



April 28, 2023  
bitFlyer, Inc.

### Changes to documentation regarding Lightning FX spot settlement (physical delivery) and partial revision of the SFD rates on Lightning FX

As announced in our March 28, 2023 press release titled "Termination of Lightning FX Physical Delivery Settlements Service", the documentation regarding Lightning FX spot settlements (physical delivery) has changed as of today. This affects the terms for over-the-counter derivatives of crypto assets trading we offer on Lightning FX. Lightning FX trading will continue to be available in its current state. Our other crypto asset spot trading services will continue to be available in their current form.

We will also make a partial revision to the SFD (Swap For Difference) rates. We plan to implement the new SFD rates on or after May 29, 2023. We will make an announcement when the specific date has been decided. The intention is to reduce the crypto asset price disparity between the trading prices on Lightning FX and spot trading, as well as strengthen the connection between them.

Lightning FX SFD rate changes  
(Current)

Price disparity	SFD rate
At least 5% but less than 10%	0.25% of the execution amount
At least 10% but less than 15%	0.50% of the execution amount
At least 15% but less than 20%	1.00% of the execution amount
At least 20%	2.00% of the execution amount

(New)

Price disparity	SFD rate
At least 5% but less than 10%	0.25% of the execution amount
At least 10% but less than 15%	0.50% of the execution amount
At least 15% but less than 20%	1.00% of the execution amount
At least 20% but less than 25%	2.00% of the execution amount
At least 25% but less than 30%	4.00% of the execution amount
At least 30%	8.00% of the execution amount

In order to further strengthen the connection between the crypto asset trading prices on Lightning FX and Spot, we are currently working on a more significant design change for Lightning FX. While implementing the revised SFD rates above as a highly effective measure for minimizing price disparity, we will announce our mid-to-long term measures at a later date.

More information can be found on our homepage.  
<https://bitflyer.com/en-jp/s/commission>

Due to the end of the physical delivery settlements mentioned above, we will revise the Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement) on April 28. The document dated April 28 and the before and after comparison table can be downloaded using the links below.

Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement): April 28  
<https://bitflyer.com/pub/terms/en-jp/explanation-derivative-regulation.pdf>

Before and after table: April 28  
<https://bitflyer.com/pub/20230428r-explanation-derivative-regulation-comparison-en.pdf>

The announcement from March 28, 2023 can be found here.  
<https://bitflyer.com/pub/20230328-announcement-termination-of-lightning-FX-physical-delivery-settlements-en.pdf>

In addition to the changes in the SFD rates above, we will make revisions to the Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement) again on May 29. The document dated May 29 and the before and after table can be downloaded using the link below. The document contains additional changes that will be disadvantageous to customers. Therefore, you must agree to the details of the May 29 version of the document in order to trade on Lightning FX on or after May 29. More information will be announced at a later date as necessary.

Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement): May 29  
<https://bitflyer.com/pub/20230529-explanation-derivative-regulation-amendment-en.pdf>

Before and after table: May 29  
<https://bitflyer.com/pub/20230529-explanation-derivative-regulation-comparison-en.pdf>

We appreciate your continued support.

Disclaimer (please read thoroughly)

Crypto assets are not a legal tender. The value of crypto assets are not guaranteed by any individual.

Our Buy/Sell service will ask our customers to bear spread as a gap between purchase prices and sale prices.

The fees and other expenses incurred, as well as the calculation methods used, when making trades of crypto assets or over-the-counter derivatives of crypto assets (hereafter collectively referred to as “crypto asset trades”) are written on our Fees and Taxes page.

Before being able to trade over-the-counter derivatives of crypto assets, it is necessary to make a margin deposit. More information can be found on our “What is Lightning FX?” and “What is Lightning Futures?” pages.

The principal can not be guaranteed for crypto assets trades or trades of over-the-counter derivatives of crypto assets. Losses may be incurred due to fluctuations in the prices of the crypto asset being traded.

When beginning or continuing to trade, please be sure to thoroughly read and understand all of our documents that require user agreement and trade when your resources, trading experience, and trading purpose are judged to be appropriate. Trade at your own responsibility.

When trading over-the-counter derivatives of crypto assets, the amount being traded may exceed the amount in the customer's margin deposit, which may lead to losses being incurred in excess of the amount in the customer's margin deposit.

If the passwords used in electronic authentication are abused by a third party, you may incur losses.

Crypto assets may be used for payments with unspecified persons, or bought and sold with unspecified persons as a counterparty. Crypto assets may only be used to settle a set price in the event that the person receiving the payment agrees to the amount.

Customers may incur losses if the conditions of our business or assets deteriorate. We manage customer assets separately from our own assets.

bitFlyer, Inc.

Director of the Kanto Finance Bureau No.00003

Type I Financial Instruments Business Kanto Local Finance Bureau(FIBO) No.3294

Membership: Japan Virtual and Crypto asset Exchange Association

#### **About bitFlyer, Inc.**

Established in 2014 with a mission of "Simplify the world with blockchain", we have developed a global crypto asset trading business with our sister companies bitFlyer USA, Inc. and bitFlyer EUROPE S.A. that has achieved the No. 1\* rating in customer satisfaction. As a crypto asset exchange operator and a type-1 financial instruments business, we shall endeavor to continue expanding and improving our services. We aim to be a highly liquid crypto asset exchange that satisfies as many customers as possible.

Service website: <https://bitflyer.com/en-jp>

\*Survey summary: market research on crypto asset exchange providers for the fiscal year ending in November 2022. Research agency: Japan Marketing Research. Survey period: November 11, 2022 to November 25, 2022.

#### **Media Inquiries**

PR team, bitFlyer, Inc.

Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6233

HP: <https://bitflyer.com/en-jp> Contact: <https://bitflyer.com/en-jp/Contact>