

# ISDA® JAPAN MONTHLY UPDATE

**December, 2006**

## COMMITTEE ACTIVITIES

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

Japan Collateral Survey was conducted to study the collateral usage for OTC derivatives transactions in Japanese market as of the end of 2003, 2004, and 2005. 22 member firms in Japan including 17 banks and 5 securities companies responded to the Survey, and the results were circulated to the respondents on December 25.

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

On December 19, pre-publication draft of Japanese share variance swap template (Annex SVS to the Japanese Master Variance Swap Confirmation Agreement) was circulated to the variance swap working group. On December 21, ISDA published the finalized Annex SVS and the updated Master Variance Swap Confirmation which now refers to the SVS in addition to IVS (index variance swap).

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

On December 27, J-FSA published the exposure draft of revised of FSA Notification on the New Capital Adequacy Regulation' to reflect the changes in Company Law. Also, additional rulebook text i.e. 'FAQ on Basel II' regarding Treatment of Funds in Basel II was published. It was intended to clarify the methodologies for calculating the required capital for funds when the assets in the funds are not identified.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

|  |                   |
|--|-------------------|
| <b>Japan Steering Committee:</b><br>(Japanese language meeting)  | <b>January 12</b> |
| <b>Japan Documentation Committee / English Speaking Committee:</b><br>(English language joint meeting) | <b>January 16</b> |
| <b>FIEL Legislative Working Group:</b><br>(Japanese language meeting)                                  | <b>January 17</b> |
| <b>MNPI Working Group:</b><br>(Japanese language meeting)  | <b>tbc</b>        |
| <b>Japan Collateral Committee:</b><br>(Japanese language meeting)                                      | <b>tbc</b>        |