

ISDA® JAPAN MONTHLY UPDATE

July 2013

COMMITTEE ACTIVITIES

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

On July 29, members of OTC Derivatives Regulations Working Group met to be provided an outline of the CFTC's [Final Guidance](#) regarding the Cross-Border application of Title VII of DF and an [Exemptive Order](#) providing a phase-in period for many key Title VII provisions in the cross-border context. Members have also exchanged views and what is necessary to be clarified going forward.

TRR Working Group: Contact: Kaori Horaguchi (khoraguchi@isda.org)

On July 9, ISDA hosted the working group meeting, joined by member firms and DDRJ, whereby DDRJ announced an outcome of the questionnaires that had been conducted to member firms earlier on 1) JFSA validation layer and correlation errors analysis and 2) BIC reporting, which are both main components of the ongoing system implementation related to JFSA already being planned until March 2014 timeline, providing the recent updates from the intensive dialogue between JFSA and DTCC, and confirming of getting the users consensus on the scheduled milestone covering each phased implementation on 1) and 2). Q&As followed, and several questions raised from members were answered by DTCC accordingly.

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

On July 16, ISDA advised the member firms that the Memorandum by Linklaters addressing successor issues under the 2002 ISDA Equity Definitions relating to the integration of the cash equity markets of the Tokyo Stock Exchange, Inc. and the Osaka Securities Exchange Co., Ltd., which had successfully been published dated July 8 and now available on the Members Portal site (link: <http://eseries.isda.org/scriptcontent/index.cfm>) under the heading of "Legal Memoranda"

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On July 17, ISDA circulated [a memo](#) in Japanese for the summary view purposes, based on the original memo dated July 15 conveyed to provide guidance on the proposed timing for implementation of a revised version of ISDA's Credit Derivatives Definitions and a list of a high level description of key areas where the proposed changes to those Definitions to happen. Currently expected timing of the changes to the Definitions will be March 20, 2014, subject to the separate consultation within ISDA's Credit Derivatives Market Practice Committee.

Proposed key area of changes includes 1) Bail-in for financial Reference that may affect on Entities financial Reference Entities (banks), 2) Sovereign Asset Package that may affect on Sovereign Reference Entities, 3) changes may affect Subordinated European Insurance Corporates, and 4) changes may affect any globally.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

Trust Funds' Account Sub-Working Group
(Japanese language meeting)

August 8

Japan OTC Derivatives Working Group
(Japanese language meeting)

August 23