

ISDA® JAPAN MONTHLY UPDATE

December, 2009

COMMITTEE ACTIVITIES

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

A joint meeting of Japan Documentation Committee and Japan Credit Derivatives Committee was held on December 10, and Japanese legal counsel Mr. Wani of Linklaters and other experts provided basic information about the ADR procedures and what could be the issues to be considered in connection with potential Event of Default or Credit Event.

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

On December 25, ISDA circulated a draft of Japan Corporate Calculation Agent City Protocol. The protocol offers market participants an efficient way to update non-market standard Calculation Agent City specified for legacy transactions (such as “London”) to the current standard “Tokyo”. Comments due January 7, 2010.

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

On December 17, the Financial Services Agency (FSA) published a draft of the revised regulatory framework on December 17 that included OTC derivatives regulations (Draft Blueprint for the Development of Institutional Frameworks Pertaining to Financial and Capital Markets). ISDA’s comments, submitted to the FSA on December 28, focused on the use of central counterparties (CCPs), credit event determinations, trade repository and solicitation rules.

On December 24, ISDA attended the meeting organized by the FSA to exchange views on the draft framework on OTC derivatives regulations, and commented the CCPs on IRS/CDS as well as the process of credit event determinations by ISDA Determination Committee.

On December 22, the FSA released the responses to the comments submitted on their draft proposal of cabinet ordinances of the revised Financial Instruments and Exchange Act, including ISDA’s comments on the clients’ assets segregation rules.

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

On December 18, ISDA circulated the pre-publication draft of revised Japan Dividend Swap MCA for final comments due January 5, 2010.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

Operations Committee (English language conference call)	January 6
Operations / Credit Derivatives Committee (English language conference call)	January 14
Regulatory / Credit Derivatives Committee (Japanese language meeting)	January 28