

Cabinet Office Ordinance on Prepaid Payment Instruments

(Cabinet Office Ordinance No. 3 of March 1, 2010)

Pursuant to the provisions of and for the purpose of enforcing the Payment Services Act (Act No. 59 of 2009) and the Order for Enforcement of the Payment Services Act (Cabinet Order No. 19 of 2010), the Cabinet Office Ordinance on Prepaid Payment Instruments is hereby established as follows.

Chapter I General Provisions (Article 1 – Article 8)

Chapter II Issuer of Prepaid Payment Instruments for Own Business (Article 9 – Article 13)

Chapter III Issuer of Prepaid Payment Instruments for Third-Party Business (Article 14 – Article 20)

Chapter IV Indication, Making of Security Deposit for Issuance, and Other Obligations (Article 21 – Article 45)

Chapter V Supervision (Article 46 – Article 50)

Chapter VI Miscellaneous Provisions (Article 51 – Article 56)

Supplementary Provisions

Chapter I General Provisions

(Definition)

Article 1 (1) The terms "Issuer of Prepaid Payment Instruments," "Certified Association for Payment Service Providers," "Trust Company, etc.," or "Deposit-taking Institutions" as used in this Cabinet Office Ordinance mean Issuer of Prepaid Payment Instruments, Certified Association for Payment Service Providers, Trust Company, etc., or Deposit-taking Institutions as prescribed in Article 2 of the Payment Services Act (hereinafter referred to as the "Act"), respectively.

(2) The terms "Prepaid Payment Instruments," "Unused Record Date Balance," "Amount Available for Payment, etc.," "Prepaid Payment Instruments for Own Business," "Prepaid Payment Instruments for Third-Party Business," "Issuer of Prepaid Payment Instruments for Own Business," "Issuer of Prepaid Payment Instruments for Third-Party Business," and "Record Period" as used in this Cabinet Office Ordinance mean Prepaid Payment Instruments, Unused Record Date Balance, Amount Available for Payment, etc., Prepaid Payment Instruments for Own Business, Prepaid Payment Instruments for Third-Party Business, Issuer of Prepaid Payment Instruments for Own Business, Issuer of

Prepaid Payment Instruments for Third-Party Business, and Record Period as prescribed in Article 3 of the Act, respectively.

- (3) The term "Addition-type Prepaid Payment Instruments" as used in this Cabinet Office Ordinance means those Prepaid Payment Instruments in which amounts (if such amounts are found to be each time converted to and indicated as numbers in another unit, including numbers in said unit) or records of the quantity of goods or services are added by electronic or magnetic means (the electronic or magnetic means prescribed in Article 3, paragraph (1), item (i) of the Act; hereinafter the same applies).

(Foreign Currency Conversion)

Article 2 When a document to be submitted to the Commissioner of the Financial Services Agency (if the authority of the Commissioner of the Financial Services Agency has been delegated to the Directors-General of Local Finance Bureaus or the Director General of the Fukuoka Local Finance Branch Bureau (hereinafter referred to as the "Directors-General of Local Finance Bureaus, etc.") pursuant to the provisions of Article 28, paragraph (1) of the Order for Enforcement of the Payment Services Act (hereinafter referred to as the "Order"), said Directors-General of Local Finance Bureaus, etc.; hereinafter the same applies except in Article 28, Article 35, item (v), and Article 36) pursuant to the provisions of the Act (limited to Chapter 2), the Order (limited to Chapter 2), or this Cabinet Office Ordinance contains items indicated in a foreign currency, the equivalent amounts converted to Japanese currency and the standard used for the conversion must be included in the supplementary notes to said document.

(Monetary Amount Converted from the Quantity of Goods or Services)

- Article 3 (1) The monetary amount converted from the quantity of goods or services the delivery or provision of which can be claimed by using the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act is the amount that should normally be received from the user as consideration for the delivery or provision of goods or services in said quantity to the user when such delivery or provision is made.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to cases where the quantity of goods or services is converted to a monetary amount under the provisions of the following Article, Article 19, Article 40, Article 41, and Article 48.

(Amount of Unused Record Date Balance)

Article 4 The amount of the Unused Record Date Balance is the amount calculated by deducting the amount collected set forth in item (ii) from the

total amount set forth in item (i):

- (i) the total of the amounts issued during the Record Period of Prepaid Payment Instruments pertaining to the Record Dates falling on or before the Record Date pertaining to said Unused Record Date Balance (hereinafter referred to as the "latest record date" in this Article) (meaning the amounts calculated, pursuant to the provisions of Article 48, paragraph (1), as the amounts issued of Prepaid Payment Instruments that have been issued during each Record Period including each of said Record Dates by deeming said latest record date to be the last day of these Record Periods); and
- (ii) the amount collected through said latest record date with regard to all Prepaid Payment Instruments that had been issued on or before said latest record date (meaning the total of the amounts specified in the following sub-items (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein):
 - (a) the amount that has been used for the payment of consideration by using the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act (including the amount that is no longer available for the payment of consideration due to expiration of the effective period of said Prepaid Payment Instruments or for other reasons, the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for refund prescribed in Article 20, paragraph (1) of the Act (meaning the amount that is available for the payment of consideration; the same applies in (a)), and the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for the execution of the right prescribed in Article 31, paragraph (1) of the Act; the same applies in Article 19, Article 40, Article 41, Article 46, and Article 48); and
 - (b) the monetary amount converted from the quantity of goods or services that have been claimed by using the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act as of said latest record date (including the quantity of goods or services that can no longer be claimed due to expiration of the effective period of said Prepaid Payment Instruments or for other reasons, the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for refund prescribed in Article 20, paragraph (1) of the Act (meaning the quantity of goods or services that can be claimed; the same applies in (b)), and the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for the execution of the right prescribed in Article 31, paragraph (1) of the Act; the same applies in Article 19, Article 40, Article 41, Article 46, and Article 48).

(Amount Available for Payment, etc. of Prepaid Payment Instruments in which

the Amount, etc. Is Recorded by Electronic or Magnetic Means)

Article 5 The Amount Available for Payment, etc. pertaining to Prepaid Payment Instruments in which the amount (if such amount is found to be each time converted to and indicated as a number in another unit, including a number in said unit; the same applies in this Article) or the quantity of goods or services is recorded by electronic or magnetic means is the maximum amount or quantity of said amount or quantity to be recorded.

(Prepaid Payment Instruments Pertaining to Health Care Facilities, etc.)

Article 6 Persons specified by a Cabinet Office Ordinance as prescribed in Article 4, paragraph (4), item (ii), sub-item (e) of the Order are the following persons:

- (i) Japan Health Insurance Association;
- (ii) national health insurance societies or federations of national health insurance associations;
- (iii) National Pension Funds or National Pension Fund Association;
- (iv) Coal Mining Pension Fund; and
- (v) Farmers Pension Fund.

(Prepaid Payment Instruments Issued by Schools, etc. to Their School Children, etc.)

Article 7 (1) Prepaid Payment Instruments specified by a Cabinet Office Ordinance as prescribed in Article 4, paragraph (4), item (iii) of the Order are the following Prepaid Payment Instruments:

- (i) Prepaid Payment Instruments issued by a person that establishes a special training college prescribed in Article 124 of the School Education Act (Act No. 26 of 1947) (excluding the State or a local public entity) only to its school children or employees (hereinafter referred to as "school children, etc." in this item) (limited to those that are designed to be used only by said school children, etc.); and
 - (ii) Prepaid Payment Instruments issued by a person that establishes a miscellaneous school prescribed in Article 134, paragraph (1) of the School Education Act only to its school children (limited to those taking a Specified Curriculum) or employees (hereinafter referred to as "school children, etc." in this item) (limited to those that are designed to be used only by said school children, etc.).
- (2) The term "Specified Curriculum" as used in item (ii) of the preceding paragraph means a curriculum satisfying all of the following requirements:
- (i) the period of study for the curriculum is not less than one year;
 - (ii) the annual number of class hours for the curriculum (if there are separate courses such as general course, specialist course, and others similar thereto,

the number of class hours for each of these courses) is not less than 680 hours;

(iii) its facilities (including the number of teachers) are found to be sufficient for the number of school children who take a class at the same time;

(iv) its classes start at a specified time not exceeding twice a year and their ending time is clearly specified;

(v) assessment of academic achievement of its school children is conducted for each school year or term and the results are recorded in the tables and books or other documents concerning the assessment of academic achievement; and

(vi) assessment of achievement of specified technical skills is conducted for its school children and a diploma or certificate of completion is granted pursuant to the assessment.

(Prepaid Payment Instruments Issued Only to Persons Related to Schools, etc.)

Article 8 Prepaid Payment Instruments specified by a Cabinet Office Ordinance as prescribed in Article 4, paragraph (4), item (iv) of the Order are those Prepaid Payment Instruments that are issued by a person engaging in the business pertaining to a school store and other facilities (hereinafter referred to as "facilities" in this Article) made available for use by students, school children (in the case of a miscellaneous school, limited to those who are taking a Specified Curriculum prescribed in paragraph (2) of the preceding Article) or elementary school children or employees of a specified School, etc. (meaning a school prescribed in Article 1 of the School Education Act, a special training college prescribed in Article 124 of said Act, or a miscellaneous school prescribed in Article 134, paragraph (1) of said Act) (hereinafter referred to as "students, etc." in this Article) or persons who were such students, etc. (hereinafter collectively referred to as "persons related to schools, etc.") only to said persons related to schools, etc. (limited to those that are designed to be used only in the facilities pertaining to said persons related to schools, etc.).

Chapter II Issuer of Prepaid Payment Instruments for Own Business

(Notification of Issuance of Prepaid Payment Instruments for Own Business)

Article 9 When an Issuer of Prepaid Payment Instruments for Own Business intends to make a notification pursuant to the provisions of Article 5, paragraph (1) of the Act, it must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 1 by attaching two copies of said written notice and the document set forth in Article 5, paragraph (2) of the Act by the day on which two months have elapsed from the day immediately following the Record Date on which the Unused Record Date Balance of its Prepaid Payment Instruments for Own Business has exceeded

the Standard Amount (meaning the Standard Amount prescribed in Article 14, paragraph (1) of the Act; the same applies in Article 24, Article 33, and Article 38) for the first time since the commencement of the issuance of Prepaid Payment Instruments for Own Business.

(Other Matters to Be Stated in Written Notice)

Article 10 Matters specified by a Cabinet Office Ordinance as prescribed in Article 5, paragraph (1), item (x) of the Act are the following matters:

- (i) name, trade name or other name and address of any Closely Related Person (meaning the Closely Related Person prescribed in Article 3, paragraph (4); the same applies in item (iii) of the following Article and Article 12, paragraph (1), item (vi)), and in the case of a juridical person (including an association or foundation without juridical personality for which the representative person or administrator has been designated; hereinafter the same applies), name of its representative person or administrator and the details of the close relationship between said Closely Related Person and the issuer prescribed in Article 3, paragraph (1) of the Order;
- (ii) type of other businesses, if any; and
- (iii) name of the Certified Association for Payment Service Providers of which the person who submits the notification is a member.

(Documents to Be Attached to Written Notice)

Article 11 Documents specified by a Cabinet Office Ordinance as prescribed in Article 5, paragraph (2) of the Act are the following documents (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):

- (i) in the case of an individual, extract of the certificate of residence;
- (ii) in the case of a juridical person, the following documents:
 - (a) the articles of incorporation or a certificate of an act of endowment and registered matters or any substitute thereof;
 - (b) extract of the certificate of residence of the representative person or administrator (if said representative person or administrator is a foreign national, a copy of an alien registration certificate or a certificate of completion of alien registration) or any substitute thereof;
 - (c) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes) or any substitute thereof (in the case of a juridical person established in a business year that includes the day on which a written notice was submitted pursuant to the provisions of Article 5, paragraph (1) of the Act, the balance sheet as of the date of establishment prepared pursuant to the provisions of Article 435, paragraph (1) or Article 617, paragraph (1) of the Companies Act (Act No.

- 86 of 2005) or any substitute thereof); and
- (d) in the case of a company with accounting auditors, a document containing the contents of the accounting audit report prepared pursuant to the provisions of Article 396, paragraph (1) of the Companies Act for the business year immediately preceding the business year that includes the day on which a written notice was submitted pursuant to the provisions of Article 5, paragraph (1) of the Act;
 - (iii) if there is a Closely Related Person, a transcript of the family register, the shareholder register, the securities report, and any other documents proving the existence of a close relationship prescribed in Article 3, paragraph (1) of the Order; and
 - (iv) other documents containing other relevant matters.

(Notification of Changes)

Article 12 (1) When an Issuer of Prepaid Payment Instruments for Own Business who submitted a written notice under Article 9 intends to make a notification pursuant to the provisions of Article 5, paragraph (3) of the Act, it must submit to the Commissioner of the Financial Services Agency a written notice of changes prepared using appended Form 2 by attaching two copies of said written notice of changes and documents specified in the following items for the categories of cases respectively prescribed therein (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):

- (i) in the case of a change in the name, trade name, or other name: In the case of a juridical person, a certificate of registered matters that contains the matters pertaining to said change;
- (ii) in the case of a change in the amount of capital or contribution: A certificate of registered matters that contains the matters pertaining to said change or any substitute thereof;
- (iii) in the case of establishment or abolition of a business office or office or a change in the location of a business office or office: In the case of a juridical person, a certificate of registered matters that contains the matters pertaining to said change;
- (iv) in the case of a change in the representative person or administrator: Documents listed in item (ii), sub-items (a) and (b) of the preceding Article that pertain to the person who newly assumed said position;
- (v) in the case of a change in the matters listed in Article 5, paragraph (1), items (vi) through (ix) of the Act: Documents listed in item (iv) of the preceding Article that pertain to the matters that have been changed;
- (vi) in the case of a change in the Closely Related Person or in the close relationship prescribed in Article 3, paragraph (1) of the Order with such

- person: Documents listed in item (iii) of the preceding Article that pertain to such relationship after to the change;
- (vii) in the case of a change in the other businesses: A certificate of registered matters that contains the matters pertaining to said change or any substitute thereof; and
- (viii) if the Issuer of Prepaid Payment Instruments for Own Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one: A document that can demonstrate the fact that the Issuer of Prepaid Payment Instruments for Own Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one.
- (2) When the Commissioner of the Financial Services Agency accepts a notification under the Article 5, paragraph (3) of the Act, the commissioner must record the notified matters in the register of Issuers of Prepaid Payment Instruments for Own Business.

(Public Inspection of the Register of Issuers of Prepaid Payment Instruments for Own Business)

Article 13 The Commissioner of the Financial Services Agency is to keep the register of Issuers of Prepaid Payment Instruments for Own Business that the commissioner has prepared pertaining to an Issuer of Prepaid Payment Instruments for Own Business at the Local Finance Bureau or the Fukuoka Local Finance Branch Bureau having jurisdiction over the location of the principal business office or office of said Issuer of Prepaid Payment Instruments for Own Business (in the case of a juridical person established under the laws and regulations of a foreign state who issues Prepaid Payment Instruments for Own Business in Japan, its principal business office or office in Japan) and make it available for public inspection.

Chapter III Issuer of Prepaid Payment Instruments for Third-Party Business

(Application for Registration)

Article 14 A person intending to obtain a registration under Article 7 of the Act must submit to the Commissioner of the Financial Services Agency a written application for registration set forth in Article 8, paragraph (1) of the Act prepared using appended Form 3 by attaching two copies of said written application for registration and the documents set forth in paragraph (2) of said Article.

(Other Matters to Be Stated in Written Application for Registration)

Article 15 Matters specified by a Cabinet Office Ordinance as prescribed in Article 8, paragraph (1), item (ix) of the Act are the following matters:

- (i) name, trade name, or other name of any major shareholder (meaning a person who holds shares or contributions pertaining to the Subject Voting Rights (meaning the Subject Voting Rights prescribed in Article 3, paragraph (2), item (i) of the Order) not less than five percent of the Voting Rights Held by All the Shareholders, etc. (meaning the Voting Rights Held by All the Shareholders, etc. prescribed in paragraph (1), item (ii) of said Article) under its own name or that of another person; the same applies in Article 20, paragraph (1), item (vi));
- (ii) type of other businesses, if any;
- (iii) name of the Certified Association for Payment Service Providers of which the person who submits the written application for registration is a member; and
- (iv) if rules prescribed by the applicant for registration contain a provision to the effect that said applicant maintains in its bank account under its own name a bank deposit or savings prescribed in Article 5, paragraph (1), item (ii), sub-item (d) of the Order, the trade name or other name and the location of the Deposit-taking Institution with which said bank deposit or savings are deposited.

(Documents to Be Attached to Written Application for Registration)

Article 16 The documents specified by a Cabinet Office Ordinance as prescribed in Article 8, paragraph (2) of the Act are the following documents (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of application):

- (i) a document prepared using appended Form 4 pledging to the effect that the applicant does not fall under any of the items of Article 10, paragraph (1) of the Act;
- (ii) extract of the certificate of residence of its officers (if said officers are foreign nationals, a copy of an alien registration certificate or a certificate of completion of alien registration) or any substitute therefor;
- (iii) a certificate by a public agency to the effect that its officers do not fall under Article 10, paragraph (1), item (ix), sub-item (a) or (b) of the Act (if said directors, etc. are foreign nationals, a written pledge prepared using appended Form 5) or any substitute thereof;
- (iv) a curriculum vitae of officers of the applicant or a history of the applicant prepared by using appended Form 6 or Form 7;
- (v) the register of shareholders or members prepared using appended Form 8 and the articles of incorporation, or a certificate of an act of endowment and registered matters or any substitute thereof;

- (vi) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes) or any substitute thereof (in the case of a juridical person established in a business year that includes the date of the application for registration, the balance sheet as of the date of establishment prepared pursuant to the provisions of Article 435, paragraph (1) or Article 617, paragraph (1) of the Companies Act or any substitute thereof);
- (vii) in the case of a company with accounting auditors, a document containing the contents of the accounting audit report prepared pursuant to the provisions of Article 396, paragraph (1) of the Companies Act for the business year immediately preceding the business year that includes the date of the application for registration;
- (viii) internal rules concerning the business of issuing Prepaid Payment Instruments or other documents equivalent thereto;
- (ix) an organization chart concerning the business of issuing Prepaid Payment Instruments (including organizations that perform the operations pertaining to internal controls);
- (x) a document proving the terms and conditions of the contract between the Issuer of Prepaid Payment Instruments for Third-Party Business and member shops;
- (xi) if rules prescribed by the applicant for registration contain a provision to the effect that said applicant maintains in its bank account under its own name a bank deposit or savings prescribed in Article 5, paragraph (1), item (ii), sub-item (d) of the Order, the trade name or other name and the location of the Deposit-taking Institution with which said bank deposit or savings are deposited, and a document demonstrating that said bank account has been opened; and
- (xii) other documents containing other relevant matters.

(Notice to Applicant)

Article 17 When the Commissioner of the Financial Services Agency gives a notice of registration prescribed in Article 9, paragraph (2) of the Act, the commissioner is to give it by a written notice of completion of registration prepared using appended Form 9.

(Public Inspection of the Registry of Issuers of Prepaid Payment Instruments for Third-Party Business)

Article 18 The Commissioner of the Financial Services Agency is to keep the registry of Issuers of Prepaid Payment Instruments for Third-Party Business pertaining to the registered Issuer of Prepaid Payment Instruments for Third-Party Business at the Local Finance Bureau or the Fukuoka Local Finance

Branch Bureau having jurisdiction over the location of the principal business office or office of said Issuer of Prepaid Payment Instruments for Third-Party Business (in the case of a juridical person established under the laws and regulations of a foreign state who issues Prepaid Payment Instruments for Third-Party Business in Japan, its principal business office or office in Japan; hereinafter the same applies) and make it available for public inspection.

(Refusal of Registration)

Article 19 (1) The unused balance prescribed in Article 5, paragraph (1), item (ii), sub-item (d) of the Order is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):

(i) the total of the amounts specified in the items (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein:

(a) in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act, the amount that is available for the payment of consideration at the time of issuance (including the amounts that were thereafter added to Addition-type Prepaid Payment Instruments (if such amounts are found to be each time converted to and indicated as numbers in another unit, monetary amounts converted from the numbers in said unit)); and

(b) in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act, the monetary amount converted from the quantity of goods or services the delivery or provision of which can be claimed at the time of issuance (including the quantity of goods or services that was thereafter added to Addition-type Prepaid Payment Instruments); and

(ii) the total of the amounts specified in the items (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein:

(a) the amount that has been used for the payment of consideration by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act; and

(b) the monetary amount converted from the quantity of goods or services that have been claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act.

(2) When the Commissioner of the Financial Services Agency gives a notice prescribed in Article 10, paragraph (2) of the Act, the commissioner is to give it by a written notice of refusal of registration prepared using appended Form 10.

(Notification of Changes)

Article 20 (1) When an Issuer of Prepaid Payment Instruments for Third-Party Business intends to make a notification pursuant to the provisions of Article 11,

paragraph (1) of the Act, it must submit to the Commissioner of the Financial Services Agency a written notice of changes prepared using appended Form 11 by attaching two copies of said written notice of changes and documents specified in the following items for the categories of cases respectively prescribed therein (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):

- (i) in the case of a change in the trade name or other name: A certificate of registered matters that contains the matters pertaining to said change or any substitute thereof and a document prepared using appended Form 4 pledging to the effect that the Issuer of Prepaid Payment Instruments for Third-Party Business does not fall under any of the items of Article 10, paragraph (1) of the Act;
- (ii) in the case of a change in the amount of capital or contribution: A certificate of registered matters that contains the matters pertaining to said change or any substitute thereof;
- (iii) in the case of establishment or abolition of a business office or office or a change in the location of a business office or office (excluding cases as listed in item (vii)): A certificate of registered matters that contains the matters pertaining to said change;
- (iv) in the case of a change in the officers: Documents listed in Article 16, paragraph (1), items (ii) through (iv) that pertain to the person who newly became an officer, documents listed in item (v) of said paragraph that pertains to said change, and a document prepared using appended form 4 pledging to the effect that the Issuer of Prepaid Payment Instruments for Third-Party Business does not fall under any of the items of Article 10 (1) of the Act;
- (v) in the case of a change in the matters listed in Article 8, paragraph (1), items (v) through (viii) of the Act: Documents listed in items (viii) to (xii) of the Article 16 that pertain to the matters that have been changed;
- (vi) in the case of a change in the major shareholders: The register of shareholders or members prepared using appended Form 8;
- (vii) if an Issuer of Prepaid Payment Instruments for Third-Party Business who has obtained the registration under Article 9, paragraph (1) of the Act from the Director-General of a Local Finance Bureau, etc. has change the location of its principal business office or office to an area over which the Directors-General of another Local Finance Bureau, etc. has jurisdiction: The document prescribed in item (iii) and a written notice of completion of registration under Article 17 that was delivered prior to said change;
- (viii) in the cases of a change in the Deposit-taking Institution with which the bank deposit and savings prescribed in Article 5, paragraph (1), item (ii), sub-item (d) of the Order are deposited: the trade name or other name and

- the location of the new Deposit-taking Institution after the change with which said bank deposit or savings are deposited and a document demonstrating that a bank account has been opened with said new Deposit-taking Institution; and
- (ix) if the Issuer of Prepaid Payment Instruments for Third-Party Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one: A document that can demonstrate the fact that the Issuer of Prepaid Payment Instruments for Third-Party Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one.
- (2) When a notification is made under the preceding paragraph in the case set forth in item (vii) of said paragraph, the Director-General of a Local Finance Bureau, etc. must notify the Directors-General of the other Local Finance Bureau, etc. referred to in said item to the effect that said notification has been made.
- (3) The Director-General of a Local Finance Bureau, etc. who has received the notification under the preceding paragraph is to register the notified matters in the registry of Issuers of Prepaid Payment Instruments for Third-Party Business and notify the person who made said notification of said registration by the written notice of completion of registration prescribed in Article 17.

Chapter IV Indication, Making of Security Deposit for Issuance, and Other Obligations

(Matters to Be Indicated)

- Article 21 (1) The matters listed in the items of Article 13, paragraph (1) of the Act must be accurately indicated by using terms that are easy to read and understand for persons who generally purchase or use Prepaid Payment Instruments; provided, however, that with regard to those Prepaid Payment Instruments that are purchased for use only as gifts and designed not to clearly indicate the Amount Available for Payment, etc. consistent with the purpose of their purchases, it would be sufficient to indicate the Amount Available for Payment, etc. prescribed in item (ii) of said paragraph with signs, pictures, or any other methods.
- (2) Matters specified by a Cabinet Office Ordinance as prescribed in Article 13, paragraph (1), item (v) of the Act are the following matters:
- (i) the scope of facilities or places where Prepaid Payment Instruments can be used;
 - (ii) necessary instructions for the use of Prepaid Payment Instruments;
 - (iii) in the case of those Prepaid Payment Instruments in which the amount (if such amount is found to be each time converted to and indicated as a number

- in another unit, including a number in said unit) or the quantity of goods or services is recorded by electronic or magnetic means, the unused balance (meaning the amount that can be used for the payment of consideration in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) or the quantity of goods or services the delivery or provision of which can be claimed in the case of the Prepaid Payment Instruments prescribed in paragraph (1), item (ii) thereof) or the method by which said unused balance can be ascertained; and
- (iv) if there is a general conditions or explanation concerning the use of Prepaid Payment Instruments or any other documents similar thereto (hereinafter referred to as "written terms and conditions, etc." in this Article), the fact that said written terms and conditions, etc. exists.
- (3) When the matters listed in the items of Article 13, paragraph (1) of the Act cannot be clearly indicated due to the insufficient surface area of the Prepaid Payment Instruments, notwithstanding the provisions of the preceding two paragraphs, with regard to the matters listed in item (i) or item (ii) of the preceding paragraph, it would be sufficient to indicate only the principal ones among them, provided that all of the requirements listed in the following items are satisfied:
- (i) there is a written terms and conditions, etc. containing the indication of the matters listed in items (i) and (ii) of the preceding paragraph; and
- (ii) said written terms and conditions, etc. is delivered to the purchaser of Prepaid Payment Instruments when they are generally purchased.
- (4) If an amount (if such amount is found to be each time converted to and indicated as a number in another unit, including a number in said unit) or the record of the quantity of goods or services is added in an Addition-type Prepaid Payment Instruments, if the indication prescribed in Article 13, paragraph (1) of the Act has already been made on said Addition-type Prepaid Payment Instruments, the indication prescribed in said paragraph is deemed to be made with said indication.

(Method for Provision of Information If Documents or Other Materials Are Not Delivered to Users)

Article 22 (1) The method specified by a Cabinet Office Ordinance as prescribed in Article 13, paragraph (2) of the Act is any of the following methods:

- (i) a method in which information is transmitted through electrical telecommunication lines connecting the electrical equipment used by an Issuer of Prepaid Payment Instruments with the electrical equipment used by a user and recorded in a file installed in the electrical equipment used by said user;
- (ii) a method in which information recorded in a file installed in the electrical

equipment used by an Issuer of Prepaid Payment Instruments is made available for inspection by a user through electrical telecommunication lines and recorded in a file installed in the electrical equipment used by said user; and

(iii) if no file for recording information is installed in the electrical equipment used by a user, 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 electrical equipment used by an Issuer of Prepaid Payment Instruments is made available for inspection by a user through electrical telecommunication lines.

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

(i) the method prescribed in item (i) or item (ii) of the preceding paragraph is the one that enables a user to create a document by outputting the information recorded in the file (including outputting said recorded information by transmitting it to other electronic equipment or any other method); and

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

(If Omission of Indication is Permitted)

Article 23 The cases specified by a Cabinet Office Ordinance as prescribed in Article 13, paragraph (3) of the Act are the cases where the Certified Association for Payment Service Providers of which the Issuer of Prepaid Payment Instruments is a member makes public to the users of Prepaid Payment Instruments the matters listed in paragraph (1), items (iv) and (v) of said Article pertaining to said Issuer of Prepaid Payment Instruments.

(Making of Security Deposit for Issuance)

Article 24 (1) The deposit prescribed in Article 14, paragraph (1) of the Act must be made within two months from the day immediately following the Record Date on which the Unused Record Date Balance has come to exceed the Standard Amount.

(2) If succession of the business of issuing Prepaid Payment Instruments occurs, until the person who has succeeded to said business makes a security deposit for issuance in an amount not less than the Required Amount of Deposit (meaning the Required Amount of Deposit prescribed in Article 14, paragraph (1) of the Act; the same applies in Article 33, paragraph (1), item (ii) and Article 38, paragraph (1), item (ii)) pursuant to the provisions of Article 14,

paragraph (1) of the Act (including the case where said person concludes a guarantee contract of security deposit for issuance (meaning the guarantee contract of security deposit for issuance prescribed in Article 15 of the Act; hereinafter the same applies) in lieu of making of the whole or part of the security deposit for issuance pursuant to the provisions of said Article and notifies the Commissioner of the Financial Services Agency to that effect; and the case where said person concludes a trust contract of security deposit for issuance (meaning the trust contract of security deposit for issuance prescribed in Article 16, paragraph (1) of the Act; hereinafter the same applies) pursuant to the provisions of said Article, and maintains trust property under the trust contract in lieu of making of the whole or part of the security deposit for issuance by obtaining the approval of the Commissioner of the Financial Services Agency), the security deposit for issuance, or guarantee contract of security deposit for issuance or trust contract of security deposit for issuance that has been made or concluded by the person from whom said business has been succeeded is deemed to be made or concluded on behalf of the person who has succeeded to said business.

(Amount of Shortfall Requiring Additional Deposit)

Article 25 The amount calculated in accordance with the method specified by a Cabinet Office Ordinance as prescribed in Article 14, paragraph (2) of the Act is half of the amount calculated by deducting the Unused Record Date Balance as of said Record Date of the Prepaid Payment Instruments pertaining to the procedure for refund under Article 20, paragraph (1) of the Act or the procedure for the execution of the right under Article 31, paragraph (1) of the Act from the Unused Record Date Balance calculated in accordance with the method prescribed in Article 4.

(Time Limit for Depositing Additional Security Deposit for Issuance)

Article 26 (1) The deposit prescribed in Article 14, paragraph (2) must be made by the day on which two weeks have elapsed from the day on which an Issuer of Prepaid Payment Instruments came to know the fact set forth in said paragraph (hereinafter referred to as "time limit for depositing the shortfall" in this Article).

(2) If the time limit for depositing the shortfall falls on or after the day immediately following the first Record Date falling on or after the day on which the fact set forth in Article 14, paragraph (2) of the Act occurred, and an Issuer of Prepaid Payment Instruments has submitted the written report prescribed in Article 23, paragraph (1) of the Act pertaining to said Record Date by said time limit for depositing the shortfall or the Unused Record Date Balance prescribed in Article 14, paragraph (1) of the Act on said Record Date

has decreased to ten million yen or less (excluding the cases where the procedure for refund prescribed in Article 20, paragraph (1) of the Act that was commenced on or before said Record Date has not been completed as of said Record Date and the cases where the procedure for the execution of the right that was petitioned pursuant to the provisions of Article 11, paragraph (1) of the Order has not been completed as of said Record Date), the Issuer of Prepaid Payment Instruments is not required to make the deposit under Article 14, paragraph (2) of the Act.

- (3) If an Issuer of Prepaid Payment Instruments did not, on or before the day on which the fact set forth in Article 14, paragraph (2) of the Act occurred, make a security deposit for issuance under paragraph (1) of said Article (including the case where said Issuer of Prepaid Payment Instruments concludes a guarantee contract of security deposit for issuance in lieu of making of the whole or part of the security deposit for issuance pursuant to the provisions of Article 15 of the Act and notifies the Commissioner of the Financial Services Agency to that effect; and the case where said Issuer of Prepaid Payment Instruments concludes a trust contract of security deposit for issuance pursuant to the provisions of Article 16, paragraph (1) of the Act and maintains trust property under the trust contract in lieu of making of the whole or part of the security deposit for issuance by obtaining the approval of the Commissioner of the Financial Services Agency) pertaining to the Record Date immediately preceding the day on which said fact occurred, the Issuer of Prepaid Payment Instruments is not required to make the deposit under Article 14, paragraph (2) of the Act.
- (4) If an Issuer of Prepaid Payment Instruments has, on or before the day on which the fact set forth in Article 14, paragraph (2) the Act occurred, made a security deposit for issuance under paragraph (1) of said Article (including the case where said Issuer of Prepaid Payment Instruments concludes a guarantee contract of security deposit for issuance in lieu of making of the whole or part of the security deposit for issuance pursuant to the provisions of Article 15 of the Act and notifies the Commissioner of the Financial Services Agency to that effect; and the case where said Issuer of Prepaid Payment Instruments concludes a trust contract of security deposit for issuance pursuant to the provisions of Article 16, paragraph (1) of the Act and maintains trust property under the trust contract in lieu of making of the whole or part of the security deposit for issuance by obtaining the approval of the Commissioner of the Financial Services Agency) pertaining to the Record Date immediately preceding the day on which said fact occurred, and the time limit for depositing the shortfall pertaining to the occurrence of said fact falls within two months from said Record Date, it would be sufficient for the Issuer of Prepaid Payment Instruments to make the deposit under Article 14, paragraph (2) of the Act

within two months from the day immediately following said Record Date.

(Additional Security Deposit for Issuance)

Article 27 (1) An Issuer of Prepaid Payment Instruments intending to make a notification prescribed in Article 14, paragraph (2) of the Act must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended form 12.

(2) When an Issuer of Prepaid Payment Instruments makes a notification under the preceding paragraph by newly making of a security deposit for issuance, a copy of an authenticated copy of the deposit document pertaining to said deposit must be attached to the written notice under said paragraph.

(3) When an Issuer of Prepaid Payment Instruments makes a notification under paragraph (1) by newly concluding a guarantee contract of security deposit for issuance or amending the terms and conditions of the existing guarantee contract of security deposit for issuance (excluding the cancellation of part of the contract), a copy of the contract document pertaining to said contract or amendment must be attached to the written notice under said paragraph.

(4) When an Issuer of Prepaid Payment Instruments makes a notification under paragraph (1) by newly concluding a trust contract of security deposit for issuance or amending the terms and conditions of the existing trust contract of security deposit for issuance (excluding the cancellation of part of the contract), a copy of the contract document pertaining to said contract or amendment must be attached to the written notice under said paragraph.

(5) The Commissioner of the Financial Services Agency may, when the commissioner finds it necessary, order an Issuer of Prepaid Payment Instruments to submit the authenticated copy of the deposit document set forth in paragraph (2) or the original of the contract document set forth in the preceding two paragraphs.

(Types of Bond Certificates That Can Be Used for Security Deposit for Issuance)

Article 28 Bond certificates specified by a Cabinet Office Ordinance as prescribed in Article 14, paragraph (3) of the Act are the following bond certificates:

(i) national government bond certificates (including those the ownership of the right of which is determined based on the statement or record in the book-entry transfer account registry under the provisions of the Act on Transfer of Bonds, Shares, etc. (Act No. 75 of 2001); the same applies in Article 35, item (v));

(ii) local government bond certificates;

(iii) government guaranteed bond certificates (meaning those securities listed

- in Article 2, paragraph (1), item (iii) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) for which the government guarantees payment of the principal and interest; the same applies in Article 36, paragraph (2), item (iii)); and
- (iv) corporate bond certificates or any other bond certificates specified by the Commissioner of the Financial Services Agency.

(Appraised Value of Bond Certificates That Can Be Used for Security Deposit for Issuance)

- Article 29 (1) The appraised value of bond certificates that are deposited to fulfill the security deposit for issuance requirement pursuant to provisions of Article 14, paragraph (3) of the Act is the amount specified in the following items for the categories of bond certificates respectively prescribed therein:
- (i) bond certificates specified in item (i) of the preceding Article: The face value (for those the ownership of the right of which is determined based on the statement or record in the book-entry transfer account registry under the provisions of the Act on Transfer of Bonds, Shares, etc., the amount stated or recorded in the book-entry transfer account registry; hereinafter the same applies in this Article);
- (ii) bond certificates specified in item (ii) of the preceding Article: The amount calculated by deeming every one hundred yen of the face value to be ninety yen;
- (iii) bond certificates specified in item (iii) of the preceding Article: The amount calculated by deeming every one hundred yen of the face value to be ninety-five yen; and
- (iv) bond certificates specified in item (iv) of the preceding Article: The amount calculated by deeming every one hundred yen of the face value to be eighty yen.
- (2) With regard to bond certificates that have been issued on a discount basis, the provisions of the preceding paragraph apply by deeming the amount obtained by adding the amount calculated by the following formula to the issue price to be the face value:
- $$((\text{face value} - \text{issue price}) / \text{number of years from the issue date to the redemption date}) \times (\text{number of years from the issue date to the deposit date})$$
- (3) In the calculation by the formula set forth in the preceding paragraph, fractions below one year are omitted for the number of years from the issue date to the redemption date and the number of years from the issue date to the deposit date, and fractions below one yen are omitted for the amount obtained by dividing the difference between the face value and the issue price by the number of years from the issue date to the redemption date.

(Notification of Guarantee Contract of Security Deposit for Issuance)

Article 30 A person who makes a notification under Article 15 of the Act must submit to the Commissioner of the Financial Services Agency a written notice of guarantee contract of security deposit for issuance prepared using appended form 13 by attaching a copy of the guarantee contract of security deposit for issuance document.

(Requirements to Be Satisfied by Deposit-taking Institutions for Conclusion of a Guarantee Contract of Security Deposit for Issuance)

Article 31 (1) The category for one that is determined to have sound equity capital as specified by Cabinet Office Ordinances as prescribed in Article 8, paragraph (1) of the Order is the category specified in the following items for the type of Deposit-taking Institutions respectively prescribed therein:

- (i) Banks (excluding Branch Offices of Foreign Banks (meaning the Branch Offices of Foreign Banks prescribed in Article 47, paragraph (2) of the Banking Act (Act No. 59 of 1981); the same applies in item (vi)); the same applies in the following item), Long-term Credit Banks, or federations of Shinkin Banks that have Overseas Business Locations: The Non-consolidated Capital Adequacy Ratio under the International Uniform Standard included in the latest explanatory document on the status of business and property (if there is an explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to said explanatory document, said explanatory document) is not less than eight percent;
- (ii) Banks, Long-term Credit Banks, or federations of Shinkin Banks or Shinkin Banks that do not have Overseas Business Locations: The Non-consolidated Capital Adequacy Ratio under the Domestic Standard included in the latest explanatory document on the status of business and property (if there is an explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to said explanatory document, said explanatory document) is not less than four percent;
- (iii) labor banks, federations of labor banks, credit cooperatives, federations of credit cooperatives engaging in the business prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium Sized Enterprises, etc. Cooperatives Act (Act No. 181 of 1949), agricultural cooperative or federations of agricultural cooperative engaging in the business prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947), fisheries cooperative engaging in the business prescribed in Article 11, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948), federations of fisheries cooperatives engaging in the business

- prescribed in Article 87, paragraph (1), item (iv) of said Act, fishery processing cooperative engaging in the business prescribed in Article 93, paragraph (1), item (ii) of said Act, or federations of fishery processing cooperatives engaging in the business prescribed in Article 97, paragraph (1), item (ii) of said Act: The Non-consolidated Capital Adequacy Ratio included in the latest explanatory document on the status of business and property is not less than four percent;
- (iv) Norinchukin Bank: The Non-consolidated Capital Adequacy Ratio included in the latest explanatory document on the status of business and property is not less than eight percent;
- (v) The Shoko Chukin Bank Limited: The Non-consolidated Capital Adequacy Ratio included in the latest explanatory document on the status of business and property (if there is a explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to said explanatory document, said explanatory document) is not less than eight percent; and
- (vi) Branch Offices of Foreign Banks: The Foreign Banks (meaning the Foreign Banks prescribed in Article 10, paragraph (2), item (viii) of the Banking Act) pertaining to said Branch Offices of Foreign Banks satisfy the criteria that are equivalent to the criteria prescribed in Article 14-2 of said Act and apply to said Foreign Banks in their respective foreign states.
- (2) The term "Overseas Business Locations" as used in items (i) and (ii) of the preceding paragraph means branches or secondary offices located overseas or foreign companies engaging in the banking business (limited to those more than fifty percent of voting rights held by all the shareholders, members or equity investors of which are held by Banks, Long-term Credit Banks, or federations of Shinkin Banks) that have full-time officers or employees at their location.
- (3) The term "International Uniform Standard" as used in paragraph (1), item (i) means the standard prescribed in the following paragraph that pertains to Banks, Long-term Credit Banks, or federations of Shinkin Banks that have Overseas Business Locations (meaning the Overseas Business Locations prescribed in the preceding paragraph; the same applies in paragraph (5)).
- (4) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), items (i) and (ii) means the ratio obtained by the formula pertaining to the standard prescribed in Article 14-2, item (i) of the Banking Act (including the cases where it is applied mutatis mutandis pursuant to Article 17 of the Long-term Credit Bank Act (Act No. 187 of 1952) or Article 89, paragraph (1) of the Shinkin Bank Act (Act No. 238 of 1951)).
- (5) The term "Domestic Standard" as used in paragraph (1), item (ii) means the standard prescribed in the preceding paragraph that pertains to Banks, Long-

term Credit Banks, or federations of Shinkin Banks or Shinkin Banks that do not have Overseas Business Locations.

- (6) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), item (iii) means: for labor banks, federations of labor banks, credit cooperatives, federations of cooperatives engaging in the business prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium Sized Enterprises, etc. Cooperatives Act, the ratio obtained by the formula pertaining to the standard prescribed in Article 14-2, item (i) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Labor Bank Act (Act No. 227 of 1953) or Article 6, paragraph (1) of the Act on Financial Businesses by Cooperative (Act No. 183 of 1949); for agricultural cooperative or federations of agricultural cooperative engaging in the business prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act, the ratio obtained by the formula pertaining to the standard prescribed in Article 11-2, paragraph (1), item (i) of said Act, and for fisheries cooperative engaging in the business prescribed in Article 11, paragraph (1), item (iv) of the Fisheries Cooperatives Act, federations of fisheries cooperatives engaging in the business prescribed in Article 87, paragraph (1), item (iv) of said Act, fishery processing cooperative engaging in the business prescribed in Article 93, paragraph (1), item (ii) of said Act, or federations of fishery processing cooperatives engaging in the business prescribed in Article 97, paragraph (1), item (ii) of said Act, the ratio obtained by the formula pertaining to the standard prescribed in Article 11-6, paragraph (1), item (i) of said Act (including the cases where it is applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), or Article 100, paragraph (1) of said Act).
- (7) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), item (iv) means the ratio obtained by the formula pertaining to the standard prescribed in Article 56, item (i) of the Norinchukin Bank Act (Act No. 93 of 2001).
- (8) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), item (v) means the ratio obtained by the formula pertaining to the standard prescribed in Article 23, paragraph (1), item (i) of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007).

(Requirements to Be Satisfied by Persons Other Than Deposit-taking Institutions. for Conclusion of Guarantee Contract of Security Deposit for Issuance, etc.)

Article 32 (1) The category for one that is determined to have a sound status with regard to capital adequacy to support the payment of Insurance Claims, etc. as specified by a Cabinet Office Ordinance as prescribed in Article 8, paragraph (2), item (i) of the Order is for one whose Ratio Indicating the Sound

Status with Regard to Capital Adequacy to Support the Payment of Insurance Claims, etc. included in the latest explanatory documents on the status of business and property is not less than two hundred percent.

- (2) The term "Ratio Indicating the Sound Status with Regard to Capital Adequacy to Support the Payment of Insurance Claims, etc." as prescribed in the preceding paragraph means the ratio obtained by the formula pertaining to the standard prescribed in Article 130, Article 202, or Article 228 of the Insurance Business Act (Act No. 105 of 1995).
- (3) Persons specified by a Cabinet Office Ordinance as prescribed in Article 8, paragraph (2), item (i) of the Order are Insurance Companies prescribed in Article 2, paragraph (2) of the Insurance Business Act, Foreign Insurance Companies, etc. prescribed in paragraph 7 of said Article, or Underwriting Members (meaning Underwriting Members prescribed in Article 219, paragraph (1) of said Act) who have obtained the license under said paragraph.

(Cancellation of Guarantee Contract of Security Deposit for Issuance)

Article 33 (1) When an Issuer of Prepaid Payment Instruments who has concluded a guarantee contract of security deposit for issuance falls under any of the following items, it may cancel the whole or part of the guarantee contract of security deposit for issuance respectively prescribed therein by obtaining the approval of the Commissioner of the Financial Services Agency:

(i) if the Unused Record Date Balance has decreased to the Standard Amount or less on a Record Date: The whole of the guarantee contract of security deposit for issuance; or

(ii) if the total of the amount of the security deposit for issuance on the day immediately following the date of submission of the written report under Article 23, paragraph (1) of the Act pertaining to a Record Date, the secured amount prescribed in Article 15 of the Act, and the amount of trust property prescribed in Article 16, paragraph (1) of the Act is more than the amount equivalent to the Required Amount of Deposit on the Record Date: The guarantee contract of security deposit for issuance pertaining to any amount within the limit of said secured amount up to the amount that would cause the said total amount to decrease to said amount equivalent to the Required Amount of Deposit on the Record Date.

- (2) An Issuer of Prepaid Payment Instruments intending to obtain the approval prescribed in the preceding paragraph must submit to the Commissioner of the Financial Services Agency a written application for approval of cancellation of guarantee contract of security deposit for issuance prepared using appended form 14.
- (3) If the Commissioner of the Financial Services Agency has granted the approval set forth in paragraph (1), the commissioner is to notify the Issuer of

Prepaid Payment Instruments to that effect by issuing a written approval of cancellation of the guarantee contract of security deposit for issuance prepared using appended form 15.

- (4) If an Issuer of Prepaid Payment Instruments has cancelled the whole or part of the guarantee contract of security deposit for issuance by obtaining the approval under paragraph (1), it must submit to the Commissioner of the Financial Services Agency a written notice of cancellation of the guarantee contract of security deposit for issuance prepared using appended Form 16 by attaching a copy of the guarantee contract of security deposit for issuance document reflecting said cancellation.

(Application for Approval of Trust Contract of Security Deposit for Issuance)

Article 34 (1) An Issuer of Prepaid Payment Instruments intending to obtain the approval under Article 16, paragraph (1) of the Act must submit to the Commissioner of the Financial Services Agency a written application for approval of trust contract of security deposit for issuance prepared using appended Form 17 by attaching two copies of said written application for approval of the trust contract of security deposit for issuance and a copy of the trust contract of security deposit for issuance document.

- (2) If the Commissioner of the Financial Services Agency has granted the approval set forth in the preceding paragraph, the commissioner is to notify the Issuer of Prepaid Payment Instruments to that effect by issuing a written approval of the trust contract of security deposit for issuance prepared using appended Form 18.
- (3) If an Issuer of Prepaid Payment Instruments has placed property in the trust under the trust contract of security deposit for issuance for the first time after obtaining the approval under paragraph (1), it must submit to the Commissioner of the Financial Services Agency a written notice of the trust contract of security deposit for issuance prepared using appended Form 19 by attaching a document verifying the amount of the trust property.

(Contents of the Trust Contract of Security Deposit for Issuance)

Article 35 Matters specified by a Cabinet Office Ordinance as prescribed in Article 16, paragraph (2), item (iv) of the Act are the following matters:

- (i) the settlor, the trustee, and the beneficiaries of the principal of the trust property under the trust contract of security deposit for issuance are a trust contract prepaid payment instruments issuer (meaning an Issuer of Prepaid Payment Instruments who concludes a trust contract of security deposit for issuance; the same applies hereinafter), a Trust Company, etc., and the users of Prepaid Payment Instruments issued by said trust contract prepaid payment instruments issuer, respectively;

- (ii) if more than one trust contract of security deposit for issuance is concluded, the same person is appointed as the agent of the beneficiaries for all of the said contracts;
- (iii) if the trust contract prepaid payment instruments issuer has come to fall under any of the following conditions, the trust contract prepaid payment instruments issuer does not give any instructions to the Trust Company, etc. regarding investment of trust property:
 - (a) if the trust contract prepaid payment instruments issuer is an Issuer of Prepaid Payment Instruments for Own Business, and the Trust Contract Prepaid Payment Instruments Issuer is ordered to suspend the whole or part of the business of issuing Prepaid Payment Instruments under the provisions of Article 26 of the Act;
 - (b) if the trust contract prepaid payment instruments issuer is an Issuer of Prepaid Payment Instruments for Third-Party Business, and it has had its registration under Article 7 of the Act rescinded pursuant to the provisions of Article 27, paragraph (1) or (2) of the Act;
 - (c) a Petition for Commencement of Bankruptcy Proceedings, etc. (meaning the Petition for Commencement of Bankruptcy Proceedings, etc. prescribed in Article 2, paragraph (10) of the Act) has been filed against the Trust Contract Prepaid Payment Instruments Issuer;
 - (d) if the Trust Contract Prepaid Payment Instruments Issuer has abolished the whole of the business of issuing Prepaid Payment Instruments;
 - (e) if the Trust Contract Prepaid Payment Instruments Issuer has received an order to suspend the whole or part of the business of issuing Prepaid Payment Instruments for Third-Party Business under the provisions of Article 27, paragraph (1) of the Act (limited to cases falling under item (iii) or item (iv) of said paragraph); or
 - (f) if the Commissioner of the Financial Services Agency has issued an order to make a deposit;
- (iv) if the trust contract prepaid payment instruments issuer has come to fall under any of the conditions listed in the preceding item, the beneficiaries and the agent of the beneficiaries may not exercise beneficial claims against the Trust Company, etc.;
- (v) if the trust property under the trust contract of security deposit for issuance (excluding those under which money is placed in the trust with a financial institution engaging in the trust business (meaning a financial institution that has obtained the authorization under Article 1, paragraph (1) of the Act on Concurrent Operation of Trust Business by a Financial Institution (Act No. 43 of 1943); hereinafter the same applies in this Article) and compensation for the principal is provided; the same applies in the following item) is invested, the investment is made in the following manner:

- (a) holding of government bond certificates and other bond certificates specified by the Commissioner of the Financial Services Agency;
- (b) bank deposits and savings with a Deposit-taking Institution (if the trust contract prepaid payment instruments issuer is a Deposit-taking Institution, excluding bank deposits and savings with oneself); or
- (c) in any of the following manners:
 1. call money lending;
 2. due from bank accounts of a financial institution engaging in the trust business that is the trustee; or
 3. money in trust for which compensation for the principal is provided under the terms and conditions of the contract pursuant to the provisions of Article 6 of the Act on Concurrent Operation of Trust Business by a Financial Institution;
- (vi) if the trust contract prepaid payment instruments issuer maintains the trust property in the form of bond certificates or invests the trust property under the trust contract of security deposit for issuance in a manner listed in sub-item (a) of the preceding item, the Trust Company, etc. or the trust contract prepaid payment instruments issuer determines the appraised value thereof in accordance with the method prescribed in Article 37;
- (vii) if the trust contract of security deposit for issuance is a money in trust contract with a financial institution engaging in the trust business under which compensation for the principal is provided, the appraised value of the principal of the trust property is the principal amount of said money in trust contract;
- (viii) except that if the trust contract of security deposit for issuance is canceled pursuant to the provisions of Article 38, paragraph (1), the whole or part of the trust contract of security deposit for issuance may not be cancelled;
- (ix) the trust property pertaining to the cancellation of the whole or part of the trust contract of security deposit for issuance under the preceding item is imputed to the trust contract prepaid payment instruments issuer;
- (x) the Trust Company, etc., in response to the order under the provisions of Article 17 of the Act, realizes the trust property and deposits the proceeds to the official depository specified by the Commissioner of the Financial Services Agency;
- (xi) if the Trust Company, etc. has made a deposit in response to the order under the provisions of Article 17 of the Act, it may terminate said trust contract of security deposit for issuance;
- (xii) in the case referred to in the preceding item, any residual property remaining after the termination of the whole of said trust contract of security deposit for issuance may be imputed to the trust contract prepaid payment

instruments issuer; and
(xiii) remuneration and any other costs to be paid by the trust contract prepaid payment instruments issuer to the Trust Company, etc. or the agent of the beneficiaries and the costs required for the realization of the trust property by said Trust Company, etc. are paid out of property other than the principal of the trust property.

(Types of Bank Deposits and Savings Qualified to Be Trust Property)

Article 36 (1) Bank deposits and savings specified by a Cabinet Office Ordinance as prescribed in Article 16, paragraph (3) of the Act are bank deposits and savings with a Deposit-taking Institution (if the trust contract prepaid payment instruments issuer is a Deposit-taking Institution, excluding bank deposits and savings with oneself).

(2) Bond certificates specified by a Cabinet Office Ordinance as prescribed in Article 16, paragraph (3) of the Act are the following bond certificates (including those the ownership of the right of which is determined based on the statement or record in the book-entry transfer account registry under the provisions of the Act on Transfer of Bonds, Shares, etc.; hereinafter the same applies):

- (i) national government bond certificates;
- (ii) local government bond certificates;
- (iii) government guaranteed bond certificates;
- (iv) bond certificates prescribed in Article 2-11 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965);
- (v) bond certificates issued by a foreign state (limited to those falling under Article 13, item (iii) of the Cabinet Office Ordinance on the Provision or Publication of Securities Information, etc. (Cabinet Office Ordinance No. 78 of 2008)); and
- (vi) corporate bond certificates or any other bond certificates specified by the Commissioner of the Financial Services Agency.

(Appraised Value of Bond Certificates Qualified to Be Trust Property)

Article 37 If the trust property is maintained in the form of bond certificates pursuant to the provisions of Article 16, paragraph (3) of the Act or is invested in bond certificates pursuant to the provisions of Article 35, item (v), sub-item (a), the appraised value of said bond certificates is an amount not exceeding the amount obtained by multiplying the market value of said bond certificates as of each Record Date of the Issuer of Prepaid Payment Instruments by the ratio specified in the following items for the categories of bond certificates respectively prescribed therein:

- (i) bond certificates specified in paragraph (2), item (i) of the preceding Article:
One hundred percent;
- (ii) bond certificates specified in paragraph (2), item (ii) of the preceding Article: Ninety percent;
- (iii) bond certificates specified in paragraph (2), item (iii) of the preceding Article: Ninety-five percent;
- (iv) bond certificates specified in paragraph (2), item (iv) of the preceding Article: Ninety percent;
- (v) bond certificates specified in paragraph (2), item (v) of the preceding Article: Eighty-five percent; and
- (vi) bond certificates specified in paragraph (2), item (vi) of the preceding Article: Eighty percent.

(Cancellation of Trust Contract of Security Deposit for Issuance)

Article 38 (1) When an Issuer of Prepaid Payment Instruments who has concluded a trust contract of security deposit for issuance falls under any of the following items, it may cancel the whole or part of the trust contract of security deposit for issuance respectively prescribed therein by obtaining the approval of the Commissioner of the Financial Services Agency:

- (i) if the Unused Record Date Balance has decreased to the Standard Amount or less on a Record Date: The whole of the trust contract of security deposit for issuance; or
 - (ii) if the total of the amount of security deposit for issuance on the day immediately following the date of submission of the written report under Article 23, paragraph (1) of the Act pertaining to a Record Date, the secured amount prescribed in Article 15 of the Act, and the amount of trust property prescribed in Article 16, paragraph (1) of the Act is more than the amount equivalent to the Required Amount of Deposit on the Record Date: The trust contract of security deposit for issuance pertaining to any amount within the limit of said secured amount up to the amount that would cause the said total amount to decrease to said amount equivalent to the Required Amount of Deposit on the Record Date.
- (2) An Issuer of Prepaid Payment Instruments intending to obtain the approval prescribed in the preceding paragraph must submit to the Commissioner of the Financial Services Agency a written application for approval of cancellation of the trust contract of security deposit for issuance prepared using appended Form 20.
- (3) If the Commissioner of the Financial Services Agency has granted the approval set forth in paragraph (1), the commissioner is to notify the Issuer of Prepaid Payment Instruments to that effect by issuing a written approval of cancellation of the trust contract of security deposit for issuance prepared

using appended Form 21.

- (4) If an Issuer of Prepaid Payment Instruments has cancelled the whole or part of the trust contract of security deposit for issuance by obtaining the approval under paragraph (1), it must submit to the Commissioner of the Financial Services Agency a written notice of cancellation of the trust contract of security deposit for issuance prepared using appended Form 22 by attaching a copy of the trust contract of security deposit for issuance document reflecting said cancellation.

(Making of Security Deposit for Issuance Pursuant to the Order of the Commissioner of the Financial Services Agency)

- Article 39 (1) If any security deposit for issuance is required pursuant to the order under Article 17 of the Act, such deposit must be made to the official depository nearest to the principal business office or office of the Issuer of Prepaid Payment Instruments who concluded the relevant guarantee contract of security deposit for issuance or trust contract of security deposit for issuance.
- (2) The person who made the deposit set forth in the preceding paragraph must, without delay, submit to the Commissioner of the Financial Services Agency a written notice prepared using appended form 23 by attaching the authenticated copy of the deposit document pertaining to said deposit.

(Recovery of Security Deposit for Issuance)

- Article 40 (1) The unused balance as of the day on which the procedure for the execution of the right prescribed in Article 9, paragraph (1), item (iii) of the Order is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):
- (i) the total of the amounts listed in sub-items (a) and (b):
- (a) the Unused Record Date Balance as of the last Record Date falling before the day on which the procedure for the execution of the right under Article 31, paragraph (1) of the Act was completed (hereinafter referred to as the "procedure completion date" in this paragraph) (hereinafter referred to as the "latest record date" in this paragraph); and
 - (b) the total of the amounts issued of Prepaid Payment Instruments that were issued during the period from the day immediately following the latest record date to the procedure completion date;
- (ii) the total of the amounts listed in sub-items (a) and (b):
- (a) the amount that was used for the payment of consideration by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day immediately following the latest record date to the procedure completion date; and
 - (b) the monetary amount converted, as of the procedure completion date,

from the quantity of goods or services that were claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day immediately following the latest record date to said procedure completion date.

- (2) The unused balance as of the day on which the procedure for refund prescribed in Article 9, paragraph (2), item (i) of the Order is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):
- (i) the total of the amounts listed in sub-items (a) and (b):
 - (a) the Unused Record Date Balance as of the last Record Date falling before the day on which the procedure for refund under Article 20, paragraph (1) of the Act was completed (hereinafter referred to as the "refund completion date" in this paragraph) (hereinafter referred to as the "latest record date" in this paragraph); and
 - (b) the total of the amounts issued of Prepaid Payment Instruments that were issued during the period from the day immediately following the latest record date to the refund completion date;
 - (ii) the total of the amounts listed in sub-items (a) and (b):
 - (a) the amount that was used for the payment of consideration by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day immediately following the latest record date to the refund completion date; and
 - (b) the monetary amount converted, as of the refund completion date, from the quantity of goods or services that were claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day immediately following the latest record date to said refund completion date.

(Refund to the Holders of Prepaid Payment Instruments)

Article 41 (1) The amount specified by a Cabinet Office Ordinance as prescribed in Article 20, paragraph (1) of the Act is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):

- (i) the total of the amounts listed in sub-items (a) and (b) of the Prepaid Payment Instruments pertaining to refund:
 - (a) the Unused Record Date Balance as of the last Record Date falling before the day on which a public notice was given pursuant to the provisions of the following paragraph (hereinafter referred to as the "refund record date" in this paragraph) (hereinafter referred to as the "atest record date" in this paragraph); and
 - (b) the total of the amounts issued of Prepaid Payment Instruments that

- were issued during the period from the day immediately following the latest record date to the refund record date;
- (ii) the total of the amounts listed in sub-items (a) and (b) of the Prepaid Payment Instruments pertaining to refund:
 - (a) the amount that was used for the payment of consideration by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day immediately following the latest record date to the refund record date; and
 - (b) the monetary amount converted, as of the refund record date, from the quantity of goods or services that were claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day immediately following the latest record date to said refund record date.
- (2) An Issuer of Prepaid Payment Instruments intending to make a refund pursuant to the provisions of Article 20, paragraph (1) of the Act must give the holders of Prepaid Payment Instruments pertaining to said refund a public notice of the matters listed in items (i) through (v) in a daily newspaper that publishes matters on current events and take measures to post the matters listed in the following items in a place easily seen by the public at all of its business offices or offices and those of the member shops.
- (i) the fact that said refund will be made;
 - (ii) name, trade name or other name of the Issuer of Prepaid Payment Instruments who is to make said refund;
 - (iii) type of Prepaid Payment Instruments pertaining to said refund;
 - (iv) a statement to the effect that the holders of Prepaid Payment Instruments pertaining to said refund should make a request for refund within a certain period specified to be not less than sixty days;
 - (v) a statement to the effect that the holders of Prepaid Payment Instruments who fail to make a request under the preceding item should be excluded from the procedure for said refund;
 - (vi) the contact address of the business office or office that will respond to inquiries about said refund;
 - (vii) method for making a request under item (iv);
 - (viii) method for said refund; and
 - (ix) other matters relevant to the procedure for said refund.
- (3) In the case referred to in the preceding paragraph, when an Issuer of Prepaid Payment Instruments intends to make a refund pertaining to Prepaid Payment Instruments used when the delivery or provision of goods or services is carried out through electrical telecommunication lines connecting the computer used by the issuer or the person designated by the issuer with the computer of the users, said Issuer of Prepaid Payment Instruments must, in lieu of the posting

prescribed in said paragraph, provide the users of the Prepaid Payment Instruments pertaining to said refund with information concerning the matters listed in the items of the preceding paragraph by the same method as any of those prescribed in Article 22, paragraph (1) that said Issuer of Prepaid Payment Instruments provides to the users of said Prepaid Payment Instruments.

(4) An Issuer of Prepaid Payment Instruments who has given a public notice pursuant to the provisions of paragraph (2) must immediately submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 24 by attaching the following documents:

- (i) a copy of said public notice;
- (ii) a document containing information that can be used for the verification of the contents of the posting under the provisions of paragraph (2); and
- (iii) a document describing the contents of the measures taken pursuant to the provisions of paragraph (2).

(5) Upon completion of the refund under Article 20, paragraph (1) of the Act, an Issuer of Prepaid Payment Instruments must submit to the Commissioner of the Financial Services Agency a written report prepared using appended Form 25 and containing the following matter:

- (i) the total amounts listed in items of paragraph (1) and the amounts listed in item (i), sub-items (a) and (b) and item (ii), sub-items (a) and (b) of said paragraph;
- (ii) the total amounts listed in items of paragraph (2) of the preceding Article and the amounts listed in item (i), sub-items (a) and (b) and item (ii), sub-items (a) and (b) of said paragraph;
- (iii) the period during which the posting was made pursuant to the provisions of paragraph (2);
- (iv) the number of the holders of Prepaid Payment Instruments who made a request during the period specified in paragraph 2, item (iv) and the total amount of the unused balances (meaning the amount that is available for the payment of consideration and the monetary amount converted from the quantity of goods or services that can be claimed; the same applies in item (vi)) of the Prepaid Payment Instruments held by said holders;
- (v) the total amount of refunds made to the holders in the procedure for said refund; and
- (vi) the total amount of the unused balances as of the refund record date of the Prepaid Payment Instruments that were excluded from the procedure for said refund.

(6) An Issuer of Prepaid Payment Instruments who is unable to complete the refund prescribed in Article 20, paragraph (1) of the Act must promptly submit to the Commissioner of the Financial Services Agency a written notice

prepared using appended form 26.

(If Refund is Permitted)

Article 42 Cases specified by a Cabinet Office Ordinance as prescribed in Article 20, paragraph (2) of the Act are the following cases:

- (i) if the total of the amounts refunded (excluding the amounts refunded pursuant to the provisions of Article 20, paragraph (1) of the Act; the same applies in the following item) during a Record Period including the Record Date is not exceeding twenty percent of the amount issued of the Prepaid Payment Instruments issued during the Record Period immediately preceding said Record Date;
- (ii) if the total of the amounts refunded during a Record Period including the Record Date is not exceeding five percent of the Unused Record Date Balance as of the Record Date immediately preceding said Record Period; and
- (iii) if use of said Prepaid Payment Instruments has become extremely difficult due to unavoidable circumstances of the holders.

(Measures to Ensure Information Security Management Pertaining to the Business of Issuing Prepaid Payment Instruments)

Article 43 An Issuer of Prepaid Payment Instruments must, in accordance with the contents and methods of its business, take measures to ensure sufficient control of the electronic data processing system pertaining to the business of issuing Prepaid Payment Instruments.

(Measures to Ensure Information Security Management Pertaining to Personal Information of Individual Users, etc.)

Article 44 An Issuer of Prepaid Payment Instruments must, with regard to information security management pertaining the personal information of users of Prepaid Payment Instruments who are individuals, supervision of its employees, and if the handling of said information is entrusted to another person, supervision of said other person, take necessary and appropriate measures for preventing leakage, loss, or damage of said information.

(Handling of Specified Non-public Information)

Article 45 In handling personal information regarding race, creed, family origin, domicile of origin, healthcare, or criminal background and other specified non-public information (meaning information learned in the course of business that has not yet been publicly disclosed) of the users of Prepaid Payment Instruments who are individuals, an Issuer of Prepaid Payment Instruments must take measures to ensure that said information is not used for a purpose other than for ensuring the appropriate operation of the business and for other

purposes which are determined to be necessary.

Chapter V Supervision

(Preparation and Preservation of Books and Documents Pertaining to Business)

Article 46 (1) The books and documents pertaining to the business of issuing Prepaid Payment Instruments as prescribed in Article 22 of the Act are the following books and documents:

- (i) a control book for recording the number of issues, the issuance volume and the collection volume by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.;
 - (ii) a daily journal for recording the normal price per unit for goods or services pertaining to the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act; and
 - (iii) a stock control book for controlling stocks by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.
- (2) The issuance volume by type of Prepaid Payment Instruments and their Amount Available for Payment, etc. set forth in item (i) of the preceding paragraph is the numerical value obtained, for each type of these, by totaling: in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act, the amount that is available for the payment of consideration at the time of issuance (including the amounts that were thereafter added to Addition-type Prepaid Payment Instruments (if such amounts are found to be each time converted to and indicated as numbers in another unit, monetary amounts converted from the numbers in said unit)); and in the case of the Prepaid Payment Instruments prescribed in item (ii) of said paragraph, the quantity of goods or services the delivery or provision of which can be claimed at the time of issuance (including the quantity of goods or services that was thereafter added to Addition-type Prepaid Payment Instruments).
- (3) The collection volume by type of Prepaid Payment Instruments and their Amount Available for Payment, etc. set forth in paragraph (1), item (i) is the numerical value obtained, for each type of these, by totaling: in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act, the amount that has been used for the payment of consideration ; and in the case of the Prepaid Payment Instruments prescribed in item (ii) of said paragraph, the quantity of goods or services that have been claimed by the use of said Prepaid Payment Instruments.
- (4) If it is determined to be difficult to track the collection volume set forth in paragraph (1), item (i) by type of the Amount Available for Payment, etc. of

Prepaid Payment Instruments, it would be sufficient to record the collection volume in the aggregate by type of Prepaid Payment Instruments.

- (5) An Issuer of Prepaid Payment Instruments must preserve the books and documents listed in paragraph (1) for at least five years from the day of the closing of the books.

(Forms of Reports, etc.)

Article 47 (1) The written report set forth in Article 23, paragraph (1) of the Act must be prepared using appended form 27 and submitted to the Commissioner of the Financial Services Agency within two months from the day immediately following the relevant Record Date.

- (2) An Issuer of Prepaid Payment Instruments intending to submit the written report set forth in the preceding paragraph must submit it to the Commissioner of the Financial Services Agency by attaching two copies of said written report and the latest balance sheet (including the related notes) and profit and loss statement (including the related notes).
- (3) An Issuer of Prepaid Payment Instruments who has made the deposit under Article 14, paragraph (1) of the Act must submit to the Commissioner of the Financial Services Agency the written report set forth in paragraph (1) by attaching a copy of the authenticated copy of the deposit document pertaining to said deposit.
- (4) If an Issuer of Prepaid Payment Instruments who made a notification pursuant to the provisions of Article 15 of the Act has subsequently changed the terms and conditions of the guarantee contract of security deposit for issuance (excluding the cancellation of part of the said guarantee contract of security deposit for issuance) or has renewed the guarantee contract of security deposit for issuance, the Issuer of Prepaid Payment Instruments must submit to the Commissioner of the Financial Services Agency the written report set forth in paragraph (1) by attaching a copy of the contract document or a document proving said fact.
- (5) A trust contract prepaid payment instruments issuer must submit to the Commissioner of the Financial Services Agency the written report set forth in paragraph (1) by attaching a document issued by a Trust Company, etc. proving the amount of trust property as of the relevant Record Date.
- (6) The Commissioner of the Financial Services Agency may, when the commissioner finds it necessary, order an Issuer of Prepaid Payment Instruments to submit the authenticated copy of the deposit document set forth in paragraph (3) or the original of the contract document set forth in paragraph (4).

(Amount Issued and Amount Collected during Record Period)

Article 48 (1) The amount issued of Prepaid Payment Instruments issued during the Record Period as prescribed in Article 23, paragraph (1), item (i) of the Act is the total of the following amounts:

(i) the total amount of the value (meaning the amount specified in the following sub-items (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein) of all the Prepaid Payment Instruments issued during said Record Period:

(a) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act: the amount that is available for the payment of consideration at the time of issuance; and

(b) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act: the monetary amount converted, as of the last day of said Record Period, from the quantity of goods or services, delivery or provision of which can be claimed at the time of issuance;

(ii) total of the amounts that were added to Addition-type Prepaid Payment Instruments during said Record Period (if such amounts are found to be each time converted to and indicated as numbers in another unit, monetary amounts converted from the numbers in said unit) and the monetary amounts converted, as of the last day of said Record Period, from the quantities of goods or services that were added to Addition-type Prepaid Payment Instruments during said Record Period.

(2) The amount collected of Prepaid Payment Instruments during the Record Period prescribed in item (iii) of the following Article is the total amount of the value (meaning the amount specified in the following items for the categories of Prepaid Payment Instruments respectively prescribed therein) of all the Prepaid Payment Instruments for said Record Period:

(i) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act: the amount that has been used for the payment of consideration; and

(ii) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act: The monetary amount converted, as of the last day of said Record Period, from the quantity of goods or services that have been claimed by the use of said Prepaid Payment Instruments.

(Matters to Be Reported)

Article 49 Matters specified by a Cabinet Office Ordinance as prescribed in Article 23, paragraph (1), item (iv) of the Act are the following matters:

(i) a breakdown of the amount issued set forth in Article 23, paragraph (1), item (i) of the Act by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.;

(ii) a breakdown of the Unused Record Date Balance set forth in Article 23,

- paragraph (1), item (ii) of the Act by type of Prepaid Payment Instruments;
and
(iii) the amount collected of Prepaid Payment Instruments during the Record Period including the Record Date pertaining to the written report set forth in Article 23, paragraph (1) of the Act and a breakdown of said amount collected by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.

(Method of Public Notice)

Article 50 The public notice prescribed in Article 27, paragraph (2) and Article 29 of the Act is given in the official gazette.

Chapter VI Miscellaneous Provisions

(Notification of Succession of Business by Issuer of Prepaid Payment Instruments for Own Business)

Article 51 A person intending to make a notification pursuant to the provisions of Article 30, paragraph (2) of the Act must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 28 by attaching two copies of said written notice, document listed in the items of Article 11, and the documents listed in the following items proving the fact of the succession of business (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):

- (i) if the succession of business pertaining to said notification was made by way of assignment or merger, a copy of the contract document pertaining to said assignment or merger and in the case of a juridical person, the certificate of registered matters;
- (ii) if the succession of business pertaining to said notification was made by way of company split, a copy of the incorporation-type company split plan or the absorption-type company split contract document pertaining to said company split and in the case of a juridical person, the certificate of registered matters; and
- (iii) if the succession of business pertaining to said notification was made by way of inheritance, a copy of a document proving the fact of said inheritance.

(Entrustment to Agents for Local Finance Office in the Distribution

Proceedings of Security Deposit to Holders of Prepaid Payment Instruments)
Article 52 The Commissioner of the Financial Services Agency may entrust to the Agents for Local Finance Office in the Distribution Proceedings of Security Deposit to Holders of Prepaid Payment Instruments prescribed in Article 31,

paragraph (3) of the Act the whole or part of the affairs pertaining to the public notice prescribed in paragraph (2) of said Article, the affairs pertaining to the notification prescribed in Article 11, paragraph (2) of the Order, the affairs pertaining to the investigation of the right prescribed in paragraph (4) of said Article (including the public notice or provision of an opportunity prescribed in said paragraph), the affairs pertaining to preparation, public notice, and notification of the distribution table prescribed in paragraph (5) said Article, and other affairs pertaining to the procedure for the execution of the right.

(Notification of Abolition of Business, etc.)

Article 53 (1) A person intending to make a notification pursuant to the provisions of Article 33, paragraph (1) of the Act must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 29 by attaching two copies of said written notice.

(2) The written notice set forth in the preceding paragraph is to contain the following matters:

(i) name, trade name or other name;

(ii) in the case of an Issuer of Prepaid Payment Instruments for Own Business, the submission date of the written notice set forth in Article 5, paragraph (1) of the Act;

(iii) in the case of an Issuer of Prepaid Payment Instruments for Third-Party Business, date of registration and registration number;

(iv) reason for notification;

(v) the date on which the Issuer of Prepaid Payment Instruments came to fall under any of the items of Article 33, paragraph (1) of the Act;

(vi) if the Issuer of Prepaid Payment Instruments has abolished the whole or part of the business of issuing Prepaid Payment Instruments, the reason therefor;

(vii) if the Issuer of Prepaid Payment Instruments has abolished part of the business of issuing Prepaid Payment Instruments, matters sufficient to identify the Prepaid Payment Instruments pertaining to said abolition; and

(viii) if the Issuer of Prepaid Payment Instruments has abolished the whole or part of the business of issuing Prepaid Payment Instruments by way of assignment of business, merger or company split, or for other reasons, the method for succession of said business and the successor.

(3) If an Issuer of Prepaid Payment Instruments has abolished the whole or part of the business of issuing Prepaid Payment Instruments by way of assignment of business, merger or company split, or for other reasons, a document containing the terms and conditions of the contract pertaining to the succession of said business and the method for succession of said business must be attached to the written notice set forth in paragraph (1).

(Government Agency Through Which to Submit Written Notice, etc.)

Article 54 If an Issuer of Prepaid Payment Instruments intends to submit to the Director-General of a Local Finance Bureau, etc. the written notice prescribed in Article 9 and other documents prescribed in the Act and this Cabinet Office Ordinance (hereinafter referred to as "Written Notice, etc." in this Article and the following Article), and there is an office of a Local Finance Bureau, Otaru Sub-office of Hokkaido Local Finance Bureau, or Kitami Sub-office of Hokkaido Local Finance Bureau having jurisdiction over the location of the principal business office or office of said Issuer of Prepaid Payment Instruments, said Issuer of Prepaid Payment Instruments must submit said Written Notice, etc. through the head of said office or sub-offices.

(Submission of Written Notice, etc. through Certified Association for Payment Service Providers)

Article 55 An Issuer of Prepaid Payment Instruments intending to submit a Written Notice, etc. to the Director-General of a Local Finance Bureau, etc. (including submission through the head of an office or sub-office of a Local Finance Bureau prescribed in the preceding Article) may submit it through a Certified Association for Payment Service Providers.

(Standard Processing Period)

Article 56 (1) The Commissioner of the Financial Services Agency is to endeavor to process any application for registration made pursuant to the provisions of the Act, the Order, or this Cabinet Office Ordinance within two months from the day on which said application has arrived at the office of the commissioner.

(2) The Commissioner of the Financial Services Agency is to endeavor to process an application for approval of cancellation of guarantee contract of security deposit for issuance prescribed in Article 33, paragraph (1) within twenty days.

(3) The Commissioner of the Financial Services Agency is to endeavor to process an application for approval of cancellation of trust contract of security deposit for issuance prescribed in Article 38, paragraph (1) within twenty days.

(4) The period prescribed in the preceding three paragraphs is not to 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.