

July 16, 2004

Minutes of the 71th Meeting
of the Tokyo Foreign Exchange Market Committee
(TFXMC)

Time and date of the meeting:	13:00-15:00 February 23, 2004
Venue:	Bank of Japan
Chairperson:	Mr. Tetsuji Ogino
Vice-chairperson:	Mr. Akio Kashima
Vice-chairperson:	Mr. Tadahiko Nashimoto
Secretary:	Mr. Satoshi Kawazoe
Attending committee members:	15

I. Resignation and Election of Members

Mr. Ogino, Chairperson of the Committee, reported that Mr. Kanda expressed his wish to resign from the Committee, and that Mr. Ogino received an application from Mr. Kawate (Reuters Japan).

After reviewing the application and presentation by the candidate, a vote was taken, and the candidate was elected unanimously as a new member of the Committee.

Mr. Ogino also reported that Mr. Nakajima and Mr. Note expressed their wish to resign as the chairperson on Code of Conduct and E-commerce Sub-Committees respectively.

As their successors, Mr. Oki, Mr. Yanagisawa, and Mr. Hanao announced the candidacy as the chairpersons on Public Relations, Code of Conduct, and E-commerce and they were elected unanimously.

II. Activities of Sub-Committees

1. The Sub-Committee on the Code of Conduct

Mr. Nakajima, Chairperson of the Sub-Committee, reported that the Committee would review Orange Book 2003 taking into consideration, for example, changes in settlement procedures with the expansion of electronic trading, and future revisions of ACI The Model Code.

Mr. Noguchi, Observer of the Committee, reported on the distribution, inventory and finances concerning Orange Book 2003.

2. The Sub-Committee on Committee Steering

Mr. Note, Chairperson of the Sub-Committee, proposed on English translation of the Charter, and it was approved.

3. The Sub-Committee on Education

Mr. Imai, Chairperson of the Sub-Committee, reported on the number of participants to the joint seminar with ACI Japan (Forex club) on February 18th, and on its finances.

4. The Sub-Committee on NDF

Mr. Inamura, Chairperson of the Sub-Committee, reported as follows. All of the proposals concerned were approved.

- 1) In determining a value date in a disruption event, the Sub-Committee would share common understandings of the differences between “Rolling” approach and “Clean up” approach with Singapore Foreign Exchange Market Committee.
- 2) The Sub-Committee would suggest these issues to Singapore Foreign Exchange Market Committee.
 - ① Computing the Indicative Survey Rates by eliminating the highest and lowest 25% of total returns and averaging the remaining 50%, in order to prevent manipulation by poll participants.
 - ② Including Tokyo and Hong Kong in addition to Singapore as the relevant city of Valuation Date, thereby treating equally these three international financial centers in Asia.