credit Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	4.2	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.	An FMI should identify sources of credit risk, routinely measure and monitor credit exposures, and use appropriate risk-management tools to control these risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-3 on Credit Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	4.4	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.	A CCP should cover its current and potential future exposures to each participant fully with a high degree of confidence using margin and other prefunded financial resources (see Principle 5 on collateral and Principle 6 on margin). In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure for the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure for the CCP in extreme but plausible market conditions. In all cases, a CCP should document its supporting rationale for, and should have appropriate governance arrangements relating to, the amount of total financial resources it maintains.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section II-2-3 on Credit Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines differ in language from the PFMIs in two important ways. Additional pre-funded financial resources for CCPs that are neither systemically important in multiple jurisdictions nor has a complex risk profile. The Supervisory Guidelines require a CCP that is neither systemically important in multiple jurisdictions nor has a complex risk profile maintain sufficient financial resources to cover the default two participants (unconsolidated) that would cause the largest aggregate credit exposure or the participant (consolidated) that would cause the largest aggregate credit exposure. There may be instances in which a cover two (unconsolidated) could be lower than a cover one (consolidated). However, all CCPs can withstand, at a minimum, the default of participant (consolidated) with the largest exposure and there are no CCPs that are subject to the cover two (unconsolidated) requirement. Additional pre-funded financial resources for CCPs are not explicit about covering “a wide range of stress scenarios.” The Supervisory Guidelines require a CCP to cover any of the following stress scenarios in consideration of extreme but plausible market conditions: (a) default of two participants that would cause the largest aggregate credit exposure or (b) default of the participant that would cause the largest aggregate credit exposure. This language is narrower than what is provided in the PFMIs, which state, “maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of [one/two participants]….” However, the stress testing requirements in the Supervisory Guidelines require a CCP to regularly test the sufficiency of financial resources through stress testing that considers “a variety of extreme but plausible market conditions,” consistent with the PFMIs. While not explicit in the Supervisory Guidance, the FSA has indicated that a CCP would be required to maintain additional resources that would consider a wide range of scenarios.

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CCP	4.5	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.	A CCP should determine the amount and regularly test the sufficiency of its total financial resources available in the event of a default or multiple defaults in extreme but plausible market conditions through rigorous stress testing. A CCP should have clear procedures to report the results of its stress tests to appropriate decision makers at the CCP and to use these results to evaluate the adequacy of and adjust its total financial resources. Stress tests should be performed daily using standard and predetermined parameters and assumptions. On at least a monthly basis, a CCP should perform a comprehensive and thorough analysis of stress testing scenarios, models, and underlying parameters and assumptions used to ensure they are appropriate for determining the CCP’s required level of default protection in light of current and evolving market conditions. A CCP should perform this analysis of stress testing more frequently when the products cleared or markets served display high volatility, become less liquid, or when the size or concentration of positions held by a CCP’s participants increases significantly. A full validation of a CCP’s risk-management model should be performed at least annually.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-3 on Credit Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	4.6	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.	In conducting stress testing, a CCP should consider the effect of a wide range of relevant stress scenarios in terms of both defaulters' positions and possible price changes in liquidation periods. Scenarios should include relevant peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-3 on Credit Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	4.7	An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.	An FMI should establish explicit rules and procedures that address fully any credit losses it may face as a result of any individual or combined default among its participants with respect to any of their obligations to the FMI. These rules and procedures should address how potentially uncovered credit losses would be allocated, including the repayment of any funds an FMI may borrow from liquidity providers. These rules and procedures should also indicate the FMI's process to replenish any financial resources that the FMI may employ during a stress event, so that the FMI can continue to operate in a safe and sound manner.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	5.0	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.			Consistent	
CCP	5.1	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	An FMI should generally limit the assets it (routinely) accepts as collateral to those with low credit, liquidity, and market risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	5.2	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	An FMI should establish prudent valuation practices and develop haircuts that are regularly tested and take into account stressed market conditions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	5.3	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	In order to reduce the need for procyclical adjustments, an FMI should establish stable and conservative haircuts that are calibrated to include periods of stressed market conditions, to the extent practicable and prudent.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	5.4	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	An FMI should avoid concentrated holdings of certain assets where this would significantly impair the ability to liquidate such assets quickly without significant adverse price effects.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	5.5	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	An FMI that accepts cross-border collateral should mitigate the risks associated with its use and ensure that the collateral can be used in a timely manner.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	5.6	An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	An FMI should use a collateral management system that is well-designed and operationally flexible.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-6 on Collateral System Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	6.0	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	6.1	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	A CCP should have a margin system that establishes margin levels commensurate with the risks and particular attributes of each product, portfolio, and market it serves.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-5 on Margin System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	6.2	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	A CCP should have a reliable source of timely price data for its margin system. A CCP should also have procedures and sound valuation models for addressing circumstances in which pricing data are not readily available or reliable.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-5 on Margin System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	6.3	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	A CCP should adopt initial margin models and parameters that are risk-based and generate margin requirements sufficient to cover its potential future exposure to participants in the interval between the last margin collection and the close out of positions following a participant default. Initial margin should meet an established single-tailed confidence level of at least 99 percent with respect to the estimated distribution of future exposure. For a CCP that calculates margin at the portfolio level, this requirement applies to each portfolio's distribution of future exposure. For a CCP that calculates margin at more-granular levels, such as at the subportfolio level or by product, the requirement must be met for the corresponding distributions of future exposure. The model should (a) use a conservative estimate of the time horizons for the effective hedging or close out of the particular types of products cleared by the CCP (including in stressed market conditions), (b) have an appropriate method for measuring credit exposure that accounts for relevant product risk factors and portfolio effects across products, and (c) to the extent practicable and prudent, limit the need for destabilising, procyclical changes.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-5 on Margin System Supervisory Guidelines section III-2-6 on Collateral System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	6.4	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	A CCP should mark participant positions to market and collect variation margin at least daily to limit the build-up of current exposures. A CCP should have the authority and operational capacity to make intraday margin calls and payments, both scheduled and unscheduled, to participants.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-5 on Margin System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

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CCP	6.5	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	In calculating margin requirements, a CCP may allow offsets or reductions in required margin across products that it clears or between products that it and another CCP clear, if the risk of one product is significantly and reliably correlated with the risk of the other product. Where two or more CCPs are authorised to offer cross-margining, they must have appropriate safeguards and harmonised overall risk-management systems.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-5 on Margin System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	6.6	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	A CCP should analyse and monitor its model performance and overall margin coverage by conducting rigorous daily backtesting and at least monthly, and more-frequent where appropriate, sensitivity analysis. A CCP should regularly conduct an assessment of the theoretical and empirical properties of its margin model for all products it clears. In conducting sensitivity analysis of the model's coverage, a CCP should take into account a wide range of parameters and assumptions that reflect possible market conditions, including the most-volatile periods that have been experienced by the markets it serves and extreme changes in the correlations between prices.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-5 on Margin System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines differ in language from the PFMIs with respect to the range of parameters and assumptions that is used in assessing the performance of the margin calculation model.
CCP	6.7	A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.	A CCP should regularly review and validate its margin system.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework Supervisory Guidelines section III-2-5 on Margin System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	7.0	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	7.1	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI should have a robust framework to manage its liquidity risks from its participants, settlement banks, nostro agents, custodian banks, liquidity providers, and other entities.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	7.2	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI should have effective operational and analytical tools to identify, measure, and monitor its settlement and funding flows on an ongoing and timely basis, including its use of intraday liquidity.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	7.4	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	A CCP should maintain sufficient liquid resources in all relevant currencies to settle securities-related payments, make required variation margin payments, and meet other payment obligations on time with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should consider maintaining additional liquidity resources sufficient to cover a wider range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines differ in language from the PFMIs in a few important ways. Liquidity resources for CCPs are not explicit about covering “a wide range of potential stress scenarios.” The Supervisory Guidelines require a CCP to maintain liquidity resources to cover any of the following stress scenarios in consideration of extreme but plausible market conditions: (a) default of two participants that would generate the largest aggregate payment obligation or (b) default of the participant that would generate the largest aggregate payment obligation. This language is narrower than what is provided in the PFMIs, which state, “maintain sufficient liquid resources… to meet… payment obligations on time… under a wide range of potential stress scenarios that should include, but not be limited to, the default of [one/two participants]….” However, the liquidity stress testing requirement in the Supervisory Guidelines require a CCP to regularly test the sufficiency of liquidity resources through stress-testing that considers “a variety of extreme but plausible market conditions,” consistent with the PFMIs. While not explicit in the Supervisory Guidance, the FSA has indicated that a CCP would be required to maintain liquidity resources that would consider a wide range of scenarios. Lack of a requirement to hold relevant currencies. The Supervisory Guidelines do not reference explicitly the need to maintain sufficient liquid resources in all currencies. The FSA expects a CCP to hold a CCP to maintain sufficient liquid resources in all relevant currencies to make its payment obligations, consistent with the PFMIs. Furthermore, no CCPs currently clear or settle in foreign currencies.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	7.5	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	For the purpose of meeting its minimum liquid resource requirement, an FMI's qualifying liquid resources in each currency include cash at the central bank of issue and at creditworthy commercial banks, committed lines of credit, committed foreign exchange swaps, and committed repos, as well as highly marketable collateral held in custody and investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions. If an FMI has access to routine credit at the central bank of issue, the FMI may count such access as part of the minimum requirement to the extent it has collateral that is eligible for pledging to (or for conducting other appropriate forms of transactions with) the relevant central bank. All such resources should be available when needed.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	7.6	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI may supplement its qualifying liquid resources with other forms of liquid resources. If the FMI does so, then these liquid resources should be in the form of assets that are likely to be saleable or acceptable as collateral for lines of credit, swaps, or repos on an ad hoc basis following a default, even if this cannot be reliably prearranged or guaranteed in extreme market conditions. Even if an FMI does not have access to routine central bank credit, it should still take account of what collateral is typically accepted by the relevant central bank, as such assets may be more likely to be liquid in stressed circumstances. An FMI should not assume the availability of emergency central bank credit as a part of its liquidity plan.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	7.7	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI should obtain a high degree of confidence, through rigorous due diligence, that each provider of its minimum required qualifying liquid resources, whether a participant of the FMI or an external party, has sufficient information to understand and to manage its associated liquidity risks, and that it has the capacity to perform as required under its commitment. Where relevant to assessing a liquidity provider's performance reliability with respect to a particular currency, a liquidity provider's potential access to credit from the central bank of issue may be taken into account. An FMI should regularly test its procedures for accessing its liquid resources at a liquidity provider.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a CCP "to regularly test its procedures for accessing its liquid resources at a liquidity provider."
CCP	7.8	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI with access to central bank accounts, payment services, or securities services should use these services, where practical, to enhance its management of liquidity risk.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	7.9	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI should determine the amount and regularly test the sufficiency of its liquid resources through rigorous stress testing. An FMI should have clear procedures to report the results of its stress tests to appropriate decision makers at the FMI and to use these results to evaluate the adequacy of and adjust its liquidity risk-management framework. In conducting stress testing, an FMI should consider a wide range of relevant scenarios. Scenarios should include relevant peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions. Scenarios should also take into account the design and operation of the FMI, include all entities that might pose material liquidity risks to the FMI (such as settlement banks, nostro agents, custodian banks, liquidity providers, and linked FMIs), and where appropriate, cover a multiday period. In all cases, an FMI should document its supporting rationale for, and should have appropriate governance arrangements relating to, the amount and form of total liquid resources it maintains.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-4 on Liquidity Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	7.10	An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	An FMI should establish explicit rules and procedures that enable the FMI to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations on time following any individual or combined default among its participants. These rules and procedures should address unforeseen and potentially uncovered liquidity shortfalls and should aim to avoid unwinding, revoking, or delaying the same-day settlement of payment obligations. These rules and procedures should also indicate the FMI's process to replenish any liquidity resources it may employ during a stress event, so that it can continue to operate in a safe and sound manner.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	8.0	An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.			Consistent	
CCP	8.1	An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.	An FMI's rules and procedures should clearly define the point at which settlement is final.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	8.2	An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.	An FMI should complete final settlement no later than the end of the value date, and preferably intraday or in real time, to reduce settlement risk. An LVPS or SSS should consider adopting RTGS or multiple-batch processing during the settlement day.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section II-1-1 on General Supervisory Processes BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	8.3	An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.	An FMI should clearly define the point after which unsettled payments, transfer instructions, or other obligations may not be revoked by a participant.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	9.0	An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	9.1	An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.	An FMI should conduct its money settlements in central bank money, where practical and available, to avoid credit and liquidity risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	9.2	An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.	If central bank money is not used, an FMI should conduct its money settlements using a settlement asset with little or no credit or liquidity risk.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	9.3	An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.	If an FMI settles in commercial bank money, it should monitor, manage, and limit its credit and liquidity risks arising from the commercial settlement banks. In particular, an FMI should establish and monitor adherence to strict criteria for its settlement banks that take account of, among other things, their regulation and supervision, creditworthiness, capitalisation, access to liquidity, and operational reliability. An FMI should also monitor and manage the concentration of credit and liquidity exposures to its commercial settlement banks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	9.4	An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.	If an FMI conducts money settlements on its own books, it should minimise and strictly control its credit and liquidity risks.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	Note that CCPs in Japan conduct money settlements in central bank money and/or commercial bank money.
CCP	9.5	An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.	An FMI’s legal agreements with any settlement banks should state clearly when transfers on the books of individual settlement banks are expected to occur, that transfers are to be final when effected, and that funds received should be transferable as soon as possible, at a minimum by the end of the day and ideally intraday, in order to enable the FMI and its participants to manage credit and liquidity risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a CCP to maintain legal agreements with its settlement banks that clearly state when transfers on their books are expected to occur and that funds received should be transferable as soon as possible (at a minimum by the end of the day and ideally intraday). However, these legal agreements are part of the CCP’s business rules.
CCP	10.0	An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.			Consistent	Note that all securities cleared by financial CCPs authorized under FIEA are dematerialized and no physical delivery of securities is conducted.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	10.1	An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.	An FMI's rules should clearly state its obligations with respect to the delivery of physical instruments or commodities.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	10.2	An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.	An FMI should identify, monitor, and manage the risks and costs associated with the storage and delivery of physical instruments or commodities.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	12.0	If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	12.1	If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.	An FMI that is an exchange-of-value settlement system should eliminate principal risk by ensuring that the final settlement of one obligation occurs if and only if the final settlement of the linked obligation also occurs, regardless of whether the FMI settles on a gross or net basis and when finality occurs.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section II-1-1 General Supervisory Processes BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require that exchange-of-value settlements eliminate principal risk by ensuring that the final settlement of one obligation occurs if and only if the final settlement of the linked obligation also occurs. However, this principle is market convention in Japan.
CCP	13.0	An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.			Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	13.1	An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.	An FMI should have default rules and procedures that enable the FMI to continue to meet its obligations in the event of a participant default and that address the replenishment of resources following a default.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	13.2	An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.	An FMI should be well prepared to implement its default rules and procedures, including any appropriate discretionary procedures provided for in its rules.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	13.3	An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.	An FMI should publicly disclose key aspects of its default rules and procedures.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	13.4	An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.	An FMI should involve its participants and other stakeholders in the testing and review of the FMI’s default procedures, including any close-out procedures. Such testing and review should be conducted at least annually or following material changes to the rules and procedures to ensure that they are practical and effective.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-5 on Procedures to Deal with Participant Default, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	14.0	A CCP should have rules and procedures that enable the segregation and portability of positions of a participant’s customers and the collateral provided to the CCP with respect to those positions.			Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	14.1	A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.	A CCP should, at a minimum, have segregation and portability arrangements that effectively protect a participant's customers' positions and related collateral from the default or insolvency of that participant. If the CCP additionally offers protection of such customer positions and collateral against the concurrent default of the participant and a fellow customer, the CCP should take steps to ensure that such protection is effective.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	14.2	A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.	A CCP should employ an account structure that enables it readily to identify positions of a participant's customers and to segregate related collateral. A CCP should maintain customer positions and collateral in individual customer accounts or in omnibus customer accounts.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	14.3	A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.	A CCP should structure its portability arrangements in a way that makes it highly likely that the positions and collateral of a defaulting participant's customers will be transferred to one or more other participants.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	14.4	A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.	A CCP should disclose its rules, policies, and procedures relating to the segregation and portability of a participant's customers' positions and related collateral. In particular, the CCP should disclose whether customer collateral is protected on an individual or omnibus basis. In addition, a CCP should disclose any constraints, such as legal or operational constraints, that may impair its ability to segregate or port a participant's customers' positions and related collateral.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	15.0	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.			Consistent	While the Supervisory Guidelines do not fully address this principle, the various statements and guidance put out by both Japanese authorities taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	15.1	A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.	An FMI should have robust management and control systems to identify, monitor, and manage general business risks, including losses from poor execution of business strategy, negative cash flows, or unexpected and excessively large operating expenses.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines have no requirements that a CCP have robust management and control systems to identify, monitor, and manage general business risks, although there are requirements that a CCP have processes to formulate a capital plan to address business risks.
CCP	15.2	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should hold liquid net assets funded by equity (such as common stock, disclosed reserves, or other retained earnings) so that it can continue operations and services as a going concern if it incurs general business losses. The amount of liquid net assets funded by equity an FMI should hold should be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services if such action is taken.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	15.3	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should maintain a viable recovery or orderly wind-down plan and should hold sufficient liquid net assets funded by equity to implement this plan. At a minimum, an FMI should hold liquid net assets funded by equity equal to at least six months of current operating expenses. These assets are in addition to resources held to cover participant defaults or other risks covered under the financial resources principles. However, equity held under international risk-based capital standards can be included where relevant and appropriate to avoid duplicate capital requirements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	15.4	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	Assets held to cover general business risk should be of high quality and sufficiently liquid in order to allow the FMI to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	15.5	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should maintain a viable plan for raising additional equity should its equity fall close to or below the amount needed. This plan should be approved by the board of directors and updated regularly.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	16.0	An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.			Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	16.1	An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.	An FMI should hold its own and its participants' assets at supervised and regulated entities that have robust accounting practices, safekeeping procedures, and internal controls that fully protect these assets.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	16.2	An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.	An FMI should have prompt access to its assets and the assets provided by participants, when required.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	16.3	An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.	An FMI should evaluate and understand its exposures to its custodian banks, taking into account the full scope of its relationships with each.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	16.4	An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.	An FMI's investment strategy should be consistent with its overall risk-management strategy and fully disclosed to its participants, and investments should be secured by, or be claims on, high-quality obligors. These investments should allow for quick liquidation with little, if any, adverse price effect.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-6 on Management of Collateral, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	17.0	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	17.1	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-2 on Business Continuity Management Supervisory Guidelines section III-3-3 on Operational Risk Management Supervisory Guidelines section III-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	17.2	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI's board of directors should clearly define the roles and responsibilities for addressing operational risk and should endorse the FMI's operational risk-management framework. Systems, operational policies, procedures, and controls should be reviewed, audited, and tested periodically and after significant changes.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework Supervisory Guidelines section III-3-2 on Business Continuity Management Supervisory Guidelines section III-3-3 on Operational Risk Management Supervisory Guidelines section III-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a CCP's board of directors to endorse an operational risk-management framework, although there are related general requirements under section III-1-1 on Risk Management Framework. Further, the Supervisory Guidelines address only one form of operational risk – IT risk. For example, the requirement to periodically test systems, operational policies and procedures and controls is limited to IT risk.
CCP	17.3	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should have clearly defined operational reliability objectives and should have policies in place that are designed to achieve those objectives.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-3 on Operational Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	17.4	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should ensure that it has scalable capacity adequate to handle increasing stress volumes and to achieve its service-level objectives.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-3 on Operational Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	17.5	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should have comprehensive physical and information security policies that address all potential vulnerabilities and threats.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-4 on Information Technology Risk Management Supervisory Guidelines section III-3-2 on Business Continuity Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly reference requirements relating to physical security (only information related to the BCP was provided).
CCP	17.6	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should have a business continuity plan that addresses events posing a significant risk of disrupting operations, including events that could cause a wide-scale or major disruption. The plan should incorporate the use of a secondary site and should be designed to ensure that critical information technology (IT) systems can resume operations within two hours following disruptive events. The plan should be designed to enable the FMI to complete settlement by the end of the day of the disruption, even in case of extreme circumstances. The FMI should regularly test these arrangements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-2 on Business Continuity Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	17.7	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should identify, monitor, and manage the risks that key participants, other FMIs, and service and utility providers might pose to its operations. In addition, an FMI should identify, monitor, and manage the risks its operations might pose to other FMIs.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-3 on Operational Risk Management Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	18.0	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.			Consistent	
CCP	18.1	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	An FMI should allow for fair and open access to its services, including by direct and, where relevant, indirect participants and other FMIs, based on reasonable risk-related participation requirements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-1-2 on Fair Participation Requirements, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	18.2	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	An FMI's participation requirements should be justified in terms of the safety and efficiency of the FMI and the markets it serves, be tailored to and commensurate with the FMI's specific risks, and be publicly disclosed. Subject to maintaining acceptable risk control standards, an FMI should endeavour to set requirements that have the least-restrictive impact on access that circumstances permit.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-1-2 on Fair Participation Requirements, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	18.3	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	An FMI should monitor compliance with its participation requirements on an ongoing basis and have clearly defined and publicly disclosed procedures for facilitating the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-1-2 on Fair Participation Requirements, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	19.0	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.			Consistent	
CCP	19.1	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should ensure that its rules, procedures, and agreements allow it to gather basic information about indirect participation in order to identify, monitor, and manage any material risks to the FMI arising from such tiered participation arrangements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-7 on Notes concerning Tiered Structure of Participants, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	19.2	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should identify material dependencies between direct and indirect participants that might affect the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-7 on Notes concerning Tiered Structure of Participants, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	19.3	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should identify indirect participants responsible for a significant proportion of transactions processed by the FMI and indirect participants whose transaction volumes or values are large relative to the capacity of the direct participants through which they access the FMI in order to manage the risks arising from these transactions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-7 on Notes concerning Tiered Structure of Participants, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	19.4	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should regularly review risks arising from tiered participation arrangements and should take mitigating action when appropriate.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-7 on Notes concerning Tiered Structure of Participants, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	20.0	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.			Consistent	While the Supervisory Guidelines do not address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	20.1	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	Before entering into a link arrangement and on an ongoing basis once the link is established, an FMI should identify, monitor, and manage all potential sources of risk arising from the link arrangement. Link arrangements should be designed such that each FMI is able to observe the other principles in this report.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.
CCP	20.2	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	A link should have a well-founded legal basis, in all relevant jurisdictions, that supports its design and provides adequate protection to the FMIs involved in the link.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.
CCP	20.7	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	Before entering into a link with another CCP, a CCP should identify and manage the potential spill-over effects from the default of the linked CCP. If a link has three or more CCPs, each CCP should identify, assess, and manage the risks of the collective link arrangement.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	20.8	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	Each CCP in a CCP link arrangement should be able to cover, at least on a daily basis, its current and potential future exposures to the linked CCP and its participants, if any, fully with a high degree of confidence without reducing the CCP's ability to fulfil its obligations to its own participants at any time.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.
CCP	21.0	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.			Consistent	While the Supervisory Guidelines do not address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	21.1	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	An FMI should be designed to meet the needs of its participants and the markets it serves, in particular, with regard to choice of a clearing and settlement arrangement; operating structure; scope of products cleared, settled, or recorded; and use of technology and procedures.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section I-1-1 on Purpose of Supervision of Financial Market Infrastructures and Role of Supervisory Departments Supervisory Guidelines section III-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	21.2	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	An FMI should have clearly defined goals and objectives that are measurable and achievable, such as in the areas of minimum service levels, risk-management expectations, and business priorities.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section I-1-1 on Purpose of Supervision of Financial Market Infrastructures and Role of Supervisory Departments Supervisory Guidance section III-1-1 on Governance System Supervisory Guidelines section III-4-1 Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically have requirements that a CCP have clearly defined goals and objectives that are measurable and achievable. However, the Guidelines do prescribe certain levels of service.
CCP	21.3	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	An FMI should have established mechanisms for the regular review of its efficiency and effectiveness.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section I-1-1 on Purpose of Supervision of Financial Market Infrastructures and Role of Supervisory Departments Supervisory Guidelines section III-4-1 Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	22.0	An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.			Consistent	While the Supervisory Guidelines do not address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: The FSA should provide clarity to CCPs with respect to minimum standards for Principle 22 on Communication Procedures and Standards.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	22.1	An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.	An FMI should use, or at a minimum accommodate, internationally accepted communication procedures and standards.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section II-1-1 on General Supervisory Processes BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a CCP to use or accommodate internationally accepted communication procedures and standards. However, the use or accommodation of internationally accepted communication procedures and standards is already market practice.
CCP	23.0	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.			Consistent	While the Supervisory Guidelines do not refer to the CPSS-IOSCO Disclosure Framework, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to CCPs with respect to minimum standards.
CCP	23.1	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should adopt clear and comprehensive rules and procedures that are fully disclosed to participants. Relevant rules and key procedures should also be publicly disclosed.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-8 on Appropriateness of Disclosure of Information, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	23.2	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should disclose clear descriptions of the system's design and operations, as well as the FMI's and participants' rights and obligations, so that participants can assess the risks they would incur by participating in the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-8 on Appropriateness of Disclosure of Information, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
CCP	23.3	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should provide all necessary and appropriate documentation and training to facilitate participants' understanding of the FMI's rules and procedures and the risks they face from participating in the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-8 on Appropriateness of Disclosure of Information, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	23.4	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should publicly disclose its fees at the level of individual services it offers as well as its policies on any available discounts. The FMI should provide clear descriptions of priced services for comparability purposes.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-8 on Appropriateness of Disclosure of Information, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
CCP	23.5	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should complete regularly and disclose publicly responses to the CPSS-IOSCO Disclosure framework for financial market infrastructures. An FMI also should, at a minimum, disclose basic data on transaction volumes and values.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section III-3-8 on Appropriateness of Disclosure of Information, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly reference the CPSS-IOSCO Disclosure Framework.
TR	1.0	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.			Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	1.1	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	The legal basis should provide a high degree of certainty for each material aspect of an FMI's activities in all relevant jurisdictions.	The FSA published a policy statement on 18 December 2012. The measure came into force on the same date. Further, the FSA published its Supervisory Guidelines in December 2013. The BOJ published its Policy on Oversight of Financial Market Infrastructures on 12 March 2013. The measure came into force on 1 April 2013.	Consistent	
TR	1.2	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI should have rules, procedures, and contracts that are clear, understandable, and consistent with relevant laws and regulations.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	1.3	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI should be able to articulate the legal basis for its activities to relevant authorities, participants, and, where relevant, participants' customers, in a clear and understandable way.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	1.4	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI should have rules, procedures, and contracts that are enforceable in all relevant jurisdictions. There should be a high degree of certainty that actions taken by the FMI under such rules and procedures will not be voided, reversed, or subject to stays.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	1.5	An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	An FMI conducting business in multiple jurisdictions should identify and mitigate the risks arising from any potential conflict of laws across jurisdictions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-4-1 on Points to Consider regarding Authorization of Business Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	2.0	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.			Consistent	While the Supervisory Guidelines differ in language from the PFMIs, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	2.1	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	An FMI should have objectives that place a high priority on the safety and efficiency of the FMI and explicitly support financial stability and other relevant public interest considerations.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	2.2	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	An FMI should have documented governance arrangements that provide clear and direct lines of responsibility and accountability. These arrangements should be disclosed to owners, relevant authorities, participants, and, at a more general level, the public.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not address publication of governance arrangements.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	2.3	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The roles and responsibilities of an FMI's board of directors (or equivalent) should be clearly specified, and there should be documented procedures for its functioning, including procedures to identify, address, and manage member conflicts of interest. The board should review both its overall performance and the performance of its individual board members regularly.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	2.4	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The board should contain suitable members with the appropriate skills and incentives to fulfil its multiple roles. This typically requires the inclusion of non-executive board member(s).	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System. Supervisory Guidelines section VI-1-3 on Staffing. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require that the board of a TR contain suitable members with appropriate incentives.
TR	2.5	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The roles and responsibilities of management should be clearly specified. An FMI's management should have the appropriate experience, a mix of skills, and the integrity necessary to discharge their responsibilities for the operation and risk management of the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	2.6	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The board should establish a clear, documented risk-management framework that includes the FMI's risk-tolerance policy, assigns responsibilities and accountability for risk decisions, and addresses decision making in crises and emergencies. Governance arrangements should ensure that the risk-management and internal control functions have sufficient authority, independence, resources, and access to the board.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System Supervisory Guidelines section VI-2-2 on Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly address the following: • Decision making in crises and emergencies, and • Risk management functions having sufficient authority, independence, resources and access to the board.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	2.7	An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	The board should ensure that the FMI's design, rules, overall strategy, and major decisions reflect appropriately the legitimate interests of its direct and indirect participants and other relevant stakeholders. Major decisions should be clearly disclosed to relevant stakeholders and, where there is a broad market impact, the public.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a TR to reflect the legitimate interests of its direct and indirect participants in its design, rules, overall strategy, and major decisions, or clearly disclose major decisions to relevant stakeholders. However, the Supervisory Guidelines explicitly require a TR's board of directors to seek external experts when making major decisions, and disclose and explain major changes to its business rules to participants and their customers.
TR	3.0	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.			Consistent	While the Supervisory Guidelines do not address all aspects of this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	3.1	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should have risk-management policies, procedures, and systems that enable it to identify, measure, monitor, and manage the range of risks that arise in or are borne by the FMI. Risk-management frameworks should be subject to periodic review.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-2 on Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	3.2	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should provide incentives to participants and, where relevant, their customers to manage and contain the risks they pose to the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-1 on Disclosure of Major Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a TR to provide incentives to participants, for example regarding data quality.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	3.3	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should regularly review the material risks it bears from and poses to other entities (such as other FMIs, settlement banks, liquidity providers, and service providers) as a result of interdependencies and develop appropriate risk-management tools to address these risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-2 on Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly reference material risks born from and posed to other entities, although there are requirements to manage “all” risks.
TR	3.4	An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	An FMI should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for recovery or orderly wind-down. An FMI should prepare appropriate plans for its recovery or orderly wind-down based on the results of that assessment. Where applicable, an FMI should also provide relevant authorities with the information needed for purposes of resolution planning.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-2 on Business Continuity Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	15.0	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.			Consistent	While the Supervisory Guidelines do not fully address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities’ intent to fully implement the PFMIs in a consistent manner.
TR	15.1	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should have robust management and control systems to identify, monitor, and manage general business risks, including losses from poor execution of business strategy, negative cash flows, or unexpected and excessively large operating expenses.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines have no requirements that a TR have robust management and control systems to identify, monitor, and manage general business risks, although there are requirements that a TR have processes to formulate a capital plan to address business risks.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	15.2	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should hold liquid net assets funded by equity (such as common stock, disclosed reserves, or other retained earnings) so that it can continue operations and services as a going concern if it incurs general business losses. The amount of liquid net assets funded by equity an FMI should hold should be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services if such action is taken.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	15.3	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should maintain a viable recovery or orderly wind-down plan and should hold sufficient liquid net assets funded by equity to implement this plan. At a minimum, an FMI should hold liquid net assets funded by equity equal to at least six months of current operating expenses. These assets are in addition to resources held to cover participant defaults or other risks covered under the financial resources principles. However, equity held under international risk-based capital standards can be included where relevant and appropriate to avoid duplicate capital requirements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	15.4	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	Assets held to cover general business risk should be of high quality and sufficiently liquid in order to allow the FMI to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	15.5	An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	An FMI should maintain a viable plan for raising additional equity should its equity fall close to or below the amount needed. This plan should be approved by the board of directors and updated regularly.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-1 on Adequacy of Capital BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	17.0	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.			Consistent	While the Supervisory Guidelines do not fully address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	17.1	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-2 on Business Continuity Management Supervisory Guidelines section VI-3-3 on Operational Risk Management Supervisory Guidelines section VI-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	17.2	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI's board of directors should clearly define the roles and responsibilities for addressing operational risk and should endorse the FMI's operational risk-management framework. Systems, operational policies, procedures, and controls should be reviewed, audited, and tested periodically and after significant changes.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System Supervisory Guidelines section VI-2-2 on Risk Management Framework Supervisory Guidelines section VI-3-3 on Operational Risk Management Supervisory Guidelines section VI-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly require a TR's board of directors' to endorse an operational risk-management framework, although there are related general requirements under section VI-1-1 on Risk Management Framework. Further, the Supervisory Guidelines address only one form of operational risk – IT risk. For example, the requirement to periodically test systems, operational policies and procedures and controls is limited to IT risk.
TR	17.3	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should have clearly defined operational reliability objectives and should have policies in place that are designed to achieve those objectives.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-3 on Operational Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	17.4	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should ensure that it has scalable capacity adequate to handle increasing stress volumes and to achieve its service-level objectives.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-3 on Operational Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	17.5	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should have comprehensive physical and information security policies that address all potential vulnerabilities and threats.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not explicitly reference requirements relating to physical security (only information related to the BCP was provided).
TR	17.6	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should have a business continuity plan that addresses events posing a significant risk of disrupting operations, including events that could cause a wide-scale or major disruption. The plan should incorporate the use of a secondary site and should be designed to ensure that critical information technology (IT) systems can resume operations within two hours following disruptive events. The plan should be designed to enable the FMI to complete settlement by the end of the day of the disruption, even in case of extreme circumstances. The FMI should regularly test these arrangements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-2 on Business Continuity Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	17.7	An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	An FMI should identify, monitor, and manage the risks that key participants, other FMIs, and service and utility providers might pose to its operations. In addition, an FMI should identify, monitor, and manage the risks its operations might pose to other FMIs.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-3 on Operational Risk Management. Supervisory Guidelines section VI-3-4 on Information Technology Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	Although the Supervisory Guidelines do not explicitly articulate the need to manage operational risks from key participants or other FMIs, a TR would need to consider risk from links to other organizations in order to properly manage operational risks.
TR	18.0	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.			Consistent	While the Supervisory Guidelines do not fully address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	18.1	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	An FMI should allow for fair and open access to its services, including by direct and, where relevant, indirect participants and other FMIs, based on reasonable risk-related participation requirements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-1-2 on Fair Access Requirements, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	18.2	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	An FMI's participation requirements should be justified in terms of the safety and efficiency of the FMI and the markets it serves, be tailored to and commensurate with the FMI's specific risks, and be publicly disclosed. Subject to maintaining acceptable risk control standards, an FMI should endeavour to set requirements that have the least-restrictive impact on access that circumstances permit.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-1-2 on Fair Access Requirements, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	18.3	An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	An FMI should monitor compliance with its participation requirements on an ongoing basis and have clearly defined and publicly disclosed procedures for facilitating the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-1-2 on Fair Access Requirements, etc. Supervisory Guidelines section VI-3-5-1 on Disclosure of major rules BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines require TRs to have and publicly disclose major rules, including those setting out the “rights and obligations of users”. However, it does not have an explicit explanation that rights and obligations would cover “procedures for facilitating the suspension and orderly exit of a participant”. There are also no requirements for a TR to monitor compliance with its participation requirements.
TR	19.0	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.			Consistent	Note that in Japan, financial institutions that are subject to TR reporting are required to report directly to TR and delegation of reporting is not allowed. Therefore, the TR system does not have a form of indirect participation.
TR	19.1	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should ensure that its rules, procedures, and agreements allow it to gather basic information about indirect participation in order to identify, monitor, and manage any material risks to the FMI arising from such tiered participation arrangements.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	19.2	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should identify material dependencies between direct and indirect participants that might affect the FMI.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	19.3	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should identify indirect participants responsible for a significant proportion of transactions processed by the FMI and indirect participants whose transaction volumes or values are large relative to the capacity of the direct participants through which they access the FMI in order to manage the risks arising from these transactions.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	19.4	An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	An FMI should regularly review risks arising from tiered participation arrangements and should take mitigating action when appropriate.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	20.0	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.			Consistent	While the Supervisory Guidelines do not address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	20.1	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	Before entering into a link arrangement and on an ongoing basis once the link is established, an FMI should identify, monitor, and manage all potential sources of risk arising from the link arrangement. Link arrangements should be designed such that each FMI is able to observe the other principles in this report.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.
TR	20.2	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	A link should have a well-founded legal basis, in all relevant jurisdictions, that supports its design and provides adequate protection to the FMIs involved in the link.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.
TR	20.9	An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.	A TR should carefully assess the additional operational risks related to its links to ensure the scalability and reliability of IT and related resources.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-2-2 on Comprehensive Risk Management Framework BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically address risks arising from link arrangements.

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	21.0	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.			Consistent	While the Supervisory Guidelines do not address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	21.1	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	An FMI should be designed to meet the needs of its participants and the markets it serves, in particular, with regard to choice of a clearing and settlement arrangement; operating structure; scope of products cleared, settled, or recorded; and use of technology and procedures.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System Supervisory Guidelines section VI-3-5-2(2)(ii) BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	21.2	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	An FMI should have clearly defined goals and objectives that are measurable and achievable, such as in the areas of minimum service levels, risk-management expectations, and business priorities.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System Supervisory Guidelines section VI-3-3(2)(ii) on Operational Risk Management BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not specifically have requirements that a TR have clearly defined goals and objectives that are measurable and achievable. However, the Guidelines do prescribe certain levels of service.
TR	21.3	An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	An FMI should have established mechanisms for the regular review of its efficiency and effectiveness.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-1-1 on Governance System BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	22.0	An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.			Consistent	While the Supervisory Guidelines do not address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: The FSA should provide clarity to TRs with respect to minimum standards for Principle 22 on Communication Procedures and Standards.
TR	22.1	An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.	An FMI should use, or at a minimum accommodate, internationally accepted communication procedures and standards.	FSA - Policy statement on supervision of FMIs BOJ - Policy on Oversight of Financial Market Infrastructures Supervisory Guidelines section II-1-1 on General Supervisory Processes	Consistent	The Supervisory Guidelines do not explicitly require a TR to use or accommodate internationally accepted communication procedures and standards. However, the adoption of internationally accepted communication procedures and standards is already market practice.
TR	23.0	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.			Consistent	While the Supervisory Guidelines do not fully address this principle, the various statements and guidance put out by both Japanese authorities, taken together, convey the authorities' intent to fully implement the PFMIs in a consistent manner. Recommendation: Where there are inconsistencies in language or requirements between the Supervisory Guidelines and the PFMIs, the FSA should provide clarity to TRs with respect to minimum standards.
TR	23.1	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should adopt clear and comprehensive rules and procedures that are fully disclosed to participants. Relevant rules and key procedures should also be publicly disclosed.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-1 on Disclosure of Major Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	23.2	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should disclose clear descriptions of the system's design and operations, as well as the FMI's and participants' rights and obligations, so that participants can assess the risks they would incur by participating in the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-1 on Disclosure of Major Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not have specific requirements for the disclosure of systems design and operations.
TR	23.3	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should provide all necessary and appropriate documentation and training to facilitate participants' understanding of the FMI's rules and procedures and the risks they face from participating in the FMI.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-1 on Disclosure of Major Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not have specific requirements relating to provision of training to participants. Given the nature of a TR and the services they provide to participants, the lack of specific requirements on training will likely not have material impact, as participants would need to understand and test the TR's systems and services during the on-boarding processes.
TR	23.4	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should publicly disclose its fees at the level of individual services it offers as well as its policies on any available discounts. The FMI should provide clear descriptions of priced services for comparability purposes.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-1 on Disclosure of Major Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	23.5	An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	An FMI should complete regularly and disclose publicly responses to the CPSS-IOSCO Disclosure framework for financial market infrastructures. An FMI also should, at a minimum, disclose basic data on transaction volumes and values.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-1 on Disclosure of Major Rules, etc. BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	The Supervisory Guidelines do not have a requirement for a TR to publicly disclose its responses to the CPSS-IOSCO Disclosure Framework.
TR	24.0	A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.			Consistent	

FMI Type	Principle or Type key consideration ID	Principle	Key consideration	Implementation measures	Principle rating	Assessment comments (ie key conclusions and recommendations)
TR	24.1	A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.	A TR should provide data in line with regulatory and industry expectations to relevant authorities and the public, respectively, that is comprehensive and at a level of detail sufficient to enhance market transparency and support other public policy objectives.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-2 on Disclosure of Market Data BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	24.2	A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.	A TR should have effective processes and procedures to provide data to relevant authorities in a timely and appropriate manner to enable them to meet their respective regulatory mandates and legal responsibilities.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-2 on Disclosure of Market Data BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	
TR	24.3	A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.	A TR should have robust information systems that provide accurate current and historical data. Data should be provided in a timely manner and in a format that permits it to be easily analysed.	FSA - Policy statement on supervision of FMIs Supervisory Guidelines section VI-3-5-2 on Disclosure of Market Data BOJ - Policy on Oversight of Financial Market Infrastructures	Consistent	