

ISDA® JAPAN MONTHLY UPDATE

May 2016

COMMITTEE ACTIVITIES

COLLATERAL: Contact: Tomoko Morita (tmorita@isda.org) / Kaori Horaguchi (khoriguchi@isda.org)

IM Segregation Working Group

On May 18, the IM Segregation Working Group meeting was held to discuss the topics based on the updates from the respective sub-working groups as follows:

- Latest updates on the documentation work for the required documents including the Trust Agreement and other supporting documents being available as the respective original versions along with English reference translations
- An update from the Operations sub-group meeting that the member firm representatives in a small group met JFSA on April 26, where there was a closer dialogue with them to convey the T+1 settlement cutoff issues subject to Margin regulation that had been encountered seriously

On May 23, ISDA circulated each final draft of the respective documents to its members requesting any comments to them by the end of May.

On May 23, there was a regular meeting with JFSA to provide the updates on industry readiness and discuss any remaining issues related to margin regulations in Japan.

REGULATORY COMMITTEE: Contact: Tomoko Morita (tmorita@isda.org)

Japan Trust Bank's Fund Account Sub-Working Group

On May 31, Sub-Working Group meeting was held to discuss how to deal with the margin requirements on the transactions booked with Japanese trust banks' fund account, which becomes effective on March 1, 2017. The members agreed to conduct the survey on the number of fund accounts subject to the rules, which rules (Japan, US and EU) would apply to those fund accounts, and how many ISDA Master Agreements and CSAs are necessary to be additionally agreed. The members will work in parallel on the draft template collateral arrangement (and possibly Master Agreement) covering transactions with a trust banks' fund account.

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SHARP CORPORATION

On May 23, ISDA published the Japan [DC Decision](#) following the Legal Subcommittee meeting, as to whether a potential Restructuring Credit Event had occurred in respect of Sharp Corporation, of which information has been available on the ISDA website.

TOKYO ELECTRIC POWER COMPANY

On May 31, ISDA published Japan [DC Decision](#) following the Legal Subcommittee meeting, as to whether a potential Succession Event had occurred in respect of Tokyo Electric Power Company, of which information has been available on the ISDA website.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

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| Japan Documentation Committee (English language meeting) | June 9 |
| IM Segregation Working Group – Legal Users Sub-Working Group (Japanese language meeting) | June 15 |
| IM Segregation Working Group (Japanese language meeting) | June 17 |
| Understanding the ISDA Master Agreements Conference (Japanese language conference) | June 28 |
| Understanding Collateral Arrangements and the ISDA Credit Support Documents (Japanese language conference) | June 29 |