

# ISDA® JAPAN MONTHLY UPDATE

April 2015

## COMMITTEE ACTIVITIES

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### *Trade Data Reporting*

On April 30, the public comment period (set for Japan members only) for the ISDA's proposal of OTC Derivatives Products Taxonomies v2.0 (UPI) ended.

ISDA will hold an in-person meeting with members based on the results of such surveys shortly.

### *Electronic Trading Platforms (ETPs)*

On April 17, members of the OTC Derivatives Regulations Working Group met to discuss the following agenda:

- 1) Representations and warranties: members discussed the process of confirming whether the counterparties are ETP requirements i.e. having outstanding notional above the threshold set out by the Cabinet Ordinance. Members agreed to post the representation letter on ISDA's website, as well as possibility of using ISDA Amend functionality for this representation.
- 2) Business rules, rule books and subordinate rules of ETPs: the discussions held in the ETP sub working group were shared with members. ETPs considered standardizing the rules, but identified a key difference among voice brokers – a timing of a transaction being executed. A sub-working group will be set up for further consideration of the issue.
- 3) The list of ETPs applying for the ETP registration: ISDA will create the list and distribute it to the 40 firms listed on JFSA's website who may be subject to the ETP requirements.

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### *Collateral Committee*

On April 9, Japan Collateral Committee was held and participants were updated with the following issues:

- 1) Regulatory impact on collateral documentation, i.e. trust agreement, account control agreement, new CSA, and legal opinions
- 2) Update on current trust agreement template drafted by Japanese trust banks
- 3) Regulatory impact on collateral operations – new operational flows for IM segregation using trust scheme as well as global custodians

### *IM Segregation Working Group*

On April 13, IM Segregation Working Group was held and members discussed 1) the presentation deck of the trust agreement template, 2) legal opinions to be required regarding the segregation scheme of the IM, and how and who will commission such opinions, and 3) update on meetings between users (dealers), global custodians and trust banks on cross border operations.

### *Collateral Survey for Japanese market participants*

Japan Collateral Committee members were invited to participate in 2015 annual survey of Collateral use in OTC derivatives in the Japan market. The objective of the survey is to produce useful information to track the local market practices, i.e. the state of collateral use and management among derivatives dealers and end-users who have activities in Japanese market. The responses are due April 28.

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### Kintetsu Corporation

On April 30, ISDA published [DC Resolutions](#) following the email vote, as to whether a potential Succession Event that has occurred in relation to Kintetsu Corporation, which has been available on the ISDA website.

## UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

<b>IM Segregation Working Group</b> (Japanese language meeting)	<b>May 13</b>
<b>OTC Derivatives Regulations Working Group</b> (Japanese language meeting)	<b>tbd</b>
<b>Data and Reporting Japan Trade Repository Reporting Working Group</b> (Japanese language meeting)	<b>tbd</b>
<b>Understanding the ISDA Master Agreements Conference</b> Including an Overview of the Regulatory Changes to ISDA Documentation (Japanese language conference)	<b>June 22</b>
<b>Understanding Collateral Arrangements and the ISDA Credit Support Documents Conference</b> (Japanese language conference)	<b>June 23</b>