

ISDA® JAPAN MONTHLY UPDATE

July, 2009

COMMITTEE ACTIVITIES

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

On July 1, Japan Accounting Committee meeting was held and members reviewed the Discussion Paper issued by the Accounting Standard Board of Japan (ASBJ) on the revisions of Financial Accounting Standard in accordance with the "Tokyo Agreement" between IASB and ASBJ, which consented to the convergence of accounting standards by 2011. The issues covered by the paper include the scope of the financial instruments, the fair value accounting, and hedge accounting treatment for OTC derivatives. ISDA submitted the comment letter to the DP on July 29.

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

July 15 - Japan Operations Committee members met to discuss the industry initiatives and targets set out in the June FED letter and what impacts they may have on Japanese derivatives market and its participants.

July 29 - Foreign dealer firm members met to further discuss the FED letter initiatives from OMG members' point of view. Discussions at both meetings centered around the new electronic platform on-boarding target set out for CDS.

CREDIT DERIVATIVES: Contact: Tomoko Morita (tmorita@isda.org) / Kumi Namba (knamba@isda.org)

On July 8, Japan CDS Standardization WG had its inaugural meeting to discuss possible implementation of standard coupons and other related market practice changes to Japan CDS market. Members decided to meet again in one month time to further discuss what conventions would work best for Japan CDS market.

Japan Credit CCP WG meetings were held on July 9, 23 and 30, and WG members discussed the ideal framework of the CCP for Japanese underlying credits, which will be shared with CCPs and regulators. It was agreed to discuss the framework from the 8 perspectives, i.e. product scope, participants, interoperability, supports during Tokyo time, regulatory, cost, workflow and the timing (targeted launch date).

EQUITY DERIVATIVES: Contact: Kumi Namba (knamba@isda.org)

July 8 - ISDA circulated the draft of Japanese Dividend Swaps MCA amendments to the working group members for review. Comments are due July 22.

July 10 and 17 - Japan Variance Swaps Working Group had a series of conference calls to discuss what MDE rule should apply to Japanese Index Variance Swaps.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

CDS Standardization Working Group (Japanese language meeting)	August 4
Japan Collateral Committee (Japanese language meeting)	August 6
Credit CCP Working Group (Japanese language meeting)	tbc