

ISDA® JAPAN MONTHLY UPDATE

March 2014

COMMITTEE ACTIVITIES

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

Draft Amendments to the Deposit Insurance Act

On March 5, JFSA announced finalization of the Cabinet Office Ordinances for the Amendments to the Deposit Insurance Act (the Act), together with their responses to the comments received from the industry including ISDA. The Cabinet Order for the Amendments was approved in the Cabinet meeting on February 28 and published on March 5. Both Cabinet Order and Cabinet Office Ordinances became effective on March 6. ISDA prepared the supplemental memorandum to the Netting Opinion for Japan, reflecting the final rules and JFSA's response to the public comments, which is available to ISDA members.

OTC Derivatives Regulations Working Group

On March 25, Members of the Working group met to discuss the possible framework for phase 2 clearing mandate and obligation regarding electronic trading platforms. ISDA submitted comments to JFSA on March 27 and April 1 respectively.

Co-Chair of the Working Group, Mr. Yasuhiro Shibata of Mizuho Securities has stepped down as of March 2014, and Mr. Koji Sakurai of Mizuho Bank was appointed as new Co-Chair of the Working Group. Mr. Shibata had served as the Chair of the Working Group since 2011, and we would like to thank his contributions to the Working Group activities and welcome Mr. Sakurai.

Trust Bank's Fund Account Sub-Working Group:

On March 6, members of the Sub-Working Group met to discuss and agree on the following items:

1. Policies concerning acquisition of LEI on a trust fund account basis.
2. Practical issues in acquiring a LEI on a trust fund account basis by September 15, 2014
3. Allocation of cost resulting from acquisition of LEIs
4. Operational flow
5. Treatment of uncertified LEI allocated on foreign fund

Members will follow up on the items agreed in the meeting and review the status scheduled in the next meeting in early May.

EQUITY DERIVATIVES: Contact: Kaori Horaguchi (khoraguchi@isda.org)

On March 13, ISDA advised the member firms that the Memorandum dated March 5 prepared by Linklaters had successfully been published on the Equity Derivatives Infrastructure Management web page as well as the Members Portal Site under the heading of "Legal Memoranda".

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

Japan OTC Derivatives Working Group
(Japanese language meeting)

tbc

**ISDA 29th Annual General Meeting
Munich**

April 8-10

Japan Pre-Strategic Meeting
(Japanese and English language meeting)

May 15

Japan Collateral Committee
(Japanese language meeting)

May (date tbc)

The New 2014 ISDA Credit Derivatives Definitions Symposium
(English language symposium)

June 11

Swap Execution Facilities: The Evolution of OTC Trading
Including Japanese Requirements for Electronic Trading Platforms
(Japanese language conference)

June 13