

Minutes of the 140th Meeting
of the Tokyo Foreign Exchange Market Committee
(TFEMC)

Time and date of the meeting:	13:00-14:00 March 23 rd , 2011
Venue:	Bank of Japan
Chairperson:	Mr. Akira Hoshino
Vice-Chairperson:	Mr. Hokuto Nakano
Vice-Chairperson:	Mr. Tadahiko Nashimoto
Secretary:	Mr. Atsushi Takeuchi
Attending committee members:	19

I. Resignation and Election of Members

Mr. Hoshino, Chairperson of the Committee, reported that the term of Mr. Ooki as a member of the Committee would shortly expire. Mr. Ooki expressed his wish to serve on the Committee for another term and was approved unanimously.

II. Activities of Sub-Committees

1. Sub-Committee on Committee Steering

Mr. Inoue, Chairperson of the Sub-Committee, reported that the Sub-Committee had discussed today's agenda. He stated that the Sub-Committee had proposed some topics, including the report of resignation and election of members, crisis response after the earthquake on March 11th, and the notification of conducting the Tokyo FX survey.

2. Sub-Committee on Education

Mr. Kawano, Chairperson of the Sub-Committee, reported on the content of the joint seminar with ACI Japan, which was held on February 21st.

3. Sub-Committee on Settlement

Mr. Komatsu, Chairperson of the Sub-Committee, reported that the Sub-Committee had held a workshop with the Tokyo Stock Exchange on CCPs for foreign exchange. He also stated that the Sub-Committee had narrowed down products under consideration to NDFs and currency options in light of the possible exclusion of forwards and currency swaps from the CCP obligation in the United States.

4. Sub-Committee on Market Research

Mr. Nakano, Vice-Chairperson of the Committee, reported that the Sub-Committee would conduct the “Turnover Survey of Tokyo FX Market” covering the transactions in April 2011 as in the past surveys. He also stated that the Sub-Committee had asked the Financial Futures Association of Japan to cooperate in the survey regarding foreign exchange margin trading.

5. Sub-Committee on BCP

Mr. Kuzuhara, Associate Member of the Committee, reported on how the business continuity plan (BCP) worked when the earthquake occurred on March 11th.

With regard to the BCP-dedicated web site, he pointed out some delay in updating on damage to banks caused by the earthquake and difficulty in receiving information on a timely manner because users need to login to get information on the business operation of other banks. Some members said that the Sub-Committee should consider measures to enhance the convenience of the BCP-dedicated website.

In addition, Mr. Kuzuhara reported that the Sub-Committee had conducted an urgent survey on the current situation of each bank’s backup site in order to assess the business continuity of foreign exchange trading operation in case of emergency. Based on the survey result, some members expressed the view that geographical diversification of banks’ backup sites would be required in order to continue execution and settlement operations when the impact of disaster spreads through a wider area.

6. Sub-Committee on NDF

Mr. Hirota, Chairperson of the Sub-Committee, reported that the Sub-Committee intended to have a meeting with the Investment Trusts Association about setting market practice for NDF transactions.

III. Others

Mr. Hoshino, Chairperson of the Committee, mentioned that the Committee should study developments in the foreign exchange markets and responses by market participants after the earthquake and come up with some lessons for the future.

List of Tokyo Foreign Exchange Market Committee Members

(March 23rd, 2011)

Members

Chairperson:

Mr. Akira Hoshino* (Bank of Tokyo-Mitsubishi UFJ)

Vice-Chairperson and Chairperson of the Sub-Committee on Market Research:

Mr. Hokuto Nakano* (Mizuho Corporate Bank)

Vice-Chairperson:

Mr. Tadahiko Nashimoto* (Barclays Bank)

Secretary:

Mr. Atsushi Takeuchi* (Bank of Japan)

Chairperson of the Sub-Committee on Committee Steering:

Mr. Hideaki Inoue* (Mitsubishi UFJ Trust and Banking Corp.)

Chairperson of the Sub-Committee on Public Relations:

Mr. Kazuhiro Ooki* (EBS Dealing Resources Japan)

Chairperson of the Sub-Committee on Education:

Mr. Fumihiko Kawano* (Nomura Securities)

Chairperson of the Sub-Committee on Legal Matters:

Mr. Shinji Imanishi* (Sumitomo Trust and Banking Co.)

Chairperson of the Sub-Committee on Code of Conduct:

Mr. Koichi Yoshikawa (BNP PARIBAS)

Chairperson of the Sub-Committee on Settlement:

Mr. Atsushi Komatsu* (Mizuho Bank)

Chairperson of the Sub-Committee on E-Commerce:

Mr. Haruhisa Takagi* (Sumitomo Mitsui Banking Corp.)

Mr. Katsunori Kitakura* (Chuo Mitsui Trust and Banking)

Mr. Masatomo Odagawa* (Goldman Sachs Japan Co.)

Mr. Yuji Sokawa* (Thomson Reuters Japan)

Mr. Masanobu Ishikawa* (Tokyo Forex Ueda Harlow)

Mr. Tomoo Onishi* (Deutsche Securities)

Mr. Taiji Hirota* (JPMorgan Chase Bank)

Associate Members

Mr. Yoshihiko Noguchi* (Money Brokers Association)

Mr. Yoshiki Yamamoto* (Mizuho Corporate Bank)

Mr. Kiyoshi Kuzuhara* (Bank of Tokyo-Mitsubishi UFJ)

Ms. Maiko Koga (Bank of Japan)

Observer

Mr. Osamu Kawanishi (Ministry of Finance)

*Attended the meeting.