

# **Cabinet Office Order on Designated Dispute Resolution Organizations under the Provisions of Chapter V-5 of the Financial Instruments and Exchange Act**

(Cabinet Office Order No. 77 of December 28, 2009)

Pursuant to the provisions of Article 156-39, paragraph (2), Article 156-40, paragraph (2), items (v) to (vii), Article 156-44, paragraph (1), item (viii), paragraph (2), item (xi) and paragraph (4), item (iii), Article 156-48, Article 156-50, paragraph (3), items (iii) and (v), paragraphs (8) and (9), Article 156-56, and Article 156-57, paragraph (2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948), and for the purpose of enforcing said Act, the Cabinet Office Order on Designated Dispute Resolution Organizations under the Provisions of Chapter V-5 of the Financial Instruments and Exchange Act is hereby established as follows.

Chapter I General Provisions (Articles 1 to 5)  
Chapter II Operations (Articles 6 to 13)  
Chapter III Supervision (Articles 14 and 15)  
Chapter IV Miscellaneous Provisions (Article 16)  
Supplementary Provisions

## **Chapter I General Provisions**

(Definitions)

Article 1 (1) The terms "designated dispute resolution organization," "business activities for financial instruments transaction services, etc.," "complaint processing procedures," "dispute resolution procedures," "dispute resolution services, etc.," "category of dispute resolution services, etc.," and "master agreement for the implementation of dispute resolution procedures" as used in this Cabinet Office Order mean a designated dispute resolution organization, financial instruments transaction services, etc., complaint processing procedures, dispute resolution procedures, dispute resolution services, etc., category of dispute resolution services, etc., and master agreement for the implementation of dispute resolution procedures, respectively, as prescribed in Article 156-38 of the Financial Instruments and Exchange Act (hereinafter referred to as the "Act").

(2) In this Cabinet Office Order, the meanings of the terms listed in the following items are as prescribed in each of those items.

- (i) "complaints related to business activities for financial instruments services, etc." means complaints related to business activities for financial instruments services, etc. as prescribed in Article 156-38, paragraph (9) of the Act.
- (ii) "dispute related to financial instruments services, etc." means a dispute related to financial instruments services, etc. as prescribed in Article 156-38, paragraph (10) of the Act.
- (iii) "business operator involved in financial instruments transactions" means a business operator involved in financial instruments transactions as prescribed in Article 156-38, paragraph (13) of the Act.
- (iv) "operational rules" means operational rules as prescribed in Article 156-39, paragraph (1), item (vii) of the Act.
- (v) "member business operator involved in financial instruments transactions" means a member business operator involved in financial instruments transactions as prescribed in Article 156-42, paragraph (2) of the Act.

(Calculation of Proportions)

Article 2 The proportion referred to in Article 156-39, paragraph (1), item (viii) of the Act is to be calculated by dividing the number of business operators involved in financial instruments transactions who have submitted documents stating whether or not they object to the content of the operational rules and, for those who do have objections, who have submitted a description thereof and the reason therefor (referred to as a "written opinion" in the following Article) to the person who wishes to file an application under that paragraph, and who have stated their objections (limited to those with reasonable grounds therefor) to a matter related to the cancellation of the master agreement for implementation of dispute resolution procedures, other terms of the master agreement for implementation of dispute resolution procedures (excluding the matters listed in the items of Article 156-44, paragraph (2) of the Act), and other contents of the operational rules (excluding the matters that are to be the content thereof as provided by Article 156-44, paragraph (3) of the Act and the matters necessary for conforming to the criteria listed in the items of paragraph (4) of that Article and paragraph (5), item (i)) (limited to those connected with a category of dispute resolution services, etc. for which the designation under the provisions of Article 156-39, paragraph (1) of the Act is sought in the relevant application; hereinafter the same applies in this Chapter) by the number of business operators involved in financial instruments transactions publicized by the Commissioner of the Financial Services Agency as of the day on which the person who wishes to file the relevant application delivered or sent the operational rules, etc. prescribed in paragraph (1), item (ii) of the following Article (where the operational rules, etc.

were delivered or sent over two or more days, the last day; hereinafter the same applies in Article 4) (referred to as "all business operators involved in financial instruments transactions" in the following Article and Article 5, paragraph (2)).

(Hearing of Opinions of Business Operators Involved in Financial Instruments Transactions)

- Article 3 (1) Where the person who wishes to file an application under Article 156-39, paragraph (1) of the Act will explain the content of the operational rules to the business operators Involved in financial instruments transactions pursuant to the provisions of paragraph (2) of that Article and hear opinions whether there are any objections to said content (where there are any objections, including the reasons therefor), the person wishing to file the application must hold a briefing session pursuant to the following provisions:
- (i) the date, time and place where the briefing session are to be determined in consideration of the convenience of all business operators involved in financial instruments transactions who will assemble; and
  - (ii) a person who wishes to file the relevant application is to deliver or send a document stating the following matters and the operational rules (referred to as "operational rules, etc." in the following Article and Article 5, paragraph (2)) to all business operators involved in financial instruments transactions no later than two weeks before the convocation date for the briefing session (where two or more briefing sessions are to be held, the convocation date for the first briefing session):
    - (a) the trade name or name of the person who wishes to file the relevant application and the location, telephone number, and other contact information of their principal business office or office;
    - (b) the date, time, and place where the briefing session will be held; and
    - (c) a statement that the business operators involved in financial instruments transactions must submit written opinions to the person who wishes to file the relevant application, within a certain period from the convocation date for the briefing session (where two or more briefing sessions are held, the convocation date for the last briefing session).
  - (iii) the certain period referred to in (c) of the preceding item is to be no less than two weeks.
- (2) The document stating the results prescribed in Article 156-39, paragraph (2) of the Act must state all of the following matters:
- (i) the dates, times, and places where all of the briefing sessions were held;
  - (ii) whether or not all business operators involved in financial instruments transactions attended the briefing sessions;
  - (iii) whether or not all business operators involved in financial instruments

- transactions submitted written opinions;
- (iv) whether or not there were any objections stated in the submitted written opinions that were received; and
  - (v) where an objection not corresponding to the objection prescribed in Article 156-39, paragraph (1), item (viii) of the Act was stated in the submitted written opinions that were received, a statement to that effect and the reason for determining that said objection does not correspond to the objection prescribed in that item.
- (3) All written opinions submitted by and received from business operators involved in financial instruments transactions are to be attached to the document prescribed in the preceding paragraph.

(Submission of Written Applications for Designation)

Article 4 The written application for designation referred to in Article 156-40, paragraph (1) of the Act must be submitted within three months from the day on which the operational rules, etc. were delivered or sent.

(Documents to Be Attached to Written Applications for Designation)

- Article 5 (1) The documents specified by Cabinet Office Order, referred to in Article 156-40, paragraph (2), item (v) of the Act, are the following documents:
- (i) the balance sheet, income and expenditure statement, or profit and loss statement for the business year immediately preceding the business year that includes the date of the application referred to in Article 156-39, paragraph (1) of the Act, and an inventory of assets as of the end of the relevant business year or documents equivalent thereto (where the person who wishes to obtain a designation under the provisions of that paragraph (referred to as "applicant" in paragraph (3)) is a juridical person (meaning a juridical person as prescribed in paragraph (1), item (i) of that Article; hereinafter the same applies in Article 11, paragraph (3), item (iii)) that was established in the business year that includes the date of the relevant application, an inventory of assets at incorporation or documents equivalent thereto); and
  - (ii) documents stating the expected income and expenditures after designation under the provisions of Article 156-39, paragraph (1) of the Act.
- (2) The documents specified by Cabinet Office Order, referred to in Article 156-40, paragraph (2), item (vi) of the Act, are the following documents:
- (i) the operational rules, etc. delivered or sent to all business operators involved in financial instruments transactions pursuant to the provisions of Article 3, paragraph (1), item (ii);
  - (ii) a document proving the date and manner in which the operational rules, etc. were delivered or sent to all business operators involved in financial

- instruments transactions;
- (iii) where the operational rules, etc. were sent to the business operators involved in financial instruments transactions, a document proving whether or not the operational rules, etc. reached the relevant business operators involved in financial instruments transactions and proving the facts in connection with the arrival of said operational rules, etc. with regard to the matters set forth in (a) or (b) below in accordance with the categories of the cases listed in (a) or (b) below:
    - (a) where the operational rules, etc. arrived: date of arrival
    - (b) where the operational rules, etc. did not arrive: cause of non-arrival by a normal sending method
- (3) The documents specified by Cabinet Office Order, referred to in Article 156-40, paragraph (2), item (vii) of the Act, are the following documents:
- (i) a document stating the name or trade name of any person who holds voting rights accounting for five percent or more of the voting rights held by all of the shareholders, etc. (meaning voting rights held by all of the shareholders, etc. as prescribed in Article 29-4, paragraph (2) of the Act; hereinafter the same applies in the following item and Article 14, paragraph (2)) of the applicant, the person's address or the location of the person's principal business office or office, and the number of voting rights held by the person;
  - (ii) a document stating the trade name or name, the location of the principal business office or office, and a description of the business of the parent juridical person (meaning a juridical person or other organization that holds the majority of voting rights held by all of the shareholders, etc. of the applicant) and subsidiary juridical person(s) (meaning a juridical person or other organization the majority of whose voting rights held by all of the shareholders, etc. are held by the applicant) of the applicant;
  - (iii) extracts of the resident records of the officers (meaning officers as prescribed in Article 156-39, paragraph (1), item (iv) of the Act, and when an officer is a juridical person, including any person who performs the duties of an officer; hereinafter the same applies in this paragraph and Articles 8 and 9) (where an officer is not a Japanese national, a certificate of the information entered in their alien registration card) or other document serving as a substitute therefor (where the officer is a juridical person, the relevant officer's certificate of registered information);
  - (iv) a certificate issued by a public agency stating that the officers do not fall under Article 156-39, paragraph (1), item (iv), (a) or (b) of the Act (where an officer is not a Japanese national, a document in which the officer pledges that that person does not fall under (a) or (b) of that item);
  - (v) the officers resumes (where an officer is a juridical person, a document stating the history of the relevant officer);

- (vi) a document stating the employment status of candidates for the role of dispute resolution mediator (meaning a dispute resolution mediator as prescribed in Article 156-41, paragraph (1) of the Act; hereinafter the same applies in Article 12, paragraph (2), item (iii)) as well as officers and officials who have knowledge and experience related to dispute resolution services, etc. (hereinafter referred to as "officers, etc." in this item, the following item and Article 14) and the status of where the relevant officers, etc. have been assigned;
- (vii) a document in which the officers, etc. pledge that they are not members of an organized crime group, etc. (meaning a member of an organized crime group, etc. as prescribed in Article 156-46 of the Act; hereinafter the same applies in Article 14, paragraph (1), item (ii)); and
- (viii) any other documents that include matters to which reference should be made.

## **Chapter II Operations**

(Matters to Be Prescribed by the Operational Rules)

Article 6 The matters specified by Cabinet Office Order, referred to in Article 156-44, paragraph (1), item (viii) of the Act, are the following matters:

- (i) matters related to holidays and the hours during which dispute resolution services, etc. is conducted;
- (ii) matters related to the name and location of business offices or offices and the area(s) for which dispute resolution services, etc. is conducted at such business offices or offices;
- (iii) matters related to the supervision system of officials who conduct dispute resolution services, etc.;
- (iv) where operations for complaint processing procedures or dispute resolution procedures are entrusted, matters related to such entrustment; and
- (v) other necessary matters related to dispute resolution services, etc.

(Terms of Master Agreements for the Implementation of Dispute Resolution Procedures)

Article 7 For matters specified by Cabinet Office Order, referred to in Article 156-44, paragraph (2), item (xi) of the Act, a designated dispute resolution organization may, when there is a request from a customer of a member business operator involved in financial instruments transactions who is a party to a matter under resolution, investigate the status of the performance of obligations prescribed in the settlement under dispute resolution procedures and recommend the performance of such obligations to the relevant member business operator involved in financial instruments transactions.

(Substantial Controllers)

Article 8 A person specified by Cabinet Office Order as one who substantially controls the business of a designated dispute resolution organization or who has a material influence on the business thereof through their holding of shares in the designated dispute resolution organization, due to their financing of the designated dispute resolution organization, or due to any other cause prescribed in Article 156-44, paragraph (4), item (iii) of the Act is the person set forth as follows who are not found to be clearly incapable of controlling the business policy decisions of the designated dispute resolution organization and having a material influence on its business in light of their business relationships:

- (i) a particular person with regard to whom the total number of voting rights held on the person's own account, voting rights held by persons who are found to exercise their voting rights in the same content as the intention of the relevant particular person wishes of them due to their being closely related to each other through contributions, personnel, funds, technology, transactions, or other matters, and voting rights held by persons who have consented to exercise their voting rights in the manner the relevant particular person wishes of them amount to one-third or more of the voting rights in the designated dispute resolution organization (including where the relevant particular person does not hold any voting rights on their own account);
- (ii) a person who is or who was an officer of the designated dispute resolution organization;
- (iii) a relative within the third degree of kinship of an officer of the designated dispute resolution organization;
- (iv) a person whose representative (including the representative person or administrator of an organization without legal personality for which a representative person or administrator has been designated; hereinafter the same applies in item (iv) of the following Article) is a person specified in the preceding two items;
- (v) a person with a one-third or greater proportion of officers who are or were officers or employees of the designated dispute resolution organization;
- (vi) a person who is under contract with the designated dispute resolution organization to control the designated dispute resolution organization's business policy decisions;
- (vii) a particular person who has provided a loan (including a guarantee of liabilities and provision of collateral; hereinafter the same applies in this item and item (vii) of the following Article) for one-third or more of the total amount of the designated dispute resolution organization's procured funds

(limited to those included in the liabilities on the balance sheet; hereinafter the same applies in this item and item (vii) of the following Article) (including where the amount of such a loan exceeds one-third of the total amount of procured funds when combined with the amount of a loan provided by a person who is closely related to the relevant particular person in terms of their contributions, personnel, funds, technology, transactions, or other matters);

- (viii) in addition to the persons set forth in the preceding items, a person whose circumstances suggest that such person has control over the designated dispute resolution organization's business policy decisions;
- (ix) a particular person who is related to a person set forth in any of the preceding items in the same way that the persons set forth in each of the preceding items (excluding items (ii) to (iv); hereinafter the same applies in this item) are related under each of the preceding items to the designated dispute resolution organization
- (x) a particular person who is related to any of the persons set forth in items (i) to (viii) inclusive in the same way that the designated dispute resolution organization is related under item (i) or items (v) to (viii) of the following Article to any of the persons set forth in item (i) or items (v) to (viii) inclusive of the following Article.

(Subsidiary Companies)

Article 9 Persons specified by Cabinet Office Order as those whose business is substantially controlled by the designated dispute resolution organization through the holding of shares or due to any other reason, referred to in Article 156-44, paragraph (4), item (iii) of the Act, are those of the persons specified in the items below whose business policy decisions the designated dispute resolution organization is not found to be clearly incapable of controlling, in light of their business relationships:

- (i) another juridical person or an organization without legal personality for which a representative person or administrator has been designated (hereinafter referred to as "juridical person, etc." in this item and item (v)), with regard to which the total number of voting rights held by the designated dispute resolution organization on its own account, voting rights held by persons who are found to exercise their voting rights in the manner said designated dispute resolution organization wishes of them due to their being closely related to the designated dispute resolution organization through contributions, personnel, funds, technology, transactions, or other matters, and voting rights held by persons who have consented to exercise their voting rights in the same content as the intention of the designated dispute resolution organization wishes of them amount to one-third or more of the

- voting rights in the relevant other juridical person , etc. (including where the designated dispute resolution organization does not hold any voting rights on its own account)
- (ii) a person who is or who was an officer of the designated dispute resolution organization or an employee of the designated dispute resolution organization;
  - (iii) a relative within the third degree of kinship of an officer of the designated dispute resolution organization;
  - (iv) a person whose representative is a person set forth in the preceding two items;
  - (v) another juridical person, etc., where one-third or more of the officers of the relevant other juridical person are persons who fall under item (ii);
  - (vi) a particular person, where the designated dispute resolution organization is under contract with the relevant particular person to control the relevant person's business policy decisions;
  - (vii) a particular person, where the designated dispute resolution organization has provided a loan for one-third or more of the total amount of the relevant particular person's procured funds (including where the amount of such a loan exceeds one-third of the total amount of the procured funds when combined with the amount of a loan provided by a person who is closely related to the designated dispute resolution organization in terms of their contributions, personnel, funds, technology, transactions, or other matters);
  - (viii) in addition to the persons set forth in the preceding items, a particular person whose circumstances suggest that the designated dispute resolution organization has control over the relevant particular person's business policy decisions; and
  - (ix) a particular person to whom a person set forth in any of the preceding items is related in the same way that the designated dispute resolution organization under each of the preceding items (excluding items (ii) to (iv); hereinafter the same applies in this item) is related to the persons prescribed in each of those items.

(Matters to Be Stated in Records on Complaint Processing Procedures)

Article 10 (1) Pursuant to the provisions of Article 156-48 of the Act, a designated dispute resolution organization must prepare a record of the following matters related to the complaint processing procedures that the designated dispute resolution organization has carried out:

- (i) the date on which a customer of a member business operator involved in financial instruments transactions filed an application for the resolution of complaints related to financial instruments transaction services, etc. and the content thereof;

- (ii) the name or trade name of the customer of the member business operator involved in financial instruments transactions who filed the application referred to in the preceding item, the name or trade name of their counsel, and the trade name or name of the relevant member business operator involved in financial instruments transactions;
  - (iii) the particulars of the Complaint Processing Procedures; and
  - (iv) the results of the complaint processing procedures (including the reasons for the termination of the complaint processing procedures and the date thereof).
- (2) The designated dispute resolution organization must preserve the record of the matters prescribed in the preceding paragraph for at least five years from the date on which the complaint processing procedures that the designated dispute resolution organization has carried out terminated.

(Relationships Due to Which the Dispute Resolution Mediator Is an Interested Party)

Article 11 (1) A person whose relationship to a party who is prescribed in Article 156-44, paragraph (1), item (v) of the Act relative to an application under Article 156-50, paragraph (1), set forth in paragraph (3) of that Article (hereinafter simply referred to as a "party" in this paragraph) makes said person an interested party is a person who corresponds to any of the following:

- (i) the spouse or former spouse of the Party;
  - (ii) a person who is the party's relative by blood within the fourth degree of kinship, who is or has been the party's relative by affinity within the third degree of kinship, or who is or has been a cohabitating relative of the Party;
  - (iii) the party's guardian, the supervisor of his/her guardian, their curator, the supervisor of their curator, their assistant, or the supervisor of their assistant;
  - (iv) a person who is or has been the party's representative or assistant in court in the dispute related to financial instruments services, etc. under the relevant application; or
  - (v) a person who receives an income from the party in line with a service said person provides or for whom three years have not yet passed since the day on which said person ceased to receive such income.
- (2) The person specified by Cabinet Office Order, referred to in Article 156-50, paragraph (3), item (iii) of the Act, is a person who has any of the following qualifications and who has been engaged in operations for dealing with consumer affairs consultation (meaning consumer affairs consultation as prescribed in Article 13, paragraph (3), item (v), (a) of the Consumer Contract Act (Act No. 61 of 2000)) for a period of five years or more in total:
- (i) consumer counseling specialist qualifications granted by the Incorporated

- Administrative Agency, National Consumer Affairs Center of Japan;
- (ii) advisory specialist for consumer affairs qualifications granted by the Incorporated Foundation, Japan Industrial Association (meaning the juridical person established on February 26, 1918, under the name "Incorporated Foundation, Kokusan Shorei Kai"); or
  - (iii) consumer consultant qualifications granted by the Incorporated Foundation, Japan Consumers' Association (meaning the juridical person established on September 5, 1961, under the name of "Incorporated Foundation, Japan Consumers' Association").
- (3) The persons specified by Cabinet Office Order referred to in Article 156-50, paragraph (3), item (v) of the Act are the following persons:
- (i) A person who has been engaged in one or more of the following professions for five years or more in total:
    - (a) judge;
    - (b) assistant judge;
    - (c) public prosecutor;
    - (d) attorney-at-law; or
    - (e) professor or associate professor of a subject that is part of the law program in the school, faculty, college, advanced studies course, or graduate school of a university under the School Education Act (Act No. 26 of 1947)
  - (ii) a person who has been engaged in one or more of the following occupations for five years or more in total:
    - (a) certified public accountant;
    - (b) certified public tax accountant;
    - (c) professor or associate professor of a subject that is a part of the economics or commerce program in the school, faculty, college, advanced studies course, or graduate school of a university under the School Education Act
  - (iii) a person who has engaged in the research, guidance, recommendation, establishment of regulations, and other operations necessary for the protection of customers for a period of ten years or more in total with a juridical person who carries out processing operations for complaints related to financial instruments services, etc. or who carries out operations related to the processing of complaints related to financial instruments services, etc.; and
  - (iv) a person found by the Commissioner of the Financial Services Agency to have knowledge and experience that is equivalent or superior to any of the persons listed in the preceding three items.

(Explanations to the Customer of a Member Business Operator Involved in Financial Instruments Transactions who is the Party to a Dispute Related to

Financial Instruments Services)

Article 12 (1) A designated dispute resolution organization must, in an explanation prescribed in Article 156-50, paragraph (8) of the Act, deliver documents and give an explanation thereof when requested to deliver documents by the customer of a member business operator involved in financial instruments transactions who is a party to a dispute related to financial instruments services, etc.

(2) The matters specified by Cabinet Office Order referred to in Article 156-50, paragraph (8), item (iii) of the Act are the following matters:

- (i) the way of handling the confidential information of the parties to the dispute related to financial instruments services, etc., or of a third party, that is contained in an opinion stated or materials submitted or presented in the course of the dispute resolution procedures, or that is entered in the record of the dispute resolution procedures prescribed in Article 156-50, paragraph (9) of the Act (hereinafter referred to as "dispute resolution procedures record" in paragraph (1) of the following Article);
- (ii) the requirements and forms for the parties to the dispute related to financial instruments services, etc. to terminate the dispute resolution procedures;
- (iii) that when the dispute resolution mediator considers it impossible to arrange a settlement between the parties to the dispute related to financial instruments services, etc. through the dispute resolution procedures, the dispute resolution mediator promptly terminates the relevant dispute resolution procedures and notify the parties to the dispute related to financial instruments services, etc. to that effect; and
- (iv) whether there is a document to be prepared where a settlement is arranged between the parties to the dispute related to financial instruments services, etc., and if there is, the person who will prepare the document, the number of copies to be prepared and outlines in connection with the preparation of any other document.

(Preservation and Preparation of Dispute Resolution Procedures Records)

Article 13 (1) The designated dispute resolution organization must preserve a dispute resolution procedures record for at least ten years after the date on which the dispute resolution procedures that it has carried out terminate.

(2) The matters specified by Cabinet Office Order prescribed in Article 156-50, paragraph (9), item (vi) of the Act are the following matters:

- (i) the contents of the application for Dispute Resolution Procedures;
- (ii) where a special conciliation proposal (meaning special conciliation proposal as prescribed in Article 156-44, paragraph (6) of the Act; hereinafter the same applies in this item) has been presented during the dispute resolution

- procedures, the contents and presentation date of the relevant special conciliation proposal; and
- (iii) where dispute resolution procedures result in a settlement, the contents of the relevant settlement.

### **Chapter III Supervision**

(Matters for Which a Notification Is to Be Submitted)

- Article 14 (1) When a designated dispute resolution organization wishes to submit a notification under the provisions of Article 156-56 of the Act, it must attach a written statement of reasons and other documents that include matters to which reference should be made (in cases listed in the following items, including the matters set forth in those items) to the written notice and submit the same to the Commissioner of the Financial Services Agency:
- (i) in the case specified in Article 156-56, item (i) of the Act: the date on which the master agreement for implementation of dispute resolution procedures was concluded or terminated and the trade name or name of the business operator involved in financial instruments transactions;
  - (ii) in the case specified in item (vi) of the following paragraph: pledge by the person who has become an officer, etc. of the designated dispute resolution organization that the relevant officer, etc. is not a member of an organized crime group, etc.
  - (iii) in the case specified in item (vii) of the following paragraph: the reasons why performance of the obligations under the master agreement for Implementation of dispute resolution procedures or performance of other duties related to the implementation of dispute resolution services, etc. by the business operator involved in financial instruments transactions is expected to be uncertain, and the trade name or name of the relevant business operator involved in financial instruments transactions
  - (iv) in the case specified in item (viii) or (ix) of the following paragraph: the following matters:
    - (a) the name of the business office or office where the act took place;
    - (b) The name or trade name and job title of officer, etc. who carried out the act;
    - (c) an outline of the act; and
    - (d) improvement measures.
- (2) The cases specified by Cabinet Office Order prescribed in Article 156-56, item (ii) of the Act are as follows:
- (i) when there are any changes in the articles of incorporation or provisions equivalent thereto;
  - (ii) when there are any changes in the trade name or name of the parent

- juridical person (meaning a juridical person or other organization that holds the majority of the voting rights held by all the shareholders, etc. of the designated dispute resolution organization; hereinafter the same applies in the following item) or subsidiary juridical person (meaning a juridical person or other organization in which the majority of voting rights held by all the shareholders, etc. are held by the designated dispute resolution organization; hereinafter the same applies in item (iv)), the location of its principal business office or office, or the description of its business;
- (iii) when the parent juridical person ceases to be the parent juridical person;
  - (iv) when a subsidiary juridical person ceases to be a subsidiary juridical person, or when the voting rights of the subsidiary juridical person are acquired or held;
  - (v) when more than five percent of the voting rights held by all the shareholders, etc. are acquired or held by one person;
  - (vi) when a person has newly become an officer, etc. of a designated dispute resolution organization after the submission of written application for designation referred to in Article 156-40, paragraph (1) of the Act;
  - (vii) where an application to conclude a master agreement for Implementation of dispute resolution procedures has been filed by a business operator involved in financial instruments transactions, when the relevant application is rejected;
  - (viii) upon learning the fact that a designated dispute resolution organization or an officer, etc. of the contractor undertaking its operations engaged in an act in violation of laws and regulations or the operational rules of the designated dispute resolution organization in the administration of dispute resolution services, etc. (for a contractor undertaking its operations, limited to administration of operations entrusted by the relevant designated dispute resolution organization); and
  - (ix) upon learning the fact that a member business operator involved in financial instruments transactions or its officer, etc. engaged in an act in violation of the operational rules of the designated dispute resolution organization.
- (3) The notification in cases falling under item (viii) or (ix) of the preceding paragraph must be given within one month from the day that the designated dispute resolution organization learned the facts prescribed in the provisions thereof.

(Submission of Reports on Dispute Resolution Services)

Article 15 (1) The report on dispute resolution services, etc. to be prepared by a designated dispute resolution organization under the provisions of Article 156-57, paragraph (1) of the Act must be prepared using the appended form and

submitted to the Commissioner of the Financial Services Agency within three months after the end of the business year.

- (2) The inventory of assets, the balance sheet, and the income and expenditure statement or profit and loss statement for the most recent business year or documents equivalent thereto must be attached to the report referred to in the preceding paragraph.
- (3) Where a designated dispute resolution organization cannot submit the report under paragraph (1) within the period prescribed in that paragraph due to inevitable grounds, the designated dispute resolution organization may postpone the submission of the relevant report by obtaining prior approval from the Commissioner of the Financial Services Agency.
- (4) When a designated dispute resolution organization wishes to obtain approval under the provisions of the preceding paragraph, it must attach a written statement of reasons to the written application for approval and submit the same to the Commissioner of the Financial Services Agency.
- (5) When an application for approval under the provisions of the preceding paragraph has been filed, the Commissioner of the Financial Services Agency is to examine whether the designated dispute resolution organization that filed the relevant application has what the Commissioner finds to be compelling reasons to postpone the submission of the report under the provisions of paragraph (3).

#### **Chapter IV Miscellaneous Provisions**

Article 16 (1) When an application for designation or authorization set forth in the following items has been filed, the Commissioner of the Financial Services Agency is to endeavor to render a disposition for the relevant application within the period specified in each of those items from the date on which the relevant application arrives at their office:

- (i) designation under the provisions of Article 156-39 of the Act: Two months;  
and
  - (ii) authorization under the provisions of Article 156-44, paragraph (7) and Article 156-60, paragraph (1) of the Act: one month.
- (2) The period prescribed in the preceding paragraph is not to include the following periods:
- (i) the period required to make corrections to the relevant application;
  - (ii) the period required by the person who filed the relevant application to change the content of the relevant application; or
  - (iii) the period required by the person who filed the relevant application to add materials deemed necessary for the examination of the relevant application.