

Minutes of the 164th Meeting
of the Tokyo Foreign Exchange Market Committee
(TFEMC)

Time and date of the meeting:	13:00-14:50 July 23 rd , 2013
Venue:	Bank of Japan
Chairperson:	Mr. Akira Hoshino
Vice-Chairperson:	Mr. Hokuto Nakano
Vice-Chairperson:	Mr. Tomoo Onishi
Secretary:	Ms. Yuko Kawai
Attending committee members:	20

I. Reappointment of Members

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

II. Replacement of Observers

Mr. Hoshino, Chairperson of the Committee, reported that Mr. Iizuka, Observer of the Committee, would be replaced by Mr. Hirokawa (Ministry of Finance).

III. Activities of Sub-Committees

1. Sub-Committee on Committee Steering

Mr. Tsukada, Chairperson of the Sub-Committee, reported that the Sub-Committee discussed the agenda for today's plenary, including the reappointment of members.

2. Sub-Committee on Market Research

Mr. Nakano, Vice-Chairperson of the Committee, reported that the results of Turnover Survey of Tokyo Foreign Exchange Market (April 2013) was planned to be published on July 29. The Committee approved this plan. In

addition, he proposed several issues for improving the survey: (i) the Citigroup Global Markets Japan would be included as a reporting institution from the next survey; (ii) it would be necessary to enhance understanding among reporting institutions about definitions of the reported items and methodology of the data reporting regarding sales desk and prime brokerage; and (iii) the Sub-Committee would consider the actual measures for the next survey. The Committee members agreed on those points.

Mr. Ohta, Associate Member of the Committee, then reported the summary of the survey results (April 2013). He explained that the turnover in April 2013 increased from the last survey (October 2012), especially in spot transactions, mainly due to expectations for the new Abe administration since last autumn.

3. Sub-Committee on E-Commerce

Mr. Ishibashi, Chairperson of the Sub-Committee, reported that the Sub-Committee had examined the provisions for electronic trading in the ACI Model Code. He explained that the Sub-Committee would prepare the revised draft for the relevant provisions in the Orange Book and submit it to the Sub-Committee on Code of Conduct.

4. Sub-Committee on Code of Conduct

Mr. Onishi, Vice-Chairperson of the Committee, reported that on July 2 and 22 the Sub-Committee held a meeting among practitioners who were involved in revising the Code of Conduct. He explained that at the meeting, they had reviewed (i) the purpose and the basic policy of this revision, (ii) the addition to the ACI Model Code of the 2013 edition from that of the 2009 edition, (iii) addition of provisions for publishing and setting rates, and (iv) a comparative table between the ACI Model Code 2013, the Orange Book 2008, and the draft Orange Book 2013. As for the future time schedule, he reported that the Sub-Committee was planning to make a glossary and carry out the proofreading of a final draft by practitioners in August, to submit it to the plenary after the Sub-Committee meeting and report the progress of work to the Japanese Financial Services Agency (FSA) in September, and then to complete the revision by the end of 2013.

IV. CLS Market-Wide Crisis Communication Protocol

Mr. Miyazaki (CLS), Member of the Committee, asked the Committee to help the preparation of the CLS Market-Wide Crisis Communication Protocol. He explained that the CLS was preparing an emergency contact list covering (i) the CLS members, (ii) operation managers of the RTGS, and (iii) associations of market participants in Tokyo, in the case of market-wide crisis. As for (iii), the Committee members agreed that the Committee and the CLS would share the contact information of Chairperson and relevant members of the Sub-Committee on BCP.

V. Others

Mr. Hoshino, Chairperson of the Committee, proposed to have a series of study sessions on the occasion of the plenary meetings by inviting experts inside and outside the Committee as guest speakers. He asked the Committee members to list possible topics for the sessions.

As the inaugural study session, Mr. Ooki (EBS), Member of the Committee, made a presentation on recent trends of FX market participants' behavior such as high-frequency trading and EBS policies against them.

List of Tokyo Foreign Exchange Market Committee Members

(July 23rd, 2013)

Members

Chairperson and Chairperson of the Sub-Committee on BCP:

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

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

Mr. Hokuto Nakano* (Mizuho Bank)

Vice-Chairperson and Chairperson of the Sub-Committee on Code of Conduct:

Mr. Tomoo Onishi* (Deutsche Securities)

Secretary:

Ms. Yuko Kawai* (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 Legal Matters:

Mr. Shinji Imanishi* (Sumitomo Mitsui Trust Bank)

Chairperson of the Sub-Committee on Operation:

Mr. Kosuke Hanao* (HSBC)

Chairperson of the Sub-Committee on E-Commerce:

Mr. Masaru Ishibashi * (Sumitomo Mitsui Banking Corp.)

Chairperson of the Sub-Committee on NDF:

Mr. Taiji Hirota* (JPMorgan Chase Bank)

Chairperson of the Sub-Committee on Education:

Mr. Atsuo Ogaki* (Nomura Securities)

Mr. Masanobu Ishikawa* (Tokyo Forex Ueda Harlow)

Mr. Tomohiro Iwata (Goldman Sachs Japan Co.)

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

Mr. Yuji Sokawa* (Thomson Reuters Japan)

Mr. Toshikatsu Furumi* (Citibank)

Mr. Makoto Miyazaki* (CLS)

Associate Members

Mr. Yusuke Ito* (Money Brokers Association)

Mr. Sinichi Tsutsui* (Mizuho Bank)

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

Mr. Yukisato Ohta* (Bank of Japan)

Observer

Mr. Hitoshi Hirokawa* (Ministry of Finance)

*Attended the meeting.