

April 22, 2004

**Minutes of the 70th Meeting
of the Tokyo Foreign Exchange Market Committee
(TFXMC)**

Time and date of the meeting:	13:00-15:00 January 21, 2004
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 Vice-chairperson

Mr. Ogino (Bank of Tokyo-Mitsubishi), Chairperson of the Committee, reported that the term of Mr. Kashima (Mizuho Corporate Bank) as Vice-chairperson would shortly expire. Mr. Kashima expressed his wish to serve for another term and was reelected unanimously.

II. Revision of the Committee Charter

Mr. Note (Sumitomo Mitsui Banking Corporation), Chairperson of the Sub-committee, proposed the revised draft of the Committee Charter, and it was approved.

III. Activities of Sub-committees

1. The Sub-committee on Committee Steering

Mr. Oki(EBS Dealing Resources Japan) reported on the series of interruptions to the EBS dealing system in early January as follows.

1) Details of interruptions

① Network disruption at subcontracting telecoms carrier

— It took 90 seconds to switch from the troubled lines to backup lines.

② Suspension of data feedings in “EBS Ticker Feed”

— The cause was the backup operations during daytime, which was not in accordance with internal guidelines at EBS.

③ Slow deals

— The cause was the overload on telecom network and hardware.

2) EBS provided similar information to FX committees in NY and LDN.

It was agreed that the Committee would ask service vendors to strengthen their responses against such events, considering that the interruptions hindered trading, gave rise to inconsistent rates between major markets, and caused troubles between banks and their customers. It was decided at the same time that the users of service vendors should be also well prepared for these contingencies, because it was impossible to completely prevent service disruptions.

2. The Sub-committee on Education

Mr. Imai (UFJ Bank), Chairperson of the Sub-Committee, updated the number of registered participants to the joint seminar with ACI Japan (Forex Club) on February 18th. Following the report, it was decided that the members of the Committee would encourage their colleagues to participate in the seminar.

3. The Sub-committee on the Code of Conduct

The Committee took note of the update by Mr. Noguchi (Money Brokers Association), Observer of the Committee, on the distribution and inventory of Orange Book 2003. Current members of ACI Japan (Forex Club) would be provided with a free copy and complimentary copies would be sent to overseas FX Committees and ACI. Meanwhile, it was decided that there would be no reprinting of the Book for the time being. Participants of the joint seminar with ACI Japan would be able to purchase a copy at the seminar.

4. The Sub-committee on Settlement

Mr. Terasawa (Bank of Tokyo-Mitsubishi), Observer of the Committee, reported as follows on behalf of Mr. Ichikawa (Mizuho Bank), Chairperson of the Sub-committee.

- 1) CLS released a statement recommending the members not to exchange SWIFT MT300 for confirmations related to CLS transactions after coming June as the best practice. The Sub-Committee asked CLS for the legal interpretations of the recommendation.
- 2) The Sub-Committee would start a discussion after receiving their answer from CLS.

5. The Sub-committee on Market Research

Mr. Kashima, Chairperson of the Sub-committee, reported that the Sub-committee continued to discuss a release of the statement about potential effects of EBS "Prime Broker", with the view of exchanging opinions with overseas FX committees and publishing the results of such discussion.

6. The Sub-committee on NDF

Mr. Inamura (Citibank), Chairperson of the Sub-committee, reported that the Sub-committee discussed the way to determine a value date in a disruption event, and put the test poll into practice. He also reported that arrangements for the test poll were under way in Tokyo, Singapore, and Hong Kong.

List of Tokyo Foreign Exchange Market Committee Members
(January 21, 2004)

Members

Chairperson:

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

Vice-chairperson and Chairperson 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 CLS:

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. Yoshiharu Yanagisawa* (State Street Bank and Trust Company)

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.