

Cabinet Office Order on Prepaid Payment Instruments

(Cabinet Office Order 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 Order 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 Operations (Article 21 – Article 45-2)

Chapter V Supervision (Article 46 – Article 50)

Chapter VI Miscellaneous Provisions (Article 50-2 – Article 56)

Supplementary Provisions

Chapter I General Provisions

(Definitions)

Article 1 (1) The terms "issuer of prepaid payment instruments", "certified association for payment service providers", "trust company, etc.", and "deposit-taking institutions" as used in this Cabinet Office Order mean the issuer of prepaid payment instruments, certified association for payment service providers, trust company, etc., and 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 base date balance", "base date", "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 Order mean the prepaid payment instruments, unused base date balance, base date, 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 Order means the prepaid payment instruments in which the records of amounts (if the amounts are found to be converted to and indicated as a number in another unit, including the number in the relevant unit) or 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).

(Conversion of Foreign Currency)

Article 2 If a document to be submitted to the Commissioner of the Financial Services Agency (or if the authority of the Commissioner of the Financial Services Agency has been delegated to the Director-General of a local finance bureau or the Director General of the Fukuoka Local Finance Branch Bureau (hereinafter referred to as the "Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau") pursuant to the provisions of Article 29, paragraph (1) of the Order for Enforcement of the Payment Services Act (hereinafter referred to as the "Order"), the relevant Director-General of the local finance bureau including the Fukuoka Local Finance Branch Bureau; hereinafter the same applies except in Article 28, Article 35, item (v), Article 36, Article 54, and Article 55) pursuant to the provisions of the Act (limited to Chapter 2), the Order (limited to Chapter 2), or this Cabinet Office Order 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 the relevant 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 that can be requested to be delivered or provided 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 proceeds when the goods are delivered or the services are provided to the user in the relevant quantity.

- (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 pursuant to the provisions of the following Article, Article 19, Article 40, Article 41, and Article 48.

(Amount of Unused Base Date Balance)

Article 4 The amount of the unused base date balance is the amount arrived at

when the collected amount set forth in item (ii) is deducted from the total amount set forth in item (i):

- (i) the total of the amounts issued during the record period of the prepaid payment instruments whose base date falls on or before the base date for the unused base date balance (hereinafter referred to as the "latest base date" in this Article) (the amounts issued during the record period mean the amounts calculated as the amounts of prepaid payment instruments that have been issued during each record period that includes its base dates, as provided for in Article 48, paragraph (1) with the latest base date deemed to be the last day of these record period); and
- (ii) the amount collected by the latest base date with regard to all prepaid payment instruments that had been issued on or before the latest base date (meaning the total of the following amounts):
 - (a) the amount that has been used for the payment of proceeds 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 proceeds due to the expiration of the effective period of the relevant prepaid payment instruments or for other reasons, the unused balance of prepaid payment instruments of a person that has been excluded from the procedure for refund prescribed in Article 20, paragraph (1) of the Act (the prepaid payment instruments in question are limited to those involved in the procedure for refund) (the unused balance in question means the amount that is available for the payment of proceeds; the same applies in (a)), and the unused balance of prepaid payment instruments of a person that has been excluded from the procedure for the fulfillment of the right referred to in Article 31, paragraph (1) of the Act (the prepaid payment instruments in question are limited to those involved in the procedure for the fulfillment of the right); 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 requested by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (ii) of the Act as of the latest base date (including the quantity of goods or services that can no longer be requested due to the expiration of the effective period of the prepaid payment instruments or for other reasons, the unused balance of prepaid payment instruments of a person that has been excluded from the procedure for refund prescribed in Article 20, paragraph (1) of the Act (the prepaid payment instruments in question are limited to those involved in the procedure for refund) (the unused balance in question means the quantity of goods or services that can be requested; the same applies in (b)), and the unused balance of prepaid payment instruments of a person that

has been excluded from the procedure for the fulfillment of the right referred to in Article 31, paragraph (1) of the Act (the prepaid payment instruments in question are limited to those involved in the procedure for the fulfillment of the right); the same applies in Article 19, Article 40, Article 41, Article 46, and Article 48).

(Amount Available for Payment of Prepaid Payment Instruments in Which the Amount Is Recorded by Electronic or Magnetic Means)

Article 5 The amount available for payment, etc. of the prepaid payment instruments in which the amount (if the amount is found to be converted to and indicated as a number in another unit, including a number in the relevant unit; the same applies in this Article) or the quantity of goods or services is recorded by electronic or magnetic means is a maximum of the amount or quantity to be recorded.

(Prepaid Payment Instruments by Health Care Facilities)

Article 6 Persons specified by Cabinet Office Order as prescribed in Article 4, paragraph (4), item (ii), (d) 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 to Students)

Article 7 (1) Prepaid payment instruments specified by Cabinet Office Order 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 students or employees (hereinafter referred to as "students" in this item) (the prepaid payment instruments in question are limited to those that are designed to be used only by the relevant students); 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 students (limited to those taking a specified curriculum) or employees (hereinafter referred to as "students" in this item) (the prepaid payment instruments in question are limited to those that are designed to be used only by the relevant students).

- (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 (or if there are separate courses such as general course, specialist course, and others similar to them, 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 students who take a class at the same time;
 - (iv) its classes start not more than twice a year at a certain time and their ending time is clearly specified;
 - (v) assessment of academic achievement of its students 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 students and a diploma or certificate of completion is granted pursuant to the assessment.

(Prepaid Payment Instruments Issued Only to Persons Related to Schools)

Article 8 Prepaid payment instruments specified by Cabinet Office Order as prescribed in Article 4, paragraph (4), item (iv) of the Order are those prepaid payment instruments that a person engaging in the business using a school store and other facilities (hereinafter referred to as "facilities" in this Article) available for higher education students, secondary school children (limited to those who are taking a specified curriculum prescribed in paragraph (2) of the preceding Article in the case of a miscellaneous school) or elementary school children or employees of a specified school (meaning a school prescribed in Article 1 of the School Education Act, a special training college prescribed in Article 124 of the School Education Act, or a miscellaneous school prescribed in Article 134, paragraph (1) of the School Education Act) (hereinafter referred to as "students" in this Article) or former students (hereinafter collectively referred to as "persons related to the school") issues only to the persons related to the school (the prepaid payment instruments in question are limited to those that are designed to be used only in the facilities available for the persons related to the school).

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 under Article 5, paragraph (1) of the Act, it must

submit a written notice using the appended form 1 to the Commissioner of the Financial Services Agency with the document referred to in Article 5, paragraph (2) of the Act attached to it, by the day on which two months have passed from the day following the base date on which the unused base date balance of its prepaid payment instruments for own business exceeded the standard amount (meaning the standard amount prescribed in Article 14, paragraph (1) of the Act; the same applies in Article 24, Article 30-2, and Article 35) for the first time since it commenced to issue them.

(Other Particulars to Be Stated in a Written Notice)

Article 10 Particulars specified by Cabinet Office Order as prescribed in Article 5, paragraph (1), item (xi) of the Act are the following particulars:

- (i) the name, trade name or other name and address of any closely related person (meaning the closely related person prescribed in Article 3, paragraph (4) of the Act; the same applies in item (iv) of the following Article and Article 12, paragraph (1), item (vi)), and in the case of a corporation (including an association or foundation without juridical personality for which the representative person or administrator has been designated; hereinafter the same applies), the name of its representative person or administrator and the details of the close relationship between the closely related person and the issuer as prescribed in Article 3, paragraph (1) of the Order;
- (ii) the type of other business, if any; and
- (iii) the name of the certified association for payment service providers which the person joins.

(Documents to Be Attached to a Written Notice)

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

- (i) in the case of an individual, the following documents:
 - (a) an extract of the resident record or any substitute of it;
 - (b) a document certifying the former surname (meaning the former surname prescribed in Article 30-13 of the Order for Enforcement of the Act for Basic Register of Residents (Cabinet Order No. 292 of 1967); the same applies hereinafter) and the given name, if the former surname and the given name are stated together with the current surname and the given name in a written notice under Article 9, and the document listed in (a) does not certify the former surname and the given name;
- (ii) in the case of a corporation, the following documents:

- (a) the articles of incorporation or endowment and a certificate of registered information, or any substitute of them;
- (b) an extract of the resident record of the representative person or administrator (or if the representative person or administrator is a foreign national, a copy of a residence card (meaning the residence card prescribed in Article 19-3 of the Immigration Control and Refugee Recognition Act (Cabinet Order No. 319 of 1951); the same applies in Article 16, item (ii)), a copy of a special permanent resident certificate (meaning the special permanent resident certificate prescribed in Article 7, paragraph (1) of the Special Act on the Immigration Control of, Inter Alia, Those Who Have Lost Japanese Nationality Pursuant to the Treaty of Peace with Japan (Act No. 71 of 1991); the same applies in Article 16, item (ii)), or an extract of the resident record) or any substitute of them;
- (c) a document certifying the former surname and the given name, if the former surname and the given name of the representative person or administrator are stated together with their current surname and their given name in a written notice under Article 9, and the document listed in (b) does not certify the former surname and the given name;
- (d) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes) or any substitute of them (or in the case of a corporation 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 of it); and
- (e) 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 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 part of the business of issuing prepaid payment instruments is entrusted to a third party, the contract document for the entrustment contract;
- (iv) if there is a closely related person, a transcript of the family register, the shareholder register, the annual securities report, and any other documents certifying the existence of a close relationship prescribed in Article 3, paragraph (1) of the Order; and
- (v) documents containing other relevant particulars.

(Notification of Changes)

Article 12 (1) If an issuer of prepaid payment instruments for own business that submitted a written notice under Article 9 intends to make a notification under Article 5, paragraph (3) of the Act, it must submit a written notice of changes using the appended form 2 to the Commissioner of the Financial Services Agency with documents specified in the following items (limited to those issued within three months prior to the date of notification, in the case of documents certified by a public agency) attached to it according to the categories of cases specified in those items:

- (i) in the case of a change in the name, trade name, or other name: a certificate of registered information that contains the information related to the change, if the relevant issuer is a corporation;
- (ii) in the case of a change in the amount of capital or contribution: a certificate of registered information that contains the information related to the change, or any substitute of it;
- (iii) in the case of establishment or closure of a business office or office or a change in its location: a certificate of registered information that contains the information related to the change, if the relevant issuer is a corporation;
- (iv) in the case of a change in the representative person or administrator: the following documents:
 - (a) documents listed in item (ii), (a) and (b) of the preceding Article for the person who newly became the representative person or administrator;
 - (b) a document certifying the former surname and the given name, if the former surname and the given name of the person who newly became the representative person or administrator are stated together with their current surname and their given name in the written notice of changes, and the document listed in (a) (limited to the documents listed in item (ii), (b) of the preceding Article) does not certify the former surname and the given name;
- (v) in the case of a change in the particulars listed in Article 5, paragraph (1), items (vi) through (x) of the Act: documents listed in items (iii) and (v) of the preceding Article for the particulars 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 the person: documents listed in item (iv) of the preceding Article for the relationship after the change;
- (vii) in the case of a change in the other business: a certificate of registered information that contains the information related to the change or any substitute of it; and
- (viii) if the issuer of prepaid payment instruments for own business has joined a certified association for payment service providers or has withdrawn from it: a document that can demonstrate the fact that the issuer has joined a

certified association for payment service providers or has withdrawn from it.
(2) If the Commissioner of the Financial Services Agency accepts a notification under Article 5, paragraph (3) of the Act, the Commissioner must record the particulars subject to the notification 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 for 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 issuer's principal business office or office (or in the case of a corporation established under the laws and regulations of a foreign state that issues prepaid payment instruments for own business in Japan, over the location of 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 referred to in Article 7 of the Act must submit a written application for registration referred to in Article 8, paragraph (1) of the Act using the appended form 3 to the Commissioner of the Financial Services Agency with the documents referred to in paragraph (2) of that Article attached to it.

(Other Particulars to Be Stated in a Written Application for Registration)

Article 15 Particulars specified by Cabinet Office Order as prescribed in Article 8, paragraph (1), item (x) of the Act are the following particulars:

- (i) the name, trade name, or other name of any major shareholder (meaning a person that holds shares or contributions with the subject voting rights (meaning the subject voting rights prescribed in Article 3, paragraph (2), item (i) of the Order) amounting to not less than 10 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 that Article), under its own name or that of another person; the same applies in Article 20, paragraph (1), item (vi));
- (ii) the type of other businesses, if any;
- (iii) the name of the certified association for payment service providers which

- the person joins; and
- (iv) the trade name or other name and the location of the deposit-taking institution with which bank deposits are made or savings are put, if rules prescribed by the applicant for registration contain a provision to the effect that the applicant maintains the bank deposits or savings prescribed in Article 5, paragraph (1), item (ii), (d) of the Order in its account under its own name.

(Documents to Be Attached to a Written Application for Registration)

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

- (i) a document using the 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) an extract of the resident record of its officers (or if the officers are foreign nationals, a copy of a residence card, a copy of a special permanent resident certificate, or an extract of the resident record) or any substitute of it;
- (iii) a document certifying the former surname and the given name, if the former surname and the given name of an officer are stated together with their current surname and their given name in the written application for registration, and the document listed in the preceding item does not certify the former surname and the given name;
- (iv) a certificate by a public agency to the effect that its officers do not fall under Article 10, paragraph (1), item (ix), (b) of the Act (or if the officers are foreign nationals, a written pledge using the appended form 5) or any substitute of it;
- (v) a curriculum vitae or history of officers of the applicant prepared by using appended Form 6 or Form 7;
- (vi) the register of shareholders or members using the appended form 8, and the articles of incorporation or endowment and a certificate of registered information; or any substitute of them;
- (vii) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes) or any substitute of them (in the case of a corporation 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 of it);
- (viii) in the case of a company with accounting auditors, a document containing the contents of the accounting audit report under Article 396, paragraph (1)

- of the Companies Act for the business year preceding the business year that includes the date of the application for registration;
- (ix) internal rules concerning the business of issuing prepaid payment instruments, or other equivalents to them;
 - (x) an organization chart concerning the business of issuing prepaid payment instruments (including organizations that perform the operations for internal controls);
 - (xi) a document certifying the terms and conditions of the contract between the issuer of prepaid payment instruments for third-party business and member shops;
 - (xii) if part of the business of issuing prepaid payment instruments is entrusted to a third party, the contract document for the entrustment contract;
 - (xiii) the trade name or other name and the location of the deposit-taking institution in which the bank deposit are made or savings are put, and a document demonstrating that the bank account has been opened, if rules prescribed by the applicant for registration contain a provision to the effect that the applicant maintains the bank deposits or savings prescribed in Article 5, paragraph (1), item (ii), (d) of the Order in its account under its own name; and
 - (xiv) documents containing other relevant particulars.

(Notice to Applicant)

Article 17 When the Commissioner of the Financial Services Agency intends to give 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 using the 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 for 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 the issuer of prepaid payment instruments for third-party business (or in the case of a corporation established under the laws and regulations of a foreign state that issues prepaid payment instruments for third-party business in Japan, over the location of 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), (d) of the Order is the amount arrived at when the total amount set forth in item (ii) is deducted from the total amount set forth in item (i):

(i) the total of the amounts specified in the (a) and (b) for the categories of prepaid payment instruments prescribed in them:

(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 proceeds at the time of issuance (including the amounts that were thereafter added to addition-type prepaid payment instruments (or if the amounts are found to be converted to and indicated as a number in another unit, including monetary amounts converted from the numbers in the relevant 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 which can be requested to be delivered or provided 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 (a) and (b) for the categories of prepaid payment instruments prescribed in them:

(a) the amount that has been used for the payment of proceeds by using 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 requested by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (ii) of the Act.

(2) The person specified by Cabinet Office Order as prescribed in Article 10, paragraph (1), item (ix), (a) of the Act is a person that is unable to adequately carry out the reasoning, decision making, and communication necessary for properly performing their duties for the business of issuing prepaid payment instruments due to mental impairment.

(3) When the Commissioner of the Financial Services Agency intends to give a notice under Article 10, paragraph (2) of the Act, the Commissioner is to give it by a written notice of refusal of registration prepared using the appended form 10.

(Notification of Changes)

Article 20 (1) If an issuer of prepaid payment instruments for third-party business intends to make a notification under Article 11, paragraph (1) of the Act, it must submit a written notice of changes using the appended form 11 to

the Commissioner of the Financial Services Agency with documents specified in the following items (limited to those issued within three months prior to the date of notification, in the case of a document certified by a public agency) attached to it according to the categories of cases prescribed in those items:

- (i) in the case of a change in the trade name or other name: a certificate of registered information that contains the information related to the change or any substitute of it, and a document using the appended form 4 pledging 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 information that contains the information related to the change or any substitute of it;
- (iii) in the case of establishment, relocation or closure of a business office or office (excluding cases as listed in item (vii)): a certificate of registered information that contains the information related to the change;
- (iv) in the case of a change in the officers: the following documents;
 - (a) documents listed in Article 16, items (ii), (iv) and (v) for the person who newly became an officer, and documents listed in item (vi) of that Article for the change;
 - (b) a document certifying the former surname and the given name, if the former surname and the given name of the person who newly became an officer are stated together with their current surname and their given name in the written notice of changes, and the document listed in (a) (limited to the documents listed in Article 16, item (ii)) does not certify the former surname and the given name;
 - (c) a document using the appended form 4 pledging 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;
- (v) in the case of a change in the particulars listed in Article 8, paragraph (1), items (v) through (ix) of the Act: documents listed in Article 16, items (ix) through (xiv) for the particulars that have been changed;
- (vi) in the case of a change in the major shareholders: the register of shareholders or members prepared using the appended form 8;
- (vii) if an issuer of prepaid payment instruments for third-party business that has obtained the registration referred to in Article 9, paragraph (1) of the Act from the Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau changes the location of its principal business office or office to an area over which the Director-General of another local finance bureau including the Fukuoka Local Finance Branch Bureau has jurisdiction: the document prescribed in item (iii) and a written notice of completion of registration referred to in Article 17 that was delivered prior to

- the change;
- (viii) in the case of a change in the deposit-taking institution in which bank deposits are made and savings are put as prescribed in Article 5, paragraph (1), item (ii), (d) of the Order: the trade name or other name and the location of the new deposit-taking institution after the change in which the bank deposits are made or savings are put, and a document demonstrating that an account has been opened with the new deposit-taking institution; and
 - (ix) if the issuer of prepaid payment instruments for third-party business has joined a certified association for payment service providers or has withdrawn from it: a document that can demonstrate the fact that the issuer of prepaid payment instruments for third-party business has joined a certified association for payment service providers or has withdrawn from it.
- (2) When a notification under the preceding paragraph in the case set forth in item (vii) of that paragraph is made, the Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau must notify the Director-General of the other local finance bureau including the Fukuoka Local Finance Branch Bureau as referred to in that item to the effect that the notification has been made.
- (3) The Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau who has received the notification referred to in the preceding paragraph is to register the particulars subject to the notification in the registry of issuers of prepaid payment instruments for third-party business and notify the person who made the notification of this by the written notice of completion of registration referred to in Article 17.

Chapter IV Operations

(Methods for Provision of Information)

- Article 21 (1) If an issuer of prepaid payment instruments intends to issue prepaid payment instruments (excluding when the certificates, etc. (meaning the certificates, etc. prescribed in Article 3, paragraph (1), item (i) of the Act; hereinafter the same applies) of the prepaid payment instruments or documents or other materials that are an integral part of the prepaid payment instruments are not delivered to the user), it must provide the user with the information concerning the particulars listed in the items of Article 13, paragraph (1) of the Act by indicating the information on the prepaid payment instruments that it issues (including documents or other materials that are an integral part of the prepaid payment instruments).
- (2) If an issuer of prepaid payment instruments intends to issue prepaid payment instruments (limited to when the certificates, etc. of the prepaid payment instruments or documents or other materials that are an integral part of the

prepaid payment instruments are not delivered to the user), it must provide the user with the information concerning the particulars listed in the items of Article 13, paragraph (1) of the Act by any of the following methods:

- (i) a method in which information is transmitted through telecommunications lines connecting the electronic equipment used by the issuer of prepaid payment instruments with the electronic equipment used by the user and recorded in a file installed in the electronic equipment used by the relevant user;
 - (ii) a method in which information recorded in a file installed in the electronic equipment used by the issuer of prepaid payment instruments is made available for inspection by the user through telecommunications lines and recorded in a file installed in the electronic equipment used by the relevant user; or
 - (iii) if no file for recording information is installed in the electronic equipment used by the 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 paragraph (4), item (ii)) installed in the electronic equipment used by the issuer of prepaid payment instruments is made available for inspection by the user through telecommunications lines.
- (3) Notwithstanding the provisions of paragraph (1), if the prepaid payment instruments to be issued are used by presenting the electronic equipment used by the user that is connected to the electronic equipment used by the issuer of prepaid payment instruments through telecommunications lines (including the certificates, etc. if they are connected to the electronic equipment before or at the time of their use), the issuer of prepaid payment instruments may provide the users with information on the particulars listed in the items of Article 13, paragraph (1) of the Act by any of the methods listed in the items of the preceding paragraph.
- (4) The methods listed in the items of paragraph (2) must satisfy the following technical criteria:
- (i) the method listed in paragraph (2), item (i) or (ii) is one that enables the user to create a document by outputting the information recorded in the file (including outputting the relevant recorded information by transmitting it to other electronic equipment or any other method); and
 - (ii) the method listed in paragraph (2), item (iii) is one in which information recorded in the user file cannot be deleted or changed during three months from the time when the information is recorded in the relevant user file.

(Information to be Provided)

Article 22 (1) The particulars listed in the items of Article 13, paragraph (1) of the Act must be provided as information accurately using terms that are easy

to read and understand for persons who generally purchase or use prepaid payment instruments; provided, however, that if the prepaid payment instruments (excluding prepaid payment instruments for which information is to be provided by methods listed in the items of paragraph (2) of the preceding Article) are purchased for use only as gifts and designed not to clearly indicate their amount available for payment, etc. according to the purpose of that purchase, it is sufficient to indicate the amount available for payment, etc. listed in Article 13, paragraph (1), item (ii) of the Act with signs, pictures, or any other methods.

- (2) Particulars specified by Cabinet Office Order as prescribed in Article 13, paragraph (1), item (v) of the Act are the following particulars:
- (i) the scope of facilities or location where the prepaid payment instruments can be used;
 - (ii) necessary instructions for the use of the prepaid payment instruments;
 - (iii) in the case of prepaid payment instruments in which the amount (if the amount is found to be converted to and indicated as a number in another unit, including the number in the relevant unit; hereinafter the same applies in this item and paragraph (iv)) 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 proceeds in the case of the prepaid payment instruments referred to in Article 3, paragraph (1), item (i) of the Act or the quantity of goods or services which can be requested to be delivered or provided in the case of the prepaid payment instruments referred to in item (ii) of that paragraph; the same applies in Article 23-3, item (i) or the method by which the unused balance can be ascertained; and
 - (iv) if there are written general conditions or explanation concerning the use of the prepaid payment instruments or any other documents similar to them (hereinafter referred to as "written general conditions or other similar documents" in this Article), the fact that the relevant written general conditions or other similar documents exist.
- (3) Notwithstanding the provisions of the preceding two paragraphs, if the particulars 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 (excluding prepaid payment instruments for which information under paragraph (1) of that Article is provided by one of the methods listed in the items of paragraph (2) of the preceding Article), it is sufficient to indicate only the principal ones among the particulars listed in item (i) or (ii) of the preceding paragraph, only if all of the following requirements are satisfied:
- (i) the written general conditions or other similar documents contain the indication of the particulars listed in items (i) and (ii) of the preceding paragraph; and

- (ii) the written general conditions or other similar documents are delivered to the purchaser of the prepaid payment instruments when they are generally purchased.
- (4) If the record of an amount or of the quantity of goods or services is added in addition-type prepaid payment instruments (excluding addition-type prepaid payment instruments for which information under Article 13, paragraph (1) of the Act is provided by one of the methods listed in the items of paragraph (2) of the preceding Article), and the information has already been provided by an issuer of prepaid payment instruments pursuant to the provisions of Article 13, paragraph (1) of the Act regarding the addition-type prepaid payment instruments, the relevant provision of information is deemed to be the provision of information under that paragraph.

(Cases where Provision of Information is not Required)

Article 23 The cases specified by Cabinet Office Order as prescribed in Article 13, paragraph (2) of the Act are the cases where the certified association for payment service providers which the issuer of prepaid payment instruments joins makes public to the users of prepaid payment instruments the particulars listed in paragraph (1), item (iv) of that Article and the items of paragraph (2) of the preceding Article for that issuer.

(Other Measures to Ensure Protection of Users)

Article 23-2 (1) When issuing prepaid payment instruments, an issuer of prepaid payment instruments must provide users with information concerning the following particulars by delivering documents or using any other appropriate method:

- (i) the purpose of the provisions of Article 14, paragraph (1) of the Act, and the details of the right prescribed in Article 31, paragraph (1) of the Act;
- (ii) whether a security deposit for issuance is made or a guarantee contract of security deposit for issuance (meaning the guarantee contract of security deposit for issuance prescribed in Article 15 of the Act; the same applies hereinafter) or trust agreement for security deposits for issuance (meaning the trust agreement for security deposits for issuance prescribed in Article 16, paragraph (1) of the Act; the same applies hereinafter) is concluded, and if a guarantee contract of security deposit for issuance or trust agreement for security deposits for issuance is concluded, the name, trade name or any other name of the other party to the relevant contract; and
- (iii) a policy for compensation for or any other response to any loss incurred by users due to instructions given in relation to the business of issuing prepaid payment instruments by an unauthorized person against the intention of the users.

- (2) If the record of an amount (if the amount is found to be converted to and indicated as a number in another unit, including the number in the relevant unit) or the quantity of goods or services is added in addition-type prepaid payment instruments, and the information has already been provided by an issuer of prepaid payment instruments pursuant to the provisions of the preceding paragraph regarding the addition-type prepaid payment instruments, the relevant provision of information is deemed to be the provision of information under that paragraph.
- (3) Notwithstanding the provisions of paragraph (1), if a certified association for payment service providers which an issuer of prepaid payment instruments joins makes public to the users of prepaid payment instruments the particulars listed in the items of that paragraph for the relevant issuer of prepaid payment instruments, the issuer of prepaid payment instruments is not required to provide information regarding these particulars pursuant to the provisions of that paragraph.

Article 23-3 In order to protect users of prepaid payment instruments and ensure the sound and appropriate management of the business of issuing prepaid payment instruments, an issuer of prepaid payment instruments must take the measures listed in the following items:

- (i) if prepaid payment instruments (limited to those for which an issuer of prepaid payment instruments can transfer, upon the instruments of their holder, the whole or part of the unused balance to another holder by using an electronic data processing system it uses or any other method) are issued: setting the upper limit of the unused balance that can be transferred, development of systems for supervising the status of transfer of the unused balance, and other appropriate measures to prevent the inappropriate use of the prepaid payment instruments; and
- (ii) if it is found necessary in light of the contents and methods of the business of issuing prepaid payment instruments: appropriate measures to make public to persons other than users of prepaid payment instruments a policy for compensation for or any other response to any loss incurred by these persons in relation to the relevant business.

(Making Security Deposits 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 base date on which the unused base date balance has exceeded the standard amount.
- (2) If succession of the business of issuing prepaid payment instruments occurs, the security deposit for issuance, guarantee contract of security deposit for issuance, or trust agreement for security deposits for issuance that has been

made or concluded by the person that has had the business succeeded to is deemed to be made or concluded on behalf of the person that has succeeded to the relevant business until the person that has succeeded to the business makes a security deposit for issuance in an amount not less than the amount required for deposit (meaning the amount required for deposit prescribed in Article 14, paragraph (1) of the Act; the same applies in Article 30-2, item (ii) and Article 35, item (viii), (b)) pursuant to the provisions of Article 14, paragraph (1) of the Act (or until that person makes a notification to the effect that the person has concluded a guarantee contract of security deposit for issuance under Article 15 of the Act, or places trust property in the trust with a notification being made to the effect that the person has concluded a trust agreement for security deposits for issuance under Article 16, paragraph (1) of the Act; the same applies in Article 26, paragraphs (3) and (4)).

(Amount of Shortfall Requiring Additional Deposit)

Article 25 The amount calculated in accordance with the method specified by Cabinet Office Order as prescribed in Article 14, paragraph (2) of the Act is half of the amount arrived at when the unused base date balance as of the base date of the prepaid payment instruments subject to the procedure for refund under Article 20, paragraph (1) of the Act and the procedure for the fulfillment of the right referred to in Article 31, paragraph (1) of the Act is deducted from the unused base 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 referred to in Article 14, paragraph (2) must be made by the day on which two weeks have passed from the day on which the issuer of prepaid payment instruments came to know the fact referred to in that 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 following the first base 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 for the base date by the relevant time limit for depositing the shortfall or the unused base date balance prescribed in Article 14, paragraph (1) of the Act has decreased to ten million yen or less on the base date (excluding when the procedure for refund under Article 20, paragraph (1) of the Act that was commenced on or before the base date has not been completed as of the relevant base date and when the procedure for the fulfillment of the right petitioned pursuant to the provisions of Article 11,

paragraph (1) of the Order has not been completed as of the base date), the issuer of prepaid payment instruments is not required to make the deposit referred to in Article 14, paragraph (2) of the Act.

- (3) If an issuer of prepaid payment instruments, on or before the day on which the fact set forth in Article 14, paragraph (2) of the Act occurred, did not make a security deposit for issuance under paragraph (1) of that Article for the base date immediately preceding the day on which the relevant fact occurred, the issuer of prepaid payment instruments is not required to make the deposit referred to in paragraph (2) of that Article.
- (4) Notwithstanding the provisions of paragraph (1), if an issuer of prepaid payment instruments, on or before the day on which the fact set forth in Article 14, paragraph (2) of the Act occurred, has made a security deposit for issuance under paragraph (1) of that Article for the base date immediately preceding the day on which the relevant fact occurred, and the time limit for depositing the shortfall due to the occurrence of the fact falls within two months from the base date, it is sufficient for the issuer of prepaid payment instruments to make the deposit referred to in paragraph (2) of that Article within two months from the day following the relevant base date.

(Additional Security Deposit for Issuance)

Article 27 (1) An issuer of prepaid payment instruments intending to make a notification under Article 14, paragraph (2) of the Act must submit a written notice using the appended form 12 to the Commissioner of the Financial Services Agency with the documents specified in the following items attached to it according to the categories of cases prescribed in those items:

- (i) if the issuer of prepaid payment instruments has made a new security deposit for issuance: a copy of an authenticated copy of the certificate of that deposit;
- (ii) if the issuer of prepaid payment instruments has concluded a new guarantee contract of security deposit for issuance or amended 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 on the newly concluded guarantee contract of security deposit for issuance, a copy of the contract document on the amendment, or a copy of a document certifying the amendment;
- (iii) if the issuer of prepaid payment instruments has concluded a new trust agreement for security deposits for issuance or amended the terms and conditions of the existing trust agreement for security deposits for issuance (excluding the cancellation of part of the contract): a copy of the contract document on the newly concluded trust agreement for security deposits for issuance, a copy of the contract document on the amendment, or a copy of a

- document certifying the amendment; and a document certifying the amount of the trust property (meaning the amount of the trust property prescribed in Article 16, paragraph (1) of the Act; the same applies hereinafter);
- (iv) if the issuer of prepaid payment instruments has recovered the security deposit for issuance pursuant to the provisions of Article 9, paragraph (1) or (2) of the Order on or after the day following the date of submission of the written report referred to in Article 23, paragraph (1) of the Act for the immediately preceding base date (limited to when the recovery is made for part of the security deposit): a document certifying that the issuer has had the particulars certified pursuant to the provisions of Article 49, paragraph (1) of the Deposit Regulation (Order of the Ministry of Justice No. 2 of 1959) concerning the amount of money deposited, or the name, quantity, face value, and total face value of bond certificates deposited (or in the case of book-entry government bonds, the issue and amount of them) that have been partially recovered;
 - (v) if the issuer of prepaid payment instruments has cancelled part of the existing guarantee contract of security deposit for issuance on or after the day following the date of submission of the written report referred to in Article 23, paragraph (1) of the Act for the immediately preceding base date: a copy of the contract document on the cancellation or of a document certifying the cancellation; and
 - (vi) if the issuer of prepaid payment instruments has cancelled part of the existing trust agreement for security deposits for issuance on or after the day following the date of submission of the written report referred to in Article 23, paragraph (1) of the Act for the immediately preceding base date: a copy of the contract document on the cancellation or a copy of a document certifying the cancellation, and a document certifying the amount of the trust property.
- (2) If the Commissioner of the Financial Services Agency finds it necessary, the Commissioner may order an issuer of prepaid payment instruments to submit the authenticated copy of the certificate of deposit referred to in item (i) of the preceding paragraph or the original of the contract document referred to in item (ii) or (iii) of the same paragraph.

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

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

- (i) national government bond certificates (including those for which the ownership of the right is determined based on the statement or record in the book-entry account register under the provisions of the Act on Book-Entry

Transfer of Corporate Bonds and Shares (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 in which the security deposits for issuance are paid 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 prescribed in those items:

- (i) bond certificates specified in item (i) of the preceding Article: the face value (or for those for which the ownership of the right is determined based on the statement or record in the book-entry account register under the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares, the amount stated or recorded in the book-entry account register; hereinafter the same applies in this Article);
- (ii) bond certificates specified in item (ii) of the preceding Article: the amount calculated with every one hundred yen of the face value deemed to be ninety yen;
- (iii) bond certificates specified in item (iii) of the preceding Article: the amount calculated with every one hundred yen of the face value deemed to be ninety-five yen; and
- (iv) bond certificates specified in item (iv) of the preceding Article: the amount calculated with every one hundred yen of the face value deemed to be eighty yen.

(2) The provisions of the preceding paragraph apply to bond certificates issued on a discount basis, with the face value deemed to be the amount calculated by the following formula added to the issue price:

$$((\text{face value} - \text{issue price}) / \text{number of years from the issue date to the redemption date}) \times (\text{number of years from the issue date to the deposit date})$$

(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 when the difference

between the face value and the issue price is divided by the number of years from the issue date to the redemption date.

(Notification of Guarantee Contract of Security Deposit for Issuance)

Article 30 When an issuer of prepaid payment instruments intends to make a notification under Article 15 of the Act, the issuer must submit a written notice of guarantee contract of security deposit for issuance using the appended form 13 to the Commissioner of the Financial Services Agency with a copy of the guarantee contract of security deposit for issuance attached to it.

(Contents of Guarantee Contract of Security Deposit for Issuance)

Article 30-2 The provisions specified by Cabinet Office Order as prescribed in Article 7 of the Order are provisions to the effect that the whole or part of a guarantee contract of security deposit for issuance may not be cancelled except in the following cases:

- (i) if the unused base date balance on the immediately preceding base date is not more than the standard amount, and the whole or part of the relevant guarantee contract of security deposit for issuance is cancelled;
- (ii) if the amount required for deposit on the immediately preceding base date falls short of the total of the amount of security deposit for issuance, etc. (meaning the total of the amount of the security deposit for issuance, etc. prescribed in Article 9, paragraph (1), item (ii) of the Order; hereinafter the same applies in this Article and Article 35, item (viii)) on the day following the date of submission of the written report referred to in Article 23, paragraph (1) of the Act for the base date, and the whole or part of the relevant guarantee contract of security deposit for issuance is cancelled within the limit of the secured amount (meaning the secured amount prescribed in Article 15 of the Act; hereinafter the same applies in this Article), up to the amount of that shortage;
- (iii) if the unused balance as of the day on which the procedure for the fulfillment of the right prescribed in Article 9, paragraph (1), item (iii) of the Order has been completed is not more than the standard amount, and the whole or part of the relevant guarantee contract of security deposit for issuance is cancelled;
- (iv) if the unused balance as of the day on which the procedure for the fulfillment of the right prescribed in Article 9, paragraph (1), item (iii) of the Order has been completed exceeds the standard amount, and the whole or part of the relevant guarantee contract of security deposit for issuance is cancelled within the limit of the secured amount as of that day, up to the amount remaining after half of the unused balance as of that day is deducted from the total of the amount of security deposit for issuance, etc. as of that

day;

- (v) if the unused balance as of the day on which the procedure for refund prescribed in Article 9, paragraph (2), item (i) of the Order has been completed is not more than the standard amount, and the whole or part of the relevant guarantee contract of security deposit for issuance is cancelled; and
- (vi) if the unused balance as of the day on which the procedure for refund prescribed in Article 9, paragraph (2), item (i) of the Order has been completed exceeds the standard amount, and the whole or part of the relevant guarantee contract of security deposit for issuance is cancelled within the limit of the secured amount as of that day, up to the amount remaining after half of the unused balance as of that day is deducted from the total of the amount of security deposit for issuance, etc. as of that day.

(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 Order 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 prescribed in those items:

- (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 item (ii)) 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 (or if there is an explanatory document for the interim business year of the business year following the business year of that latest explanatory document, in the explanatory document for the interim business year) satisfies all requirements specified in (a) through (c) below for the categories of ratios prescribed in them:
 - (a) non-consolidated common equity tier 1 ratio: not less than 4.5 percent;
 - (b) non-consolidated tier 1 ratio: not less than 6 percent;
 - (c) non-consolidated total capital adequacy ratio: not less than 8 percent;
- (i)-2 long-term credit 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 (or if there is an explanatory document for the interim business year of the business year following the business year of that latest explanatory document, in the relevant explanatory document for the interim business year) is not less than 8 percent;

- (i)-3 federations of Shinkin banks that have overseas bases: the non-consolidated capital adequacy ratio under the international uniform standard included in the latest explanatory document on the status of business and property (or if there is an explanatory document for the interim business year of the business year following the business year of the latest explanatory document, in the explanatory document for the interim business year) satisfies all requirements specified in (a) through (c) below for the categories of ratios prescribed in them:
 - (a) non-consolidated common capital contribution tier 1 ratio: not less than 4.5 percent;
 - (b) non-consolidated tier 1 ratio: not less than 6 percent;
 - (c) non-consolidated total capital adequacy ratio: not less than 8 percent;
- (ii) banks or long-term credit banks that do not have overseas business locations or federations of Shinkin banks or Shinkin banks that do not have overseas bases: the non-consolidated capital adequacy ratio under the domestic standard included in the latest explanatory document on the status of business and property (or if there is an explanatory document for the interim business year of the business year following the business year of the latest explanatory document, in the explanatory document for the interim business year) is not less than 4 percent;
- (iii) labor banks, federations of labor banks, credit cooperatives, federations of credit cooperatives engaging in the business referred to in Article 9-9, paragraph (1), item (i) of the Small and Medium Sized Enterprises Cooperatives Act (Act No. 181 of 1949), agricultural cooperative or federations of agricultural cooperative engaging in the business referred to in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947), fisheries cooperative engaging in the business referred to 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 referred to in Article 87, paragraph (1), item (iv) of that Act, fishery processing cooperative engaging in the business referred to in Article 93, paragraph (1), item (ii) of that Act, or federations of fishery processing cooperatives engaging in the business referred to in Article 97, paragraph (1), item (ii) of that Act: the non-consolidated capital adequacy ratio included in the latest explanatory document on the status of business and property is not less than 4 percent;
- (iv) Norinchukin banks: the non-consolidated capital adequacy ratio included in the latest explanatory document on the status of business and property satisfies all requirements specified in (a) through (c) below for the categories of ratios prescribed in them:
 - (a) non-consolidated common capital contribution tier 1 ratio: not less than

- 4.5 percent;
- (b) non-consolidated tier 1 ratio: not less than 6 percent;
 - (c) non-consolidated total capital adequacy ratio: not less than 8 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 (or if there is an explanatory document for the interim business year of the business year following the business year of that latest explanatory document, in the explanatory document for the interim business year) satisfies all requirements specified in (a) through (c) below for the categories of ratios prescribed in them:
- (a) non-consolidated common equity tier 1 ratio: not less than 4.5 percent;
 - (b) non-consolidated tier 1 ratio: not less than 6 percent;
 - (c) non-consolidated total capital adequacy ratio: not less than 8 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) that have the relevant branch offices satisfy the criteria that are equivalent to the criteria prescribed in Article 14-2 of that Act and that apply to the foreign banks in their respective foreign states.
- (2) The term "overseas business locations" as used in items (i), (i)-2, and (ii) of the preceding paragraph means the overseas business locations prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act (Order of the Prime Minister's Office and the Ministry of Finance No. 39 of 2000) or in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act (Order of the Prime Minister's Office and the Ministry of Finance No. 40 of 2000).
- (3) The term "overseas bases" as used in paragraph (1), items (i)-3 and (ii) means the overseas bases prescribed in Article 3, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act (Order of the Prime Minister's Office and the Ministry of Finance No. 41 of 2000).
- (4) The term "international uniform standard" as used in paragraph (1), items (i) through (i)-3 means the international uniform standard prescribed in Article 1, paragraph (4) or Article 3, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, in Article 1, paragraph (4) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act, or in Article 3, paragraph (5) of the Order Providing for the Categories, etc.

Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act.

- (5) The term "non-consolidated capital adequacy ratio" as used in paragraph (1), items (i) through (ii) means the non-consolidated capital adequacy ratio prescribed in Article 1, paragraph (7) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, in Article 1, paragraph (6) of Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act, or in Article 3, paragraph (6) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act; the terms "non-consolidated common equity tier 1 ratio", "non-consolidated tier 1 ratio", and "non-consolidated total capital adequacy ratio" as used in paragraph (1), item (i) mean the non-consolidated common equity tier 1 ratio, non-consolidated tier 1 ratio, and non-consolidated total capital adequacy ratio prescribed in Article 1, paragraph (7) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act; and the terms "non-consolidated common capital contribution tier 1 ratio", "non-consolidated tier 1 ratio", and "non-consolidated total capital adequacy ratio" as used in paragraph (1), item (i)-3 mean the non-consolidated common capital contribution tier 1 ratio, non-consolidated tier 1 ratio, and non-consolidated total capital adequacy ratio prescribed in Article 3, paragraph (6) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act.
- (6) The term "domestic standard" as used in paragraph (1), item (ii) means the domestic standard prescribed in Article 1, paragraph (5) or Article 3, paragraph (4) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, in Article 1, paragraph (5) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act, or in Article 3, paragraph (4) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act.
- (7) The term "non-consolidated capital adequacy ratio" as used in paragraph (1), item (iii) means: for labor banks or federations of labor banks, the non-consolidated capital adequacy ratio prescribed in Article 2, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 94,

Paragraph (1) of the Labor Bank Act (Order of the Prime Minister's Office, the Ministry of Finance and the Ministry of Labour No. 8 of 2000); for credit cooperatives or federations of cooperatives engaging in the business referred to in Article 9-9, paragraph (1), item (i) of the Small and Medium Sized Enterprises Cooperatives Act, the non-consolidated capital adequacy ratio prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 6, Paragraph (1) of the Act on Financial Businesses by Cooperative (Order of the Prime Minister's Office and the Minister of Finance No. 42 of 2000); for agricultural cooperatives or federations of agricultural cooperatives engaging in the business referred to in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act, the non-consolidated capital adequacy ratio prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 94-2, paragraph (3) of the Agricultural Cooperatives Act (Order of the Prime Minister's Office, the Ministry of Finance and the Ministry of Agriculture, Forestry and Fisheries No. 13 of 2000); for fisheries cooperatives engaging in the business referred to in Article 11, paragraph (1), item (iv) of the Fisheries Cooperatives Act or fishery processing cooperatives engaging in the business referred to in Article 93, paragraph (1), item (ii) of that Act, the non-consolidated capital adequacy ratio prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 123-2, Paragraph (3) of the Fisheries Cooperatives Act (Order of the Prime Minister's Office, the Ministry of Finance and the Ministry of Agriculture, Forestry and Fisheries No. 15 of 2000); and for federations of fisheries cooperatives engaging in the business referred to in Article 87, paragraph (1), item (iv) of that Act or federations of fishery processing cooperatives engaging in the business referred to in Article 97, paragraph (1), item (ii) of that Act, the non-consolidated capital adequacy ratio prescribed in Article 3, paragraph (3) of that Order.

- (8) The terms "non-consolidated capital adequacy ratio", "non-consolidated common capital contribution tier 1 ratio", "non-consolidated tier 1 ratio", and "non-consolidated total capital adequacy ratio" as used in paragraph (1), item (iv) mean the non-consolidated capital adequacy ratio, non-consolidated common capital contribution tier 1 ratio, non-consolidated tier 1 ratio, and non-consolidated total capital adequacy ratio prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 85, Paragraph (2) of the Norinchukin Bank Act (Order of the Cabinet Office, the Ministry of Finance and the Ministry of Agriculture, Forestry and Fisheries No. 3 of 2001).
- (9) The term "non-consolidated capital adequacy ratio" as used in paragraph (1), item (v) means the ratio obtained by the formula for the standard prescribed in

Article 23, paragraph (1), item (i) of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007), and the terms "non-consolidated common equity tier 1 ratio", "non-consolidated tier 1 ratio", and "non-consolidated total capital adequacy ratio" as used in paragraph (1), item (v) mean the non-consolidated capital adequacy ratio obtained by the formula.

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

Article 32 (1) The category for one that is determined to be at the level of solvency in terms of the ability to pay out insurance proceeds, etc. as specified by Cabinet Office Order as prescribed in Article 8, paragraph (2), item (i) of the Order is for one whose ratio indicating the level of solvency in terms of the ability to pay out insurance proceeds, etc. that is included in the latest explanatory documents on the status of business and property is not less than 200 percent.

(2) The term "ratio indicating the level of solvency in terms of the ability to pay out insurance proceeds, etc." as prescribed in the preceding paragraph means the ratio obtained by the formula for the standard prescribed in the following items for the categories prescribed in those items:

(i) insurance companies (meaning the insurance companies prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); hereinafter the same applies in this item and the following paragraph): the standards prescribed in Article 130 of that Act that are established using the amount set forth in the items of that Article for insurance companies;

(ii) foreign insurance companies, etc. (meaning the foreign insurance companies, etc. prescribed in Article 2, paragraph (7) of the Insurance Business Act; the same applies in the following paragraph): the standard prescribed in Article 202 of that Act; and

(iii) underwriting members (meaning the underwriting members referred to in Article 219, paragraph (1) of the Insurance Business Act; the same applies in the following paragraph): the standard prescribed in Article 228 of that Act.

(3) Persons specified by Cabinet Office Order as prescribed in Article 8, paragraph (2), item (i) of the Order are insurance companies, foreign insurance companies, etc., or underwriting members.

(Cancellation of Whole of Guarantee Contract of Security Deposit for Issuance)

Article 33 If an issuer of prepaid payment instruments intends to cancel the whole of a guarantee contract of security deposit for issuance, the issuer is to submit a written notice of cancellation of the whole of the guarantee contract of security deposit for issuance using the appended form 14 to the Commissioner

of the Financial Services Agency.

(Notification of Trust Agreement for Security Deposits for Issuance)

Article 34 If an issuer of prepaid payment instruments intends to make a notification under the provisions of Article 16, paragraph (1) of the Act, the issuer must submit a written notice of trust agreement for security deposits for issuance using the appended form 15 to the Commissioner of the Financial Services Agency with a copy of the trust agreement for security deposits for issuance attached to it.

(Contents of the Trust Agreement for Security Deposits for Issuance)

Article 35 Particulars specified by Cabinet Office Order as prescribed in Article 16, paragraph (2), item (iv) of the Act are the following particulars:

- (i) the settlor, the trustee, and the beneficiary of the principal of the trust property under the trust agreement for security deposits for issuance are a trust agreement prepaid payment instruments issuer (meaning an issuer of prepaid payment instruments that concludes a trust agreement for security deposits for issuance; the same applies hereinafter), a trust company, etc., and the holder of prepaid payment instruments issued by the trust agreement prepaid payment instruments issuer, respectively;
- (ii) if more than one trust agreement for security deposits for issuance is concluded, the same person is appointed as the beneficiary's agent for all of the contracts;
- (iii) if the trust agreement prepaid payment instruments issuer falls under any of the following conditions, the trust agreement prepaid payment instruments issuer does not give any instructions to the trust company, etc. regarding investment of trust property:
 - (a) if the trust agreement prepaid payment instruments issuer is an issuer of prepaid payment instruments for own business, and is ordered to suspend the whole or part of the business of issuing prepaid payment instruments under Article 26 of the Act;
 - (b) if the trust agreement prepaid payment instruments issuer is an issuer of prepaid payment instruments for third-party business, and has the registration under Article 7 of the Act revoked pursuant to the provisions of Article 27, paragraph (1) or (2) of the Act;
 - (c) if a petition for commencement of bankruptcy proceedings, etc. (meaning the petition for commencement of bankruptcy proceedings, etc. prescribed in Article 2, paragraph (18) of the Act) is filed against the trust agreement prepaid payment instruments issuer;
 - (d) if the trust agreement prepaid payment instruments issuer discontinues the whole of the business of issuing prepaid payment instruments;

- (e) if the trust agreement prepaid payment instruments issuer receives an order to suspend the whole or part of the business of issuing prepaid payment instruments for third-party business under Article 27, paragraph (1) of the Act (limited to cases falling under item (iii) or (iv) of that paragraph); or
- (f) if the Commissioner of the Financial Services Agency issues an order to make a deposit;
- (iv) if the trust agreement prepaid payment instruments issuer falls under any of the conditions listed in the preceding item, the beneficiary and the beneficiary's agent may not exercise beneficial claims against the trust company, etc.;
- (v) if the trust property under the trust agreement for security deposits 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 Engagement in Trust Business by a Financial Institution (Act No. 43 of 1943); hereinafter the same applies in this Article) and principal protection is provided; the same applies in the following item) is invested, the investment is made in the following manner:
 - (a) holding 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 (excluding bank deposits and savings with itself if the relevant trust agreement prepaid payment instruments issuer is that deposit-taking institution); 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 principal protection is provided under the terms and conditions of the contract pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by a Financial Institution;
- (vi) if the trust agreement prepaid payment instruments issuer maintains the trust property in the form of bond certificates or invests the trust property under the trust agreement for security deposits for issuance in a manner listed in (a) of the preceding item, the trust company, etc. or the trust agreement prepaid payment instruments issuer determines its appraised value in accordance with the method prescribed in Article 37;
- (vii) if the trust agreement for security deposits for issuance is a money in trust agreement with a financial institution engaging in the trust business under which principal protection is provided, the appraised value of the

principal of the trust property is the principal amount of the money in trust agreement;

- (viii) except in the following cases, the whole or part of the trust agreement for security deposits for issuance may not be cancelled;
 - (a) if the unused base date balance on the immediately preceding base date is not more than the standard amount, and the whole or part of the relevant trust agreement for security deposits for issuance is cancelled;
 - (b) if the amount required for deposit on the immediately preceding base date falls short of the total of the amount of security deposit for issuance, etc. on the day following the date of submission of the written report referred to in Article 23, paragraph (1) of the Act for the base date, and the whole or part of the relevant trust agreement for security deposits for issuance is cancelled within the limit of the amount of the trust property, up to the amount of that shortage;
 - (c) if the unused balance as of the day on which the procedure for the fulfillment of the right prescribed in Article 9, paragraph (1), item (iii) of the Order has been completed is not more than the standard amount, and the whole or part of the relevant trust agreement for security deposits for issuance is cancelled;
 - (d) if the unused balance as of the day on which the procedure for the fulfillment of the right prescribed in Article 9, paragraph (1), item (iii) of the Order has been completed exceeds the standard amount, and the whole or part of the relevant trust agreement for security deposits for issuance is cancelled within the limit of the amount of the trust property as of that day, up to the amount remaining after half of the unused balance as of that day is deducted from the total of the amount of security deposit for issuance, etc. as of that day;
 - (e) if the unused balance as of the day on which the procedure for refund prescribed in Article 9, paragraph (2), item (i) of the Order has been completed is not more than the standard amount, and the whole or part of the relevant trust agreement for security deposits for issuance is cancelled;
and
 - (f) if the unused balance as of the day on which the procedure for refund prescribed in Article 9, paragraph (2), item (i) of the Order has been completed exceeds the Standard Amount, and the whole or part of the relevant trust agreement for security deposits for issuance is cancelled within the limit of the amount of the trust property as of that day, up to the amount remaining after half of the unused balance as of that day is deducted from the total of the amount of security deposit for issuance, etc. as of that day;
- (ix) the trust property subject to the cancellation of the whole or part of the

- trust agreement for security deposits for issuance under the preceding item is vested in the trust agreement 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. makes a deposit in response to the order under Article 17 of the Act, it may terminate the trust agreement for security deposits for issuance;
 - (xii) in the case referred to in the preceding item, any residual property remaining after the termination of the trust agreement for security deposits for issuance may be vested in the trust agreement prepaid payment instruments issuer; and
 - (xiii) remuneration and any other costs to be paid by the trust agreement prepaid payment instruments issuer to the trust company, etc. or the beneficiary's agent and the costs required for the realization of the trust property by that trust company, etc. are paid using 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 Cabinet Office Order as prescribed in Article 16, paragraph (3) of the Act are bank deposits and savings with a deposit-taking institution (excluding bank deposits and savings with itself if the relevant trust agreement prepaid payment instruments issuer is that deposit-taking institution).
- (2) Bond certificates specified by Cabinet Office Order as prescribed in Article 16, paragraph (3) of the Act are the following bond certificates (including those for which the ownership of the right is determined based on the statement or record in the book-entry account register under the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares; 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 Order on the Provision or Publication of Securities Information, etc. (Cabinet Office Order No. 78 of 2008)); and

(vi) corporate bond certificates or any other bond certificates specified by the Commissioner of the Financial Services Agency.

(Estimated Amount 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), (a), the estimated amount of the bond certificates is an amount not exceeding the market value of the bond certificates as of each base date of the issuer of prepaid payment instruments multiplied by the ratio specified in the following items according to the categories of bond certificates prescribed in those items:

- (i) bond certificates specified in paragraph (2), item (i) of the preceding Article: 100 percent;
- (ii) bond certificates specified in paragraph (2), item (ii) of the preceding Article: 90 percent;
- (iii) bond certificates specified in paragraph (2), item (iii) of the preceding Article: 95 percent;
- (iv) bond certificates specified in paragraph (2), item (iv) of the preceding Article: 90 percent;
- (v) bond certificates specified in paragraph (2), item (v) of the preceding Article: 85 percent; and
- (vi) bond certificates specified in paragraph (2), item (vi) of the preceding Article: 80 percent.

(Cancellation of Whole of Trust Agreement for Security Deposits for Issuance)

Article 38 If an issuer of prepaid payment instruments intends to cancel the whole of a trust agreement for security deposits for issuance, the issuer is to submit a written notice of cancellation of the whole of the trust agreement for security deposits for issuance using the appended form 16 to the Commissioner of the Financial Services Agency.

(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, the deposit must be made to the official depository nearest to the principal business office or office of the issuer of prepaid payment instruments that concluded the relevant guarantee contract of security deposit for issuance or trust agreement for security deposits for issuance.

(2) The person that has made the deposit referred to in the preceding paragraph must submit a written notice using the appended form 17 to the Commissioner

of the Financial Services Agency with the authenticated copy of the certificate of that deposit attached to it, without delay.

(Recovery of Security Deposit for Issuance)

Article 40 (1) The unused balance as of the day on which the procedure for the fulfillment of the right prescribed in Article 9, paragraph (1), item (iii) of the Order is the amount arrived at when the total amount set forth in item (ii) is deducted from the total amount set forth in item (i):

(i) the total of the amounts listed in (a) and (b):

(a) the unused base date balance as of the latest base date falling before the day on which the procedure for the fulfillment of the right referred to in Article 31, paragraph (1) of the Act was completed (hereinafter referred to as the "procedure completion date" in this paragraph) (that latest base date falling before the procedure completion date is hereinafter referred to as the "latest base date" in this paragraph); and

(b) the total of the amounts of prepaid payment instruments that were issued during the period from the day following the latest base date to the procedure completion date;

(ii) the total of the amounts listed in (a) and (b):

(a) the amount that was used for the payment of proceeds by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day following the latest base 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 requested by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day following the latest base date to the 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 arrived at when the total amount set forth in item (ii) is deducted from the total amount set forth in item (i):

(i) the total of the amounts listed in (a) and (b):

(a) the unused base date balance as of the latest base 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) (that latest base date falling before the refund completion date is hereinafter referred to as the "latest base date" in this paragraph); and

(b) the total of the amounts of prepaid payment instruments that were issued during the period from the day following the latest base date to the refund

- completion date;
- (ii) the total of the amounts listed in (a) and (b):
 - (a) the amount that was used for the payment of proceeds by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day following the latest base 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 requested by the prepaid payment instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day following the latest base date to the refund completion date.

(Refunds to the Holders of Prepaid Payment Instruments)

Article 41 (1) The amount specified by Cabinet Office Order as prescribed in Article 20, paragraph (1) of the Act is the amount arrived at when the total amount set forth in item (ii) is deducted from the total amount set forth in item (i):

- (i) the total of the amounts listed in (a) and (b) of the prepaid payment instruments subject to the refund:
 - (a) the unused base date balance as of the latest base date falling before the day on which a public notice was given pursuant to the provisions of Article 20, paragraph (2) of the Act (hereinafter referred to as the "refund base date" in this paragraph) (that latest base date falling before the refund base date is hereinafter referred to as the "latest base date" in this paragraph); and
 - (b) the total of the amounts of prepaid payment instruments that were issued during the period from the day following the latest base date to the refund base date;
 - (ii) the total of the amounts listed in (a) and (b) of the prepaid payment instruments subject to the refund:
 - (a) the amount that was used for the payment of proceeds by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day following the latest base date to the refund base date; and
 - (b) the monetary amount converted as of the refund base date from the quantity of goods or services that were requested by using the prepaid payment instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day following the latest base date to the refund base date.
- (2) An issuer of prepaid payment instruments must give a public notice of the particulars listed in Article 20, paragraph (2), items (i) through (iii) of the Act

- and the particulars listed in paragraph (5), items (i) and (ii) in the Official Gazette or a daily newspaper that publishes particulars on current events or by means of electronic public notice (meaning the electronic public notice prescribed in Article 2, item (xxxiv) of the Companies Act).
- (3) An issuer of prepaid payment instruments must take measures to post the particulars listed in the items of Article 20, paragraph (2) of the Act in a location easily seen by the public at all of its business offices or offices and the member shops.
- (4) If an issuer of prepaid payment instruments intends to make a refund for prepaid payment instruments that are used when goods are delivered or services are provided through telecommunications lines connecting the computer used by the issuer or the person designated by the issuer with the computer of the users, the issuer, in lieu of the posting prescribed in the preceding paragraph, must provide the users of the prepaid payment instruments subject to the relevant refund with information concerning the particulars listed in the items of Article 20, paragraph (2) of the Act by the same method as any of those prescribed in Article 21, paragraph (2) that the issuer employs for providing the relevant information to the users.
- (5) Particulars specified by Cabinet Office Order as prescribed in Article 20, paragraph (2), item (iv) of the Act are the following particulars:
- (i) the name, trade name or other name of the issuer of prepaid payment instruments that is to make the refund;
 - (ii) the type of prepaid payment instruments subject to the refund;
 - (iii) the contact address of the business office or office that is to respond to inquiries regarding the refund;
 - (iv) the method for making a request under Article 20, paragraph (2), item (ii) of the Act;
 - (v) the method for the refund; and
 - (vi) other particulars relevant to the procedure for the refund.
- (6) If an issuer of prepaid payment instruments gives a public notice under Article 20, paragraph (2) of the Act, the issuer is to immediately submit a written notice using the appended form 18 to the Commissioner of the Financial Services Agency with the following documents attached to it:
- (i) a copy of the relevant public notice;
 - (ii) a document containing information that can be used for the verification of the contents of the posting under paragraph (3) and information provided under paragraph (4); and
 - (iii) a document describing the contents of the measures taken pursuant to the provisions of paragraph (3).
- (7) Upon completion of the refund under Article 20, paragraph (1) of the Act, an issuer of prepaid payment instruments is to submit a written report using the

appended form 19 that contains the following particulars to the Commissioner of the Financial Services Agency:

- (i) the name of the prepaid payment instruments for which the refund has been completed;
 - (ii) the total amounts listed in items of paragraph (1) and the amounts listed in item (i), (a) and (b) and item (ii), (a) and (b) of that paragraph;
 - (iii) if the relevant issuer of prepaid payment instruments recovers a security deposit for issuance pursuant to the provisions of Article 9, paragraph (2) of the Order, the total amounts listed in items of paragraph (2) of the preceding Article and the amounts listed in item (i), (a) and (b) and item (ii), (a) and (b) of the same paragraph;
 - (iv) the period during which the information was provided pursuant to the provisions of Article 20, paragraph (2) of the Act;
 - (v) the number of the holders of prepaid payment instruments that made a request during the period specified in Article 20, paragraph 2, item (ii) of the Act and the total amount of the unused balances (meaning the amount that is available for the payment of proceeds and the monetary amount converted from the quantity of goods or services that can be requested; the same applies in item (vii)) of the prepaid payment instruments held by the relevant holders as of the refund base date;
 - (vi) the total amount of refunds made to the holders in the procedure for the refund; and
 - (vii) the total amount of the unused balances as of the refund base date of the prepaid payment instruments for a person that has been excluded from the procedure for the refund (limited to those involved in the procedure for a refund).
- (8) An issuer of prepaid payment instruments that is unable to complete the refund under Article 20, paragraph (1) of the Act is to promptly submit a written notice using the appended form 20 to the Commissioner of the Financial Services Agency.

(Cases Where a Refund is Permitted)

Article 42 (1) Cases specified by Cabinet Office Order as prescribed in Article 20, paragraph (5) of the Act are the cases falling under any of the following items:

- (i) if the total of the amounts refunded (excluding the amounts refunded pursuant to the provisions of Article 20, paragraph (1) and item (iii) of the Act; the same applies in the following item) during a record period including the base date does not exceed 20 percent of the amount of the prepaid payment instruments issued during the record period immediately preceding the relevant base date;
- (ii) if the total of the amounts refunded during a record period including the

- base date does not exceed 5 percent of the unused base date balance as of the base date immediately preceding the record period;
- (iii) if it has become extremely difficult for the holder to use the prepaid payment instruments due to their unavoidable circumstances, such that the holder moves to an area where it is difficult for the holder to use the prepaid payment instruments, or a non-resident (meaning the non-resident prescribed in Article 6, paragraph (1), item (vi) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949) who holds the prepaid payment instruments departs from Japan; and
 - (iv) if an unauthorized person used prepaid payment instruments against the intention of the users of the prepaid payment instruments by unauthorized access through the telecommunications line or it is found that the protection of the interests of users of prepaid payment instruments is likely to be hindered for other reasons, and the approval of the Commissioner of the Financial Services Agency has been obtained for the refund of the prepaid payment instruments on the grounds that it is unavoidable.
- (2) If an issuer of prepaid payment instruments intends to obtain the approval referred to in item (iv) of the preceding paragraph, the issuer must submit a written application for approval using the appended form 21 to the Commissioner of the Financial Services Agency.
- (3) The Commissioner of the Financial Services Agency must not grant the approval referred to in paragraph (1), item (iv) unless the issuer of prepaid payment instruments is found to have sufficient financial resources to make sure that the issuer can refund all prepaid payment instruments it issues.
- (4) If the Commissioner of the Financial Services Agency grants the approval referred to in paragraph (1), item (iv), the Commissioner is to notify the issuer of prepaid payment instruments to that effect by issuing a written approval using the appended form 22.

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

Article 43 An issuer of prepaid payment instruments must take measures to ensure sufficient control of the electronic data processing system for the business of issuing prepaid payment instruments in accordance with the contents and methods of its business.

(Measures to Ensure Information Security Management for Personal Information of Individual Users)

Article 44 With regard to information security management for the personal information of users of prepaid payment instruments who are individuals, supervision of its employees, and if the handling of that information is

entrusted to another person, supervision of the other person, an issuer of prepaid payment instruments must take necessary and appropriate measures for preventing leaking, loss, or damage of that 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 the relevant information is not used for a purpose other than for ensuring the appropriate operation of the business and for other purposes found necessary.

(Measures to Ensure Proper and Secure Conduct of Entrusted Business)

Article 45-2 If an issuer of prepaid payment instruments entrusts part of its business of issuing prepaid payment instruments to a third party, the issuer must take the following measures in accordance with the contents of the entrusted business:

- (i) measures to ensure that the relevant business is entrusted to a person that has the ability to perform the business in a proper and secure manner;
- (ii) measures to ensure that necessary and appropriate supervision or other similar action is taken with regard to the person to whom the relevant business is entrusted, including measures to verify whether the person is performing the business in a proper and secure manner, among others, by checking the status of performance of the business by the person regularly or as necessary, and have the person make any necessary improvements;
- (iii) necessary measures to ensure proper and prompt processing of complaints from the users concerning the business of issuing prepaid payment instruments conducted by the person to whom the relevant business is entrusted;
- (iv) measures to prevent hindrance to the protection of the users of prepaid payment instruments or other similar situations, including measures to ensure that the business will be promptly entrusted to another appropriate third party if circumstances have arisen under which the person to whom the relevant business has been entrusted is unable to perform the entrusted business appropriately; and
- (v) if it is necessary for the purpose of ensuring the proper and secure performance of the business of issuing prepaid payment instruments and the protection of the users of the business, measures to ensure that necessary measures will be taken such as amending or canceling the contract on the

entrustment of the relevant business.

Chapter V Supervision

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

Article 46 (1) The books and documents on 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 related 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 arrived at when the amounts that are available for the payment of proceeds at the time of issuance (including the amounts that were thereafter added to addition-type prepaid payment instruments (or if the amounts are found to be converted to and indicated as a number in another unit, including monetary amounts converted from the numbers in the relevant unit)) are totaled for each type, in the case of the prepaid payment instruments prescribed in Article 3, paragraph (1), item (i) of the Act; or when the quantities of goods or services which can be requested to be delivered or provided at the time of issuance (including the quantity of goods or services that was thereafter added to addition-type prepaid payment instruments) are totaled for each type, in the case of the prepaid payment instruments prescribed in item (ii) of that paragraph.
- (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 arrived at when the amounts that have been used for the payment of proceeds are totaled for each type, in the case of the prepaid payment instruments prescribed in Article 3, paragraph (1), item (i) of the Act; or when the quantities of goods or services that have been requested by using the relevant prepaid payment instruments are totaled, in the case of the prepaid payment instruments prescribed in item (ii) of that paragraph.
- (4) If it is found to be difficult to track the collection volume referred to in paragraph (1), item (i) by type of the amount available for payment, etc. of prepaid payment instruments, it is 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)

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

- (2) The documents specified by Cabinet Office Order as prescribed in Article 23, paragraph (2) of the Act are the following documents:
- (i) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes);
 - (ii) if the issuer of prepaid payment instruments has made a security deposit under Article 14, paragraph (1) of the Act: a copy of an authenticated copy of the certificate of that deposit;
 - (iii) if the issuer of prepaid payment instruments has recovered the security deposit for issuance pursuant to the provisions of Article 9, paragraph (1) or (2) of the Order, and the recovery is made for part of the security deposit: a document certifying that the issuer has had particulars certified pursuant to the provisions of Article 49, paragraph (1) of the Deposit Regulation concerning the amount of money deposited, or the name, quantity, face value and total face value of bond certificates deposited (or in the case of book-entry government bonds, the issue and amount of them) that have been partially recovered;
 - (iv) if the issuer of prepaid payment instruments has amended or renewed a guarantee contract of security deposit for issuance: a copy of the contract document on the amendment or renewal or a copy of a document certifying the amendment or renewal;
 - (v) if the issuer of prepaid payment instruments has amended or renewed a trust agreement for security deposits for issuance: a copy of the contract document on the amendment or renewal or a copy of a document certifying the amendment or renewal; and
 - (vi) if the issuer of prepaid payment instruments is a trust agreement prepaid payment instruments issuer: a document issued by the trust company, etc. to certify the amount of the trust property.
- (3) If the Commissioner of the Financial Services Agency finds it necessary, the Commissioner may order an issuer of prepaid payment instruments to submit the authenticated copy of the certificate of deposit referred to in item (ii) of the preceding paragraph or the original of the contract referred to in item (iv) or

(v) of that paragraph.

(Amount Issued and Amount Collected during Record Period)

Article 48 (1) The amount of prepaid payment instruments issued during the record period 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 (a) and (b) for the categories of prepaid payment instruments prescribed in them) of all the prepaid payment instruments issued during the 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 proceeds 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 the record period from the quantity of goods or services which can be requested to be delivered or provided at the time of issuance; and

(ii) total of the amounts that were added to addition-type prepaid payment instruments during the record period (or if the amounts are found to be converted to and indicated as a number in another unit, monetary amounts converted from the numbers in the relevant unit) and the monetary amounts converted as of the last day of the record period from the quantities of goods or services that were added to addition-type prepaid payment instruments during the record period.

(2) The amount of prepaid payment instruments collected 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 the relevant 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 proceeds; 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 the record period from the quantity of goods or services that have been requested by using the relevant prepaid payment instruments.

(Particulars to Be Reported)

Article 49 Particulars specified by Cabinet Office Order as prescribed in Article 23, paragraph (1), item (iv) of the Act are the following particulars:

(i) a breakdown of the amount issued as referred to 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 base date balance as referred to in Article 23, paragraph (1), item (ii) of the Act by type of prepaid payment instruments; and
- (iii) the amount of prepaid payment instruments collected during the record period including the base date for the written report referred to in Article 23, paragraph (1) of the Act and a breakdown of the relevant amount collected by type of prepaid payment instruments and the 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 Intention to Seek Application of Special Provisions Concerning Base Date)

Article 50-2 (1) If an issuer of prepaid payment instruments intends to make a notification under Article 29-2, paragraph (1) of the Act, the issuer must submit a written notice using the appended form 24 to the Commissioner of the Financial Services Agency.

- (2) The written notice referred to in the preceding paragraph is to contain the following particulars:
 - (i) the 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 referred to in Article 5, paragraph (1) of the Act;
 - (iii) in the case of an issuer of prepaid payment instruments for third-party business, the date of registration and registration number; and
 - (iv) if a written notice under Article 29-2, paragraph (2) of the Act has been submitted prior to the date of submitting the written notice referred to in the preceding paragraph, the submission date of the former written notice (limited to the written notice submitted immediately prior to the date of submitting the written notice referred to in the preceding paragraph).
- (3) If an issuer of prepaid payment instruments intends to make a notification under Article 29-2, paragraph (2) of the Act, the issuer must submit a written notice using the appended form 25 to the Commissioner of the Financial Services Agency.
- (4) The written notice referred to in the preceding paragraph is to contain the

following particulars:

- (i) the 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 referred to in Article 5, paragraph (1) of the Act;
- (iii) in the case of an issuer of prepaid payment instruments for third-party business, the date of registration and registration number; and
- (iv) the submission date of the written notice under Article 29-2, paragraph (1) of the Act with which the special provisions are already being applied.

(Replacement of Terms when Applying the Special Provisions Concerning Base Date)

Article 50-3 For the provisions of Articles 26, 42 and 48 to be applied to issuers of prepaid payment instruments that have submitted a written notice under Article 29-2, paragraph (1) of the Act and to which the provisions of that paragraph apply, the terms in the middle column of the following table that appear in the provisions listed in the left-hand column of the table are replaced with the terms listed in the right-hand column of the table.

Article 26, paragraph (3)	the base date	the base date (meaning the base date prescribed in Article 14, paragraph (2) of the Act as applied pursuant to Article 9-3, paragraph (1) of the Order following the replacement of terms; the same applies in the following paragraph, Article 40 and Article 41, paragraph (1))
	paragraph (1) of that Article	Article 14, paragraph (1) of the Act
Article 42, paragraph (1), item (i)	a record period including the base date	the record period including the base date (for a period from the day following the date of submitting the written notice referred to in Article 29-2, paragraph (1) of the Act to the next ordinary base date (meaning the ordinary base date prescribed in paragraph (2) of the same Article; hereinafter the same applies in this Article), an ordinary record period (meaning the period from the day following the ordinary base date to the next ordinary base date; hereinafter the same applies in this Article) including the ordinary base date))

	the record period immediately preceding the base date	the record period immediately preceding the base date (for a period from the day following the date of submitting the written notice referred to in Article 29-2, paragraph (1) of the Act to the next ordinary base date, the ordinary record period immediately preceding the ordinary base date)
Article 42, paragraph (1), item (ii)	a record period including the base date	a record period including the base date (if the record period containing the day following the date of submitting the written notice referred to in Article 29-2, paragraph (1) of the Act is the period from the day following the special base date (meaning the special base date prescribed in paragraph (2) of that Article; hereinafter the same applies in this paragraph) to the next ordinary base date, during the ordinary record period including the ordinary base date)
	5 percent of the unused base date balance as of the base date immediately preceding the record	2.5 percent of the unused base date balance as of the base date immediately preceding the record period (if the record period containing the day following the date of submitting the written notice set forth in paragraph (1) of that Article is the period from the day following the special base date to the next ordinary base date, 5 percent of the unused base date balance as of the ordinary base date immediately preceding the next ordinary base date)
Article 48, paragraph (1) (excluding the items)	the record period	the record period (meaning the record period prescribed in Article 23, paragraph (1), item (i) of the Act as applied pursuant to Article 9-3, paragraph (1) of the Order following the replacement of terms; hereinafter the same applies in this Article and item (iii) of the following Article)

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

Article 51 A person intending to make a notification under Article 30, paragraph (2) of the Act must submit a written notice using the appended form 26 to the Commissioner of the Financial Services Agency with the following documents (limited to those issued within three months prior to the date of notification, in

the case of documents certified by a public agency) attached to it:

- (i) documents listed in the items of Article 11 (excluding item (i), (b) and item (ii), (c));
- (ii) a document certifying the former surname and the given name, if a person that intends to make the notification is an individual; the former surname and the given name of the individual are stated together with their current surname and their given name in the written notice; and the document listed in the preceding item (limited to the document listed in Article 11, item (i), (a)) does not certify the former surname and the given name;
- (iii) a document certifying the former surname and the given name, if the person intending to make the notification is a corporation; the former surname and the given name of its representative person or administrator are stated together with their current surname and their given name in the written notice; and the document listed in item (i) (limited to the document listed in Article 11, item (ii), (b)) does not certify the former surname and the given name;
- (iv) the following documents certifying the fact of the succession of business:
 - (a) if the succession of business subject to the notification was made by means of transfer or merger, a copy of the contract document on the transfer or merger and in the case of a corporation, the certificate of registered information;
 - (b) if the succession of business subject to the notification was made by means of company split, a copy of the incorporation-type company split plan or the absorption-type company split contract for the company split and in the case of a corporation, the certificate of registered information; and
 - (c) if the succession of business subject to the notification was made by means of inheritance, a copy of a document certifying that inheritance.

(Entrustment to Agents for a 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 the agent for a 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 with the whole or part of the duties related to the public notice under paragraph (2) of that Article, the duties related to the notification under Article 11, paragraph (2) of the Order, the duties related to the investigation of the right under paragraph (4) of that Article (including the public notice or provision of an opportunity prescribed in that paragraph), the duties related to preparation, public notice, and notification of the distribution table under paragraph (5) of that Article, and other duties related to the

procedure for the fulfillment of the right.

(Notification of Discontinuation of Business)

Article 53 (1) A person intending to make a notification under Article 33, paragraph (1) of the Act must submit a written notice using the appended form 27 to the Commissioner of the Financial Services Agency.

(2) The written notice referred to in the preceding paragraph is to contain the following particulars:

(i) the 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 referred to in Article 5, paragraph (1) of the Act;

(iii) in the case of an issuer of prepaid payment instruments for third-party business, the date of registration and registration number;

(iv) reason for the 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 discontinued the whole or part of the business of issuing prepaid payment instruments, the reason for it;

(vii) if the issuer of prepaid payment instruments has discontinued part of the business of issuing prepaid payment instruments, particulars sufficient to identify the prepaid payment instruments related to the discontinuation; and

(viii) if the issuer of prepaid payment instruments has discontinued the whole or part of the business of issuing prepaid payment instruments by means of transfer of business, merger or company split, or for other reasons, the method for succession of the business and the successor.

(3) If an issuer of prepaid payment instruments has discontinued the whole or part of the business of issuing prepaid payment instruments by means of transfer of business, merger or company split, or for other reasons, a document containing both the terms and conditions of the contract on the succession of the business and the method for succession of the business must be attached to the written notice referred to in paragraph (1).

(Notification of Violation of Laws and Regulations)

Article 53-2 If an issuer of prepaid payment instruments has come to know that the issuer or its officer or employee has committed a violation of laws and regulations with regard to the business of issuing prepaid payment instruments or an act that hinders the proper and secure conduct of the business of issuing prepaid payment instruments, the issuer must submit a written notice using the appended form 28 containing the following particulars

to the Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau, within two weeks from the day on which it came to know that fact:

- (i) the name of the business office or office at which the relevant act occurred;
- (ii) if the relevant act was committed by an officer or employee of the issuer of prepaid payment instruments, the name and the title of the officer or employee who committed that act; and
- (iii) the summary of the act.

(Government Agency Through Which to Submit a Written Notice)

Article 54 (1) When an issuer of prepaid payment instruments intends to submit the written notice prescribed in Article 9 and other documents prescribed in the Act and this Cabinet Office Order (referred to as "written notice or other document" in the following paragraph and the following Article) to the Commissioner of the Financial Services Agency, the issuer of prepaid payment instruments must submit it through the Director-General of a local finance bureau having jurisdiction over the location of the issuer's principal business office or office (or if the office is located within the jurisdictional district of the Fukuoka Local Finance Branch Bureau (excluding the jurisdictional district of a local finance office), through the Director General of the Fukuoka Local Finance Branch Bureau; and if the office is located within the jurisdictional district of a local finance office or the Otaru Sub-office or Kitami Sub-office of the Hokkaido Local Finance Bureau, through the head of the local finance office or sub-office (referred to as the "head of the local finance office or sub-office" in the following paragraph and the following Article)).

(2) If an issuer of prepaid payment instruments intends to submit a written notice or other document to the Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau, and there is a head of the local finance office or sub-office with jurisdiction over the location of the principal business office or office of the issuer of prepaid payment instruments, the issuer of prepaid payment instruments must submit the written notice or other document to the Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau through the head of the local finance office or sub-office.

(Submission of a Written Notice through a Certified Association for Payment Service Providers)

Article 55 If an issuer of prepaid payment instruments intends to submit a written notice or other document to the Commissioner of the Financial Services Agency or the Director-General of a local finance bureau including the Fukuoka Local Finance Branch Bureau (including submission through the

head of the local finance office or sub-office under the preceding Article), the issuer 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 referred to in Article 7 of the Act within two months from the day on which the application arrives at the office of the Commissioner.

(2) The Commissioner of the Financial Services Agency is to endeavor to process an application for approval referred to in Article 42, paragraph (1), item (iv) within twenty days from the day on which the application arrives at the office of the Commissioner.

(3) The period prescribed in the preceding two paragraphs is not to include the following periods:

(i) the period required to amend the application;

(ii) the period required for the applicant to change the contents of the application; and

(iii) the period required for the applicant to add materials that are found necessary for the examination of the application.