

Announcement regarding the approval by the *Luxembourg Commission de Surveillance du Secteur Financier* ("CSSF") of the request to exempt certain transactions from the collateral obligation under article 11(3) of Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("EMIR").

Luxembourg, 28 June 2017 --- This announcement is being made in connection with the public disclosure requirement set out in Article 11 (11) of EMIR.

Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A ("**MIBL**") hereby announces that it has received approval from the CSSF on 3 May 2017 to apply the deferred intragroup transaction exemption from the requirements of Article 11(3) of EMIR (the "**Exemption**").

Article 11(3) of EMIR requires financial counterparties to exchange collateral with respect to uncleared OTC derivative contracts in relation to certain counterparties.

The Exemption has been granted by the CSSF in respect of the following counterparties that are established outside of the European Union ("**Third Country Counterparties**"):

	Counterparty	Country of establishment
1	The Bank of Tokyo-Mitsubishi UFJ Ltd	Japan
2	Mitsubishi UFJ Trust and Banking Corporation	Japan

The Exemption is a full exemption and is not subject to any limits with respect to notional amount and is applicable for the asset class 'currency'.

The exemption is time-limited and will expire on either:

- (i) where no equivalence decision has been adopted by the EU Commission pursuant to Article 13(2) of EMIR in respect of the country of establishment of the Third Country Counterparty, 4 January 2020; or
- (ii) if such an equivalence decision has been adopted by the EU Commission, the later of: (x) 4 months after the date of entry into force of such equivalence decision; and (y) the date on which the requirements to exchange collateral would take effect pursuant to EMIR, as supplemented by Commission Delegated Regulation (EU) 2016/2251 (as amended, the "**Margin RTS**").

As of the date of this announcement, no equivalence decisions have been adopted pursuant to Article 13(2) of EMIR.

MIBL intends to rely upon the Exemption in respect of the Third Country Counterparties following the expiration of the derogation for intragroup uncleared OTC derivative transactions provided for at Article 38(2) of the Margin RTS on 4 July 2017. MIBL will therefore continue to not exchange initial or variation margin in respect of any uncleared OTC derivative contracts that it enters into with the counterparties for which the exemption was granted.