

ISDA® JAPAN MONTHLY UPDATE

March, 2007

COMMITTEE ACTIVITIES

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

ISDA requested Committee members to participate in the annual survey of Collateral use in OTC derivatives in Japan market. The objective of the survey is to produce useful information on what kind of collaterals and how firms are using collateral in Japanese OTC derivatives market, which may differ from that in the U.S./EU market. Responses were due March 12.

On March 26, Committee members met to discuss the current issues in collateral management including the results of collateral survey for 2006 (end of 2005) and the recent trend and developments in collateral market; recent developments in the discussion in Collateral Law Reform; and updates from Collateral Committee such as Collateral Framework Working Group, ongoing “thematic review” of collateral management practices and the publication by BIS on Payment and Settlement Systems entitled “New Developments on Clearing and Settlement Arrangements for OTC Derivatives”

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

A meeting of JMPF/MNPI Working Group was held on March 6 to discuss issues relating to implementation of the Financial Instruments and Exchange Law (“FIEL”) with particular focus on the insider trading provisions potentially applicable to the credit portfolio management activities of the Japanese credit market participants.

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

Japan Documentation Committee meeting was held on March 7 where Mr. Wani and Ms. Okado of Linklaters had a presentation on Japanese netting opinion.

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

On March 14, ISDA and IACPM met with Japanese FSA to discuss some of the joint works, namely, Convergence of Economic Capital Models project, Control of material non-public information (and the joint market practices forum guidelines issued by IACPM, ISDA, et al) and Basel II implementation.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

Steering Committee
(Japanese language meeting)

tbc