

ACCELERATING THE REVITALIZATION OF JAPAN'S FINANCIAL AND CAPITAL MARKETS

Innovation

The Financial Market Infrastructures are facing various challenges such as the new requirements by CPSS-IOSCO, shorter securities settlement cycles to be introduced in Europe and other markets, and strengthening of business continuity plans, etc. Those initiatives and tightening of regulations are important components of risk management for both regulatory authorities and financial institutions.

JASDEC will continue to implement reforms in response to changes in the domestic and international environment, structural transformation, and in the demands placed on CSDs.

Globalization

Amid the global trend toward greater complexity and sophistication in financial and securities transactions, more than ever before, settlement institutions in each country need to ensure that the growing volume of cross-border settlements can be processed easily and efficiently. In the Japanese market, expanding inflows of overseas funds have contributed to the recent rise in the average daily trading value. Increasingly precise settlement functions are needed to accommodate this growth.

The world's major financial and capital markets are in competition for funds and traders beyond their own borders. The key competition is for convenience and safety, and Japan's markets are attracting widespread attention.

Competitiveness

The competitiveness of individual countries' markets depends on the convenience of their systems and the diversity of products and services, as well as the reliability of settlement systems and the capacity of markets to keep pace with the diversification of systems. Future markets will need to work cooperatively to improve user convenience. Users will be able to select the markets that offer the greatest dependability, resulting in increasing inter-market competition.