

PRESIDENT'S MESSAGE

FIA Japan Supporting New Market Developments



Richard Clairmont
President
FIA Japan

Our stated mission at FIA Japan is “to encourage the growth and success of the Japan financial marketplace and its development as a regional and global financial center”. To achieve this objective, we rely on the input and efforts of all of our members, which represent a cross-section of the entire derivatives industry, from end-users to trading venues, including brokers, intermediaries and IT or legal firms providing services

to these various players. In that respect, our Association is in a unique position to provide input and views on market developments to the benefit of the entire industry. Below are some of the most recent projects that FIA Japan is undertaking to achieve its overall objective.

High Speed Trading Regulations Translation Project

The Financial Instrument and Exchange Act (FIEA) has been amended in May 2017 and introduced new regulations around High Speed Trading (HST), the details of which are currently being crafted by FSA. FSA is targeting to issue a draft of said detailed regulations in Japanese in November 2017, to be open for public comments for one month, before enacting the same by April 2018.

In line with its mission to support the development of the Japanese markets, FIA Japan is proposing to coordinate the translation works of the new regulations, and share the

related costs between FIA Japan members and other interested parties. Obvious benefits are that the cost per firm/entity will be much lower, and that we would be working off a single and unified “Oracle” English document (please contact the FIA Japan Office for details).

Crypto Currency Study Group

At its September meeting, the FIA Japan board of directors has approved the creation of a Study Group to investigate further recent developments in crypto currency, including related regulations, under the leadership of one of our members: Mr. Shawn Dorsch of Clear Markets. Please see the Tech Corner of this edition for details.

FIA Japan Hosted CFTC Seminar

In June 2016, we had hosted a keynote speech by the then CFTC Chairman, Mr. Massad, on issues ranging from clearing houses bilateral recognition, to SWAP regulations, to the impact of regulations over global markets. As a follow-up to this very successful event, we are proud to announce that newly-confirmed CFTC Chairman Giancarlo will be visiting Tokyo in early November and has agreed to speak at an event hosted by FIA Japan to discuss, among other topics, recent developments in the US regulatory framework. Details will be made available as they are confirmed.

FIA Japan is staying at the forefront of market developments to achieve its mission. We encourage all of our members to continue with their involvement in our activities, as they are the actual “engine” that keeps us moving forward.

NEWSLETTER HIGHLIGHTS

PEOPLE INTERVIEW	2
TOPICS OF THE MONTH	3
COMMITTEE ACTIVITIES	4

EXCHANGE NEWS	5
TECH CORNER	8
EVENTS	10

KKR Japan Chairman Atsushi Saito Shares Insight on Japanese Markets



Atsushi Saito
Chairman – KKR Japan

Atsushi Saito joined KKR (Kohlberg Kravis Roberts) in 2015 and is the Chairman of KKR Japan. Mr. Saito served as Group CEO, President and Chief Executive Officer of Japan Exchange Group (JPX) from January 2013 until his retirement in June 2015. He previously served as the President and CEO of Tokyo Stock Exchange (TSE) from June 2007, and in August 2007 he became the first President and CEO of the Tokyo Stock Exchange Group, the holding company of the TSE and self-regulatory corporation of the exchange. In this capacity, Mr. Saito oversaw the merger of TSE and the Osaka Securities Exchange (now known as Osaka Exchange) to form JPX in January 2013.

Prior to his time at TSE, Mr. Saito was the President and CEO of the Industrial Revitalization Corporation of Japan (IRCJ), a government-sponsored group focused on turnaround investments. While at IRCJ, Mr. Saito demonstrated strong leadership in the revitalization of several Japanese companies. In addition to these roles, Mr. Saito was the CEO of Sumitomo Life Investment Co. He previously held various executive roles at Nomura Securities and was appointed as Executive Vice President of Nomura in 1995.

Mr. Saito was inducted into the FIA Futures Hall of Fame in March 2017. He had also been a Member of the Board of the World Federation of Exchanges. He holds a B.A. in Commerce from Keio University.

FIA Japan: You were the first CEO of Japan Exchange Group and you were instrumental in implementing the TSE/OSE merger that led to the creation of JPX. Now that a few years have passed, what would you say have been the main benefits of the merger and achievements of the new Group? What particular areas should JPX focus on in the coming years to further grow?

Saito: JPX should consider more aggressively accelerating the trading of futures and options on each stock, which will be much more preponderant than the cash market at the end of the day. There are no major competitors in these business areas in Asia who are also suffering from the negative impact of trade tax related costs.

FIA Japan: Following similar stated goals by the

government of Japan in the past several years, the Tokyo Government is working on an initiative to develop Tokyo as a major financial city. As the Chair of the committee in charge of this project, can you tell us more about your committee, its members and the key objectives you are targeting? Can this goal be achieved and under what conditions/timeframe?

Saito: We have been working with distinguished representatives from a wide variety of business circles, adding to the excellent government officers involved with TMG [Tokyo Metropolitan Government] since the end of last year.

Members of the committee are composed of foreign business persons residing in Tokyo, the former Mayor of the City of London, and representatives from Japanese Financial Institution etc.

The workshop was launched for the purpose of making

Tokyo become a more attractive financial venue for asset managers worldwide.

We are grappling with the subjects of Tax, FinTech, EMP [Emerging Managers Program], Financial Platform and so on, most of them to be materialized under the leadership of Governor Koike and TMG officers who have stipulated details for each of those projects.

FIA Japan: Global markets have been facing rapid technological developments that affect our industry in large. Buzzwords are “FinTech”, “Regulatory Sandbox”, but also “Cyber Security”. How can technology help develop innovation in Japan? What are the actual technological threats on global markets? How is Japan prepared or preparing?

Saito: The current way of business that is backed with traditional technologies, in parallel with nationalistic democracies, free trade agreements negotiated with nationalistic interests in mind, and nationalistic monetary policies will be replaced with global free trade, more aggressive business promotion and much more automated business operations. In Japan, it is very rare for SMEs [Small and Medium-sized Enterprise] to take advantage of FinTech, which has been dominated and controlled by the big financial institutions.

However, the newly created company Transzac invented a unique supply chain finance system which is real FinTech and specifically designed for SMEs.

In that spirit, the more we try to be flexible and free from past customs and regulations, the more we will be able to enjoy costless and effective benefits.

FIA Japan: Looking at global regulatory develop-

ments, it seems that we have entered a rather complex era: the US situation is now unclear as to what parts of the Dodd-Frank legislation will actually be enforced, and the EU is about to introduce new regulations that will affect both the Japanese markets and Japanese market participants in Europe, not to mention the Brexit situation... What is your take on these developments and how do you see Japan position itself in comparison?

Saito: If the US were to focus on domestic traditional industries to hire a lot of blue collars at the expense of the newly born IT or robotic industries, which rely on a more rapid global development and freedom from authoritative interventions, the US may lose its wealth and have to face disastrous and tragic situations.

That in turn could very well benefit Japan if we can accelerate the modernization of our industries as well as accelerate negotiations around wide and global free trade zones like TPP.

FIA Japan: You were inducted into the FIA Hall of Fame earlier this year, and delivered a keynote speech at the FIA Japan AGM in May. As an Association, how can FIA Japan best support the development of our markets?

Saito: FIA Japan should be more aggressive to help mitigate the regulations in Japan on derivatives trading and the introduction of so-called “Regulatory Sandbox” that has prevailed in other major world markets. An Open Market is the only way left for Japan to survive.

FIA Japan: Thank you very much.

TOPICS OF THE MONTH

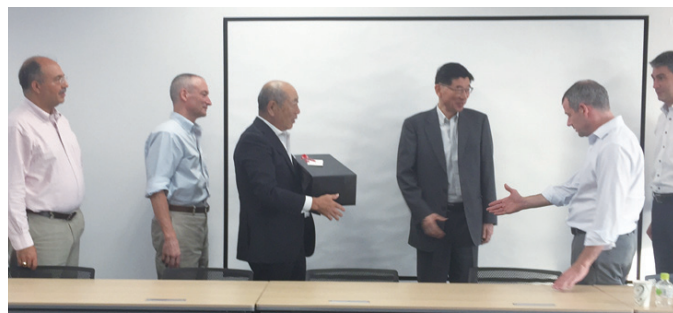
FIA Japan Chairman Junichi Maruyama Steps Down

Mr. Junichi Maruyama has announced that he will step down as the Chairman of FIA Japan effective September 20, as he returns to accept a diplomatic appointment from the Government of Japan. Having served for over three decades at the Ministry of Finance, FSA and Ministry of Foreign Affairs, Mr. Maruyama was most recently Managing Director at Citigroup Global Markets Japan. He joined FIA Japan as a Director in 2013 and was first

appointed as Chairman of the Association in 2014. He has been instrumental in helping us develop our relationship and level of interaction with the FSA in Japan, as well as with our colleagues at FIA, resulting in the affiliation agreement signed between FIA and FIA Japan in October 2016. Under his leadership, FIA Japan has grown dramatically, being now called upon by major governmental bodies to express the voice of derivatives

industry professionals, ranging from end-users, to brokers, to exchanges and other related parties.

We thank him for his major contributions to our Association and wish him the best in his future endeavors.



Executive Committee members present a gift to Mr. Maruyama (center) on behalf of FIA Japan at an informal ceremony. Left to right: Michael Ross, Peter Jaeger, Yasuo Mogi, Richard Clairmont and Bruno Abrioux.

COMMITTEE ACTIVITIES

Membership Committee Chairman Shin Shinozuka

FIA Japan recently welcomed the following company as a new member:

Shiroyama Consulting is a boutique consultancy specializing in Financial Services, Financial Services Technology (FinTech), and the regulatory intersection of both.

Its founding partners have deep experience in Japan, from both a sell-side and buy-side perspective. They have owned P&L responsibility, managed large teams in the conceptualization, implementation, and ongoing relevancy of enterprise-scale systems and infrastructure; and have significant experience interacting with the FSA, SESC, and their antecedent organizations. In addition to Japan,

they have worked with regulators and venue management teams throughout Asia to bring about the legalization of many facets of institutional Electronic Trading Services; one partner holds a US Patent whose underlying technology concepts opened the door to regulatory-compliant sub-microsecond venue access.

Shiroyama Consulting's organizing principle is to effectively assist financial services organizations navigate the complex environment of public policy goals and associated regulations and to provide services designed to empower organizations to meet the requirements of the Japanese Financial Instruments and Exchange Act.

Technology Committee Chairman Bruno Abrioux

The Technology Committee gathered after the summer break for an open discussion on how blockchain-based digital assets and newly created (or emerging) cryptocurrency-related derivatives products create unique business opportunities for the capital markets industry, but also raise questions on the most appropriate regulatory framework for financial institutions. This discussion was initiated and moderated by one of our members, Shawn Dorsch from Clear Markets. Part of this discussion is also featured in the Tech Corner section of this newsletter.

The Technology Committee also agreed on priorities for its next activities during this same gathering.

First, several members asked to provide further inputs on how the coming MIFID II would impact FIA Japan

members and the type of solutions helping to tackle the new requirements. We thus plan to work with FIA Japan Legal & Compliance Committee, FIA and several of our members to roll out in October a localized presentation based on existing resources.

The second priority was put on continuing our educative sessions on cybersecurity. Examples of potential seminars could be on themes like how the various cybersecurity-related bodies in Japan, like JPCERT, Council of Anti-Phishing, Financial ISAC, FISC, CEPTOARs, collaborate in case of incidents and which organization to turn to for which support. The committee will work on further defining the exact theme, format and possible partners for such an event in Q4.

Osaka Exchange: First Anniversary of New J-GATE

On July 19, 2016, OSE replaced its derivative trading system, J-GATE, and implemented extended trading hours, as well as introduced a range of new products.

The end of trading hours of the night session was extended from 03:00 to 05:30 (JST), and the ratio of trading volume during the night session marked a record high of 41.8% in May this year. Also, there have been steady increases in trade volume during the newly extended trading hours, as well as spikes in trade volume at the time of such announcements as US interest rate changes. All of this is proof that the extended trading hours are serving the pur-

pose of providing a useful hedging tool for those trading during the nighttime hours in Japan.

In tandem with the new J-GATE launch, TSE Mothers Index Futures ([TSE Mothers Futures](#)), Japan's first futures contract linked to a growth market, was introduced. Trading of the new futures increased gradually and reached record trading volumes in August this year. The TSE Mothers Futures are increasingly utilized by investors as a tool for investing in indices whose price movements are different from those of existing Japanese stock indices.

Osaka Exchange: 20th Anniversary of Securities Options

Twenty years have passed since the launch of Securities Options, for which trading began at both Osaka Securities Exchange (current Osaka Exchange, OSE) and Tokyo Stock Exchange on July 18, 1997.

Though only a mere 20 underlying securities were being traded at each respective market at the time, said number has surpassed 200 today in response to the needs of market

users over the years.

On March 24, 2014, TSE and OSE derivatives markets were integrated, unifying the Securities Options trading platform. Then, in March 2017, OSE added four new underlying securities and revised the trading fee schedule for Securities Options with the aim of further improving market convenience.

TFX “Click Festival” in Four Major Cities in Japan

Tokyo Financial Exchange Inc. (TFX) is holding the large-scale event “Click Festival 2017 – Equity / FX Investment Strategy Forum” in commemoration of a new currency pair, namely the Mexican Peso / Japanese Yen, listed on October 30. Starting from Fukuoka (October 14), the event will be held in four major cities, namely Osaka (November

3), Tokyo (November 23), and Nagoya (February 3, 2018) and over 2,000 individual investors are expected to attend from across the country. Extensive seminars and panels with diverse speakers are also programmed. The events will be broadcasted on Stock Voice TV.

TFX Establishes Blockchain Study Team

TFX established a study team for Blockchain (distributed ledger) in August. Blockchain has been one of the key themes within the FinTech Development Team at TFX, and

now is under further feasibility review by the Blockchain Study Team for the possibilities of utilizing the technology for efficiency and improvement of operations.

TFX Releases Packs and Bundles

TFX is going to introduce Packs and Bundles for Three-month Euroyen futures on November 27, 2017. Pack is a strategy to execute 4 consecutive quarterly contract months at the same time, and Bundle is another strategy to execute multiple consecutive Packs to trade more than one year as

a whole. Executing a designated number of outright contracts with one order reduces fat finger risk, and Packs and Bundles are going to capture the trading needs for mid-term interest rate.

TOCOM Signs Memorandum of Understanding with Chinese FCMs

From July to August this year, TOCOM signed a Memorandum of Understanding (MOU) to enhance the cooperative relationship in areas of mutual interest with three FCMs in mainland China: (1) Holly Su Futures (Hong-kong) Co., Limited, the Hong Kong subsidiary of Holly Futures Co., Ltd. in Nanjing on July 20, (2) Zhongtai International Futures Limited, the Hong Kong subsidiary of Zhongtai Securities Company Limited in Jinan on August 3, and (3) Galaxy Futures Company Limited in Beijing on August 7. In accordance with the MOU, TOCOM

and Holly Futures Co., Ltd. conducted a seminar, which covered TOCOM's crude oil, gold and rubber markets, in addition to a lecture from a commodity market expert, for Chinese investors in August in order to promote interest in the TOCOM markets. Going forward, TOCOM plans to hold seminars with each of these FCMs at various places in mainland China, and proceed with preparations towards their acquisitions of TOCOM Remote Membership in order to promote the entry of Chinese market participants into the TOCOM markets.

TOCOM Accepts Esunny as Registered ISV

TOCOM accepted Zhengzhou Esunny Information Technology Co., Ltd. (Esunny) as a registered ISV on August 9. The company is one of the largest Chinese financial IT services provider. This ISV registration will give the company technical information to develop applications and services for connectivity to the TOCOM markets.

At present, 149 futures commission merchants operate in China and the vast majority of them are said to use Es-

unny services. Registered as an appointed ISV with major global exchanges, Esunny's system is used by the Hong Kong subsidiaries of Chinese brokerages to trade overseas markets.

TOCOM expects that Esunny's services will significantly strengthen market access for Chinese investors and contribute to an increase in participation from China.

TOCOM Adopts Delivery by Physicals for Precious Metals Market

TOCOM stipulated, as a general rule, that Precious Metals Market futures are to be settled by delivery of warehouse receipts from a TOCOM designated warehouse for bullions that the manufacturer refined and held in its own storage.

Recently, an increasing number of market participants, particularly those from abroad, requested that the Exchange permit settlement by delivery of precious metal bars. In response, TOCOM changed the rule on August 1 so as to allow physical delivery to be done using methods other than warehouse receipts when parties to the delivery agree.

For example, a local precious metals processor may use gold bars purchased from an international vendor for

delivery without having to have a warehouse receipt issued. Other participants may use bars purchased from an overseas financial institution for delivery by transferring ownership at a warehouse.

In conjunction with these rule changes, TOCOM accepted Brink's Japan Limited as a newly approved warehouse operator, which will increase delivery options. Brink's Japan is a subsidiary of Brink's Incorporated, a US-based company providing security services including global transportation and storage for high-value goods. They operate globally and are experienced in custom-house businesses. Their services are expected to contribute to improving TOCOM's market convenience for the wider trading community.

LME Precious Metals Update

The London bullion market is one of the world's most established gold trading centre, though this market now faces unprecedented change, with regulation coming into force, fundamentally altering the economics of OTC bullion trading and challenging the existing market structure.

The London Metal Exchange (LME) has worked extensively with the industry to launch LMEprecious in conjunction with the World Gold Council and leading industry players. This provides the market with a deep pool of liquidity to trade loco London precious metals on exchange

and to benefit from capital and trading efficiencies through multilateral netting and central clearing.

Since launch on 10 July 2017, LME Gold and LME Silver futures contracts have had committed on-screen pricing in depth from spot out to 5 years, providing a transparent real-time forward curve. By the end of August, 661 tonnes of gold and 4,431 tonnes of silver had traded, with average daily volumes building to over 10,000 lots in week 8. Open interest extends across three years and over 22,000 lots for gold and 3,500 lots of silver.

Clear Markets President Shawn Dorsch Shares Insights on Crypto Currency Developments in Japan

As a direct reflect of the discussions happening within our FIA Japan Technology Committee, the Tech Corner section of this newsletter often presents how technology can help solve challenges or improve processing efficiency in the Capital Market industry, while keeping technology costs under control.

Today, we will look at how digital technologies can also create brand new business opportunities for the Financial Services Industry, focusing on crypto-currency and digital assets. We have asked one of our members, Shawn Dorsch, President at [Clear Markets](#), a Fixed Income & Credit Derivatives Electronic Trading System Operator, to deliver his insights on the opportunities and challenges introduced by the fast-pace development of virtual currencies and other crypto coins. Shawn will also lead the FIA Japan Crypto Currency Study Group approved by the FIA Japan board of directors last September.

FIA Japan – Bruno Abrioux: When talking about virtual currency, the first thing that comes to mind is obviously Bitcoin. Nevertheless, I understand that blockchain-based digital assets are a much broader family. Can you shed some lights on the type of “crypto coins” available today?

Clear Markets – Shawn Dorsch: Currently there are three types of “crypto coins” which have emerged. The first, and most widely used, are “coins” like bitcoin, which resemble traditional digital currencies.

The second type of “coin” is a “utility token” (also sometimes called a “protocol token”) like the new D-Market coin for online gamers. This coin has many similarities to a reward point program. Similar to the way airlines reward frequent travelers with miles, online game companies can now reward frequent or highly successful players with “coins”, which can then be “spent” for game fees not only on one game, but on other companies’ online games. These can also be exchanged for bitcoin or other crypto currency. In the future, airlines might convert their frequent flier programs to a “token” or “crypto coin” based system.

The third type of “coin” is called a “security token, or coin”, and it resembles a stock certificate, or a bond. In the future, I expect most stocks and bonds will be issued as “crypto” coins. The primary reason for doing so would be

to increase the security, transparency, and tradability of the assets.

We are still in the early days of “crypto coins”, and so I expect that we will see more innovative coins developed in the near future.

FIA Japan – Bruno Abrioux: What type of derivatives instruments have crypto coins as their underlying today in the global market? What other products would you anticipate to be created in the near future?

Clear Markets – Shawn Dorsch: About a year and a half ago, OTC swaps and forwards on bitcoin were introduced by an American SEF (Swap Execution Facility). Since then, another American SEF has announced that they will also launch OTC swaps and options on bitcoin in the fall of this year.

In addition to the OTC swaps, options and forwards on US SEFs, the CBOE has also announced the near-term launch of bitcoin futures and an SEC-approved bitcoin ETF.

FIA Japan – Bruno Abrioux: Would you share the view that the digital asset world has been essentially driven by retail customers so far? Do you foresee financial institutions getting more involved in the trading of digital currencies or other digital assets in the short-term? What would that imply?

Clear Markets – Shawn Dorsch: Yes, in Japan, the growth has been led by retail users. And I think the retail growth has now reached the point that major financial institutions will shortly begin to take crypto currency deposits. Once traditional financial institutions begin to take crypto currency deposits, they will then seek to put those deposits to work, and that will accelerate the need for derivatives on crypto currencies.

Interestingly, in the US, I think the growth is being led by institutional users. I think US institutional growth is driven by the massive investments the Wall Street banks are making in blockchain. But in either case, these markets will grow and merge and drive the development of crypto currency derivatives on a global basis.

FIA Japan – Bruno Abrioux: Japan has already a regulatory framework in place: the Virtual Currency Act. Many Japanese merchants are raising their hands to accept bitcoins as payment ([See related article here](#)), and bitFlyer, a Japanese bitcoin exchange, has obtained approval to operate in many states in the US... Would you say that Japan is “leading the dance” when it comes to crypto-currency?

Clear Markets – Shawn Dorsch: I think Japan has taken the lead in the development of retail crypto-currency use and its regulation. But I do not think the Japanese regulations yet address derivatives on crypto-currencies. Also, in the past few weeks, we have seen significant moves by most other major regulators to address crypto currencies, so Japan’s position as a leader in the regulation of crypto currencies and crypto securities could be eclipsed if it does not continue to refine its crypto regulatory framework.

FIA Japan – Bruno Abrioux: Regulators in various countries have taken different approaches when it comes to digital assets. Would you be able to comment on the main directions and how this may differ between the various jurisdictions?

Clear Markets – Shawn Dorsch: I’m sure there will be new regulations which will be needed to address some of the unique properties of crypto currencies. But I also think that a lot of what is needed can already be found in most existing regulatory structures. I think the key thing will be to accurately “categorize” the different types of coins and where they fall within the existing framework. As much as we can, I hope we can find ways to use existing regulations to address crypto currency issues, rather than burden our world with additional complexity.

FIA Japan – Bruno Abrioux: Crypto-currencies are often associated with the darker side of life, as the ability to settle transactions anonymously and instantaneously is extremely useful to malware hackers, drug dealers, human traffickers and other criminals. Is there anything responsible citizens can do to keep the criminal element away from the crypto-currency universe?

Clear Markets – Shawn Dorsch: Yes, crypto currencies have been used for some illicit activity, but so have traditional digital currencies. I think the important thing for people to understand is that the blockchain technology which underlies crypto currencies already has some great features which enable anyone to research information about where the funds have come from. In many ways, crypto currencies are more traceable than cash.

As major financial institutions begin to handle crypto currency assets, I think financial institutions will begin to

use these new features and that will actually make it harder to use crypto currencies for illicit activities.

FIA Japan – Bruno Abrioux: Crypto currency prices today are following the classic pattern of a speculative bubble -- and the bubble is expanding even faster and bigger than any other bubble in history. Where will it all end?

Clear Markets – Shawn Dorsch: Well first of all, I don’t think it’s going to end. I think this is only the beginning. I think this is all part of the development of these new markets. Right now, less than 1% of the world’s population has used these currencies. As usage expands amongst the population, and demand increases, I expect the prices will continue to rise (and at times fall).

In many ways, this is no different than the history of our major stock markets. There have been bubbles and crashes in the stock markets (and many other markets as well). But those events have not stopped people from trading stocks. It’s still a bit early to tell which crypto-currencies will survive in the long-term. Bitcoin has an early lead, and I don’t think it will go away anytime soon. The one thing I am sure of is that crypto currencies are probably here to stay, and their user-base will probably only expand.

FIA Japan – Bruno Abrioux: Digital asset, virtual currency, crypto coins, ICO (Initial Coin Offering)... We’ve just used a number of terms in our discussion that can really be confusing. How do we further refine our language to demystify this topic and bring clarity in order to help develop a sound business-enabling financial environment for retail customers as well as institutions? How can Clear Markets and FIA Japan support this initiative when it comes to derivatives markets?

Clear Markets – Shawn Dorsch: I think the formation of FIAJ’s Crypto Currency Study Group is a great start. This will provide a mechanism for us to gather representatives from our members for the purpose of developing a common understanding of the issues and then a common “language” or set of words for us to talk about these issues within ourselves and with the regulators.

FIA Japan – Bruno Abrioux: Indeed, thank you for taking an active lead on the newly-created FIA Japan Crypto Currency Study Group, Shawn. We definitely encourage all our members interested in crypto-currency to join your group and help build a common understanding of this topic. And, for sure, we look forward to hearing more on the progress made in the coming months.

FIA Japan Summer Party

7 September, Tokyo

FIA Japan held its Summer Party on September 7. Mr. Junichi Maruyama, Chairman made a welcoming speech, followed by a speech by Mr. Richard Clairmont, President. He talked about FIA Japan's current activities and plans, including around unfolding HFT regulations and an upcoming event with CFTC Chairman Christopher Giancarlo in November.

Despite the bad weather, about 100 people attended the

party including not only members but also guests from regulators and industry organizations.

Gold Sponsors:



Upper Left: FIA Japan President Richard Clairmont

Upper Right: FIA Japan Chairman Junichi Maruyama

Lower Left: FIA Japan Vice Chairman Yasuo Mogi

Lower Right: FIA Japan Vice Chairman Michael Ross

Broker Technology Re-imagined:

Introducing the Nasdaq Financial Framework

The same exchange-grade technology used by world's most innovative exchanges, clearinghouses and CSDs, is now available to banks and brokers as a fully-hosted platform.



Multi-asset trading, clearing, real-time risk management, surveillance, index calculation, market intelligence and more, from a single, unified platform.

- Reduce time-to-market for new offerings
- Integrate with existing systems to decrease operational complexity and lower total cost of ownership
- Future-proof your technology investment and infrastructure.

Example use cases:

- + Outsources dark pool technology, including offering risk & surveillance as a service
- + Cloud-based index calculations or risk calculations
- + Bank internal usage of the world's fastest message bus

To learn how the Nasdaq Financial Framework fulfills your current needs and future business ambitions, visit business.nasdaq.com/market-tech

FIA Japan Editorial Board

Editor Tony Crane, FIA Japan

Publisher Hiroyuki Naruke, Sakimono Journal

Editorial Board Members

Bruno Abrioux

Ryo Akei, Rakuten Securities

Mitch Fulscher, Financial Consultant

An Jun, Osaka Exchange - JPX Group

Eiichi Kojima, Japan Commodity Futures Industry Association

Christopher Laird, AT TOKYO

Ken Masunaga, Sakimono Journal

Sayaka Morizono, FIA Japan

Chika Nakamura, ABN Amro Clearing

Michael Ross, Omgeo

Akio Shimizu, Stock Voice

Hitoshi Taga, ION Trading Japan

Satoko Tamiya, Tokyo Financial Exchange

Satoko Yamazaki, Osaka Exchange - JPX Group

David Wilkinson

FIA Japan Office

c/o Greenberg Traurig Tokyo Law Offices

Meiji Yasuda Seimei Bldg, 14th Floor

2-1-1 Marunouchi, Chiyoda-ku,

Tokyo 100-0005

Tel/ fax +81 (0)3-4510-2222

Website: <https://www.fiajapan.org>

Tony Crane, Administration Manager

crane@fiajapan.org

Sayaka Morizono, Executive Secretary

morizono@fiajapan.org

Opinions contained in this newsletter are the contributors' personal opinions and do not necessarily reflect the views of FIA Japan.

The information contained in this newsletter represents the contributors' own evaluations, and FIA Japan does not explicitly or implicitly guarantee the accuracy or completeness thereof. FIA Japan is not liable to any third party for any losses, costs or expenses, including any direct, indirect, incidental, consequential, special or exemplary damages or lost profits, resulting from any use of the information contained in this publication.

If you have any questions regarding the contents of the newsletter, please contact the Editor (editor@fiajapan.org) or the FIA Japan Executive Secretary.



FIA Japan was originally established in Tokyo in 1988 as a nonprofit organization by foreign and Japanese futures industry participants and later reorganized as a “General Incorporated Association” (“Ippan Shadan Hojin”). It is the only organization in Japan of its type with a membership drawn from the entire cross section of the derivatives industry. It has approximately 70 members representing the various corporate sectors participating in the derivatives industry in Japan. Their Mission is to encourage the growth and success of the Japan financial marketplace and its development as a regional and global financial center.

FIA Japan Board of Directors

* Executive Committee Members

Officers / Board Members

Vice Chairman and Representative Director

* **Yasuo Mogi**

Vice Chairman and Representative Director

* **Michael Ross**

Omgeo K.K.
Representative Director

President and Representative Director

* **Richard Clairmont**

ABN AMRO Clearing Tokyo Co., Ltd.
Chief Executive Officer

Vice President

* **Peter L. Jaeger**

Secretary and Representative Director

* **Koichiro Ohashi**

Greenberg Traurig Tokyo Law Offices.
Attorney at Law, Partner

Treasurer

David Wilkinson

Other Board Members

* **Bruno Abrioux**

Ramir Cimafranca

Societe Generale Securities Japan Limited.
Managing Director, Head of Prime Services

Masatsugu Doi

Rakuten Securities, Inc.
Executive Officer, General Manager, Equity & Derivatives
Business Division

Takato Hirai

Colt Technology Services Co., Ltd.
Vice President/Head, Capital Markets Sales Asia Pacific

Ryosuke Seo

Tokyo Financial Exchange, Inc.
Director, Fixed Income Products Development and
Marketing Department

Izumi Kazuhara

CME Group.
Executive Director Head of Japan

Walter L. Lukken

Futures Industry Association
President and CEO

Mitsuhiro Onosato

Tokyo Commodity Exchange Inc.
Executive Officer

Jinya Sazawa

Daiwa Securities Co. Ltd.
Executive Director, Global Business Development Unit,
Global Markets Planning Dept

Shin Shinozuka

Mikio Sugihara

Nasdaq, Tokyo Office
General Manager

Akira Tagaya

Osaka Exchange, Inc. - JPX Group
Executive Officer

Gerben Van Veldhuijsen

Optiver Australia Pty Ltd.
Corporate Strategy Manager

Advisors to the Board

Shozo Ohta

Tokyo Financial Exchange Inc.
President & CEO

Bob Takai

Sumitomo Corporation, Executive Officer
Sumitomo Corporation Global Research Co. Ltd.
President & CEO

Advisor to Executive Committee

Mitch R. Fulscher

FIA Japan Chairman Emeritus, and Business Consultant

Auditor

Nagayoshi Miyata