

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

November, 2011

## COMMITTEE ACTIVITIES

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

On November 11, Japan Collateral Committee meeting was held to discuss the following agenda:

- Developments in Dispute Resolution Protocol (DRP) - summary results of DPR trial from May 4 to July 29, 2011 and the outlines of next steps to be taken
- Standard CSA (SCSA) – background and outlines of SCSA, introduction of discussions among global dealers as well as Japanese banks
- Shortening of JGB's settlement cycle from T+3 to T+2 and the impact on Credit Support Annex – how it will be implemented

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

### OTC Derivatives regulations / CCP Working Group

Working Group submitted the second proposal to Japan FSA about the mandatory CCP clearing regulations of OTC Derivatives. The proposal describes the specific scope that should be subject to the regulations that will be implemented by phases, i.e. type of transactions, entities, and exemptions.

The proposal will be available at [ISDA website](#).

### CCP DMP Working Group

The kick-off meeting of the CCP DMP Working Group was held on November 7 to discuss the default management process when clearing member(s) defaults. Working group's focus is not to revisit the structure of risk waterfall itself, but to discuss the clearing members' liabilities (replenishment of default funds) under the scenario of serious financial crisis with multiple defaults sequentially happening for the short period. The Working Group also discusses the clearing members' withdrawal rules as well as the alternative measures to avoid the worst case of closing out all of the net open positions in the CCP. Separate meeting among non-Japanese dealers, who are more interested in the DMP, was also held to pound out the details of proposals.

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

### JVC Auction

On November 9, 12 dealers participated in the auction to settle CDS trades across the market referencing JVC KENWOOD Corporation (formerly known as Victor Company of Japan, Limited). The auction was administered by Creditex and Markit, and results can be found on [creditfixings website](http://www.creditfixings.com) ([www.creditfixings.com](http://www.creditfixings.com)).

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

<b>CCP Default Management Process (DMP) Working Group</b> (Japanese language meeting)	<b>December 5</b>
<b>Documentation Committee</b> (Japanese language meeting)	<b>tbc</b>