

March 30, 2001

Minutes of the 38th Meeting of the Tokyo Foreign Exchange Market Committee

Time and date of the meeting: 13:00-15:30 October 20, 2000
Venue: Bank of Japan
Chairperson: Mr. Toshiyuki Morioka (Bank of Tokyo-Mitsubishi)
Vice-chairpersons: Mr. Takeshi Hanai (The Industrial Bank of Japan)
Vice-chairpersons: Mr. Takashi Okura (Barclays Bank)
Secretary: Mr. Hirochika Nishikawa (Bank of Japan)
Attending committee members: 18

1. Election of new Members

Mr. T. Morioka, Chairperson of the Committee, reported that, in accordance with the decision taken at the 37th meeting, the Committee publicly invited applications for membership, and received five applications. After a review of the applications and presentations by each candidate, a vote was taken. All applicants, listed below, were elected as new members of the Committee.

Mr. Kazuo Itoh	(Tokyo Forex & Ueda Harlow)
Mr. Masato Imai	(The Sanwa Bank)
Mr. Takeshi Kanagami	(The Mitsubishi Trust and Banking Co.)
Mr. Kazunari Kobayashi	(State Street Bank and Trust Company)
Mr. Masakazu Bunno	(The Sakura Bank)

2. Matters Related to the Functioning of the Committee (Steering Sub-committee)

Mr. H. Kato, Chairperson of the Steering Sub-committee, presented a draft for rules relating to the recruitment of new members. Mr. Kato raised a few unresolved issues, such as (a) the appropriate course of action in the case of M&As and consolidations which result in more than one member belonging to the same organization or a financial group, and (b) whether the Committee should take into consideration the balance among business categories groups when recruiting new members. The Committee decided to refer these matters to the Sub-committee for further consideration.

3. The Next Forex Seminar

Mr. H. Note, a member of the Sub-committee on Education and Public Relations,

reported on the preparation for the next Forex Seminar. The Committee decided as follows.

- (a) Main presentation: "Internet business" (to be accompanied by another shorter presentation)
- (b) Date: around January 2001
- (c) Duration: 2 hours starting from about 6:30 PM
- (d) Size of audience: 50~70

It was also decided that the Sub-committee would play a leading role in preparing for the Seminar.

4. Other matters

(1) CFD

Mr. N. Kanda (Reuters Japan) reported on the progress of CFD index rate testing in London.

- (a) The testing process is behind the schedule on the whole.
- (b) A problem has surfaced in the Reuters system, where the connection was occasionally severed when contributing banks input the Fixing Rates. In order to find the cause, it has become necessary to effect a more frequent input of the Fixing Rate. In response, the BBA is asking contributing banks to increase the frequency of Fixing Rate inputs.
- (c) The plan is to release the data to contributing banks at the beginning of November. Public release will follow and as soon as approval is obtained from the contributing banks.

Mr. M. Yasuda reported on the experiences of the Bank of Tokyo-Mitsubishi in London, which is participating in CFD testing.

- (a) Contribution of the Fixing Rates commenced on October 16.
- (b) As regards the frequency of inputs, the present requirement is to enter the rates for six currencies once a day between 10:50 a.m. to 11:00 a.m.

The Committee decided that the Sub-committee on CFD would continue to monitor the testing process.

(2) The Meeting of the International Bankers' Association

Mr. T. Okura, Vice-chairperson of the Committee, reported that he made a speech in the Financial Market Committee of International Bankers' Association (IBA), and after explaining the Tokyo Foreign Exchange Market Committee's roles and activities, he had requested the attendants to establish effective communication channels with their bank's forex dealers.

(3) Sub-committee Members

New members were appointed members of Sub-committees as follows.

The Sub-committee on Education and Public Relations;

Mr. K. Itoh, Mr. M Imai

The Sub-committee on Market Operation;

Mr. K. Itoh, Mr. M. Bunno

The Sub-committee on Risk Management;

Mr. T. Kanagami

The Sub-committee on CFD;

Mr. M. Bunno

The Working Group on the Model Code;

Mr. M. Imai, Mr. T. Kanagami, Mr. K. Kobayashi

List of Tokyo Foreign Exchange Market Committee Members
(October 21, 2000)

Members

Chairperson:

Mr. Toshiyuki Morioka* (Bank of Tokyo-Mitsubishi)

Vice-chairpersons:

Mr. Takeshi Hanai* (Industrial Bank of Japan)

Mr. Takashi Okura* (Barclays Bank)

Secretary:

Mr. Hirochika Nishikawa* (Bank of Japan)

Chairperson of the Sub-committee on Committee Steering:

Mr. Hiromitsu Kato* (Nomura Trust and Banking Co.)

Chairperson of the Sub-committee on Education and Public Relations:

Mr. Hidenori Watanabe (Dai-Ichi Kangyo Bank)

Chairperson of the Sub-committee on Market Operation:

Mr. Takao Sakoh* (UBS)

Chairperson of the Sub-committee on Risk Management:

Mr. Tsutomu Takamatsu* (Chase Manhattan Bank)

Chairperson of the Working Group on the Model Code

Mr. Nao Nakajima* (Standard Chartered Bank)

Mr. Hirokazu Note* (Sumitomo Bank)

Mr. Katsuhiko Sugata* (Fuji Bank)

Mr. Eiichi Ishikawa* (EBS Dealing Resources Japan)

Mr. Noriaki Kanda* (Reuters Japan)

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

Mr. Masato Imai* (The Sanwa Bank)

Mr. Takeshi Kanagami* (The Mitsubishi Trust and Banking Co.)

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

Mr. Masakazu Bunnno* (The Sakura Bank)

Observers

Mr. Yoshihiko Noguchi* (Money Brokers Association)

Chairperson of the Sub-committee on Legal Matters:

Mr. Kazuo Kobayashi* (Bank of Japan)

Mr. Masamichi Yasuda* (The Bank of Tokyo-Mitsubishi)

*Attended the meeting.