

ISDA[®] JAPAN MONTHLY UPDATE

June, 2012

COMMITTEE ACTIVITIES

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

On June 11, [ISDA Collateral Settlement Timing Protocol](#) was published on ISDA website. The purpose of the Protocol is to shorten the transfer timing in CSAs (NY CSA, UK Annex, Japanese Annex (1995 and 2008 versions)) from T+3 or longer to T+2 following the reform to shorten the settlement timing for Japanese government bonds. If the existing transfer timing is shorter than T+2, such as T+1, the transfer timing will not be extended and remain as T+1.

Eligible collateral covered by the Protocol are Japanese government bonds, US Treasury and cash (all currencies) i.e. the transfer timing of securities other than Japanese government bonds and US Treasury will not be shortened by the adherence to the Protocol.

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

On June 11, Japan Regulatory Committee was held where members were provided with updates of OTC derivatives regulations in US and Europe, i.e. Dodd Frank Act (including Volcker Rule) and European regulations (including EMIR).

Another meeting of Japan Regulatory Committee for non-Japanese speakers was held on June 22, and Mr. Akihiro Wani and Mr. Yosuke Unami of Linklaters presented the overviews and the current status of mandatory clearing and trade reporting requirements in Japan stipulated in the Financial Instruments and Exchange Act.

On June 25, ISDA met with Mr. Jun Mizuguchi, Assistant Commissioner for International Affairs in Financial Services Agency (JFSA). Robert Pickel, CEO at ISDA presented at the meeting, and expressed the views on the current debate on extraterritorial applications of the swap provisions of Title VII of the Dodd-Frank Act, of which the guidance was expected to be published by CFTC shortly. (The above mentioned [cross boarder guidance](#) was published on June 29.)

Co-Chairs of Japan Regulatory Committee, Mr. Yutaka Nakajima of Nomura Securities has stepped down, and Mr. Fujio Nishio of Bank of Tokyo-Mitsubishi UFJ was appointed as new co-Chair of the Committee. ISDA would like to thank Mr. Nakajima's contributions to the Committee activities and welcome Mr. Nishio.

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

Japan Trade Repository and Reporting (TRR) Working Group met on June 20, in which Mr. Robert Green at DTCC provided the update on global reporting regimes, overview of DTCC engagement with the JFSA, review of GTR to JFSA business requirements, target industry test schedule of each asset class and on-boarding/connectivity.

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

Basel III - ISDA Symposium (Japanese language symposium)	July 12
Risk Management Working Group (English/Japanese language meeting)	July 13
Regulatory Committee/English Speaking Committee (English language meeting)	tbd