

Study Group on Risk-Free Reference Rates

Minutes for the April 28, 2015 Meeting

4:30 – 6:00 PM

(Meeting Room in the Bank of Japan)

Summary

- The Chair and the Vice Chair of the Group were elected.
- The Chair explained the Terms of Reference of the Group. The Terms of Reference was approved by the Group.
- The members agreed to add new members to the group at the next meeting. It was also noted that outreach activities are essential.
- The secretariat provided an update on recent developments of uncollateralized call, collateralized call, GC repos, T-bill, and OIS transactions, which are regarded as potential candidates of risk-free reference rates. The members also exchanged their views on the risk-free reference rates.
- The Chair announced the next meeting would be held in late May.

Views provided by Group Members

- The discussion in the Group should be communicated externally.
- Each of the potential risk-free reference rates shown by the secretariat has both advantages and disadvantages.
- Considering the current situation of actual transactions, it is possible to narrow down the candidates for risk-free reference rates.
- Since the volume of overnight uncollateralized call transactions is robust, it would be worthwhile to consider it as the candidate for a JPY risk-free reference rate with priority.
- Establishing a new reference rate will be highly burdensome.
- In the identification of risk-free reference rates, it is important to discuss how they would actually be used. It would also be worthwhile to consider from the administrative perspective such as accounting treatment.

(Tentative translation by the Secretariat)

- In order to make the rates easy to use, the rates should be convenient for cross-currency transactions and thus the developments in other currencies should be taken account of.
- It would be worthwhile to consider the role of risk-free reference rates for the valuation purposes.

**Study Group on Risk-Free Reference Rates
Attendance for the April 28, 2015 Meeting**

(Attendees)

Chair	Mizuho Bank	Junichi Kimura
Vice Chair	Nomura Securities	Shigeru Hashimoto
	SMBC Nikko Securities	Kazuhiro Ojima
	SMBC Nikko Securities	Kazuhiro Matsushita
	Daiwa Securities	Yukio Shishitani
	Nomura Securities	Akifumi Sakurai
	Nomura Securities	Shunichi Fukuda
	Nomura Securities	Hayato Ishida
	Mizuho Bank	Yoshito Kasamatsu
	Mizuho Bank	Ryosuke Komori
	Mizuho Securities	Hikomichi Kassai
	Sumitomo Mitsui Banking Corporation	Yoshihiro Yamada
	Sumitomo Mitsui Banking Corporation	Hiroshi Yamamoto
	Bank of Tokyo-Mitsubishi UFJ	Daisuke Kataoka
	Mitsubishi UFJ Morgan Stanley Securities	Kousaku Nakanishi
	ISDA	Yasunobu Arima
	ISDA	Tomoko Morita
	Japanese Bankers Association	Hiroataka Koyama
	Japanese Bankers Association	Kazuhiro Nagata
Japan Securities Dealers Association	Masato Maruno	
Japan Securities Dealers Association	Hajime Takeda	

(Observers)

Financial Services Agency	Eisuke Tamagawa
Financial Services Agency	Masaya Hatoma
Financial Services Agency	Akihiro Tsukamoto
Financial Services Agency	Tomio Mizutani
Bank of Japan	Kenji Fujita
Bank of Japan	Akihisa Shinmi
Bank of Japan	Itaru Fukuda
Bank of Japan	Kouga Sawada