

ISDA® JAPAN MONTHLY UPDATE

September 2016

COMMITTEE ACTIVITIES

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

Collateral Working Group

On September 28, the Collateral Working Group meeting was held to discuss the T+1 issue focusing on the VM operational control subject to margin rules to be enforced in EU in next March in particular, to exchange views among 30 plus member attendees.

The meeting discussion covered the agenda topics of having an open dialogue to seek the various opinions as to how members had interpreted the “T+1” based on an extract of any subsequent regulatory official document information for EU including the latest RTS, along with the detailed approaches that would have already been enhanced internally within the firms.

Member attendees also had a free exchange of views on the operational constraints or challenges in the light of limited timeframe for system enhancement or any in-house policy being established when having business with counterparties located in the different time zone, if we would still require to stick into the T+1 cutoff time.

Japan Trust Bank's Fund Account Sub-Working Group

On September 29, legal sub-group members discussed the documentation issues on the transactions with trust accounts that would be subject to margin requirements, including the possibility of using the VM Protocol.

Substituted Compliance

The CFTC held a [meeting](#) on September 8 to consider the issuance of a comparability determination for Japan's regulatory regime for margin requirements for non-cleared swaps, and approved the JFSA's request for a determination of comparability with respect to the JFSA's margin requirements for uncleared swaps and has found comparability for all provisions except for the treatment of inter-affiliate swaps. Please see following links for details:

[Fact Sheet - Comparability Determination for Japan Uncleared Swap Margin Rules for Substituted Compliance Purposes](#)

[Federal Register - Comparability Determination for Japan: Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants](#)

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

Resolution Stay

In response to the publication of JFSA's stay regulations on August 11, the issues in preparing the Japanese Jurisdictional Module to the ISDA Resolution Stay Jurisdictional Modular Protocol are under discussion in the

UPCOMING COMMITTEE AND WORKING GROUP MEETINGS / CONFERENCES

2016 ISDA Annual Japan Conference: The Future is Now: Implementing the Margin Rules for Non-cleared Swaps

The Ritz-Carlton, Tokyo

October 27

(English and Japanese language conference/Simultaneous translations will be provided)

New ISDA Documentation and Protocols: Getting Ready for Margining Understanding the Margin Requirements for Uncleared Swaps

The Ritz-Carlton, Tokyo

October 28

(English and Japanese language conference/Simultaneous translations will NOT be provided)