

## Margin Trading on Chi-X Japan PTS

We are pleased to inform you of the recent development in Margin Trading on PTS:

- [Announcement by JFSA](#) (March 18) – revision of the Supervisory Policy effective from April 1<sup>st</sup>.
- [Announcement by JSDA](#) (March 19) – revision of the off-exchange trade rules effective from the same date as the start of T+2 settlement (expected to be mid-July).

As a result of these regulatory changes, venues operated by Chi-X Japan will be allowed to accept orders on margin, which is the main type of orders favoured by retail investors. Listed below are the remaining steps and timeline leading up to the start of margin trading on Chi-X PTS:

1. Chi-X Japan to receive JFSA's approval on the change to its PTS licence (April to June, 2019)
2. Operational/system readiness of Japan Securities Finance (July 2019)
3. Enactment of JSDA off-exchange trade rules (July 2019)
4. Operational/system readiness of brokers (after July 2019)

It is expected, subject to the approval above, that venues operated by Chi-X Japan will be able to handle all types of margin orders (both PTS System Margin "*Seido Shinyo*" and PTS General Margin "*Ippan Shinyo*") from all participating brokers.

Rulebook for PTS Margin Trading and the revised order entry specification will be published as soon as they are ready.

In the second half of this year, subject to the progress of participating brokers' readiness, the number of orders from retail investors into Chi-X Japan venues is expected to increase multiple times,, further improving both the size and diversity of our liquidity.

Thank you very much for your continuous support.