

(Tentative translation by the Secretariat)

Study Group on Risk-Free Reference Rates
Minutes for the July 29, 2015 Meeting
4:30 – 5:30 PM
(Meeting Room in the Bank of Japan)

Summary

1. Members approved the minutes of the June 25, 2015 meeting. They also approved to publish the minutes on the Bank of Japan's web site.
2. The Secretariat provided an update on recent developments of international discussions about risk-free reference rates.
3. The Secretariat reported the results of the questionnaire on the members' views conducted after the previous meeting. It was reported that among the three leading candidates (uncollateralized overnight call rate, OIS rate, and GC repo rate), the largest number of members favored the uncollateralized overnight call rate as a risk-free reference rate, though some supported the other candidates. It was also reported that the members pointed out a number of challenges for introducing and utilizing each candidate as a risk-free reference rate. After the report by the Secretariat, members exchanged views on the survey results.
4. The Chair proposed that from the next meeting, the Study Group would review issues that were revealed from the survey results for each of the candidates. Members agreed to this proposal.
5. The Chair announced that the next meeting would be held in mid-September.

Views Provided by Group Members

1. When the Study Group reviews challenges in introducing and utilizing risk-free reference rates in the subsequent meetings, it will be important to clarify how they would be used in financial contracts and products. In addition, the Study Group should consider the risk-free rates by reviewing the processes in other jurisdictions, because it is desirable that risk-free reference rates of major currencies be the same kind. The easiness of calculating the rates should also be taken into account.
2. In order to smoothly proceed with the discussions for introducing and utilizing risk-free reference rates, the Study Group should reach out to end users and stakeholders.

Study Group on Risk-Free Reference Rates Attendance for the July 29, 2015 Meeting

(Attendees)

Chair	Mizuho Bank	Junichi Kimura
Vice Chair	Nomura Securities	Shigeru Hashimoto
	SMBC Nikko Securities	Kazuhiro Matsushita
	Goldman Sachs	Kengo Taguchi
	Daiwa Securities	Kazunao Obinata
	Daiwa Securities	Yukio Shishitani
	Deutsche Bank	Kei Kobayashi
	Deutsche Bank	Ikuma Nagata
	Nomura Securities	Hayato Ishida
	Nomura Securities	Shunichi Fukuda
	Barclays Securities	Daisuke Murayama
	Barclays Securities	Kosuke Morihara
	Mizuho Bank	Yoshito Kasamatsu
	Mizuho Bank	Ryosuke Komori
	Mizuho Securities	Huromichi Kassai
	Sumitomo Mitsui Banking Corporation	Hiroshi Yamamoto
	Bank of Tokyo-Mitsubishi UFJ	Daisuke Kataoka
	Bank of Tokyo-Mitsubishi UFJ	Atsushi Yamashita
	Mitsubishi UFJ Morgan Stanley Securities	Kosaku Nakanishi
	UBS AG	Yasuo Ushijima
	ISDA	Yasunobu Arima
	ISDA	Koji Sakurai
	ISDA	Tomoko Morita
	Japanese Bankers Association	Hiroataka Koyama
	Japanese Bankers Association	Kazuhiro Nagata
	Japan Securities Dealers Association	Hajime Takeda
	Japan Securities Dealers Association	Yuya Nakase
	Japan Securities Dealers Association	Masato Maruno

(Observers)

Financial Services Agency

Yasuyuki Matsuda

Financial Services Agency

Masaya Hatoma

Financial Services Agency

Mitsune Shirasawa

Financial Services Agency

Hiroki Fukushima

Bank of Japan

Kenji Fujita

Bank of Japan

Yoshiaki Azuma

Bank of Japan

Shigeru Shimizu