

# ISDA® JAPAN MONTHLY UPDATE

March, 2008

## COMMITTEE ACTIVITIES

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

**Retail Structured Products:** The latest draft (English original and Japanese translation) of “Principles for Managing the Distributor-Individual Investor Relationship” and the letter from the Chair of Joint Association Committee (JAC) were circulated to Japan Regulatory Committee members on March 21. Members were requested to submit comments by April 25.

**FIEL:** On March 19, ISDA submitted the letter on the remaining issues after the implementation to Financial Services Agency of Japan. Remaining issues include the treatments of the collateral posted against OTC derivatives transactions and OTC financial future transactions, property (index) derivatives and freight derivatives etc.

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

**Property Derivatives:** The third meeting of the Japan Property Derivatives Working Group convened on March 14, and it was discussed if it is feasible to use either Form X or Form Y for Japanese property indices, or if it is necessary to develop other form, i.e. Form Z. Members agreed to form a group to continue further discussion.

**Emissions Trading:** On March 11 and 14, ISDA met with Ministry of Economy, Trade and Industry (METI) and the Ministry of Environment (MOE) to exchange views on establishment of emission trading market in Japan. ISDA was invited to the Study Group meetings which METI formed to enhance Japan’s emissions trading market and put in place the basic infrastructure necessary for increasing the liquidity and accessibility to the emission credits under Kyoto Protocol (Kyoto credits).

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

Japan Collateral Committee meeting was held on March 13, and Japanese legal counsel and the chair of Japan Documentation Committee explained the background and the details of revisions made to the 1995 ISDA Credit Support Annex (Security Interest - Japanese Law). Second draft that reflected the members’ comments was circulated to Japan Documentation and Collateral Committee members.

Japan Collateral Committee members were invited to participate in the annual survey of Collateral use in OTC derivatives in the Japan market. The objective of the survey is to produce useful information to track the local market practices, i.e. the state of collateral use and management among derivatives dealers and end-users who have activities in Japanese market.

Chair of Japan Collateral Committee, Mr. Manabe of Mitsubishi UFJ Securities has stepped down, and Mr. Ueshima of Bank of Tokyo-Mitsubishi UFJ was appointed as new Chair of the Committee. ISDA would like to thank Mr. Manabe’s contributions to the Committee activities and welcome Mr. Ueshima.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

**ISDA 23rd Annual General Meeting**  
Hilton Vienna

**April 15–17**

**Property Derivatives Working**  
(Japanese language meeting)

**April 24 (tbc)**