

ISDA® JAPAN MONTHLY UPDATE

January, 2006

COMMITTEE ACTIVITIES

Steering

Steering Committee met on January 13, and decided to conduct a local member survey on potential Japan Committee activities for year 2006. Questionnaire sheet was distributed on January 23 and members were requested to submit response to ISDA by fax (+813-5733-5501) **by Friday, February 3.**

Credit Derivatives

Market Practice Subcommittee will meet on February 15 to discuss issues including; standardization of Calculation Agent City, proposed Cash Settlement approach for single name and index CDS, and documentation for quasi public corporations. Contact: Kumi Namba (knamba@isda.org)

Equity Derivatives

A conference call was held on January 19 to discuss the Tokyo Stock Exchange's trading suspension of equities, convertible bonds and exchangeable bonds on January 18.

Circulation of third draft Japanese Variance Swap Master Confirmation form together with a list of outstanding issues anticipated for early February. Contact: Kumi Namba (knamba@isda.org)

Risk Management

ISDA submitted the comment letter to Japanese FSA on the final draft of Japan's Basel II Implementation on January 26. The comments include the treatment of counterparty risk and incremental default risk derived from trading activities. Contact: Tomoko Morita (tmorita@isda.org)

Novation Protocol II ("NP II")

NP II will open on Wednesday, February 1, and will remain open indefinitely to facilitate the entrance of new entities to the market. Final document and explanatory materials are available on ISDA website (www.isda.org). Contact: Kumi Namba (knamba@isda.org)

OTHER ACTIVITIES

Surveys

Members are requested to submit response to Year-End 2005 ISDA Market Survey, 2006 ISDA Margin Survey and 2006 ISDA Operations Benchmarking Survey **by Friday, February 3.** Contact: Tomoko Morita (tmorita@isda.org)

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

Steering Committee: (Japanese language meeting)	February 3
Regulatory Seminar: (Japanese language seminar)	February 9
Credit Derivatives Market Practice Subcommittee: (English language meeting)	February 15

STAFF NOTES

As of January 24, Eri Takano joined the ISDA Tokyo office as a new Administrative Assistant replacing Tomoko Konisho.