

ISDA® JAPAN MONTHLY UPDATE

February 2015

COMMITTEE ACTIVITIES

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

Japan Trust Bank's Fund Account Sub-Working Group

On February 25, Sub-Working Group meeting was held to discuss the draft template for collateral arrangement covering transactions with a trust banks' fund account. This is to respond the proposed Supervisory Guidance by Japan FSA concerning margin requirements for transactions booked with Japanese trust banks' fund account, which becomes effective on December 1, 2015. Members discussed approaches as well as issues, suggestions for smooth implementation.

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

IM Segregation Working Group

On February 4, member of the IM Segregation met and continued discussions on the draft of trust account agreement which will be used between a collateral provider, a collateral receiver and a trust bank as a standard document when using Japanese trust banks' account for IM segregation. The tax treatment, system management and the details of services are expected to be discussed and agreed bilaterally. Japanese trust banks agreed to prepare presentation summary of the trust account agreement that will be shared in the next working group meeting.

Members also discussed the operational flows for segregated IM using Japanese trust account. Members also agreed to review the operational flows using global custodians when counterparties are located cross-border by the next meeting.

WGMR Legal & Documentation call for Asian members

On February 27, members of the Japan WGMR Implementation Working Group were provided the overview of discussions held in WGMR Legal and Documentations, including the discussions on possible documentation architectures of Credit Support Annexes.

Withholding tax on cash collateral

On February 16, the member reps of ISDA had a kick-off meeting with a counsel, providing an overview of the issues associated. Next steps will be confirmed in due course.

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

SANYO Electric Co., Ltd.

On February 24, ISDA published [DC Resolution & Statement](#), following the statement of January 28, as to whether a potential Succession Event that has occurred in relation to SANYO Electric Co., Ltd., concluding that the DC resolved that this issue is dismissed as no request was submitted for DC determination purposes.

TIBM Definitions Update: Contact: Kaori Horaguchi (khoraguchi@isda.org)

On February 27, ISDA circulated the email proposal of new definitions of TIBM, in the light of the changes in the publication rules with effective April 2015 as announced by Thomson Reuters last year, and ISDA await the members comment upon review.

Amendment to the 2006 Definitions will be arranged by way of issuing a Supplement.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

IM Segregation Working Group (Japanese language meeting)	March 6
OTC Derivatives Regulations Working Group (Japanese language meeting)	tbd
Trust Bank's Fund Account Sub-Working Group (Japanese language meeting)	tbd
Japan Collateral Committee (Japanese language meeting)	April 9
Client Clearing Legal Opinions (Japanese language symposium)	April 9