

July 28, 1999

Minutes of the 26th Meeting of the Tokyo Foreign Exchange Market Committee

Date of the meeting: July 15, 1999  
Meeting place: Bank of Japan  
Chairperson: Mr. Toshiyuki Morioka (the Bank of Tokyo-Mitsubishi)  
Vice-chairpersons: Mr. Takashi Okura (the First National Bank of Chicago)  
Mr. Takeshi Hanai (the Industrial Bank of Japan)  
Secretary: Mr. Masaru Tanaka (Bank of Japan)  
The number of the attending committee members: 17

1. Preparation for Y2K

Mr. Takamatsu, chairperson of the Sub-committee on Risk Management, reported that the reminder letter on Y2K ("A Reminder Concerning Y2K") had been sent to market participants together with the minutes of the 25th Meeting. The proposal of sending an English translation of the reminder letter and the minutes to inter-bank foreign exchange market participants and overseas foreign exchange committees was approved.

It was also approved that market participants can disclose the reminder letter to their customers and the media on condition that they make sufficient explanation on the following two points.

- (1) The Tokyo Foreign Exchange Market Committee (TFEMC) is not an official representative body of the foreign exchange market or the foreign exchange industry in Japan, but is a group composed of individuals with foreign exchange market expertise.
- (2) The recommendation in the reminder letter does not have any legal nor other compelling power.

2. The report from the Sub-committee on Committee Steering

Mr. Hanai, vice-chairperson, introduced the points of argument when the General Rules of the TFEMC were in the process of being drawn up. Mr. Kobayashi reported the outline of the structures, the management, and the functions of the Foreign Exchange Committee in New York and the Foreign Exchange Joint Standing Committee in London.

Mr. Kato, chairperson of the Sub-committee on Committee Steering, reported that the Sub-committee would take up issues, including a) making a new

burden sharing rule for the cost of operating the committee, b) reinforcing connections with overseas foreign exchange committees, c) determining the scope and way of disclosure such as utilizing the Web Site, d) reviewing the degree of Bank of Japan's involvement in the TFEMC's activity.

### 3. The report from the Sub-committee on Legal Matters

The TFEMC approved the proposal made by Mr. Kobayashi, chairperson of the Sub-committee on Legal Matters, for producing a commentary on "1998 FX and Currency Option Definitions" jointly with ISDA Japan. In this connection, a member pointed out that Japanese banks should use master agreements including ICOM, IFEMA, FEOMA or ISDA Master Agreement with Japanese customers, just as they use them in the interbank sector. Most Japanese banks use a bank master contract form presented by Japanese Bankers' Association with their customers. A member stressed that the Japanese banks should make an effort to use master agreements more widely from a viewpoint of internationalizing the Tokyo market.

### 4. The report from the Sub-committee on Education and Public Relations

The proposal by Mr. Watanabe, chairperson of the Sub-committee on Education and Public Relations, to hold the 2nd Forex Seminar in November or December 1999 was approved. It was agreed that details of the seminar would be drafted by the Sub-committee.

The Tokyo Foreign Exchange Market Committee Members' List  
(July 15, 1999)

Members

Chairperson:

Mr. Toshiyuki Morioka\* (The Bank of Tokyo-Mitsubishi)

Vice-chairperson:

Mr. Takeshi Hanai\* (The Industrial Bank of Japan)

Mr. Takashi Okura\* (The First National Bank of Chicago)

Secretary:

Mr. Masaru Tanaka\* (Bank of Japan)

Chairperson of the Sub-committee on Committee Steering:

Mr. Hiromitsu Kato\* (The Nomura Trust and Banking Co.)

Chairperson of the Sub-committee on Education and Public Relations:

Mr. Hidenori Watanabe\* (The Dai-ichi Kangyo Bank)

Chairperson of the Sub-committee on Market Operation:

Mr. Takao Sakoh (UBS)

Chairperson of the Sub-committee on Risk Management:

Mr. Tsutomu Takamatsu\* (The Chase Manhattan Bank)

Chairperson of the Sub-committee on CFD:

Mr. Hiroshi Mishima\* (The Sakura Bank)

Mr. Hiroshi Kikuchi\* (The Sanwa Bank)

Mr. Hirokazu Note\* (The Sumitomo Bank)

Mr. Katsuhiko Sugata\* (The Fuji Bank)

Mr. Hiroshi Saito\* (The Mitsubishi Trust and Banking Co.)

Mr. Satoshi Matsuda\* (Commonwealth Bank of Australia)

Mr. Nao Nakajima\* (Standard Chartered Bank)

Mr. Takahiko Takemoto (Deutsche Bank)

Mr. Eiichi Ishikawa\* (EBS Dealing Resources Japan)

Mr. Shinichiro Ozaki\* (Ueda Harlow)

Mr. Noriaki Kanda\* (Reuters Japan)

Observers

Mr. Yoshihiko Noguchi\* (Money Brokers Association)

Chairperson of the Sub-committee on Legal Matters:

Mr. Kazuo Kobayashi\* (Bank of Japan)

Note: \* tells those that attended the meeting.