

## **Suvery Results**

### **(Current status of the NDF deals)**

Survey results show that more than half of domestic respondents have not conducted any NDF deals to date. However, at about 90% of the participants who have replied that they are dealing in NDFs, deal volumes have been increasing. Banks outside of the country have replied similarly, which suggests that market size have increased. Major traded currencies, both domestically and outside of Japan, are TWD and KRW. BRL, although not an Asian Currency, also came up which we found interesting. 70% of participants in Japan and all overseas respondents have shown strong interest in NDF transactions. The same proportion of respondents noted that they are willing to consider dealing through both direct dealing and broker dealing channels. No respondents (domestic and overseas) indicated any decreases in customer NDF business, and 70% of all respondents seemed to have an optimistic outlook of the future prospects concerning this segment.

### **(Current Confirmation Process)**

90% of the NDF traded confirmations were in letters, and about half of the participants have replied that they use both letters and SWIFT. Survey results have also shown that only a small percentage of confirmations with signatures are returned. However, outside Japan, confirmations are returned relatively more frequently when SWIFT is used. On the other hand, percentage of those who make it a rule to return confirmations were low both in and outside of Japan. Major reason for this seems to come from not recognizing the need to return confirmations and established practices concerning confirmations (i.e., returning them with signatures).

### **(Standardization of Confirmation)**

80% of all participants are in favor of the standardization of the confirmation process. There seems to be some lack of awareness of the ongoing efforts to include the language in Master Agreements, such as ISDA, as only half of the overseas participants have shown support for such a framework.