

**Minutes of the 153<sup>rd</sup> Meeting**  
**of the Tokyo Foreign Exchange Market Committee**  
**(TFEMC)**

Time and date of the meeting:	13:00-14:30 June 27 <sup>th</sup> , 2012
Venue:	Bank of Japan
Chairperson:	Mr. Akira Hoshino
Vice-Chairperson:	Mr. Hokuto Nakano
Vice-Chairperson:	Mr. Tadahiko Nashimoto
Secretary:	Mr. Yoshihito Saito
Attending committee members:	21

I. Reappointment of Executive Members

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

II. Activities of Sub-Committees

1. Sub-Committee on Committee Steering

Mr. Tsukada, Chairperson of the Sub-Committee, reported the summary of discussions in several Sub-Committees, which had met after the last Committee.

In addition, he reported the progress made in implementing the Turnover Survey of Tokyo Foreign Exchange Market and the BIS Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity. He explained that regarding the Turnover Survey, the data were currently examined and the results would be officially released at the end of July. He also explained that the reporting items of the BIS Survey in 2013 had been

broadly decided and the Bank of Japan would hold a briefing session in August or September.

## 2. Sub-Committee on BCP

Mr. Hoshino, Chairperson of the Committee, reported that the Sub-Committee had discussed on June 22 the pros and cons of setting up a common BCP-dedicated web site among three markets, scenarios for the next BCP exercise, and revisions to the Code of Conduct related to the BCP. He explained that the pros and cons had been debated regarding the common BCP-dedicated web site in the Sub-Committee. He also explained that many members had proposed examining the cost of setting up a common web site even when the Sub-Committee started to work out a concrete plan. Regarding the scenarios for the next BCP exercise, he reported that some Sub-Committee members had proposed assuming not only the outbreak of a disaster but also a scenario in which financial institutions were unable to disclose the fixing rate.

## 3. Sub-Committee on Operation

Mr. Fukushima, Chairperson of the Sub-Committee, reported that the Sub-Committee had reviewed on June 21 the current practice at the Singapore Exchange (SGX) and IntercontinentalExchange (ICE) regarding the clearing of NDF through central counterparties and reviewed the Code of Conduct related to operation. He also reported that the Sub-Committee had exchanged views on the clearing through central counterparties and trade repository.

## 4. Sub-Committee on Legal Matters

Mr. Tsukada, Member of the Committee, reported that the Sub-Committee had written the final draft of the recommendation for the trading practice of NDF transactions against the yen on June 20. As the Committee members had no specific objection to the recommendation, the Committee decided to post the recommendation on the Committee's web site in a few weeks with written answers to several public comments by market participants.

## 5. Sub-Committee on Code of Conduct

Mr. Yoshikawa, Chairperson of the Sub-Committee, reported that the FXC Management of Operation Risk in FX prepared by the ECB had been used

for comparison but the Model Code published recently by the ACI should be used for comparison from now on.

He proposed that it might be realistic to use the current Orange Book as a starting point and incorporate some parts of the Model Code considered to be important into the Orange Book. Some members, however, proposed that it might be worthwhile to consider revising the current Orange Book drastically based on the Model Code in order to make the Code of Conduct of the Tokyo FX market compliant with global standards. Based on the discussion, the Committee members broadly agreed on using the current Orange Book as the basis, but they decided to reconsider the final goal of the revision.

#### 6. Sub-Committee on E-Commerce

Mr. Takagi, Chairperson of the Sub-Committee, reported that the Sub-Committee had discussed how to revise the Code of Conduct related to e-commerce on June 18. He also explained that the Sub-Committee would develop a concrete plan for the revisions by September and finish the revision by the end of this year.

## List of Tokyo Foreign Exchange Market Committee Members

(June 27<sup>th</sup>, 2012)

### 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. Yoshihito Saito\* (Bank of Japan)

Chairperson of the Sub-Committee on Committee Steering:

Mr. Tsunemasa Tsukada\* (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 and Code of Conduct:

Mr. Koichi Yoshikawa\* (Credit Suisse Securities)

Chairperson of the Sub-Committee on Legal Matters:

Mr. Shinji Imanishi (Sumitomo Mitsui Trust Bank)

Chairperson of the Sub-Committee on Operation:

Mr. Ryoichi Fukushima\* (Mizuho Bank)

Chairperson of the Sub-Committee on E-Commerce:

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

Chairperson of the Sub-Committee on NDF:

Mr. Taiji Hirota\* (JPMorgan Chase Bank)

Mr. Yuji Sokawa\* (Thomson Reuters Japan)

Mr. Masanobu Ishikawa\* (Tokyo Forex Ueda Harlow)

Mr. Tomoo Onishi\* (Deutsche Securities)

Mr. Tomohiro Iwata (Goldman Sachs Japan Co.)

Mr. Atsuo Ogaki\* (Nomura Securities)

Mr. Kosuke Hanao\* (HSBC)

Mr. Joseph A. Kraft Jr.\* (Bank of America)

### Associate Members

Mr. Yusuke Ito\* (Money Brokers Association)

Mr. Sinichi Tsutsui\* (Mizuho Corporate Bank)

Mr. Naoki Mori\* (Bank of Tokyo-Mitsubishi UFJ)

Mr. Joji Ide\* (Bank of Japan)

### Observer

Mr. Daisaku Kihara\* (Ministry of Finance)

\*Attended the meeting.