

## APAC Monthly Update

**June 2015**

*APAC Monthly Update summarizes important regulatory developments, meetings, committee activities and conferences in the region.*

### **Regulatory Activities**

#### **Asia-Pacific:**

On June 21 ISDA attended an Atlantic Council presentation on the “Ascension of the RMB.”

On June 24 ISDA convened an industry meeting to discuss the impact of BRRD Article 55 on membership to Asian CCPs.

#### **Hong Kong:**

On June 11, ISDA moderated a panel “OTC Clearing Business in Hong Kong” at the HKEX RMB FIC Conference 2015.

On June 17, ISDA gave a presentation to a meeting of the Technical Working Group of the OTC Derivative Regulators’ Forum (ODRF) in Hong Kong. The presentation covered data quality, consistency and harmonisation, the industry’s experience with trade reporting to date and ISDA’s role in promoting further harmonisation of data and improving regulatory transparency.

On June 25 ISDA brought a group of industry representatives to meet with the HKMA to discuss Hong Kong’s implementation plans for WGMR regulation.

#### **India:**

On June 8, ISDA met with:

- representatives of the Financial Markets Regulation Department and Department of Banking Regulation of the Reserve Bank of India to discuss developments relating to the FRTB, WGMR and ISDA Resolution Stay Protocol, developing the interest rate options market and CDS market in India, Indian netting and developments in the Indian and global derivatives markets.
- representatives of the Department of Payment Systems and Settlement of the Reserve Bank of India to discuss developments relating to the FRTB, WGMR and developments in the Indian and global derivatives market.

#### **New Zealand:**

On June 15, ISDA participated in an industry call hosted by the New Zealand Financial Markets Association (NZFMA). The call discussed NZ based banks’ approach to the Volcker Rule, the proposed clearing mandate in Australia, US swap dealer considerations and the sale of NZ Clear by the Reserve Bank of NZ.

## **Committee/Working Group Activities**

### **North Asia L&R:**

On June 30, ISDA held its monthly North Asia Legal and Regulatory committee meeting in Hong Kong. ISDA updated the members on the following developments in North Asia: the publication by PBOC of its RMB internationalization report 2015, PBOC's circular to open domestic bond repo market, PBOC's guidelines on issuance of large-scale deposit certificates, CSRC's final rules on foreign investors' participation in domestic futures trading, SFC's updated FAQs on Mainland-Hong Kong mutual recognition of funds, FSS' measures to implement Basel Pillars II and III, FSS's plans to implement the D-SIB framework for domestic banks and KRX's revised enforcement rules on intraday additional member margin.

Topics discussed included updates on the following Australian developments: the intended non-prescription of U.S. trade repositories under the Australian trade reporting regime, ASX Clear (Futures) seeking DCO registration exemption from the CFTC and the proposals from Treasury and ASIC on single-sided reporting and mandatory clearing. ISDA also provided updates on its recent Mumbai trip, BCBS' publication of Basel III assessments on India and the release of draft guidelines by RBI on the Net Stable Funding Ratio. The meeting discussed the following developments in Singapore: the consultation paper released by MAS on enhancements to resolution regime for financial institutions in Singapore as well as the policy consultation paper on the regulatory framework for intermediaries dealing in OTC derivative contracts, execution-related advice and the marketing of collective investment scheme.

ISDA also highlighted the following ISDA efforts: the launch of the BRRD Implementation Monitor, the publication of the Guide to ISDA and EMTA FX Derivatives Documentation and Currency provisions, ISDA calls on WGMR legal and documentation work and work done on margin and collateral processes, the endorsement by industry associations of ISDA Data Reporting Principles. The following global developments were also discussed: the publication by the Bank of England, FCA and HM Treasury of its Fair and Effective Markets Review and the second consultation paper published by ESAs on non-cleared margin RTS.

### **South Asia L&R:**

On June 25, ISDA held its monthly South Asia Legal and Regulatory committee meeting in Singapore. Topics discussed included updates on the following Australian developments: the intended non-prescription of U.S. trade repositories under the Australian trade reporting regime, ASX Clear (Futures) seeking DCO registration exemption from the CFTC and the proposals from Treasury and ASIC on single-sided reporting and mandatory clearing.

On India: Juris Corp provided an update on the FBIL MIBOR transition whereas ISDA provided updates on its recent Mumbai trip, BCBS' publication of Basel III assessments on India and the release of draft guidelines by RBI on the Net Stable Funding Ratio.

ISDA also highlighted the following Indonesian developments: the speech by the Deputy Governor of Bank Indonesia on the use of the rupiah, the technical guidance issued by Bank Indonesia on the obligation to use the rupiah and the efforts by Bank Indonesia and state institutions to continue to enhance the implementation of hedging transactions.

The meeting discussed the following developments in Singapore: the consultation paper released by MAS on enhancements to resolution regime for financial institutions in Singapore as well as the policy consultation paper on the regulatory framework for intermediaries dealing in OTC derivative contracts, execution-related advice and the marketing of collective investment scheme.

ISDA also updated the meeting on the State Bank of Vietnam's tightening of excessive ownership in credit institutions. ISDA then updated the meeting on the following developments in South Asia: the publication by PBOC of its RMB internationalization report 2015, PBOC's issuance of rules to open domestic bond repo market, PBOC's guidelines on issuance of large-scale deposit certificates by domestic banks, SFC's update of its FQOs on Mainland-Hong Kong mutual recognition of funds, FSS' measures to implement Basel Pillars II and III, FSS's plans to implement the D-SIB framework for domestic banks and KRX's revised enforcement rules on intraday additional member margin.

ISDA also highlighted the following ISDA efforts: the launch of the BRRD Implementation Monitor, the publication of the Guide to ISDA and EMTA FX Derivatives Documentation and Currency provisions, ISDA calls on WGMR legal and documentation work and work done on margin and collateral processes, the endorsement by industry associations of ISDA Data Reporting Principles. The following global developments were also discussed: the publication by the Bank of England, FCA and HM Treasury of its Fair and Effective Markets Review and the second consultation paper published by ESAs on non-cleared margin RT

### **Other Working Groups:**

#### **AEJ Data & Reporting Compliance WG:**

The working group held its monthly meeting on 24 June in HK, Singapore and Sydney. The WG discussed recent regional and global developments, including in relation to Hong Kong: the mandatory trade reporting obligation taking effect on July 10, and the need for reporting entities to note end-of-year IT freezes if intending to use the 6-month concession period for reporting.

At the international level, the WG discussed expected timeframes for APAC regulator consultations on non-cleared margin requirements, updated timing on CPMI-IOSCO consultations on certain data elements, DTCC's recent data harmonisation proposal, and approaches to the reporting of collateral.

In relation to Australia, the WG discussed ISDA's responses to the Australian regulator consultations on single-sided reporting for Phase 3B reporting entities and central clearing, the intended non-prescription of U.S. trade repositories under the Australian trade reporting regime, an intended request for certain elements of existing trade reporting relief under the Australian regime to be extended.

The working group also discussed arrangements and considerations for going live with universal transaction identifier (UTI) 'share-and-pair' requirements across the APAC region.

#### **Asia Identifiers & Delegated Reporting Sub-WG:**

The sub-working group had a call on 26 June. The group discussed potential UTI matching requirements for historical trades, as well as timing and approaches to the UTI share-and-pair requirement, finalising dates for APAC counterparties to assume generation and communication responsibilities, for Australia, Singapore and Hong Kong.

The sub-WG also noted the re-opened comment period for feedback on the ISDA OTC Taxonomy 2.0, an intended request for certain elements of existing identifier relief under the Australian regime to be extended, and issues in relation to the offering of delegated reporting services, particularly in the context of single-sided reporting for Phase 3B reporting entities under the Australian regime.

## **Members' Meeting/Activities**

### **Mumbai Members Meeting**

On June 9, ISDA held its members meeting in Mumbai, India. Among the key topics discussed were Indian netting, developments relating to the FRTB, WGMR and work relating to the ISDA Resolution Stay Protocol, developing the interest rate options market and CDS market in India, the development of the Indian Financial Court, the use of jurisdiction clauses and key takeaways from the ISDA AGM in Montreal. The meeting also considered the draft guidelines released by RBI on the NSFR for banks and RBI's re-articulation of its core purpose, values and vision.

ISDA provided an update on the following topics: the draft guide to ISDA and EMTA FX Derivatives Documentation and Currency Provisions, ISDA/FIA Europe's Capital Markets Union Position Paper and response to the European Commission (EC) Green Paper on Building a Capital Markets Union, ISDA's launch of UTIPrefix.org, ISDA and aosphere's enhancing of *netalytics* to cover ISDA clearing opinions as well as various ISDA research papers and briefing notes.

ISDA also provided an update on certain global developments including FSB's launch of its second peer review on resolution regimes, the EC's consultation paper on EMIR review, the European Parliament's endorsement of its ECON benchmarks report, EBA's launch of its public consultation on draft RTS defining the valuation of derivative liabilities for the purpose of bail-in in resolution, ESMA's consultation paper on the clearing obligation of additional classes of interest rate derivatives, ESMA's recognition of ten third-country CCPs and the U.S. SEC's proposed rules governing the application of certain requirements to security-based swap transactions connected to a non-U.S. person's dealing activity in the U.S.

## **Regulatory Developments**

### **Australia: ASX Clear (Futures) seeks DCO registration exemption from CFTC**

*Contact: Keith Noyes (knoyes@isda.org) / Rishi Kapoor (rkapoor@isda.org)*

On June 3, the US Commodity Futures Trading Commission (CFTC) published a request for public comment on a petition by ASX Clear (Futures) Pty Limited for exemption from registration as a derivatives clearing organisation (DCO).

The CFTC is considering for the first time a petition for exemption from registration pursuant to its authority under section 5b(h) of the Commodity Exchange Act, which permits the CFTC to exempt a clearing organisation from DCO registration for the clearing of swaps to the extent that the CFTC determines that such clearing organisation is subject to comparable, comprehensive supervision by appropriate government authorities in the clearing organisation's home country.

### **China:**

*Contact: Keith Noyes (knoyes@isda.org) / Jing Gu (jgu@isda.org)*

### **State Council lifts lending cap**

On June 24, the State Council of the People's Republic of China approved an amendment to the Commercial Banking Law. The amendment will abolish the loan-to-deposit ratio that caps lending by commercial banks at 75% of their deposits. The amendment is intended to reduce financing costs and improve efficiency of banks' use of capital. The change is expected to come into effect in July, after it is approved by the Standing Committee of the National People's Congress.

### **CSRC opens domestic futures market to foreign investors**

On June 26, the China Securities Regulatory Commission (CSRC) published the Interim Measures on Trading of Designated Domestic Futures Products by Foreign Persons and Brokerage Firms, which marks an important step in the opening up of the domestic commodity market to foreign investors.

The CSRC will designate the specific futures products available for trading by foreign market participants on a step-by-step basis, taking into consideration the pace of opening up the renminbi capital account, market participation, risk control of the domestic futures market and other factors. The CSRC has designated crude oil futures as the first product available for trading by foreign market participants, expected to start in three months.

The measures state that a foreign person (ie, a foreign entity incorporated or organised in a foreign jurisdiction or a foreign natural person) may trade designated futures products in China either via a domestic futures company or a foreign brokerage firm. A foreign person may also directly trade on a domestic futures exchange, subject to approval by the relevant exchange. A foreign brokerage firm entrusted by a foreign person may, on behalf of its client, trade designated futures products via a domestic futures company or trade directly on a domestic futures exchange, subject to approval by the relevant exchange.

In addition to some prudential requirements, the CSRC also requires the foreign regulator in the home jurisdiction of the foreign brokerage firm to enter into a memorandum of understanding with the CSRC before the brokerage firm can trade directly on China's futures exchanges.

The measures also include detailed provisions on issues regarding account opening, operational requirements, clearing and settlement, margin, large trader reporting, mandatory close-out, default and dispute resolution. The measures will come into effect on August 1.

### **Hong Kong: HKMA releases first analysis of HKTR data**

*Contact: Keith Noyes (knoyes@isda.org) / Rishi Kapoor (rkapoor@isda.org)*

On June 26, the Hong Kong Monetary Authority (HKMA) released the June 2015 issue of its quarterly bulletin, including a feature article titled *A first analysis of derivatives data in the Hong Kong Trade Repository (HKTR)*. The article is based on data collected as of the end of November 2014. At that time, the HKTR had received over 73,000 trade reports, with a total notional amount of \$1,854 billion. The article breaks these and other figures down by asset class, entity type and currency, and provides insight into average weekly turnover and average gross notional amounts. The HKMA intends to provide a comprehensive picture when reporting requirements are implemented in full and data sharing starts to take place with other jurisdictions.

### **India: Risk-based capital framework, LCR, found compliant with Basel III**

*Contact: Keith Noyes (knoyes@isda.org) / Rishi Kapoor (rkapoor@isda.org)*

On June 15, the Basel Committee on Banking Supervision (BCBS) published a report assessing the implementation of the Basel risk-based capital framework and the Liquidity Coverage Ratio (LCR) for India. This is part of a series of reports on the Basel Committee members' implementation of Basel standards under the Committee's Regulatory Consistency Assessment Programme (RCAP). A key component of the RCAP is to assess the consistency and completeness of a jurisdiction's adopted standards and the significance of any deviations from the regulatory framework. The RCAP does not take into account a jurisdiction's bank supervision practices, nor does it evaluate the adequacy of regulatory capital and high-quality liquid assets for individual banks or a banking system as a whole.

Overall, the assessment outcome for India is highly positive and reflects various amendments to the risk-based capital and LCR rules undertaken by the authorities. Domestic implementation of the risk-based capital framework is found to be "compliant" with the Basel standards as all 14 components are assessed as "compliant". Regarding the LCR, India is overall assessed as "largely compliant", reflecting the fact that most but not all provisions of the Basel standards were satisfied. In addition, the implementation of the LCR regulation's component is assessed as "largely compliant" and the implementation of the LCR disclosure standards' component is assessed as "compliant".

The Basel Committee further noted that several aspects of the domestic rules in India are more rigorous than required under the Basel framework.

#### **RBI issues draft guidelines on covered options**

Contact: Keith Noyes (knoyes@isda.org) / Erryan Abdul Samad (eabdulsamad@isda.org)

On June 25, the Reserve Bank of India (RBI) issued its draft guidelines on the writing of covered options by resident exporters and importers against their contracted exposures. Persons resident in India are currently permitted to buy plain vanilla European call or put options to hedge foreign currency exposures. The RBI now intends to permit resident exporters and importers of goods and services to sell standalone plain vanilla European call or put options against their contracted export or import exposures to any AD Cat-I bank in India, subject to certain operational guidelines and prescribed terms and conditions as set out in the draft guidelines. The submission deadline is July 10.

#### **Philippines: BSP announces leverage ratio guidelines**

Contact: Keith Noyes (knoyes@isda.org) / Claire Kim (ckim@isda.org)

On June 9, the Central Bank of the Philippines (Bangko Sentral NG Pilipinas, or BSP) announced its implementing guidelines on the Basel III leverage ratio framework. The leverage ratio shall not be less than 5%, computed on both a solo (head office plus branches) and consolidated (parent bank plus subsidiary financial allied undertakings but excluding insurance companies) basis.

The guidelines implementing the leverage ratio are provided in Appendix 111 of the Manual of Regulations for Banks (MORB) and in Appendix Q-65 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBF), respectively. The guidelines will apply to universal banks and commercial banks and their subsidiary banks/quasi-banks (QBs).

Specific guidelines on the mode and manner of submission of the leverage ratio reporting and disclosure templates will be covered by a separate memorandum issuance. During the monitoring period, the BSP will continue to assess the calibration and treatment of the components of the leverage ratio. Final guidelines will be issued in view of the changes to the framework, as well as migration from monitoring of the leverage ratio to a Pillar I requirement from January 1, 2017.

Public disclosure of information on the leverage ratio will not be required during the monitoring period (ie, December 31, 2014 to December 31, 2016).

Banks (or QBs) will not be penalised for any breach of the 5% minimum leverage ratio during the monitoring period. However, late and/or erroneous reports will be subject to penalties provided under Subsection XL92.2 of the MORB and Subsection 4192Q.2 of the MORNBF.

**Singapore:**

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**MAS releases policy consultation paper**

On June 3, the Monetary Authority of Singapore (MAS) released its Policy Consultation paper on Regulatory Framework for Intermediaries Dealing in OTC Derivative Contracts, Execution-related Advice and Marketing of Collective Investment Schemes. Part A of the consultation considers the proposed regulatory framework for intermediaries dealing in OTC derivatives. This includes considerations relating to admission criteria, business conduct requirements, capital and financial requirements and transitional arrangements. Part B considers proposed amendments to the Securities and Futures Act (SFA) and Financial Advisers Act (FAA), in relation to execution-related advice and marketing of collective investment schemes, among other things.

On February 11, the MAS had issued a consultation paper that proposed amendments to the SFA in order to complete the expansion of the scope of the SFA to regulate derivatives contracts. This included the expansion of the capital markets services licensing requirement to OTC intermediaries. The deadline for the consultation is July 3.

**MAS issues consultation on resolution**

On June 23, the Monetary Authority of Singapore (MAS) released its Consultation Paper on Proposed Enhancements to Resolution Regime for Financial Institutions in Singapore. In this paper, the MAS proposes to enhance its resolution regime by strengthening its powers to resolve distressed institutions while maintaining continuity of their critical economic functions. The policy proposals cover:

- Recovery and resolution planning;
- Temporary stays and suspensions;
- Statutory bail-in powers;
- Cross-border recognition of resolution actions;
- Creditor safeguards; and
- Resolution funding

The proposed policy changes will be introduced primarily through amendments to the MAS Act, supported by the necessary regulations. The MAS will also consult on the legislative amendments, after considering the feedback received on the policy proposals in this consultation. The submission deadline is July 22.

**South Korea:**

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**KRX revises enforcement rules on intraday additional member margin**

On May 26, the Korea Exchange (KRX) announced revised enforcement rules of derivatives market business regulation (Korean only) to introduce intraday additional member margin and intraday additional customer margin. Key elements are:

- Intraday additional member margin is equal to the intraday member margin, which is calculated at noon during trading hours or when it is deemed necessary for market management (both are called 'time t'), minus the total amount of deposit, which is calculated at time t or time t plus one hour. This intraday additional member margin will be imposed if: i) the price rate of change ( $[(\text{the underlying asset price at time } t - \text{the base price of the underlying asset on previous day}) / \text{the base price of the underlying asset on previous day}]$ ) of the KOSPI 200 is greater than or equal to 0.5

times the member margin rate of KOSPI 200 futures; and ii) intraday member margin is greater than or equal to 1.2 times the total amount of deposit at time t.

- KRX will determine one hour from time t whether to impose the intraday additional member margin and will notify members immediately. Members need to deposit their intraday additional member margin within two hours of being notified by KRX. However, this intraday additional member margin will be cancelled if the intraday member margin calculated 30 minutes after being imposed is less than or equal to the total amount of deposit calculated one hour after being imposed.
- Members shall impose intraday additional customer margin on their clients when the underlying-asset change is greater than or equal to 80% of the intraday customer maintenance margin rate of KOSPI 200 futures.

The revised rules will come in force on June 15.

### **FSS implements D-SIB framework for domestic banks**

On June 4, the Financial Supervisory Service (FSS) announced its plan to implement domestic systematically important banks (D-SIBs) regulation for the domestic banking community, starting January 2016. The FSS will require D-SIBs to increase loss absorbency by a quarter of 1% every year over the four-year period, from 2016 to 2019.

To identify D-SIBs, the FSS will assess five banks, eight bank holding companies (BHCs) and 21 foreign bank branches for their degree of systemic importance, except the Export-Import Bank of Korea, which does not take deposits, and small foreign branches with less than KRW5 trillion in assets.

The assessment will be based on available year-end data. According to the implementation schedule, the first group of D-SIBs will be identified and announced later this year.

The methodology will involve: i) scoring a bank or BHC for its degree of systemic importance based on weighted averages for each of five assessment categories, including size, interconnectedness, substitutability, complexity and country-specific factors; and ii) identifying those that score above a cut-off point as a D-SIB. This methodology will be reviewed every three years to capture developments in the banking sector.

### **FSS to implement Basel Pillars II and III**

On June 5, the Financial Supervisory Service (FSS) announced that regulatory measures are set to be taken for full implementation of Basel Pillars II and III in 2016. Under the proposals for Pillar II, the current dual system of CAMEL-R and RADARS used for supervisory assessment and rating is to be integrated into CAMEL-R, and the risk items under each of the CAMEL-R components are to be aggregated and rated on a scale of one to five for use as a Pillar II rating. Supervisory action, including a capital surcharge for unsatisfactory Pillar II ratings, is expected. The application of the Pillar II rating is set to cover 18 banks and eight bank holding companies (BHC).

For Pillar III implementation, the FSS noted that the key elements of Pillar III standards have already been incorporated into the Common Banking Disclosure Standards (CBDS) that are set by the Korea Federation of Banks.

The FSS will revise the CBDS in order to ensure the inclusion of disclosures that currently fall short of the Basel requirements, particularly disclosures with respect to credit risk, securitisation and credit risk mitigation.



### **FSC revises regulation on outsourcing of data processing business & IT facilities**

On June 9, the Financial Services Commission(FSC) announced a 20-day notice (June 10 – July 1) of revision to regulation on financial institutions' outsourcing of data processing and IT facilities, with the aim of complying with global standards. Korea established the regulation in June 2013 to allow for the outsourcing of data processing.

Key contents include:

- Streamline regulatory system: the requirement for approval in regards to IT facilities outsourcing will be abolished. Under the revised regulation, financial firms will be required to report the outsourcing of their data processing business to the Financial Supervisory Service (FSS).
- 'Ex post' reporting of data outsourcing: financial institutions will be allowed to outsource their data processing business with the principle of 'ex post customers' financial transaction information. This information will be required to be reported to the FSS prior to the outsourcing of data processing.
- Abolish restrictions on offshore: the provision that restricts offshore outsourcing to a financial firm's head office, branch and affiliates will be eliminated to allow outsourcing to a third party, including a professional IT company.
- Abolish the obligatory use of standard contract form: the obligatory use of a standard contract form will be abolished to allow financial institutions to reflect sector-specific conditions as long as the contract form includes basic requirements such as obligations to receive the regulator's supervision and inspection or responsibility for a customer's loss.

### **FSS announces best practices for country risk management**

On June 24, the Financial Supervisory Service (FSS) announced it has developed best practices for the management of country risk to strengthen the management of external risks by domestic banks and financial holding companies, and to bring domestic supervisory rules in line with global standards.

The best practices reflect Principle 21 (Country and Transfer Risks) of the Core Principles for Effective Banking Supervision established by the Basel Committee on Banking Supervision, and present detailed guidelines to enable financial companies to file comprehensive reports on their risk exposure and profile.

The best practices apply to 18 domestic banks and eight bank holding companies, except for local branches of foreign banks. The key recommendations involve detailed guidelines for analysing country risk, assigning credit ratings and setting exposure limits.

Financial company risk management units, such as the board of directors and risk management committee, should permit and review exposure limits on a regular basis. Financial companies should assign credit ratings to each country on the basis of risk analysis, and use the ratings to set exposure limits. They should also monitor their compliance with country-specific exposure limits, conduct stress tests and have relevant internal control and audit procedures in place.

The best practices are set to be implemented on October 1, to allow financial companies time to establish internal standards and relevant IT systems. The FSS is scheduled to monitor how the best practices are being reflected in companies' risk management during the fourth quarter of the year.

### **KRX revises derivatives market business regulation**

On June 24, the KRX announced an amended Derivatives Market Business Regulation (DMBR) (Korean only) in order to launch mini KOSPI 200 futures and options and renminbi (RMB) currency futures,

following the FSC's announcement on policy direction for capital markets reform on April 23. Key highlights include:

- Mini KOSPI 200 futures and options: underlying asset (KOSPI 200), multiplier (100,000), contract months (the four non-quarterly months plus two quarterly months), position limit (10,000 contracts for institutions and 5,000 contracts for individuals);
- RMB currency futures: underlying asset (RMB), contract size (100,000 yuan) and multiplier (100,000);
- Article 154(1)2 of the DMBR regarding position limits of 10-year KTB futures will be abolished.

The amendment will come into effect on July 20.

### **KRX announces selected stocks for single-stock futures**

On June 29, the Korea Exchange (KRX) announced it had selected 10 KOSDAQ-listed stocks as underlying assets for single-stock futures, which will be listed on August 3. In addition, the KRX selected new underlying assets through the regular change of existing single-stock futures and options based on stocks listed on the KOSPI market. The number of underlying stocks for single-stock futures was expanded to 10 KOSDAQ stocks and 80 KOSPI stocks.

KRX noted that the listing of KOSDAQ single-stock futures will enable investors to risk manage KOSDAQ blue-chip stocks. It will also promote the participation of institutional and foreign investors in the KOSDAQ market, the exchange said.

### **KRX analyses performance of CCP clearing**

On June 30, the KRX published a brief report analysing the performance of the KRX-CCP over one year. Since the launch of mandatory clearing, the total cleared notional amount and volume have reached KRW 404 trillion (\$354 billion) and 14,674, respectively, as of June 26.

As of June 2015, 55 financial institutions (32 banks and 23 securities companies) had participated in the central counterparty (CCP) as clearing members. Forty-four per cent of interest rate swaps trading took place between banks and securities firms, 40% was between banks, and 16% was between securities firms.

The KRX also revealed that the scope of OTC derivatives clearing will be expanded to include longer maturities (from 10 years to 20 years). In addition, clearing services for non-deliverable forwards will be promoted to strengthen the transparency of the OTC derivatives market.

### **Upcoming committee and working group meetings/conferences**

#### **Meetings:**

Asian Public Policy Meeting	Jul 7
APAC Equity Operations Working Group Meeting	Jul 9
APAC Commodity Meeting	Jul 15
North Asia L&R Meeting	Jul 28
AEJ Data and Reporting Compliance Working Group Meeting	Jul 29
SFEMC Sub-committee Meeting	Jul 29
APAC CCP Risk call	Jul 29
South Asia L&R Meeting	Jul 30
Asia Identifiers and Delegated Reporting Sub-Working Group Call	Jul 30

**Conference:**

Understanding the ISDA Master Agreements Conference Including the Update  
on Documentation and the Use of the ISDA Master Agreement in Client Clearing  
– Singapore

Jul 22

Understanding Collateral Arrangements and the ISDA Credit Support Documents  
Conference Including Close-outs under the ISDA Credit Support Annex  
– Singapore

Jul 23

**APAC Monthly Update**

Please direct comments and questions about APAC Monthly Update to Donna Chan, [dchan@isda.org](mailto:dchan@isda.org)  
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