(Sample wording to be described in confirmations or similar trade notifications, etc. when introducing Fails Charges)

When a market participant decides to introduce the Fails Charge Trading Practice, it is recommended, in their confirmations or similar trade notifications to add wording to indicate that the market participant will comply with the Fails Charge Trading Practice. The following sentence is a sample statement for declaring such compliance. Each market participant is requested to examine this sample statement and consider whether to rewrite it to fit in with their own circumstances.

This transaction is subject to a Fails Charge to be imposed pursuant to “The Japanese Government Securities Guidelines for Real Time Gross Settlement” issued by Japan Securities Dealers Association.