

Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks
Minutes for the June 5, 2019 Meeting
4:00 – 4:45 PM
(Meeting Room in the Bank of Japan)

1. The Secretariat informed the Committee the latest developments regarding interest rate benchmarks in major jurisdictions.
2. The International Swaps and Derivatives Association (ISDA) gave an overview of the ongoing consultation on benchmark fallbacks for derivatives contracts including the one relating to triggers.
3. The Secretariat reported on the responses to the comments made by the members and others on the draft public consultation.
4. The chair described the future work of the Committee, noting that after the publication of the deliverables based on the outcome of the public consultation, it will monitor the progress of interest benchmark reform with a focus on the status of the market-wide and firm-led efforts. Regarding the development of term reference rates based on risk-free reference rates (Term Reference Rates), the members and observers were updated that efforts will be furthered toward the publication of the “prototype” rate going forward.

The Secretariat explained the need to set up a deliberating body which provides practical support to the publishing entity of Term Reference Rates so that the entity could smoothly start preparatory work such as studying the specifics of rate calculation and publication as well as establishing implementation frameworks. The members and observers welcomed the idea.

A financial institution member asked if it would be correct to understand that the publishing entity will be selected before the publication of the “prototype” Term Reference Rate. The Secretariat responded that it presumes so.

5. The vice-chair outlined the Committee’s future external communication plan, noting that after the launch of the public consultation, it will facilitate awareness of its work on interest rate benchmark reform and the public consultation through multiple channels such as by holding a forum.
6. The chair made several announcements such that the public consultation will be launched by around the end of June, which then was approved by the members.

A non-financial corporate member asked if the Secretariat will respond one by one or in a batch to the considerable number of questions and opinions that are expected to be provided by non-financial corporates after the launch of the public consultation. The chair responded that the latter would generally be the case so that the questions and opinions could be shared with a wide range of parties concerned.

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Attendance for the June 5, 2019 Meeting

(Members)

Chair	MUFG Bank	Taro Matsuura
Vice Chair	Nomura Securities	Shigeru Nonomura
	Mizuho Bank	Ken Watanabe
	Sumitomo Mitsui Banking Corporation	Eiji Kawahara
	Bank of Yokohama	Tomoki Arai
	Bank of Nagoya	Kenji Suzuki
	Deutsche Bank	Shigeki Morita
	Daiwa Securities	Yuichiro Inada
	Goldman Sachs	Kengo Taguchi
	Morgan Stanley MUFG Securities	Takeshi Ezuka
	Japan Post Bank	Tatsuo Ichikawa
	Shinkin Central Bank	Kenji Tanaka
	The Dai-ichi Life Insurance Company	Kazuyuki Shigemoto
	Tokio Marine Holdings	Shinya Nikkawa
	Daiwa Asset Management	Tsutomu Komiya
	Marubeni Corporation	Yasuhiko Ogura
	Mitsui Fudosan	Retsu Togashi
	East Japan Railway Company	Hiroyuki Akaike
	Mitsubishi UFJ Lease & Finance	Osamu Tominaga
	Nippon Telegraph and Telephone Corporation	Seiichi Hashimoto

(Observers)

JBA TIBOR Administration	Yuichi Sera
International Swaps and Derivatives Association	Tomoko Morita
Financial Law Board	Takaharu Totsuka (Attorney-at-Law)
Tokyo Financial Exchange	Ryosuke Seo

Japan Securities Clearing Corporation	Takahiko Kaneko
Japanese Bankers Association	Hiroataka Koyama
Japan Securities Dealers Association	Junichi Taguchi
Financial Services Agency	Kenji Oki
Bank of Japan	Hiroki Ootake
Bank of Japan	Hiroyuki Shiozawa

The chairs of the sub-groups and the coordinator of the working group attended the meeting.

Chair of the Sub-Group on Loans	Mizuho Bank	Noriyuki Shibata
Chair of the Sub-Group on Bonds	Nomura Securities	Shigeru Hashimoto
Chair of the Sub-Group for the Development of Term Reference Rates	MUFG Bank	Yutaka Amagi
Chair of the Sub-Group for the Development of Term Reference Rates	Citigroup Global Markets Japan	Atsuya Watanabe
Coordinator of the Working Group on Currency Swaps	Sumitomo Mitsui Banking Corporation	Satoshi Ishikawa