

(Tentative translation)

Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks
Minutes for the September 17, 2021 Meeting
5:00—5:45 PM
(Via conference call)

I. Update on International Discussions on Interest Rate Benchmarks

The Secretariat informed the Committee of the latest discussions on interest rate benchmarks in major jurisdictions.

II. Report from the Sub-Groups

The chairs of the Sub-Group on Loans and the Sub-Group on Bonds informed the members of the Committee on the results of their deliberations on tough legacy contracts in Japan which were reported and shared at the 25th meeting of the Committee.

III. Discussion about the Public Consultation Paper

The Secretariat informed the Committee on the draft of the public consultation paper regarding tough legacy contracts in Japan.

The Financial Services Agency (JFSA) made the following comments.

- In principle, either an active conversion to alternative reference rates or an insertion of fallback language would be necessary to advance an orderly transition away from LIBOR. As indicated in the joint statement by the JFSA and the Bank of Japan (BOJ) in March,¹ synthetic yen LIBOR should be considered as a potential "safety net" and used only for legacy contracts that cannot feasibly be transitioned away from JPY LIBOR, after proceeding thoroughly with preparations toward the transition. The JFSA recognized that this has also been reflected in the draft of the public consultation paper.
- The JFSA would like market participants to continue with their preparations for a transition away from LIBOR without relying on synthetic yen LIBOR and complete their transition within the limited time before the cessation of LIBOR.

The chair proposed to begin the public consultation by the end of September this year and to set the submission deadline for views around the middle of October. The members approved this

¹ JFSA <https://www.fsa.go.jp/en/policy/libor/syntheticlibor202102.pdf>
BOJ https://www.boj.or.jp/en/announcements/release_2021/data/rel210308a.pdf

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proposal.

IV. AOB

The Secretariat informed the Committee on the distribution of a tool for calculating the Uncollateralized Overnight Call Rate (TONA) Compounding (Fixing in Arrears).

The vice-chair made several announcements about the Committee's commitment to external communication and its future policy.

Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks

Attendance for the September 17, 2021 Meeting

(Members)

Chair	MUFG Bank	GODA Kenichiro
Vice Chair	Nomura Securities	NONOMURA Shigeru
	Mizuho Bank	KOBAYAKAWA Motomu
	Sumitomo Mitsui Banking Corporation	ORIHARA Takashi
	Bank of Yokohama	ARAI Tomoki
	The Tochigi Bank	ONO Kazuhiro
	Deutsche Bank	MORITA Shigeki
	Daiwa Securities	INADA Yuichiro
	Goldman Sachs	TAGUCHI Kengo
	Morgan Stanley MUFG Securities	EZUKA Takeshi
	Japan Post Bank	ICHIKAWA Tatsuo
	The Norinchukin Bank	HARADA Noriyuki
	Shinkin Central Bank	TANAKA Hiroyuki
	The Dai-ichi Life Insurance Company	KAI Akifumi
	Tokio Marine Holdings	KATO Hiromitsu
	Daiwa Asset Management	TAKAO Norihisa
	Mitsui&Co.	MANABE Takashi
	Mitsui Fudosan	MURATA Tadahiro
	East Japan Railway Company	ISHIMARU Mikito
	Mitsubishi HC Capital	TOMINAGA Osamu
	Nippon Telegraph and Telephone Corporation	MOMOSE Shinya

(Observers)

JBA TIBOR Administration	KOYAMA Hirotaka
International Swaps and Derivatives Association	MORITA Tomoko
Financial Law Board	TOTSUKA Takaharu (Attorney-at-Law)

Tokyo Financial Exchange	NONAKA Atsushi
Japan Securities Clearing Corporation	KANEKO Takahiko
Japanese Bankers Association	TAKAHASHI Tetsuo
Japan Securities Dealers Association	NISHIMURA Yoshiko
Financial Services Agency	KATO Hiroki
Bank of Japan	SHIMIZU Yoshimitsu
Bank of Japan	CHIBA Makoto
Bank of Japan	YOSHIMURA Haruka

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	SHIBATA Noriyuki
Chair of the Sub-Group on Bonds	Nomura Securities	HASHIMOTO Shigeru
Chair of the Sub-Group for the Development of Term Reference Rates	Citigroup Global Markets Japan	WATANABE Atsuya
Coordinator of the Working Group on Currency Swaps	Sumitomo Mitsui Banking Corporation	ISHIKAWA Satoshi