

## 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.

### 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 a 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.

At the 17th General Meeting in October 2013, the Executive Committee and the Secretariat were renewed upon the expiration of their terms of service. 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 (CDCPL, 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 CDCPL was appointed as the new Chairman among representatives of the above eight organizations and CDCPL as the new Secretariat. As a member of the executive committee and the convener of the Exchange of Information TF, JASDEC will continue to provide leadership in initiatives to expand and energize ACG activities.

### 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 with CDCPL.

The WFC has an active program of initiatives, including the Single Disclosure Project, the aim of which is to create a database of CSD information by ensuring unified and efficient disclosure of the Principles for Financial Market Infrastructures (PFMI) developed jointly by the Committee on Payment and Settlement Systems\* of the BIS and the International Organization of Securities Commissions (CPSS-IOSCO), and response to the questionnaire from the Association of Global Custodians (AGC).

There was also a change in the administration of the Conference of CSDs, which, from the 13th Conference (WFC 2015) onwards, is organized by the WFC and bears the "WFC" name.

### 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 2015, JASDEC is in bilateral cooperation with

a total of 18 institutions through 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.

### The Asian Bond Markets Initiative (ABMI)

The ABMI is being developed under the auspices of the ASEAN+3 Finance Ministers and Central Bank Governors' Meeting. Four task forces have been established for the ABMI, the third of which, with responsibility for improving the regulatory framework, has created the ASEAN+3 Bond Market Forum (ABMF). Studies are now being carried out by two sub-forums within the ABMF. Sub-Forum 1 is mainly focusing on the creation of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), while Sub-Forum 2 is concerned primarily with the standardization of cross-border settlement processes in the region. Phase 1 and Phase 2 activities have already been completed, and reports have been published. Phase 3 activities are

currently in progress, and an outline report was presented at the Finance Ministers and Central Bank Governors' Meeting in May 2015. The full report will be released in the summer of 2015.

As the member representing Japan, JASDEC is actively participating in the ABMF as the co-vice-chair of Sub-Forum 2. As a Japanese CSD, JASDEC is also participating in the Cross-Border Settlement Infrastructure Forum (CSIF). The CSIF was created under Task Force 4, which is studying improvements to bond market infrastructure. The CSIF membership consists of central banks and national CSDs from participating economies.

\* The Committee on Payment and Settlement Systems (CPSS) was renamed as the Committee on Payment and Market Infrastructures (CPMI) on 1 September, 2014.

## Major International Activities in Fiscal 2014

May 20-21

- The ACG Cross-Training Seminar was held in Teheran, Iran. As the convener of the Exchange of Information TF, JASDEC supported the host organization, the Central Securities Depository of Iran (CSDI), to manage the event. JASDEC also planned and organized the Exchange of Information TF session and breakout sessions.

- During sessions, JASDEC gave presentations on stock collateral schemes in Japan, and JASDEC's Business Continuity Plan (BCP). Participants in the breakout sessions exchanged views on the promotion of globalization, and crisis management in the event of system failures.



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April 4

- Under JASDEC's MOU with KSEI, an Indonesian CSD, a total of 80 KSEI shareholders, including officers from securities companies and banks, visited JASDEC headquarters for discussions centering on governance and an overview of operations.



May 20

- At the 6th Meeting of the WFC in Zurich, Switzerland, JASDEC reported on the progress and status of the Single Disclosure Project, which considers unified and efficient information disclosure methods for the CPSS-IOSCO's PFMI and AGC's questionnaire, and discussed the way forward for it. The meeting also approved the establishment of a new WFC working group for training and information exchange relating to the PFMI.

October 15-16

- JASDEC participated in ACG18 in Xi'an, China. A number of resolutions were passed at the meeting, including the approval of the Indian Clearing Corporation Limited (ICCL), which is a subsidiary CCP of the Bombay Stock Exchange, for ACG membership, the selection of Hong Kong as the venue for the 2017 Conference of CSDs (WFC 2017), and the adoption of the "Xi'an Initiative," the main aims of which are the promotion of best practice by CSDs in the Asia-Pacific region, and the facilitation of cross-border securities transactions.



March 16-19

- JASDEC welcomed participants in the fourth trainee exchange program under its MOU with Korea Securities Depository (KSD). Five employees from KSD took part in seminars designed primarily to provide an overview of JASDEC's business operations.

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September 8-9

- A two-day IT training program was provided for two staff members from the Mongolian CSD, MSCH&CD, with which JASDEC has signed an MOU. The program included an overview of JASDEC's IT systems and covered various aspects, including system replacement, telecommunications standardization, BCP, and information security.

September 28-October 2

- At the 7th WFC Meeting in Boston, U.S.A., there was an exchange of views about a proposal formulated by the Single Disclosure Project Working Group for the creation of a database.
- JASDEC participated in Sibos 2014, which was in Boston on September 29.

November 18

- At the request of Vietnam Securities Depository (VSD), with which JASDEC has signed an MOU, JASDEC welcomed eight visitors, including financial officials, for a seminar covering the DVP settlement system for non-exchange transaction deliveries by JASDEC DVP Clearing Corporation, as well as JASDEC's pre-settlement matching system, and the investment trust system.

