

# ISDA® JAPAN MONTHLY UPDATE

**April, 2006**

## **COMMITTEE ACTIVITIES**

### **English Speaking**

A meeting of Japan English Speaking Committee, a forum for non-Japanese speaking members based in Tokyo, was held on April 21. ISDA CEO Robert Pickel provided an overview of ISDA's recent activities and Mr. Wani of Linklaters did a presentation on the Financial Instruments and Exchange Law as well as other new legislative items such as provisions for 'quasi-foreign company' under the new Company Law. Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org)) / Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

### **Equity Derivatives**

A pre-publication version of the 2006 JAPAN MASTER VARIANCE SWAP CONFIRMATION AGREEMENT - Cash-settled Index Variance Swap template was circulated on April 27. At Working Group member request, ISDA decided to focus first on publication of Index Variance Swap template and then move to resolve issues with the Share Variance Swap template. Members are requested to send their final comments on the draft by May 10. May 12 publication anticipated. Contact: Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

### **Regulatory**

The second seminar session on recent legal and regulatory developments in Japan was held on April 11. Mr. Hadama, one of the legislators in the Ministry of Justice for Japanese Company Law gave a presentation on the framework of the new law. The new law will replace and substantially change the provisions of the Commercial Code that relate to companies. Certain substantial changes related to the stock system include dividends, share repurchases, fractional share system, etc. These changes may have some impacts on the interpretation of ISDA definitions and documents. The session was well attended with nearly 90 people from both Japanese and non-Japanese member firms. Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org))

### **Weather, Commodity and Developing Products**

The Committee meeting was held on April 27 where Mr. Katsuyama of Suisse Re Capital Markets, who is also co-chair of the Committee, gave a presentation on the current market status and future prospects on Insurance-linked Securities (ILS) including catastrophe bonds as well as the structured products using weather derivatives or commodity derivatives. Another item discussed in the meeting was the regulatory development on emission trading in Japan. Messrs Ota and Imoto of Nagashima Ohno & Tsunematsu explained the status quo and the future path of Japan's emission trading market. Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org))

## **PRE-STRATEGIC MEETING**

On April 20, representatives of ISDA's Primary members in Tokyo gathered to hear updates on recent ISDA activities, both global and regional, and to present their current concerns and requests to ISDA. ISDA's Executive Director and Chief Executive Officer, Robert Pickel who is based in New York also joined the meeting.

## **UPCOMING COMMITTEE AND WORKING GROUP MEETINGS**

<b>Japan Steering Committee:</b> (Japanese language meeting)	<b>May 12</b>
<b>Japan Credit Derivatives Market Practice Subcommittee:</b> (English language meeting)	<b>May 18</b>
<b>Japan Credit Derivatives Committee:</b> (Japanese language meeting)	<b>tbc</b>