

# ISDA® JAPAN MONTHLY UPDATE

*November, 2009*

## COMMITTEE ACTIVITIES

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

On November 6, Members of Japan Accounting Committee met and Japan's accounting counsel, Ms. Sawako Ueno, together with Messrs. Tetsuya Mogi and Toyohiro Fukata at Ernst and Young provided updates on discussions in IASB relating to 1) Classification and Measurement, 2) Derecognition, 3) Hedge Accounting and 4) Fair Value Measurement, as well as ASBJ/JICPA's current views on these topic.

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

Japan Collateral Committee met on November 13 to exchanged views on the collateral management practices including Dispute Resolution Procedures and MOU on portfolio reconciliation by the members in Asia-Pacific region. The members also discussed the customers' assets segregation rules stipulated in the revised Financial Instruments and Exchange Act (FIEA), where the assets received from the non-professional clients need to be segregated in trust accounts.

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

On November 16, ISDA submit the comment letter to Japanese FSA on its exposure draft of the cabinet ordinances relating to the revised FIEA. ISDA's comments focused on the rules of the customers' assets segregation. More specifically, ISDA confirmed 1) the methodology of segregating the collateral assets received from the customers under ISDA Master Agreement and Credit Support Documents, 2) the relevancy and consistency of the rules with provisions of the Netting Law in Japan, and 3) consistent approach to the asset segregation rules for the commodity derivatives transactions, which will be stipulated in the cabinet ordinances of revised Commodity Futures Act being drafted by the Ministry of Economy, Trade and Industry.

On November 25, ISDA met with officials at Ministry of Agriculture, Fisheries and Food (MAFF) to exchange views on the current commodity derivatives market on agricultural products.

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

Dividend Swaps WG: On November 13, a question and proposed further amendment to the draft definition of Morning Print was circulated to the WG members for review. Comments due November 20.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

**Credit Derivatives / Documentation Committee**  
(English language meeting)

**December 10**