

# ISDA® JAPAN MONTHLY UPDATE

April, 2009

## COMMITTEE ACTIVITIES

**REGULATORY:** Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org))

On April 13, officials from the Ministry of Economy, Trade and Industry participated in the Japan Regulatory Committee and provided the background/reasons behind the bill amending the Commodity Exchange Act which was submitted in early March. The amendments intend to cover OTC transactions as well as the exchange transactions. Accordingly some additional rules for conduct will be applicable to commodity derivatives after the implementation.

On April 14, ISDA submitted the letter to the Financial Services Agency of Japan (FSA). The letter asks for confirmations and considerations on the bill amending the Financial Instruments and Exchange Act. One of the amendments relates to OTC derivatives is that the segregation of the customers' asset rule that will be applied to collateral relating to security-related OTC derivatives except for the certain transactions for which the investors protection is considered to be unnecessary. ISDA met with the FSA to follow up on April 15.

Mr. Kiyotaka Sasaki, Director at Strategy and Coordination Division of Securities and Exchange Surveillance Commission (SESC), was invited to speak at the Japan Regulatory Committee meeting on April 28. He presented his views on the current market and regulatory environment of CDS and the challenges that supervisors face to strengthen the soundness and transparency of the market. An active exchange of views among all participants was held after the presentation.

**EQUITY DERIVATIVES:** Contact: Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

On April 2, Japan Dividend Swap Working Group met by a conference call to discuss the scope of Material Non-Cash Dividends under the Japan Dividend Swap MCA. The group also looked into the issue in relation to "Di" and "ni" in the Dividend Amount formula, i.e. When Di and ni for the purposes of trading on Ex-Date are published and from which source.

**OPERATIONS:** Contact: Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

At the April 28th meeting of Japan Operations Committee, a Markit representative provided a presentation on proposed Markit/DTCC combined confirmation platform services. And ISDA provided brief update on Operations related meetings held during ISDA's Annual General Meeting in Beijing and publication of 2009 Operations Benchmarking Survey.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

**ISDA Symposium®**

**Close-outs under the ISDA Master Agreement and the ISDA Credit Support Annex** **May 26**  
(Arcadia Ichigawa)

**ISDA Symposium®**

**Credit Derivatives Auction Settlement after the Big Bang** **May 27**  
(Arcadia Ichigaya)

**Japan FIEA Working Group**

(Japanese language meeting) **May 27**

**Japan Dividend Swap Working Group**

(English language conference call) **tbc**