

## INTERNATIONAL RELATIONSHIPS

JASDEC engages in international activities to guide the rational development of a global settlement infrastructure. Research on overseas trends and information sharing are key elements of a leadership role.



Honorary Chairman  
Yoshinobu Takeuchi



JASDEC conducts research on overseas trends and frequent information exchange with overseas institutions as essential to its ongoing efforts to deal with the many issues that affect securities market infrastructure, such as the globalization of financial and capital markets and the global tightening of regulations. We participate in regular CSD meetings, seminars and other international conferences and maintain active exchange programs with institutions with which we

have signed memorandums of understanding (MOUs).

JASDEC is also contributing to the improvement of securities market infrastructure in Japan and internationally and raising its global presence by playing an important role in the administration of the Asia-Pacific Central Securities Depository Group (ACG) and the World Forum of CSDs (WFC), and by providing various forms of support and assistance in response to requests from emerging countries.

## Mutual cooperation with overseas institutions

### ACG (Asia-Pacific Central Securities Depository Group)

The ACG was established in November 1997 as a forum for information exchange and mutual cooperation among CSDs in the Asia-Pacific region. The ACG has for many years carried out surveys or other activities through task forces (TFs). In addition to TFs, the Executive Committee with three-year term was formed to plan and administer the activities of the ACG from medium-to long-term perspectives at the 14th General Meeting in December 2010. This committee consists of all TF conveners, together with representatives of three organizations chosen through a general vote. Mr. Yoshinobu Takeuchi of JASDEC served as the first ACG Executive Committee Chairman, while JASDEC acted as Executive Committee Secretariat until the 17th General Meeting.

At the 17th General Meeting in October 2013, the Executive Committee was renewed upon the expiration of the first three-year term. The new Executive Committee consists of eight organizations. The five organizations represented on

the committee through the convener of TFs are JASDEC (Exchange of Information TF), Korea Securities Depository (KSD, New Business Initiative TF), National Securities Depository Limited (NSDL, Technical TF), China Securities Depository and Clearing Corporation Limited (CSDC, Legal TF), and the Central Depository Company of Pakistan Limited (CDC, Risk and Recovery Management TF). The three organizations elected to membership through the general vote are Singapore Exchange (SGX), China Central Depository & Clearing Co., Ltd. (CCDC) and Central Depository Services (India) Limited (CDSL). Mr. Muhammad Hanif Jakhura of CDC was appointed as the new Chairman among representatives of the above eight organizations and CDC as the new Secretariat. Mr. Yoshinobu Takeuchi of JASDEC was appointed ACG Executive Committee Honorary Chairman. JASDEC will continue to provide leadership in initiatives to expand and energize ACG activities.

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### WFC (World Forum of CSDs)

The WFC was created in April 2011 at the 11th Conference of CSDs, after agreement was reached among leaders of the world's five regional CSD associations. The WFC took over the collaborative activities among regional associations from the CSD Contact Group, which had been engaged in them during the previous four years. Its function is to strengthen the influence of CSDs and disseminate their shared views as a forum of

information exchange and discussion on issues that affect all CSDs. The WFC is administered by a 10-member board made up of two representatives from each regional association. JASDEC participates on behalf of the ACG. Mr. Yoshinobu Takeuchi of JASDEC served as Vice-Chairman until November 2012 and was then appointed Honorary Chairman.

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### MOUs on Information Exchange and Mutual Cooperation with Overseas CSDs, etc.

JASDEC has been working to develop collaborative relationships with overseas institutions by signing MOUs on the exchange of information and mutual cooperation with overseas CSDs, etc. As of the end of March 2014, JASDEC is in bilateral cooperation with a total of 18 institutions by signing

MOUs. With MOU partners, we are actively implementing initiatives, including regular exchanges of information, cross-training programs involving trainee exchanges, and support for CSDs of emerging nations.

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### ABMF (ASEAN+3 Bond Market Forum)

The ABMI (Asian Bond Markets Initiative), under the Meeting of the Finance Ministers and Central Bank Governors of the ASEAN+3 group, comprises four Task Forces (1: charged with promoting the issuance of local-currency-denominated bonds, 2: facilitating the demand for local-currency-denominated bonds, 3: improving the regulatory framework and 4: improving the related infrastructure of the bond markets). The ABMF (ASEAN+3 Bond Market Forum) was established under Task Force 3 (improvement of regulatory framework), and two sub-forums were held. Sub-Forum 1 sought to identify regulatory barriers relating

to bond transactions in general and the creation of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), while Sub-Forum 2 was concerned primarily with identifying cross-border settlement operations. The results of these deliberations were compiled into a Phase 2 final report, which was published in April 2014. Furthermore, Phase 3 studies are currently in progress, and the final report will be released next year.

JASDEC has participated in the ABMF as the Japanese representative, and is actively participating in Sub-Forum 2 as the co-vice-chair.

## Major International Activities in Fiscal 2013

May 14–15

### 15th ACG Cross-Training Seminar

The Cross-Training Seminar is a conference for the exchange of information mainly among working level staff of ACG member institutions. The 15th Seminar was held in Hangzhou, China, hosted by China Central Depository & Clearing Co., Ltd. (CCDC), a Chinese CSD for bonds. JASDEC as convener of the Exchange of Information TF assisted the host, and ran the Exchange of Information TF session and the General session. The topic for the Exchange of Information TF session was “Comparison of risk management measures against fail-to-deliver/participant default”. In the session, the risk management methods employed by various institutions were compared, and JASDEC also made a presentation about the DVP settlement system for non-exchange transaction of JASDEC DVP Clearing Corporation. In the General session, there was an exchange of views on governance and initiatives relating to the CPSS-IOSCO “Principles for financial market infrastructures” (PFMI). Furthermore, in the New Business Initiative TF session, JASDEC introduced the enhancement of corporate action information services/ implementation of ISO 20022.



May 29–31, May 29

### 12th Conference of CSDs and 4th WFC Board Meeting

The 12th Conference of CSDs was hosted by the Association of Eurasian Central Securities Depositories (AECSD) in Saint Petersburg, Russia. Participants representing CSDs from all over the world attended presentations and took part in discussions about various themes. Key topics included issues arising from the global tendency toward more stringent regulation of financial markets, and the response of CSDs to those issues, actions relating to the CPSS-IOSCO’s PFMI, and initiatives in new areas of business.

In closing, the top management of CSDs from Japan, the United States, Europe, Russia and South Africa took part in a panel discussion about the future of the world CSD industry. One of the panelists was Mr. Yoshinobu Takeuchi of JASDEC, who emphasized the importance of macro-prudence across all financial and capital markets and spoke about the potential to use data held by CSDs for this purpose.

The 4th WFC Board meeting was held at the same time. JASDEC took part as the ACG representative, and Mr. Yoshinobu Takeuchi of JASDEC, was appointed as Honorary Chairman.



September 18

### 5th WFC Board Meeting/Sibos 2013

JASDEC participated on behalf of the ACG in the 5th WFC Board meeting, which was held in Dubai, the United Arab Emirates. Topics discussed included the establishment of a new WFC working group for the approach to the CPSS-IOSCO’s PFMI.

October 20–21

### 17th ACG General Meeting

The 17th ACG General Meeting was held in Dhaka, Bangladesh and was hosted by Central Depository Bangladesh Limited (CDBL), the Bangladeshi CSD. JASDEC served in its role as the Secretariat for the Executive Committee including a report on activities during its three-year tenure. Then, eight organizations including JASDEC were appointed the Executive Committee members, and among them, Mr. Muhammad Hanif Jakhura of the Central Depository Company of Pakistan Limited (CDC) became Chairman of the Executive Committee. CDC took over the Secretariat role within the Executive Committee from JASDEC, and Mr. Yoshinobu Takeuchi of JASDEC was appointed as ACG Executive Committee Honorary Chairman. In



addition, some action plans were adopted, notably the continuation of the four TFs, including the Exchange of Information TF chaired by JASDEC, and the establishment of the Risk and Recovery Management TF.

March 7

### Conclusion of an MOU with KPEI of Indonesia

JASDEC signed an MOU with Kliring Penjaminan Efek Indonesia (KPEI), a clearing house in Indonesia, with the aim of developing cooperative relations via information exchange and mutual cooperation.



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2014.1

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September 6

### 3rd Trilateral Meeting for Information Exchange with China's CSDC and Korea's KSD

JASDEC participated in the 3rd trilateral meeting held in Jeju, Korea under the MOU with CSDC (China Securities Depository and Clearing Corporation Limited), a Chinese CSD for listed securities and KSD (Korea Securities Depository). The meeting provided an opportunity for the three companies to share information about their approach to the CPSS-IOSCO's PFMI, about their emergency business continuity plans, etc. JASDEC representatives raised the topics of introduction of ISO 20022/SWIFTNet, and adaptation to the Foreign Account Tax Compliance Act.



November 19–22, December 3–6

### Trainee Exchange with KSD

JASDEC and KSD held the 3rd trainee exchange program under their MOU on information exchange and mutual cooperation. Both institutions accepted trainees, who were mostly young and mid-tier employees. The program enabled better reciprocal understanding by providing the trainees with a general overview of the activities of each institution, and better networking among employees.