

ISDA® JAPAN MONTHLY UPDATE

January, 2008

COMMITTEE ACTIVITIES

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

The draft for revised version of 1995 ISDA Credit Support Annex (Security Interest - Japanese Law) was circulated to the Japan Collateral Committee members for their reviews. The revision reflects the Netting Law (1998), New Bankruptcy Law (2005), as well as the new securities clearing system (Law Concerning Book Entry Transfer of Bonds (2001) which were all implemented after the Japanese Annex was published. The comments for the draft are due February 12, and the explanatory session is scheduled in late February.

WEATHER, COMMODITY & DEVELOPING PRODUCTS: Contact: Tomoko Morita (tmorita@isda.org)

Property Derivatives: the requirements for property index which could be used for derivatives transactions distributed to the working group members, which would be discussed in the next working group meeting scheduled on February 6.

CREDIT DERIVATIVES: Contact: Tomoko Morita (tmorita@isda.org)

The version 5 of the Credit Derivatives Physical Settlement Matrix has been published in which the new section for Calculation Agent City (CAC) was added on December 6, 2007. Japan Credit Derivatives Market Practice Committee members and Japan Operations Credit Derivatives Working Group were reminded that Tokyo was elected as a default of CAC for Japanese Corporate and Japanese sovereign names. Co-chairs of the committees suggested changing the systems accordingly by the end of January if it is not yet completed.

Committee members were requested to participate in the annual survey of Japanese CDS Market activities. The objective of the survey is to produce useful information on activities, key products and constraints of the Japanese credit derivatives market. Responses are due January 31.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

Dividend Swap Working Group (English language conference call)	February 5
Property Derivatives Working (Japanese language meeting)	February 6
Committee Chair Meeting (Doc/Reg/RM)	February 7
Committee Chair Meeting (CD/CDMP)	February 8
Committee Chair Meeting (WCDP) (Japanese language meeting)	February 15
Variance Swap Working Group/Equity Derivatives Committee (English language conference call)	February 13
Emission Trading Working Group (Japanese Language Meeting)	tbc
Collateral Committee (Japanese language Meeting)	tbc