

ISDA® JAPAN MONTHLY UPDATE

September 2015

COMMITTEE ACTIVITIES

REGULATORY: Contact: Tomoko Morita (tmorita@isda.org) / Kaori Horaguchi (khoraguchi@isda.org)

Electronic Trading Platforms (ETPs)

On September 29, OTC Derivatives Regulations Working Group was held to discuss the issues after the implementation of trade execution requirements on ETPs. More specifically, three agenda items were discussed: 1) issues on market practices after September 1 (implementation date), 2) impact on market liquidity and pricing and operational issues on technology/system infrastructures observed after the implementation, and 3) issues that should be shared or raised to the Japan FSA.

In the meeting, members agreed on the issues including the followings:

- ISDA continues to publish the Confirmation letter, in which firms declare whether they are subject to the ETP rules or not, on [ISDA's website](#) going forward. In case there is a change in the declaration, the revised Confirmation letter needs to be sent to ISDA by August every year that will be posted on the website as soon as it was received.
- There should be a standard procedure for ETP flag on MarkitWire e.g. when it should be on. It was suggested to consider adding a new flag to distinguish a trade which is required to execute on ETPs and not required, such as packaged trades. The flags should be bilateral, i.e. the status cannot be changed without confirmation of both counterparties.
- ISDA will have a meeting with the Japan FSA to share the discussions in the Working Group.

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

IM Segregation Working Group

On September 3, the IM Segregation Working Group meeting was held to discuss the following topics:

1) Operations sub-group shared the progress of simulation analysis on a staff workload and resource impact being worked on, incorporating the preconditions and estimated volume into the BAU process of collateral management workflows, and filtering under the given process category.

2) Members also discussed the trust agreement template (draft), highlighting the continuous review process against the expected operational workflows being done so far. It was noted that some changes in the process of contingency workflows were being reflected.

On September 7, the draft of the trust agreement template and the summary outline of the template (both in Japanese and English) were circulated to the members of Japan Collateral Committee and Japan Documentation Distribution List.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

IM Segregation Working Group (Japanese language meeting)	October 1
Collateral Committee (Japanese language meeting)	October 9
IM Segregation Working Group (Japanese language meeting)	October 23
2014 ISDA Annual Japan Conference The Ritz-Carlton, Tokyo (English and Japanese language conference)	October 29
WGMR, Bank Resolution and Resolution Stay Protocol The Ritz-Carlton, Tokyo (English Language conference)	October 30
Trust Banks' Fund Account Sub-Working Group (Japanese language meeting)	tbd