

Short Selling Rules

October 10, 2025

Introduction

On August 26, 2013, the **Financial Services Agency (FSA)** of Japan announced changes to short selling regulation, taking effect from November 5, 2013. This document summarizes the **short selling regulation** and the optional **price sliding feature** of Japannexts **PTS** trading services. For more information, contact .

Overview

When the price of a security reaches a certain threshold, short selling regulation imposes a price restriction in the form of the uptick rule. According to the uptick rule, short selling is allowed at a price above the last traded price and also at the last traded price on an uptick. Short sell orders prohibited by the uptick rule are rejected, unless price sliding is requested.

Trading Service Configuration

Price sliding is available for all order entry protocols. To enable price sliding, submit an application to Japannexts.

Short Selling Rules

Uptick Rule

- A security is on an uptick if its last traded price is higher than its previous price. At the beginning of the trading day, the last traded price is assumed to be the base price.
- On an uptick, short sell orders can be placed only at or above the last traded price. In other cases, short sell orders can be placed only above the last traded price.

Circuit Breaker

- A short sell circuit breaker is tripped when the security price falls to or below a threshold of 10% below the base price.
- Before the circuit breaker is tripped, no price restrictions are in effect on short selling above the threshold. However, short selling at or below the threshold is prohibited, unless exempted.
- After the circuit breaker is tripped, the uptick rule is activated.
- If the circuit breaker is tripped during the Nighttime Session, it remains tripped throughout the following Daytime Session.
- At the start of each Nighttime Session, if short selling price restrictions are to be in effect at the primary exchange (i.e., Tokyo Stock Exchange), the circuit breaker is tripped immediately.

Price Sliding

Price sliding allows short sell orders prohibited by the uptick rule to be accepted by adjusting the order entry price to the minimum acceptable level. Since the order price reported in the acknowledgment message reflects any adjustment, the accepted price may differ from the price specified in the request. This option has no effect on short sell exempt orders.

Market Data

The short selling price restriction status of each security is disseminated in real time via the public market data feed.

Market data protocol specification documents are available for download at