



NEWS RELEASE  
For Immediate Release

## **ISDA Launches Japanese Module for ISDA Resolution Stay Jurisdictional Modular Protocol**

**NEW YORK, January 5, 2017** – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the launch of a Japanese jurisdictional module to the ISDA Resolution Stay Jurisdictional Modular Protocol (JMP). The new module will allow market participants to comply with Japanese regulations that require contractual stays to be included into certain financial contracts not governed by Japanese law.

The launch of the ISDA Japanese Jurisdictional Module follows the publication of a German module in June 2016 and a UK module a month earlier. Additional jurisdictional modules will be launched in due course to meet other national regulations.

The [JMP was launched on May 3, 2016](#), and was developed in response to regulatory changes. Under a framework established by the Financial Stability Board (FSB), various national regulators are introducing requirements for certain banks in their jurisdiction to obtain consent from their counterparties for statutory stays on early termination rights to apply to financial contracts between those parties, regardless of the governing law of the contract.

These stays are among the powers available to national resolution authorities to resolve failing banks as part of their jurisdiction's special resolution regime. While statutory stays would apply to all contracts with all counterparties governed under the law of that jurisdiction in the event a bank enters into resolution proceedings, there is some uncertainty over whether a stay would be enforceable on a cross-border basis if outstanding trades are governed by overseas law.

The Japanese module follows amendments to the Comprehensive Guidelines issued by the Japanese Financial Services Agency regarding contractual stays in financial contracts governed by non-Japanese law. The rules take effect from April 1, 2017.

The JMP and each jurisdictional module is developed by a working group of buy-side and sell-side firms and other trade associations in close cooperation with the FSB and national regulators.

Please visit the Protocol Management section of the ISDA website to read the Protocol, updates to the list of adhering firms and frequently-asked-questions documents:

<http://www2.isda.org/functional-areas/protocol-management/protocol/24>

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**About ISDA**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 850 member institutions from 66 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: [www.isda.org](http://www.isda.org).

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