

March 28, 2000

Minutes of the 32nd Meeting of the Tokyo Foreign Exchange Market Committee

Time and Date of the meeting: 13:00-15:15 March 17, 2000
Meeting place: Bank of Japan
Chairperson: Mr. Toshiyuki Morioka (The Bank of Tokyo-Mitsubishi)
Vice-chairpersons: Mr. Takashi Okura (Barclays Bank)
Mr. Takeshi Hanai (The Industrial Bank of Japan)
Secretary: Mr. Masaru Tanaka (Bank of Japan)
The number of the attending committee members: 18

1. Global Code of Conduct

Mr. N. Nakajima, chairperson of the Working Group on the Global Code of Conduct, reported as follows.

- (1) The draft of the Code was sent from Committee for Professionalism (CFP) of ACI.
- (2) The name of the Code was changed from “the Global Code” to “the Model Code”.
- (3) “The Model Code” covers issues which the Tokyo Code of Conduct (Orange Book) does not cover, including mediation by ACI and transactions other than foreign exchange (for example, bullion and interest rate swap transactions).
- (4) Each clause has an explanation of its background for users’ comprehension.

Some members questioned if CFP requested TFEMC to only acknowledge the draft, or to endorse it, or whether or not to translate it into Japanese. Mr. Nakajima replied that he was inquiring CFP of the same questions. TFEMC requested the Working Group to check the difference between “the Model Code” and the Orange Book, and to examine how TFEMC should deal with it. Concerning the translation, some members insisted that the Japan Forex Club, which is an affiliation of ACI, should undertake it.

2. Web site

TFEMC discussed the domain name of its web site.

3. CFD

Mr. H. Mishima, chairperson of the Sub-committee on CFD, reported as

follows.

- (1) The Sub-committee held a meeting on March 6, 2000 and decided to test if the Tokyo index rate would come out or not. The test was executed on March 10, but it failed because of a malfunction of Reuters' index rate calculation system.
- (2) Mr. Mishima inquired Mr. Simon Hills (BBA) about the progress on CFD in London. Mr. Hills replied that BBA's role is to organize the benchmarking process by providing an index, and London CFD index rate would be available on a test basis by the beginning of June.

Some members said TFEMC should not advance toward the next step until the index rate was readily available, and another member questioned that the promoter of CFD project was unclear. TFEMC decided to keep close contact with BBA and monitor developments in London.

4. EMTA's meeting on NDF

Mr. T. Takamatsu, chairperson of the Sub-committee on Risk Management, reported as follows.

- (1) EMTA requests TFEMC to participate in EMTA's meeting on Asian Currency NDF, which will be held simultaneously in London, Tokyo, Singapore and Hong Kong.
- (2) In the meeting, EMTA will explain the practice for NDF debated in New York and London, and will ask Asian market participants' consent.
- (3) The date of the meeting is provisionally April 12. Four meeting places will be linked by telephone conference lines. Other details of the meeting are not determined.
- (4) Mr. Takamatsu temporarily replied to EMTA that he and Mr. Kobayashi, chairperson of the Sub-committee on Legal Matters, is going to participate in the meeting.

Mr. Kobayashi explained he'd like to request interested members' participation and, if necessary, would inform ISDA Japan about the meeting, after the details and scale of the meeting has become clear.

The Tokyo Foreign Exchange Market Committee Members' List
(March 17, 2000)

Members

Chairperson:

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

Vice-chairperson:

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

Mr. Takashi Okura* (Barclays Bank)

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.