

ISDA® JAPAN MONTHLY UPDATE

October, 2006

COMMITTEE ACTIVITIES

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

Japan Credit Derivatives Committee met on October 11 to discuss issues including Japanese municipal CDS, LCDS, Physical Settlement Matrix and CDS protocol.

On October 30, ISDA met with JSLA (Japan Syndication and Loan-trading Association) to discuss potential co-work in developing Japanese LCDS standards as well as treatment of material nonpublic information by credit and loan market participants.

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

Japan Variance Swap Working Group met by a conference call on October 13 and 19 to discuss treatment of dividends in the draft share variance swap form (Annex SVS to the Master Variance Swap Confirmation). On October 30, ISDA circulated the pre-publication draft of the Annex SVS. Approval and comments are due November 6.

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

Japan Operations Committee met on October 25. ISDA provided an update on issues including confirmation backlogs, CDS physical settlement matrix as well as FpML developments.

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

ISDA met with Japanese FSA to follow up the issues which were discussed in the August 30 meeting on Financial Instruments and Exchange Law (FIEL). The main focus was on the swap transactions with Japanese clients, being arranged by Japanese affiliates of non-Japanese financial institutions and booked in the head office located outside Japan, i.e. whether or not it is necessary for the head office to register.

ISDA also had a meeting with Japan Securities Dealers Association (JSDA) for information exchange as to FIEL and for discussing possible future cooperation in offering industry's opinions to the regulators.

CONFERENCES

On October 26, ISDA REGIONAL MEMBER CONFERENCE was held at the Four Seasons Hotel at Chinzan-so in Tokyo. Mr. Keiji Kono, Deputy Director-General, Market Analysis and Statistics, Financial Markets Department, Bank of Japan was the featured keynote speakers at the Conferences, and it was very well attended with over 120 delegates.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS

Japan Steering Committee: (Japanese language meeting)	November 10
Japan Documentation Committee / English Speaking Committee: (English language joint meeting)	mid-December

UPCOMING CONFERENCES

Understanding Collateral Arrangements and the ISDA Credit Support Documents: Tokyo – ANA Hotel Tokyo	November 30
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