

(Tentative translation by the Secretariat)

## **Study Group on Risk-Free Reference Rates**

### **Minutes for the July 26, 2016 Meeting**

**4:30 – 5:30 PM**

**(Meeting Room in the Bank of Japan)**

1. Members approved the minutes of the May 27, 2016 meeting. They also approved the publication of the minutes on the Bank of Japan's web site.
2. The Secretariat provided a summary on "Reforming Major Interest Rate Benchmarks," published by the FSB on July 19, and an update on recent developments of international discussions about risk-free reference rates.
3. The Secretariat explained the discussions over a secured rate in other currencies and the outline of the repo market in Japan. Thereafter, the Chair announced that a working group would be formed in order to intensively discuss the characters of the repo rate that could be used as a risk-free rate.
4. The Secretariat presented the potential issues on derivative transactions that might be highlighted if an unsecured rate is identified as a Japanese yen risk-free rate whilst a secured rate is identified as a risk-free rate in other currencies. However, members did not raise specific problems or concerns on this issue.
5. The Chair announced that, at the next meeting scheduled in late-September, members would discuss a preliminary study on developing the GC repo benchmark based on the outcome of the aforementioned working group, and would reach a conclusion on the issues with regard to the relationship of the Japanese yen risk-free rate with risk-free rates of other currencies.

## Study Group on Risk-Free Reference Rates

### Attendance for the July 26, 2016 Meeting

#### (Attendees)

|            |  |                     |
|------------|--|---------------------|
| Chair      | Sumitomo Mitsui Banking Corporation      | Hiroshige Katsurada |
| Vice Chair | Nomura Securities                        | Shigeru Hashimoto   |
|            | SMBC Nikko Securities                    | Kazuhiro Ojima      |
|            | SMBC Nikko Securities                    | Tsukasa Nakao       |
|            | Goldman Sachs                            | Kengo Taguchi       |
|            | Daiwa Securities                         | Kazunao Obinata     |
|            | Daiwa Securities                         | Takuya Kikuchi      |
|            | Deutsche Bank                            | Masafumi Kono       |
|            | Deutsche Bank                            | Megumi Hirano       |
|            | Barclays Securities                      | Kosuke Morihara     |
|            | Mizuho Bank                              | Hideki Kubo         |
|            | Mizuho Securities                        | Hiromichi Kassai    |
|            | Sumitomo Mitsui Banking Corporation      | Naoki Ihara         |
|            | Sumitomo Mitsui Banking Corporation      | Tadaaki Shima       |
|            | Bank of Tokyo-Mitsubishi UFJ             | Nobukazu Negi       |
|            | Mitsubishi UFJ Morgan Stanley Securities | Yasuto Aoki         |
|            | MorganStanley MUFG                       | Takehiko Igarashi   |
|            | MorganStanley MUFG                       | Jun Sawada          |
|            | UBS AG                                   | Hirotsugu Inoue     |
|            | UBS AG                                   | Yasuo Ushijima      |
|            | ISDA                                     | Yasunobu Arima      |
|            | ISDA                                     | Hideo Kitano        |
|            | ISDA                                     | Tomoko Morita       |

|                                      |                  |
|--------------------------------------|------------------|
| Japanese Bankers Association         | Hiroataka Koyama |
| Japanese Bankers Association         | Tetsuya Hasegawa |
| Japan Securities Dealers Association | Hajime Takeda    |
| Japan Securities Dealers Association | Yuya Nakase      |
| Japan Securities Dealers Association | Masato Maruno    |

**(Observers)**

|                           |                 |
|---------------------------|-----------------|
| Financial Services Agency | Yuji Ozaki      |
| Financial Services Agency | Keisuke Niwa    |
| Financial Services Agency | Fumi Miyauchi   |
| Financial Services Agency | Koichi Miyaji   |
| Bank of Japan             | Kota Iijima     |
| Bank of Japan             | Shigeru Shimizu |