



January 16, 2018

bitFlyer, Inc.

**Important Notice - Notification of SFD Implementation for Price Disparity Reduction
between Lightning Spot (BTC/JPY) and Lightning FX**

This January, we plan to implement Swap for Difference (SFD) to Lightning FX as a method of reducing the price disparity between Lightning Spot (BTC/JPY) and Lightning FX.

If the disparity reaches 10% or over, SFD will take effect. Users will pay SFD on trades that expand the disparity and will be granted SFD on trades that reduce the disparity. The amount paid or granted is calculated by multiplying the execution amount (JPY) and the SFD rate which is determined by the degree of the price disparity.

Ex: Let's say that there was a 15% disparity between Lightning Spot (BTC/JPY) (Last Trade Price = 2 million JPY) and Lightning FX (Last Trade Price = 2.3 million JPY). Alice buys 1 BTC from Bob using Lightning FX for 2.3 million JPY. SFD would take effect as follows:

- Alice pays 23,000 JPY for SFD upon settlement
- Bob is granted 23,000 JPY for SFD upon settlement

Also, the price disparity between markets is now displayed on the Lightning FX interface for your greater convenience.

SFD ranges/percentages are defined as follows.

SFD Rates by Price Disparity:

Price Disparity	SFD Rate
10% or over but under 15%	0.5%
15% or over but under 20%	1.0%
20% or over	3.0%