

ISDA[®] JAPAN MONTHLY UPDATE

October, 2011

COMMITTEE ACTIVITIES

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

OTC Derivatives regulations / CCP Working Group

ISDA had a meeting with Japanese FSA to exchange opinions regarding the requirements for firms to store their trade data and mandatory reporting of those data to the regulators via trade repositories or directly. ISDA also submitted the list of opinions on 1) scope of mandatory clearing (on September 30), 2) possible regulations for firms to trade on electronic platforms (October 11), 3) requirements on trade data storage and reporting (October 24), and 4) extraterritorial applications of Dodd-Frank Act to Japanese market participants (October 17/31).

On October 20, the sixth meeting of the Working Group was held and discussed the actual scope of mandatory CCP clearing. More specifically, members discussed 1) the transactions that must be cleared on CCPs, 2) transactions that will be exempted from clearing requirements, and 3) firms subject to the clearing requirements. Members agreed to submit the proposals to Japanese FSA by early November.

DMP Working Group

It was agreed to launch a new working group to discuss default management processes (DMP) of CCPs. The kickoff meeting is scheduled to be held on November 7.

CREDIT DERIVATIVES: Contact Kumi Namba (knamba@isda.org)

Japan Determinations Committee

On October 17, Japan DC resolved that a Succession Event has occurred with respect to Victor Company of Japan, Limited (JVC) effective 1 October and that JVC Kenwood is the sole Successor. Further to this resolution, ISDA posted a clarification note on its website which transactions will be covered by the upcoming Auction pursuant to the Credit Event resolution on JVC dated September 21.

OPERATIONS: Contact Kumi Namba (knamba@isda.org)

On October 5, ISDA hosted a members call to discuss the operational issues relating to processing of Restructuring Credit Event index spin-offs for Victor Company of Japan, Limited (JVC). Participants discussed and agreed as the market's best practice what value should be inputted for each of the DTCC fields when processing the single name split for JVC.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

CCP Default Management Process (DMP) Working Group (Japanese language meeting)	November 7
Collateral Committee (Japanese language meeting)	November 11
APAC Implementation Group (English language conference call)	November 18
OTC Derivatives Regulations/CCP Working Group (Japanese language meeting)	tbc

Documentation Committee
(Japanese language meeting)

tbc