

ISDA® JAPAN MONTHLY UPDATE

February, 2007

COMMITTEE ACTIVITIES

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

On February 22, results of 2007 Japanese Credit Derivatives Market Survey were reported back to the survey participants. 19 member firms contributed to this year's survey.

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

To help local members review the new terms in the 2006 ISDA Definitions, ISDA provided a Japanese language version of summary changes in the new Definitions from the 2000 ISDA Definitions. As of January month-end, most local members were continuing to conduct review of the new Definitions.

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

ISDA held a meeting with Japanese Bankers Association (Staff to Chairman & Vice Chairman) to exchange views on implementing Financial Instruments and Exchange Law (FIEL). One issue that concerns members is whether or not they are permitted to trade emissions, which will be specified in draft of cabinet orders that Japanese FSA plans to publicize in spring.

RISK MANAGEMENT: Contact: Tomoko Morita (tmorita@isda.org)

Japan Risk Management Committee was held February 2 where Emmanuelle Sebtou, Head of Risk Management at ISDA, had presentation on Counterparty Credit Risk measurement under Basel II.

ISDA met with Japanese FSA to discuss issues relating to Basel II Implementation as well as ISDA's global initiatives in derivatives market. ISDA also met with Bank of Japan to discuss trading book issues including the recent work on incremental default risk modeling.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

JMPF/MNPI Working Group: (Japanese language meeting)	March 6
Documentation Committee (Japanese language meeting)	March 7
Steering Committee (Japanese language meeting)	March 9
Collateral Committee: (Japanese language meeting)	March 26