



March 11th, 2024  
bitFlyer, Inc.

**Updates to the Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement) and Announcement for Lightning FX transactions that may be conducted by the Company's Proprietary Trading Division**

The Written Explanation of Crypto Asset Trading (Document Requiring User Agreement) will be updated as of Friday, March 15th, 2024. We'll also make an Announcement for Lightning FX transactions that may be conducted by the Company's Proprietary Trading Division.

**■ Updates to the Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement)**

The revised documents and before and after comparisons can be found in the links below.

**The Written Explanation on Over-the-counter Crypto Asset Derivatives Trading (Document Requiring User Agreement)**

<https://bitflyer.com/pub/20240315-explanation-derivative-regulation-amendment-en.pdf>

**Before and after comparison table**

<https://bitflyer.com/pub/20240315-explanation-derivative-regulation-comparison-en.pdf>

**■ Lightning FX transactions that may be conducted by the Company's Proprietary Trading Division**

To the extent considered necessary to hedge against price fluctuation risks for the crypto asset inventory it holds, our Proprietary Trading Division may indicate quantities for desired Lightning FX transactions, together with prices, as tradable conditions. In the presentation of tradable conditions, the quantities of orders placed by customers in the same direction as that of trades indicated by the Proprietary Trading Division are aggregated, and tradable quantities at each price point are presented to customers.

When the gap between the trading price of Lightning FX and the spot trading price of the underlying cryptocurrencies widens, our Company's Proprietary Trading Division may, to the extent considered necessary to conduct Lightning FX transactions to capitalize on arbitrage opportunities in anticipation of the minimization of said gap, indicate quantities for desired Lightning FX transactions, together with prices, as tradable conditions.

**Disclaimer (Please read carefully):**

- Crypto assets are not a legal tender.
- Crypto assets may be used to settle a payment only in the event that the person receiving the payment agrees.
- Buying/selling crypto assets or exchanging them for other crypto assets are transactions which may result in losses incurred from price fluctuations of crypto assets. It is possible that the price of crypto assets declines due to influences from changes in balance of supply and demand, trends on prices of goods, currencies and other markets, as well as changes in situation related to crypto assets.
- Trading with over-the-counter crypto asset derivatives may cause losses, because their trading price may fluctuate in either way due to influence from changes in balance of supply and demand of over-the-counter crypto asset derivatives on our platform as well as indirect influence from price changes of the crypto assets referred by those over-the-counter crypto asset derivatives.
- Over-the-counter crypto asset derivative trades are trades in which the notional amount, which is the product of the trading price and the open interest volume, can be larger than the amount of the margin deposit. Therefore, the amount of loss incurred may be larger than the amount of margin deposit if the notional amount fluctuates to a greater extent than the amount of margin deposit to your disadvantage due to changes in balance of supply and demand of over-the-counter crypto asset derivatives or price fluctuations of the crypto assets referred by the derivatives.
- The margin deposit size for over-the-counter crypto assets derivatives must be no less than 50% of the notional amount, while the notional amount must be no more than 2 times the margin deposit. (Both for individual customers.) More information can be found on our "[What is Lightning FX?](#)" page.
- When making purchases or sales of crypto assets on Buy/Sell, or exchanging them for other crypto assets, customers bear the spread. The spread is the difference between the purchase and selling prices. The fees incurred when buying or selling crypto assets, exchanging them for other crypto assets or over-the-counter crypto asset derivatives as well as the calculation methods for the corresponding fees can be found on our "[Fees and Taxes](#)" page.
- Over-the-counter crypto asset derivatives are negotiated transactions between you and bitFlyer, Inc. which is the counterparty for you on those derivatives.
- You should thoroughly read and understand all of our documents that require user agreement. Trade at your own risk and judgment.

bitFlyer, Inc.

Director-General of the Kanto Finance Bureau No. 00003

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

Member of Japan Virtual and Crypto asset Exchange Association, which is Certified Association for Payment Service Providers as well as Financial Instruments Firms Association

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