

ISDA® JAPAN MONTHLY UPDATE

November, 2006

COMMITTEE ACTIVITIES

Japan Committee Survey:

ISDA conducted a member survey on potential Japan Committee activities for year 2007. Members were requested to submit response to ISDA by November 30.

Equity Derivatives: Contact: Kumi Namba (knamba@isda.org)

Japan Variance Swap Working Group met by a conference call on November 16 to discuss dividend adjustment language in the draft share variance swap form (Annex SVS to the Master Variance Swap Confirmation). Subsequent to the call, ISDA circulated external counsel's memo explaining dividends under Japanese law along with suggested revisions to the language. Comments are due December 1.

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

Survey for the collateral use in the Japanese market was conducted, and 22 member firms including 2 non-Japanese firms have responded.

Risk Management: Contact: Tomoko Morita (tmorita@isda.org)

J-FSA published the exposure draft of financial inspection guidelines which will be live in April 2007. The guidelines consist of check lists for the soundness of organizational structures for comprehensive risk management, regulatory capital management, operational risk management, Standard Approach and IRB Approach. The comments are due on December 18.

CONFERENCES

On November 30, ISDA hosted UNDERSTANDING COLLATERAL ARRANGEMENTS AND THE ISDA CREDIT SUPPORT DOCUMENTS CONFERENCE at ANA Hotel in Tokyo.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

Japan Steering Committee: (Japanese language meeting)	December 8
Japan Documentation Committee / English Speaking Committee: (English language joint meeting)	January [16]
Japan Collateral Committee: (Japanese language meeting)	tbc