

# ISDA<sup>®</sup> JAPAN MONTHLY UPDATE

October, 2010

## COMMITTEE ACTIVITIES

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

### Financial Instrument and Exchange Act (FIEA)

The Financial Services Agency (FSA) published the exposure draft of the revised Cabinet Office Orders to the FIEA on October 22. The revisions detail the rules on clearing houses for OTC derivatives, such as the financial or licensing requirements for inter-operation between CCPs. The revisions also cover regulations such as cold calling for OTC derivatives, hedge funds as well as new rules for property derivatives. ISDA plans to submit comments due on November 22.

### Credit Derivatives

On October 7, ISDA and representatives from the Japan Credit CCP Working Group met with the FSA to address issues related to the liability of a CCP's members, and shared the results of the survey on clearing members' liabilities. On October 14, the Working Group meeting was held and members agreed to conduct another survey focusing the default management process when a clearing member defaults in Japan.

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

APAC Collateral Management Operations Working Group was held on October 12, and members from the Japan Collateral Committee joined to discuss the practical issues on customers' asset segregation rules under the Financial Instrument and Exchange Act as well as Commodity Futures and Exchange Act.

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

On October 18, Japan Accounting Committee (JAC) met and ISDA's counsel, Ms Ueno at E&Y has provided the current discussions at IASB on hedge accounting rules and the netting of assets and liabilities issues. It was agreed in the meeting that the JAC will closely watch on the developments of these discussions.

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

On October 28, 15 dealers participated in the auction to settle the credit derivatives trades across the market referencing Takefuji Corporation. The auction was administered by Creditex and Markit and results can be found on creditfixings website ([www.creditfixings.com](http://www.creditfixings.com)).

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

APAC Implementation Group meeting was held on October 26. Mr. Julian Day, Global Head of Trading Infrastructure of ISDA joined the meeting to give members an update of the recent operations developments in the US / Europe.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS/CONFERENCES

<b>Japan Credit CCP Working Group</b> (Japanese language meeting)	11/12
<b>Japan Regulatory Committee</b> (Japanese and/or English language meeting)	tbd
<b>Japan Documentation Committee</b> (Japanese language meeting)	tbd