

# ISDA<sup>®</sup> JAPAN MONTHLY UPDATE

September, 2011

## COMMITTEE ACTIVITIES

**REGULATORY:** Contact Tomoko Morita ([tmorita@isda.org](mailto:tmorita@isda.org))

### OTC Derivatives regulations / CCP Working Group

ISDA OTC Derivatives Working Group submitted a letter – “Proposals Pertaining to the Applicable Scope of the Mandatory Central Clearing for Over-the-Counter Derivatives” to Japanese FSA on September 9. The key proposals in the letter submitted to Japanese FSA include:

- The scope of the mandatory clearing should be based upon the booking location of the transactions, as opposed to the location of the executing office;
- In the case of contractual parties trading across the borders (a cross-border transaction between Japan and other countries), one of the party to a contract may be required to fulfill mandatory central clearing outside Japan. Accordingly the other party in Japan will be obliged to clear a transaction through a foreign clearing organization which may not be licensed under the FIEA. In order that such action shall not be a misconduct in light of the FIEA, either statutory treatment or international coordination between regulators should be made; and
- In the case of contractual parties trading both located outside Japan, they should not be subject to mandatory central clearing in Japan.

Please visit [ISDA website](#) to read the letter.

On September 16, the fifth meeting of the Working Group was held and members agreed to submit the comments on further details of applicable scope of mandatory clearing, trade repositories and reporting as well as possible legislation of mandatory trading on electronic trading platforms.

**CREDIT DERIVATIVES:** Contact Kumi Namba ([knamba@isda.org](mailto:knamba@isda.org))

### Japan Determinations Committee

On September 26, Japan DC resolved that an Auction should be held to settle Relevant Transactions in respect of Victor Company of Japan, Limited, following its resolution on September 21 that a Restructuring Credit Event had occurred. On September 30, ISDA published an Uniform Settlement Agreement to facilitate the orderly settlement of transactions that are subject to this Credit Event together with a Frequently Asked Questions document for reference.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

<b>2011 ISDA Regional Conference</b> Four Seasons Hotel Tokyo at Chinzan-so (English and Japanese language conference)	<b>October 27</b>
<b>Fundamentals of OTC Derivatives Clearing, Repositories and Data Infrastructure Conference</b> Four Seasons Hotel Tokyo at Chinzan-so (English and Japanese language conference)	<b>October 28</b>
<b>Collateral Committee</b> (Japanese language meeting)	<b>mid-November</b>
<b>OTC Derivatives Regulations/CCP Working Group</b> (Japanese language meeting)	<b>tbc</b>

**Documentation Committee**  
(Japanese language meeting)

**tbc**