

**Minutes of the 151<sup>st</sup> Meeting**  
**of the Tokyo Foreign Exchange Market Committee**  
**(TFEMC)**

Time and date of the meeting:	13:00-15:15 April 18 <sup>th</sup> , 2012
Venue:	Bank of Japan
Chairperson:	Mr. Akira Hoshino
Vice-Chairperson:	Mr. Hokuto Nakano
Vice-Chairperson:	Mr. Tadahiko Nashimoto
Secretary:	Mr. Atsushi Takeuchi
Attending committee members:	19

I. Reappointment of Members

Mr. Hoshino, Chairperson of the Committee, reported that the term of Mr. Nakano as Vice-Chairperson of the Committee would shortly expire. Mr. Nakano expressed his wish to serve on the Committee for another term and was approved unanimously.

In addition, Mr. Hoshino reported that the term of Mr. Takagi as a member of the Committee would shortly expire. Mr. Takagi expressed his wish to serve on the Committee for another term and was approved unanimously.

II. Resignation of Members

Mr. Hoshino, Chairperson of the Committee, reported that Mr. Kitakura, Member of the Committee, would resign the Committee.

III. Activities of Sub-Committees

1. Sub-Committee on Committee Steering

Mr. Tsukada, Chairperson of the Sub-Committee, reported that the Sub-Committee had proposed several topics, including the necessity of reviewing

the Sub-Committee members and the Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity in 2013.

## 2. Sub-Committee on Code of Conduct

Mr. Tsutsui, Vice-Chairperson of the Sub-Committee, reported that the Sub-Committee had discussed how to proceed with the revision of the Code of Conduct on April 13 and agreed on (i) establishing the principle of the Code of Conduct, (ii) stating current best practices in the Code of Conduct, and (iii) designing the revision to cover participants in the interbank market. He also reported that the Sub-Committee would review each item of the Code of Conduct by referring to the “FXC Management of Operation Risks in FX” prepared by the ECB and that the Sub-Committee would harmonize the Code of Conduct of the TFEMC with that in New York, Australia, and Singapore.

## 3. Sub-Committee on Operation

Mr. Fukushima, Chairperson of the Committee, reported that he had had a chance to hear a presentation about the current situation of the FX clearing by the executives of LCH.Clearnet. Based on the presentation, he explained the clearing service and risk management by LCH.Clearnet to the Committee members.

## IV. Others

### 1. Necessity of Reviewing the Sub-Committee Members and the Number of Committee Members

Mr. Mori, Associate Member of the Committee, reported that the number of members was decreasing in some Sub-Committees as a result of the resignation of some members. Based on the discussion, the Committee agreed that each Chairperson of the Sub-Committees would review current members of the Sub-Committees and inform Mr. Hoshino, Chairperson of the Committee, of the necessity of increasing the number of members.

In addition, Mr. Hoshino, Chairperson of the Committee, reported that he intended to increase the number of Committee members to some extent based on the discussion in the previous Committee. He also mentioned that he wanted to elect some candidates at the next Committee meeting at the earliest.

## 2. BIS Survey in 2013

Mr. Ide, Associate Member of the Committee, explained the final draft of the Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity prepared by the BIS. He reported that the final draft proposed to (i) include hedge funds and official sector financial institutions as the counterparty breakdown, (ii) clarify the execution methods, and (iii) expand the coverage of currency pairs. He also reported that the final draft included some measures to reduce the reporting burden of financial institutions while it proposed to expand the counterparty breakdown. He mentioned that these measures would allow financial institutions with small FX market share not to report the new counterparty breakdown.

## 3. Global FX Committee

Mr. Hoshino, Chairperson of the Committee, reported that he had attended the Global FX Committee with Mr. Nakano, Vice-Chairperson of the Committee, and Mr. Takeuchi, Secretary of the Committee. He explained that participants discussed various topics vigorously such as developments in FX best practices, international regulatory reform initiatives, and developments in FX transaction reporting including the semi-annual turnover surveys.

## 4. Recent Developments in Regulations on the FX Trading

The Committee invited Ms. Takagi, Deputy Director of the Financial Services Agency this time and asked her to make a presentation about regulations on the OTC derivatives. She explained the latest international discussion about regulations on the OTC derivatives, how to introduce the central counterparty and trade repository in Japan, and the future schedule. After her presentation, a lively Q&A session with financial institutions was conducted. Finally, they explained their current status of how to cope with regulations on the OTC derivatives.

## List of Tokyo Foreign Exchange Market Committee Members

(April 18<sup>th</sup>, 2012)

### Members

Chairperson:

Mr. Akira Hoshino\* (Bank of Tokyo-Mitsubishi UFJ)

Vice-Chairperson and Chairperson of the Sub-Committee on Market Research:

Mr. Hokuto Nakano\* (Mizuho Corporate Bank)

Vice-Chairperson:

Mr. Tadahiko Nashimoto\* (Barclays Bank)

Secretary:

Mr. Atsushi Takeuchi\* (Bank of Japan)

Chairperson of the Sub-Committee on Committee Steering:

Mr. Tsunemasa Tsukada\* (Mitsubishi UFJ Trust and Banking Corp.)

Chairperson of the Sub-Committee on Public Relations:

Mr. Kazuhiro Ooki\* (EBS Dealing Resources Japan)

Chairperson of the Sub-Committee on Education and Code of Conduct:

Mr. Koichi Yoshikawa (Credit Suisse Securities)

Chairperson of the Sub-Committee on Legal Matters:

Mr. Shinji Imanishi\* (Sumitomo Mitsui Trust Bank)

Chairperson of the Sub-Committee on Operation:

Mr. Ryoichi Fukushima\* (Mizuho Bank)

Chairperson of the Sub-Committee on E-Commerce:

Mr. Haruhisa Takagi\* (Sumitomo Mitsui Banking Corp.)

Chairperson of the Sub-Committee on NDF:

Mr. Taiji Hirota (JPMorgan Chase Bank)

Mr. Katsunori Kitakura\* (Sumitomo Mitsui Trust Bank)

Mr. Yuji Sokawa\* (Thomson Reuters Japan)

Mr. Masanobu Ishikawa\* (Tokyo Forex Ueda Harlow)

Mr. Tomoo Onishi\* (Deutsche Securities)

Mr. Tomhiro Iwata\* (Goldman Sachs Japan Co.)

### Associate Members

Mr. Yusuke Ito\* (Money Brokers Association)

Mr. Sinichi Tsutsui\* (Mizuho Corporate Bank)

Mr. Naoki Mori\* (Bank of Tokyo-Mitsubishi UFJ)

Mr. Joji Ide\* (Bank of Japan)

### Observer

Mr. Daisaku Kihara\* (Ministry of Finance)

\*Attended the meeting.