

ISDA[®] JAPAN MONTHLY UPDATE

June, 2011

COMMITTEE ACTIVITIES

DOCUMENTATION: Contact Kumi Namba (knamba@isda.org)

ISDA requested Documentation Committee members to submit comments on the “Interim Report of Points at Issue on the Civil Code (law of obligations) Reform” published by the Ministry of Justice. Members are asked to specify which of the proposed provisions might have what kind of negative effects on existing market’s practices and operations for what types of OTC derivative contracts. ISDA anticipate submission of comments to the MOJ during the public comment period which will close on August 1.

REGULATORY: Contact Tomoko Morita (tmorita@isda.org)

OTC Derivatives regulations / CCP Working Group

On June 24, the second meeting of the Working Group was held to discuss the clearing obligation under the Financial Instruments and Exchange Act (FIEA). Members agreed to prepare a letter with a proposal for the scope of clearing obligations under the FIEA. Relating to this initiative, ISDA conducted the survey to the dealers on outstanding and trading volumes by location of the booking and executing offices by currency to determine the scope of clearing obligations depending on the impact.

MARKET INFRASTRUCTURES: Contact Kumi Namba (knamba@isda.org)

Interest Rate Derivatives

On June 24, ISDA Rates Steering Committee members reviewed the draft contingency plans for the JPY ISDAFIX rate which ISDA and Thomson Reuters have put together following the disaster of March 11. Draft plans include special calculation rules and publication rules for JPY fixings which could be invoked when less than normally required number of contribution rates were available due to occurrence of an extraordinary event such as a wide-scale disaster.

ISDAFIX is a leading benchmark for fixed rates on interest rate swaps worldwide. ISDA established ISDAFIX in 1998 in co-operation with Reuters (now Thomson Reuters) and Intercapital Brokers (now ICAP plc.). For further information on ISDAFIX, please visit the ISDAFIX page on ISDA website (www.isda.org).

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

OTC Derivatives/CCP Working Group (Japanese language meeting)	tbc
Documentation Committee (Japanese language meeting)	tbc
Impact of US and European Regulations on Global Institutions Conference Hotel Okura (English or Japanese language conference)	August 8
New ISDA 2011 Equity Derivatives Definitions Conference Hotel Okura (English or Japanese language conference)	September 9