

ISDA® JAPAN MONTHLY UPDATE

March 2015

COMMITTEE ACTIVITIES

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

Trade Data Reporting

On March 24, dealer members of ISDA met with JFSA to provide the overview of the ISDA TR Paper – “Improving Regulatory Transparency of Global Derivatives Markets: Key Principles” published in late February and shared views on the relevant topics from the perspectives of those currently satisfy the mandatory trade reporting requirement to cover multiple jurisdictions.

Prior to the meeting with JFSA, ISDA conducted a comparison survey to ask its members for opinions based on the realities through norms and the level of flexibility to adapt to any future changes perceived among jurisdiction, and the information collected from the members were quoted anonymously and shared in the same discussion.

On March 31, ISDA circulated members a memo with an aim to do a survey on the topic related to the ISDA’s proposal of OTC Derivatives Products Taxonomies v2.0 (UPI) published on ISDA website dated March 25, awaiting the feedback from the members during the certain public comment period.

ISDA will hold an in-person meeting with members based on the results of both surveys, in the near term.

Electronic Trading Platforms (ETPs)

On March 20, ETP Sub-Working Group met to discuss the following agenda:

- 1) Comparison of ETPs’ outlines of business rules based on the provisions set forth in the Article 8 (6) (g) of the Cabinet Office Ordinance concerning the Financial Instruments and Exchange Act (2007 No. 52).
- 2) Update on current status of discussions with regulators
- 3) Update on current progress of business rules, subordinate rules and rule books

Members agreed to share the discussions in the upcoming OTC Derivatives Regulations Working Group in April.

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IM Segregation Working Group

On March 6, IM Segregation Working Group meeting was held to discuss the latest version of the draft of trust account agreement as well as the presentation material summarizing the structure of the trust account agreement. The draft agreement and the presentation material will be circulated in the next Japan Collateral Committee.

Members also discussed the operational flows for segregated IM using Japanese trust account and global custodians by collateral types and the location of counterparties.

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ISDA announced the outcome of the annual process to determine members of ISDA’s five regional Determinations Committees (DCs) including Japan DC, which together comprise the global decision-making structure around events in the credit default swap (CDS) industry. The new DC will become effective April 29, 2015

TIBM Definitions Update: Contact: Kaori Horaguchi (khoraguchi@isda.org)

On March 23, ISDA published a Supplement (#47) to the 2006 Definitions to show new definitions of TIBM with effective April 2015. It can be found at: <http://www.isda.org/publications/isda2000def-annex-sup.aspx>

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

Japan Collateral Committee (Japanese language meeting)	April 9
IM Segregation Working Group (Japanese language meeting)	April 13
OTC Derivatives Regulations Working Group (Japanese language meeting)	tbd
Data and Reporting Japan Trade Repository Reporting Working Group (Japanese language meeting)	tbd
Client Clearing Legal Opinions (Japanese language symposium)	April 9