

Cabinet Office Ordinance on Certified Association for Payment Service Providers

(Cabinet Office Ordinance No. 6 of March 1, 2010)

The Prime Minister hereby issues the Cabinet Office Ordinance on Certified Association for Payment Service Providers based on the provisions of and for the purpose of enforcing the Payment Service Act (Act No. 59 of 2009) and the Order for Enforcement of the Payment Service Act (Cabinet Order No. 19 of 2010).

(Definition)

Article 1 (1) The terms "Issuer of Prepaid Payment Instruments," "Funds Transfer Service," and "Certified Association for Payment Service Providers" as used in this Cabinet Office Ordinance mean Issuer of Prepaid Payment Instruments, Funds Transfer Service, and Certified Association for Payment Service Providers as prescribed in Article 2 of the Act on Fund Settlement (hereinafter referred to as the "Act"), respectively.

(2) The term "Prepaid Payment Instruments" as used in this Cabinet Office Ordinance means Prepaid Payment Instruments as prescribed in Article 3, paragraph (1) of the Act.

(Documents to be Attached to Written Application for Certification)

Article 2 Documents specified by a Cabinet Office Ordinance as prescribed in Article 23, paragraph (2) of the Order for Enforcement of the Act on Fund Settlement (hereinafter referred to as "Order") shall be the following documents:

- (i) a document containing the description of the method for implementing the Certified Businesses (meaning the Certified Businesses prescribed in Article 87 of the Act; hereinafter the same shall apply);
- (ii) a document demonstrating that the applicant has the knowledge and ability sufficient for the proper and secure provision/conduct of the Certified Businesses;
- (iii) the inventory of assets for the latest business year (in the case of a corporation established in the business year that includes the date of the application, as of the date of incorporation) and any other documents demonstrating that the applicant has the sufficient financial basis;
- (iv) a curriculum vitae and an extract of the certificate of residence of officers or any substitute thereof; and
- (v) other documents containing other relevant matters.

(Public Inspection of the Membership List)

Article 3 A Certified Association for Payment Service Providers shall keep its membership list at its office and make it available for public inspection.

(Method for Making Information Public to Members)

Article 4 (1) In the case where a Certified Association for Payment Service Providers, pursuant to the provisions of Article 90, paragraph (1) of the Act, makes public the matters listed in Article 13, paragraph (1), items (iv) and (v) of the Act pertaining to the Members (meaning the Members prescribed in Article 87, item (ii) of the Act; hereinafter the same shall apply) who are Issuers of Prepaid Payment Instruments to the users of said Prepaid Payment Instruments, it shall make them public by any of the following methods:

(i) a method in which information is transmitted through electric telecommunication lines connecting the electric equipment used by a Certified Association for Payment Service Providers with the electric equipment used by a user of said Prepaid Payment Instruments and recorded in a file installed in the electric equipment used by said user;

(ii) a method in which information recorded in a file installed in the electric equipment used by a Certified Association for Payment Service Providers is made available for inspection by a user through electric telecommunication lines and recorded in a file installed in the electric equipment used by said user; or

(iii) in the case where no file for recording information is installed in the electric equipment used by a user of said Prepaid Payment Instruments, a method in which information recorded in a file (limited to one provided for the exclusive use by users; referred to as "User File" in item (ii) of the following paragraph) installed in the electric equipment used by a Certified Association for Payment Service Providers is made available for inspection by a user through electric telecommunication lines.

(2) The methods listed in the preceding paragraph shall satisfy the following technical criteria:

(i) The method prescribed in item (i) or (ii) of the preceding paragraph shall be one that enables the users to create a document by outputting the information recorded in the file (including outputting said recorded information by transmitting it to another electronic equipment or any other methods)

(ii) The method prescribed in item (iii) of the preceding paragraph shall be the one in which information recorded in the User File cannot be deleted or altered during the period of three months from the time when the information is recorded in said User File.

(Information Pertaining to Members That is Necessary for the Protection of the Interests of Users)

Article 5 Information specified by a Cabinet Office Ordinance as prescribed in Article 92, paragraph (1) of the Act shall be the following information:

- (i) when a Member comes to know a person engaging in the business of issuing Prepaid Payment Instruments for Own Business (meaning the Prepaid Payment Instruments for Own Business prescribed in Article 3, paragraph (4) of the Act) without submitting the written notice under Article 5, paragraph (1) of the Act is likely to have exceeded the Standard Amount (meaning the Standard Amount prescribed in Article 14, paragraph (1) of the Act) of Unused Record Date Balance (meaning the Unused Record Date Balance prescribed in Article 3, paragraph (2) of the Act) of said Prepaid Payment Instruments for Own Business, the name, address, and telephone number of the person (in the case of a corporation, the trade name or other name, address, telephone number of said person, the name of its representative person, and other information about said person, and information about Prepaid Payment Instruments issued by said corporation (hereinafter referred to as "Information about Said Person and Prepaid Payment Instruments Issued by Said Person" in this Article));
- (ii) when a Member comes to know a person engaging in the business of issuing Prepaid Payment Instruments for Third-Party Business (meaning the Prepaid Payment Instruments for Third-Party Business prescribed in Article 3, paragraph (5) of the Act), Information about Said Person and Prepaid Payment Instruments Issued by Said Person;
- (iii) when a Member comes to know that goods or services that one can purchase or lease or those of which one can receive the delivery or provision by using Prepaid Payment Instruments will harm or pose a risk of harming the public policy; information to that effect;
- (iv) in the case where an Issuer of Prepaid Payment Instruments who is a Member of a Certified Association for Payment Service Providers makes a refund pursuant to the provisions of Article 20, paragraph (1) of the Act, the type of the Prepaid Payment Instruments pertaining to said refund, the method for said refund, and the scheduled date of the commencement of the procedure;
- (v) when a Member comes to know a person other than a Banks, etc. (meaning the Banks, Etc. prescribed in Article 2, paragraph (9) of the Act) who carries out funds transfer transactions (Kawase transactions) without obtaining the registration under Article 37 of the Act, information about said person and the exchange transactions carried out by said person; and
- (vi) other information found to be necessary by a Certified Association for Payment Service Providers for the protection of the interests of the users.

(Provision of Information to Certified Association for Payment Service Providers)

Article 6 Information specified by a Cabinet Office Ordinance as prescribed in Article 97 of the Act shall be the following information:

- (i) matters concerning the construction of laws;
- (ii) matters concerning the results and contents of any written reports or materials requested, inquiries made, or on-site inspections conducted based on laws;
- (iii) matters concerning the contents of laws, orders based on laws, or dispositions made based thereon;
- (iv) matters concerning the contents of complaints from the users concerning the business of issuing Prepaid Payment Instruments or the Funds Transfer Service and how these complaints were processed;
- (v) statistical information concerning the business of issuing Prepaid Payment Instruments and the Funds Transfer Service and other information on which it is based; and
- (vi) other information found to be necessary by the Commissioner of the Financial Services Agency for ensuring the proper provision/conduct of Certified Businesses.

(Method of Public Notice)

Article 7 The public notice prescribed in Article 98 of the Act shall be given in the official gazette.

(Standard Processing Period)

Article 8 (1) The Prime Minister or the Commissioner of the Financial Services Agency shall endeavor to process any application for certification made pursuant to the provisions of Article 87 of the Act within one month from the day on which said application has arrived at said office.

(2) The period prescribed in the preceding paragraph shall not include the following period:

- (i) the period required to amend said application;
- (ii) the period required for the applicant to change the contents of said application; and
- (iii) the period required for the applicant to add materials that are found to be necessary for the examination pertaining to said application.