

**Minutes of the 136<sup>th</sup> Meeting**  
**of the Tokyo Foreign Exchange Market Committee**  
**(TFEMC)**

Time and date of the meeting:	13:00-14:30 October 20 <sup>th</sup> , 2010
Venue:	Bank of Japan
Chairperson:	Mr. Akira Hoshino
Vice-Chairperson:	Mr. Hokuto Nakano
Vice-Chairperson:	Mr. Tadahiko Nashimoto
Secretary:	Mr. Atsushi Takeuchi
Attending committee members:	19

I. Resignation and Election of Members

Mr. Hoshino, Chairperson of the Committee, reported that the term of Mr. Kitakura and Mr. Sokawa as a member of the Committee would shortly expire. Both members expressed their wishes to serve on the Committee for another term and were approved unanimously.

II. Replacement of Associate Members

Mr. Hoshino, Chairperson of the Committee, reported that Mr. Watanabe, Associate Member of the Committee, would be replaced by Ms. Maiko Koga (Bank of Japan).

III. Activities of Sub-Committees

1. Sub-Committee on Committee Steering

Mr. Inoue, Chairperson of the Sub-Committee, reported that, in view of further development of the Committee, there were several suggestions, such as holding discussions with guest lecturers and conducting a comparative analysis

of Tokyo foreign exchange market and other foreign exchange markets with the support of the Bank of Japan.

## 2. Sub-Committee on BCP

Mr. Hoshino, Chairperson of the Sub-Committee, requested all the participants to review their own disaster scenario developed under the common scenario, which simulated an inland earthquake in Tokyo, before the joint BCP exercise which was scheduled on November 17<sup>th</sup>. Mr. Kuzuhara, Associate Member of the Committee, reported that he had been in the final stage of reexamining the scenario and the procedures for the day of the exercise.

## 3. Sub-Committee on NDF

Mr. Hirota, Chairperson of the Sub-Committee, reported that the Sub-Committee had discussed how to determine the fixing rate of NDF transactions against the yen. He said that there were suggestions on the time at which the dollar/yen rate is quoted to determine the fixing rate. Specifically, (1) in case the reference time of dollar/yen was set individually according to the fixing time of each currency, it would be of use for the market participants if the fixing rate against the yen was published via Reuters, and (2) if the reference time was set during the Tokyo business time, it could be separated from that of Tokyo fixing (around 10:00 a.m.), by setting it, for example, at 3:00 p.m. In addition, before introducing this sort of practice, it would be necessary to establish market infrastructure and to secure customers' convenience.

## 4. Sub-Committee on E-Commerce

Mr. Takagi, Chairperson of the Sub-Committee, reported that the Sub-Committee studied on the increase in application program interface (API) trading and discussed the necessity of ensuring consistency in terminology between the foreign exchange trading terms defined by the Financial Futures Association of Japan and the terms used in the Orange Book published by the TFEMC.

## 5. Sub-Committee on Education

Mr. Kawano, Chairperson of the Sub-Committee, reported that the Sub-Committee had been choosing lecturers with the aim of further improving the Forex Seminar.

## 6. Impact of the Change in the Number of Decimals of Prices Quoted on EBS

Mr. Ooki, member of the Committee, reported that EBS had intended to increase the number of decimals of prices on EBS trading interface, and that they had been examining its impact with minor currency pairs. One member said that it was necessary for the Committee to discuss whether it would satisfy other customers' needs while the advantage of electronic trading was increasing. Another member noted that it was also necessary to collect information on market impact such as price volatility.

List of Tokyo Foreign Exchange Market Committee Members  
(October 20<sup>th</sup>, 2010)

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. Atsushi Takeuchi\* (Bank of Japan)

Chairperson of the Sub-Committee on Committee Steering:

Mr. Hideaki Inoue\* (Mitsubishi UFJ Trust and Banking Co.)

Chairperson of the Sub-Committee on Public Relations:

Mr. Kazuhiro Ooki\* (EBS Dealing Resources Japan)

Chairperson of the Sub-Committee on Education:

Mr. Fumihiko Kawano\* (Nomura Securities)

Chairperson of the Sub-Committee on Legal Matters:

Mr. Shinji Imanishi (Sumitomo Trust and Banking Co.)

Chairperson of the Sub-Committee on Code of Conduct:

Mr. Koichi Yoshikawa\* (BNP Paribas)

Chairperson of the Sub-Committee on Settlement:

Mr. Atsushi Komatsu\* (Mizuho Bank)

Chairperson of the Sub-Committee on E-Commerce:

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

Mr. Katsunori Kitakura\* (Chuo Mitsui Trust and Banking)

Mr. Masatomo Odagawa\* (Goldman Sachs Securities)

Mr. Yuji Sokawa\* (Reuters Japan)

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

Mr. Tomoo Onishi (Deutsche Securities)

Mr. Taiji Hirota\* (JPMorgan Chase Bank)

Associate Members

Mr. Yoshihiko Noguchi\* (Money Brokers Association)

Mr. Yoshiki Yamamoto\* (Mizuho Corporate Bank)

Mr. Kiyoshi Kuzuhara\* (Bank of Tokyo-Mitsubishi UFJ)

Mr. Akihiko Watanabe\* (Bank of Japan)

Ms. Maiko Koga\* (Bank of Japan)

Observer

Mr. Osamu Kawanishi (Ministry of Finance)

\*Attended the meeting.