

February 19, 2004

**Minutes of the 69th Meeting
of the Tokyo Foreign Exchange Market Committee
(TFXMC)**

Time and date of the meeting:	13:00-15:30 November 25, 2003
Venue:	Bank of Japan
Chairperson:	Mr. Tetsuji Ogino (Bank of Tokyo-Mitsubishi)
Vice-chairperson:	Mr. Akio Kashima (Mizuho Corporate Bank)
Vice-chairperson:	Mr. Tadahiko Nashimoto (Barclays Bank)
Secretary:	Mr. Satoshi Kawazoe (Bank of Japan)
Attending committee members:	16

I. Election of a committee member

Mr. Ogino (Bank of Tokyo-Mitsubishi), Chairperson of the Committee, reported that he received a membership application from Mr. Yoshiharu Yanagisawa (State Street Bank).

After review of the application by Committee members and presentation by the candidate, a vote was taken, and Mr. Yanagisawa was unanimously elected as member of the Committee.

II. London Foreign Exchange Joint Standing Committee 30th Anniversary Conference

Mr. Ogino, Chairperson of the Committee, reported as follows.

- Mr. Ogino and Mr. Kawazoe attended the 30th Anniversary Conference of London FX Joint Standing Committee on November 18. Mr. Ogino delivered a presentation entitled "Exchange Regimes in Asia," and Mr. Kawazoe explained the recent development of ABF (Asian Bond Fund).

III. Activities of Sub-committees

1. The Sub-committee on Committee Steering

Mr. Note (Sumitomo Mitsui Banking Corporation), Chairperson of the Sub-committee, reported and proposed as follows, and all the proposals concerned were approved.

1) Changes in members affiliation with Sub-committees.

- Mr. Nashimoto (Barclays Bank) withdraws from the Sub-committee on Education and participates in the Sub-committee on Legal Matters.
- Mr. Yanagisawa (State Street Bank), newly elected member of the Committee, participates in the Sub-committee on Code of Conduct and the Sub-committee on Settlement.
- Mr. Takenaka (Mizuho Corporate Bank) withdraws from the Sub-committee on Settlement.
- Mr. Terasawa (Bank of Tokyo-Mitsubishi) withdraws from the Sub-committee on Settlement and participates in the Sub-committee on Legal Matters.

2) The Sub-committee decided to informally discuss with a lawyer for advice on contents of the Charter.

2. The Sub-committee on the Code of Conduct

Mr. Nakajima (Standard Chartered Bank), Chairperson of the Sub-committee, reported that printing of "Code of Conduct 2003 Edition" was completed. Mr. Noguchi (Money Brokers Association), Observer of the Committee, proposed its distribution procedure and that was approved.

3. The Sub-committee on Settlement

Mr. Ichikawa (Mizuho Bank), Chairperson of the Sub-committee, reported as follows.

1) CLS released a statement that CLS would not require its members to exchange

SWIFT MT300 messages for confirmation related to CLS transactions after next June.

- 2) The Committee should examine the consistency of the above action with Code of Conduct (ARTICLE 20 "CONFIRMATION PROCEDURES"), with business procedures of each bank, and with any legal matters.

It was decided that Sub-committee on Settlement and Legal Matters would continue to follow this issue.

4. The Sub-committee on Market Research

Mr. Kashima (Mizuho Corporate Bank), Chairperson of the Sub-committee, reported that the Sub-committee would release a statement about an EBS product called "Prime Broker" before its introduction.

5. The Sub-committee on Education

Mr. Imai (UFJ bank), Chairperson of the Sub-committee, reported that the Sub-committee decided the contents and date of the next seminar, and continued discussing its details.

6. The Sub-committee on NDF

Mr. Inamura (Citibank), Chairperson of the Sub-committee, reported on NDF Small Group Conference as follows, and all of the proposals concerned were approved.

- 1) The Committee received these answers from Singapore Foreign Exchange Market Committee (SFEMC).
 - ① Polling would be held on condition of Price Source Disruption.
 - ② SFEMC supported the principle of "1 bank 1 vote."
 - ③ Contingency measures would be invoked if the Fixing Rate was not available for 14 days.
- 2) The Sub-committee would make the following proposal on Indicative Survey.
 - If the polling rate is not available from at least 8 banks for 3 days, the polling rate should be composed of rates from 5 banks. If the polling rate is not available from at least 5 banks for 3 days, the Calculation Agent should play its designated role.
- 3) The Sub-committee participated in the conference call on October 31.

①These issues were approved.

- i) Indicative Survey is held after the Deferral Period for 14 days. If the polling rate is not available for 3 more days, the Calculation Agent will play its designated role. (However, the minimum number of participants of the Polling is not settled yet.)
- ii) If the Indicative Survey Rate is not available for 3 days, Polling will be continued. (It does not constrain Calculation Agent.)
- iii) Dates in Deferral Period will be counted on calendar dates basis. However, dates for Indicative Survey will be counted on business dates basis.
- iv) Spot rate will be the reference rate for Indicative Survey, but not for Disruption Event.

②We were requested to answer these questions.

- i) After determination of fixing rates, whether we should apply a single value date for separate transactions with originally different value dates in Deferral Period.
- ii) Whether we would recommend Singapore as relevant market for Confirmation Template Valuation Date.

4) To the questions of ② above, the consensus of the Sub-committee was as follows.

①We prefer to apply a single value date.

②Singapore need not be included as the relevant market.

List of Tokyo Foreign Exchange Market Committee Members
(November 25, 2003)

Members

Chairperson:

Mr. Tetsuji Ogino* (Bank of Tokyo-Mitsubishi)

Vice-chairperson and Chairperson of the Sub-committee on Market Research:

Mr. Akio Kashima* (Mizuho Corporate Bank)

Vice-chairperson:

Mr. Tadahiko Nashimoto* (Barclays Bank)

Secretary:

Mr. Satoshi Kawazoe* (Bank of Japan)

Chairperson of the Sub-committee on Committee Steering and E-commerce:

Mr. Hirokazu Note* (Sumitomo Mitsui Banking Corporation)

Chairperson of the Public Relations

Mr. Noriaki Kanda* (Reuters Japan)

Chairperson of the Sub-committee on Education

Mr. Masato Imai* (UFJ Bank)

Chairperson of the Sub-committee on Legal Matters:

Mr. Keiichiro Takeda* (The Mitsubishi Trust and Banking Co.)

Chairperson of the Sub-committee on Settlement:

Mr. Toru Ichikawa* (Mizuho Bank)

Chairperson of the Sub-committee on NDF:

Mr. Hidehiko Inamura* (Citibank)

Chairperson of the Sub-committee on the Code of Conduct

Mr. Nao Nakajima* (Standard Chartered Bank)

Mr. Fumihiko Kawano* (Nomura Securities)

Mr. Kosuke Hanao (The Royal Bank of Scotland)

Mr. Masayoshi Takegawa* (Merrill Lynch Japan Securities)

Mr. Kazuo Itoh* (Tokyo Forex & Ueda Harlow)

Mr. Kazuhiro Oki* (EBS Dealing Resources Japan)

Observers

Mr. Yoshihiko Noguchi* (Money Brokers Association)

Mr. Tetsuya Inoue* (Bank of Japan)

Mr. Mitsuhide Terasawa* (Bank of Tokyo-Mitsubishi)

Mr. Koichi Takenaka* (Mizuho Corporate Bank)

*Attended the meeting.