

November 7, 2003

**Minutes of the 65th Meeting
of the Tokyo Foreign Exchange Market Committee
(TFXMC)**

Time and date of the meeting: 13:00-15:20 June 19, 2003
Venue: Bank of Japan
Chairperson: Mr. Tetsuji Ogino (Bank of Tokyo-Mitsubishi)
Vice-chairperson: Mr. Kazunari Kobayashi (State Street Bank)
Vice-chairperson: Mr. Akio Kashima (Mizuho Corporate Bank)
Secretary: Mr. Satoshi Kawazoe (Bank of Japan)
Attending committee members: 14

. Election of members

Mr. Ogino (Bank of Tokyo-Mitsubishi), Chairperson of the Committee, reported that the term of Mr. Kanda (Reuters Japan) as a member of the Committee had expired, and he had expressed his wish to serve for another term.

After review of the application by Committee members and presentation by the candidate, a vote was taken, and Mr. Kanda was unanimously reelected as a member of the Committee.

Mr. Kanda also announced his wish to serve as the Chairperson of the Sub-Committee on Public Relations and was unanimously approved.

. Revision of the Code of Conduct

Mr. Nakajima (Standard Chartered Bank), Chairperson of the Sub-Committee on the Code of Conduct, reported that the Sub-Committee had finished a draft of

the English version of the Code of Conduct and was currently reviewing its contents.

. Measures against possible power outages

Regarding the possibility of power outages during this summer, Messrs. Kanda (Reuters Japan), Oki (EBS Dealing Resources Japan) and Noguchi (Money Brokers Association) reported that brokerage firms have prepared systems such as backup power generators to maintain normal business operations as much as possible even when power outages were to occur.

Mr. Ogino, Chairperson of the Committee, proposed that the Committee put up on the Committee website a document urging market participants to take measures against the possibility of power outages. The Committee supported this proposal.

. Undisclosed principal trading

Mr. Ogino, Chairperson of the Committee, reported on the work by the London Foreign Exchange Joint Standing Committee to revise its Code of Conduct and actions by the ACI to modify the Model Code regarding “undisclosed principal trading”. It was explained that the global trend was to explicitly disallow such transactions.

The Committee agreed on the importance of clarifying its position on this issue although such trading, in practice, is non-existent in the Japanese market. The Committee decided that the Sub-Committee on Legal Issues should deal with this issue.

. Activities of Sub-Committees

(1) The Sub-Committee on Committee Steering

Mr. Ogino, Chairperson of the Committee, presented draft revisions of the Charter of the Committee and reported that the Sub-Committee would continue its discussion on its contents.

(2) The Sub-Committee on Education

Mr. Imai (UFJ Bank), Chairperson of the Sub-Committee, reported on the status of applications for the Forex Seminar scheduled in July and that the Forex Club Japan had agreed to support the seminar. He also explained that the Committee would work together with the Forex Club regarding a more large-scale Forex Seminar scheduled later during this fiscal year.

(3) The Sub-Committee on NDF

Mr. Inamura (Citibank), Chairperson of the Sub-Committee, reported as follows.

The Sub-Committee has submitted to the Asian NDF Working Group a report on polling capability and a report on the template for Indonesian Rupiah, which has been assigned to the TFXMC at the last working group meeting.

Regarding the NDF questionnaire for overseas participants, the Sub-Committee had received additional responses based on assistance provided by the Hong Kong Foreign Exchange and Money Market Practices Committee.

(4) The Sub-Committee on Market Research

Mr. Kashima (Mizuho Corporate Bank), Chairperson of the Sub-Committee, reported that Mr. Oki (EBS Dealing Resources Japan) had explained the outline of a new product being prepared by EBS named "Prime Broker" at the last meeting of the Sub-Committee and that further detailed information would be provided at subsequent meetings.

. Other issues

Mr. Ogino, Chairperson of the Committee, reported that Mr. Nakata (Bank of Japan), Observer of the Committee, had expressed his wish to resign from the Committee.

Mr. Kawazoe (Bank of Japan), Secretary of the Committee, expressed his wish to appoint Mr. Tetsuya Inoue (Bank of Japan) as a new observer of the Committee, which was approved.

List of Tokyo Foreign Exchange Market Committee Members
(19 June, 2003)

Members

Chairperson:

Mr. Tetsuji Ogino* (Bank of Tokyo-Mitsubishi)

Vice-chairperson and Chairperson on Market Research:

Mr. Akio Kashima* (Mizuho Corporate Bank)

Vice-chairperson

Mr. Kazunari Kobayashi* (State Street Bank and Trust Company)

Secretary:

Mr. Satoshi Kawazoe* (Bank of Japan)

Chairperson of the Sub-committee on Committee Steering and E-commerce:

Mr. Hirokazu Note (Sumitomo Mitsui Banking Corporation)

Chairperson of the Public Relations

Mr. Noriaki Kanda* (Reuters Japan)

Chairperson of the Sub-committee on Education

Mr. Masato Imai* (UFJ Bank)

Chairperson of the Sub-committee on Legal Matters:

Mr. Keiichiro Takeda* (The Mitsubishi Trust and Banking Co.)

Chairperson of the Sub-committee on CLS:

Mr. Toru Ichikawa (Mizuho Bank)

Chairperson of the Sub-committee on NDF:

Mr. Hidehiko Inamura* (Citibank)

Chairperson of the Sub-committee on the Code of Conduct

Mr. Nao Nakajima* (Standard Chartered Bank)

Mr. Fumihiko Kawano* (Nomura Securities)

Mr. Kosuke Hanao* (The Royal Bank of Scotland)

Mr. Tadahiko Nashimoto* (Barclays Bank)

Mr. Masayoshi Takegawa (Merrill Lynch Japan Securities)

Mr. Kazuo Itoh* (Tokyo Forex & Ueda Harlow)

Mr. Kazuhiro Oki* (EBS Dealing Resources Japan)

Observers

Mr. Yoshihiko Noguchi* (Money Brokers Association)

Mr. Tetsuya Inoue* (Bank of Japan)

Mr. Mitsuhide Terasawa* (Bank of Tokyo-Mitsubishi)

Mr. Koichi Takenaka* (Mizuho Corporate Bank)

*Attended the meeting.