

ISDA® JAPAN MONTHLY UPDATE

July, 2007

COMMITTEE ACTIVITIES

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

Dividend Swap Working Group met by a conference call on July 12 to discuss issues including the structure and organization of the Master Confirmation Agreement, parameters of Relevant Dividend and Index Adjustment Event elections. Minutes of the meeting were distributed on the following day and members were requested to provide comments by July 20.

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

ISDA circulated an advisory note relating to market moves to commence adoption of the 2006 Definitions for interest rate and currency derivatives transactions as of July 30. The 2006 Definitions published at the beginning of 2007 are intended to supersede the 2000 Definitions, reflecting evolving market practice. The revised version of MTM Matrix was circulated to the members on July 31. MTM Matrix sets out standard terms for use when marking to market MTM swaps.

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

On July 31 Japanese FSA released its responses to public, comments on Cabinet Orders etc. on Financial Instruments and Exchange Law (FIEL), including ISDA's comments on regulations of conduct i.e. advertisement, document to be delivered before/upon/after conclusion of contract, insider trading regulations on credit derivatives, etc. It was announced that Cabinet Orders will be published from August 6 in order of precedence. Implementation date set for September 30, 2007.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

Weather, Commodities and Developing Products Committee (Japanese language meeting)	August 1
Dividend Swap Working Group (English language conference call)	tbc

CONFERENCES

On July 10, Credit Derivatives Conference was held at the Imperial Hotel in Tokyo. Agenda included the recent development of Credit Portfolio Management practices in Japan and globally as well as documentations i.e. 2003 Credit Derivatives Definitions and Loan Only CDS/CDX.