

ISDA® JAPAN MONTHLY UPDATE

January 2016

COMMITTEE ACTIVITIES

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

On January 12, ISDA submitted a comment letter to Japan FSA on [the second proposed amendments to the Cabinet Orders and Supervisory Guidelines implementing margin rules for non-cleared](#). Comment letter is available at <http://www2.isda.org/regions/japan/> (Japanese only). Please contact ISDA Tokyo office for English translation of JFSA's proposed amendments and key comments. (Available for Member only)

On January 7, ISDA held a meeting with Japan FSA to exchange views on the impact on MiFID II/MiFIR from the perspectives on investor protection, product governance, information requirements, ongoing SI assessment / transparency and equivalence on third country trading venues and trading obligations.

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IM Segregation Working Group

On January 21, the IM Segregation Working Group meeting was held to discuss the following topics:

- (1) The T+1 settlement cycle issue, based on the update from the meetings held in Hong Kong and Singapore where our members representatives travelled to attend to have the face-to-face dialogue with the respective jurisdictions' regulators along with the financial member participants associated in order for raising awareness of the concerned issue. Members then turned our focus towards finding a way of solving the T+1 issue as an effective counterproposal against the US Final Rules.
- (2) Update from Operations Sub-Working Group who is now ready to focus more on reviewing the common processes that include the verification of the details of service contents related to IM segregation offered by each respective custodian bank. Meetings with each bank have been/will be set up within coming months.
Operations process worksheet timetable was running behind the schedule since no final rules in Japan/EU that came out by the end of December 2015.
- (3) Status update in reviewing the Trust Agreement Template, where the second draft of the Template reflected with the members' inputs on the JFSA's second draft of margin rules for non-cleared derivatives issued on December 11 was almost complete, with an exception of a couple of minor changes still required to be made properly, upon consultation of a professional body. The finalization of the Trust Agreement may delay until some time in this spring.

On January 27, there was a members' call attended by Asian banks, where the current proposal as per the above-mentioned item (1) was discussed.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

IM Segregation Working Group – Legal Users Sub-Working Group
(Japanese language meeting)

February 10

IM Segregation Working Group
(Japanese language meeting)

February 18

ISDA 31st Annual General Meeting – Tokyo
ANA InterContinental Hotel

April 12 - 14