

December 3, 1999

Minutes of the 29th Meeting of the Tokyo Foreign Exchange Market Committee

Time and Date of the meeting: November 24, 1999 13:00-15:15
Meeting place: Bank of Japan
Chairperson: Mr. Toshiyuki Morioka (The Bank of Tokyo-Mitsubishi)
Vice-chairpersons: Mr. Takashi Okura (Bank One)
Mr. Takeshi Hanai (The Industrial Bank of Japan)
Secretary: Mr. Masaru Tanaka (Bank of Japan)
The number of the attending committee members: 19

1. Appointment of a new member

Mr. M. Takaura (the Sanwa Bank) was appointed as a new member of the Tokyo Foreign Exchange Market Committee (TFEMC), replacing Mr. H. Kikuchi who resigned.

2. Preparation for Y2K

TFEMC will prepare a members' contact list for Y2K emergencies which was proposed by Mr. T. Takamatsu, chairperson of the Sub-committee on Risk Management. It was agreed that TFEMC should continue to monitor market developments related to Y2K issues, and would hold a meeting of the Sub-committee or a special committee on December 20 in order to check upon the final preparations.

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

Mr. H. Watanabe, chairperson of the Sub-committee on Education and Public Relations, reported the status of the preparations for the 2nd Forex Seminar to be held on December 6.

4. The report from the Sub-committee on Legal Matters

Mr. K. Kobayashi, chairperson of the Sub-committee on Legal Matters, reported that U.S. Financial Market Lawyers Group (FMLG) had requested TFEMC to support the draft of an amendment to the Force Majeure clause of the IFEMA, ICOM and FEOMA. He also reported that the Sub-committee had concluded that the draft had no legal problems, and recommended TFEMC to examine it from operational points.

Concerning reduction of Waiting Period from twenty days to three business days, some members said that it is deemed necessary to shorten the current waiting period, but shortening it to three business days is not appropriate because of the following reasons.

- (1) If a Force Majeure Event is a tolerable one, transactions should be continued, instead of closing out three business days after the Event occurs.
- (2) If a party or both parties are severely damaged by an Event like a major earthquake, it is difficult for severely damaged party/parties to carry on closing out procedures only three business days after the Event.
- (3) For Asian-Pacific market participants, the actual Waiting Period would be two business days due to the time difference.

TFEMC agreed to reply to FMLG that TFEMC would be examining this issue further, and to convey that for market participants in Asia-Pacific, at least four days are necessary in order to adhere to the three business days allotted for non Asia-Pacific market participants.

5. The report on the joint meeting of forex committees in Singapore

Mr. H. Kato, chairperson of the Sub-committee on Committee Steering, and Mr. K. Kobayashi reported the outcome of the observance of the joint meeting of the Singapore Foreign Exchange Market Committee (SFEMC) and the Foreign Exchange Committee (FXC) of New York held in Singapore on November 4. In the meeting, SFEMC and FXC agreed to start a joint project on NDF and requested TFEMC to join in. Also, there was no objection by SFEMC and FXC on TFEMC's participation in the next joint meeting to be held in New York the next year. Some members of the joint meeting suggested that they would like to have TFEMC hold the joint meeting in Tokyo in 2001. In order to comply to these activities, TFEMC needs support from the institutions which its members work for, therefore TFEMC requested the Sub-committee on Committee Steering to examine whether the present status of TFEMC, a private study group, is adequate or not for the support.

6. Others

Mr. N. Nakajima reported that Mr. Eddie Tan, chairperson of Committee for Professionalism (CFP) of ACI, requested TFEMC if it can support CFP's Global Code of Conduct. TFEMC agreed to discuss this matter in the next meeting basing on examining reports to be prepared by a working group.

TFEMC agreed to the proposal of starting contacts with Hong Kong Foreign Exchange & Money Market Committee and the newly established ECB Foreign Exchange Market Contact Group.

The Tokyo Foreign Exchange Market Committee Members' List
(October 26, 1999)

Members

Chairperson:

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

Vice-chairperson:

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

Mr. Takashi Okura* (Bank One)

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. 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)

Mr. Masayuki Takaura* (The Sanwa Bank)

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.