

ISDA® JAPAN MONTHLY UPDATE

August, 2006

COMMITTEE ACTIVITIES

Equity Derivatives: Contact: Kumi Namba (knamba@isda.org)

A draft Annex SVS (cash-settled share variance swap) to the 2006 JAPAN MASTER VARIANCE SWAP CONFIRMATION AGREEMENT was circulated on August 8. Comments are due August 31.

ISDA has prepared a table comparing the provisions of the templates for the US, Europe, Japan and Asia-Pacific (excluding Japan) to explore the possibility of global convergence (i.e. one common approach) for Market Disruption Events, including disruptions on the Observation Start Date. Comments are due September 8.

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

On August 10, Operations Committee members met by a conference call to discuss calibration method of Cash Settlement Payment Dates in connection with early termination options. The group will meet again on September 5 to further discuss possible implementation of so-called "Trade Date approach" which proposes to link the CSPD from Trade Date (as opposed to Effective Date or "would be Effective Date") for all types of interest rate derivatives including spot start, forward start and novation transactions.

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

Third meeting of Financial Instrument and Exchange Law ("FIEL") Working Group was held on August 7 to discuss the draft comment letter to Japanese FSA, the law makers of the FIEL. The finalized letter was submitted on August 29 and on the following day ISDA met with the officials of Japanese FSA to discuss the letter in details. The Working Group will meet again on September 7.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

Japan JMPF/MNPI Working Group: (Japanese language meeting)	September 1
ISDA/TRMA Joint Seminar: (Japanese language meeting)	September 4
Japan Operations Committee (IRS focused): (English language conference call)	September 5
FIEL Working Group: (Japanese language meeting)	September 7
Japan Steering Committee: (Japanese language meeting)	September 8
Japan Operations Committee: (English language meeting)	October [25]

UPCOMING CONFERENCES

ISDA REGIONAL MEMBER CONFERENCE: TOKYO - Four Seasons Hotel Tokyo at Chinzan-so	October 26
---	-------------------