

# ISDA® JAPAN MONTHLY UPDATE

June, 2009

## COMMITTEE ACTIVITIES

**ACCOUNTING:** Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org))

Accounting Standard Board of Japan (ASBJ) released the consultative document about the revisions of the current accounting treatments of financial instruments in light of the “Tokyo Agreement” between IASB and ASBJ which consented to the convergence of accounting standards by 2011. The issues covered by the consultative document include the scope of the financial instruments, the fair value accounting, and hedge accounting. ISDA will submit the response paper which is due July 29.

**COLLATERAL:** Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org))

Guidelines for collateral practitioners in Japanese language was published and distributed to members at the Japan Collateral Committee meeting on June 8. In the meeting, members were also provided with the industry commitments described in the Fed letter submitted on June 2, including daily electronic portfolio reconciliations, market-wide solutions for collateral disputes, as well as expected impacts on Japanese market participants.

On June 23, second meeting of the Japan Collateral Committee was held, where tax and legal issues in relation to the collateralized transactions were discussed. The issues discussed in the meeting include the revised rules for customers’ asset segregation under the Financial Instruments and Exchange Act, which was promulgated on June 24.

**CREDIT DERIVATIVES:** Contact: Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org)) / Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

Results of the 2009 ISDA Japanese Credit Derivatives Market Survey were reported back to the members of Japan Credit Derivatives Committee members. This detailed survey of Japanese credit derivatives market activities is conducted to measure the transition of trading volume of key products and to identify the constraints that are impeding the development of the Japanese credit derivatives market.

A survey was conducted to gauge member interest in discussing various issues relating to potential central clearing of Japanese underlying CDS. As the result, Japan Credit CCP Working Group has been launched and the inaugural meeting was held on June 23, to discuss the establishment of CCP for the CDS on Japanese credits.

**EQUITY DERIVATIVES:** Contact: Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

ISDA requested Japan Variance Swap Working Group members for feedbacks on follow up issues from the last WG conference call regarding MDE rules for Japanese Index Variance Swaps. Next meeting of the WG will be held on July 10.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

<b>Japan Accounting Committee</b> (Japanese language meeting)	<b>July 1</b>
<b>CDS Standardization Working Group</b> (Japanese language meeting)	<b>July 8</b>

**Credit CCP Working Group**  
(Japanese language meeting)

**July 9**

**Japan Variance Swap Working Group**  
(English language conference call)

**July 10**

**Japan Operations Committee**  
(Japanese language meeting)

**tbc**