

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

December, 2011

## COMMITTEE ACTIVITIES

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

ISDA circulated the updates on recent discussions in the IASB on hedge accounting and offsetting rules for financial assets and liabilities. The IASB recently completed redeliberations on its general hedge accounting and is expected to release a review draft of the standard in early 2012, with a final standard expected later in 2012. The new hedge accounting rules will have an impact on Japanese accounting developments. The details will be discussed in the committee meeting in February.

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

ISDA met with the representatives from NY Fed to exchange views on regulatory developments and market infrastructures for OTC derivatives including central clearing, trade repositories, and other industry initiatives such as portfolio compression and regular reconciliation.

### CCP DMP Working Group

On December 5, Working Group members met to discuss continued agenda of the default management process and related issues. Main items that members focused on are 1) capped liability for non-defaulting members regardless of number of the member's defaults during a certain period of the market stress under serious financial crisis, 2) members' withdrawal rule to ensure orderly exit and position liquidation, and 3) *Ex ante* rules for CCP's business continuity. Members agreed to work on the proposals on these three topics that will be shared with the regulator as well as a clearinghouse.

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

### Japan Determinations Committee

On December 12, ISDA published Japan DC's resolution on Succession Event questions for the following reference entities: 1) Asahi Breweries, Ltd. and 2) CSK Corporation. The resolutions can be found on Credit Derivatives section of ISDA website (<http://www.isda.org/credit/>).

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

<b>CCP Default Management Process (DMP) Working Group</b> (Japanese language meeting)	<b>1/5/2012</b>
<b>Documentation Committee</b> (Japanese language meeting)	<b>tbc</b>
<b>CREDIT DERIVATIVES CONFERENCE</b> (Japanese language conference)	<b>2/2/2012</b>
<b>COLLATERAL INITIATIVES SYMPOSIUM</b> (English language symposium)	<b>2/6/2012</b>