

Cabinet Office Order on Financial Service Intermediary, etc. (Tentative translation)

(Cabinet Office Order No. 35 of June 2, 2021)

Pursuant to the Act on Provision of Financial Services (Act No. 101 of 2000) and the Order for Enforcement of the Act on Provision of Financial Services (Cabinet Order No. 484 of 2000), and for the purpose of enforcing the Act and the Order, the Cabinet Office Order on Financial Service Intermediary, etc. is established as follows.

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Chapter I General Provisions

(Definitions)

Article 1 The terms "deposits, etc.," "insurance policy," "securities," "market derivatives transactions," "foreign-market derivatives transactions," "financial service intermediary business," "deposit, etc. intermediary business operations," "insurance intermediary business operations," "securities, etc. intermediary business operations," "loan intermediary business operations," "financial service intermediary," "certified financial service intermediary business association," "financial service intermediary business operations," "designated dispute resolution organization," "complaint processing procedures," "dispute resolution procedures," "dispute resolution services," "categories of dispute resolution services" or "basic contract for implementation of dispute resolution procedures" as used in this Cabinet Office Order mean the deposits, etc., insurance policy, securities, market derivatives transactions, foreign-market derivatives transactions, financial service intermediary business, deposit, etc. intermediary business operations, insurance intermediary business operations, securities, etc. intermediary business operations, loan intermediary business operations, financial service intermediary, certified financial service intermediary business association, financial service intermediary business operations, designated dispute resolution organization, complaint processing procedures, dispute resolution procedures, dispute resolution services, categories of dispute resolution services or basic contract for implementation of dispute resolution procedures, prescribed in Article 2 or Article 11 of the Act on Provision of Financial Services and Development of the Accessible Environment Thereto (Act No. 101 of 2000; hereinafter referred to as the "Act"), respectively.

(Electronic or Magnetic Means)

Article 2 (1) The term "electronic or magnetic means" as used in this Cabinet Office Order means the methods set forth in the following items:

- (i) one of the means of using an electronic data processing system set forth in the following items:
 - (a) to transmit information required to be stated in a document (hereinafter referred to as the "information" in this Article) via telecommunications line connecting a computer used by a financial service intermediary (including a party which, under a contract with a financial service intermediary providing information, stores a file in a computer it manages, and make the file accessible to the recipient thereof (hereinafter referred to as a "customer" in this Article and the following Article) or to the financial service intermediary; hereinafter the same applies in this paragraph) and a computer used by a customer, etc. (meaning a customer, as well as a party which, under a contract with the customer, stores customer files

- (meaning files solely intended for the use by customers; hereinafter the same applies in this Article) in a computer it manages; the same applies in (a) and (b)), and to record the information in the customer file stored in the computer used by the customer, etc. (if the customer, etc. gives consent to the provision of information by the method prescribed in this paragraph or where the customer, etc. notifies its intention to refuse to receive the information by such means, the method whereby the consent or notice is recorded in a file stored on the computer used by the financial service intermediary);
- (b) to make information recorded in a file stored on a computer used by a financial service intermediary available for inspection by a customer via telecommunications line, and to record the information in a customer file of the relevant customer stored on the computer used by the customer, etc. (if the customer, etc. gives consent to the provision of information by the method prescribed in this paragraph or if the customer, etc. notifies its intention to refuse to receive the information by such means, recording the consent or notice in a file stored on the computer used by the financial service intermediary);
- (c) to make information recorded in a customer file stored on a computer used by a financial service intermediary available for inspection by a customer via telecommunications line;
- (d) to make information recorded in an inspection file (meaning a file stored on a computer used by a financial service intermediary used for storing the information to be made available for inspection by two or more customers at the same time; hereinafter the same applies in the following paragraph) available for inspection by a customer via telecommunications line; and
- (ii) to deliver a file storing the information, which is prepared by the use of an electronic or magnetic recording medium (meaning a record used in computer data processing which is created in electronic form, magnetic form, or any other form that is otherwise impossible to perceive through the human senses alone; the same applies hereinafter).
- (2) The means set forth in the items of the preceding paragraph must conform to the following criteria:
- (i) that the means enables a customer to prepare a document by outputting information recorded in the customer file or inspection file;
- (ii) in the case of the means set forth in item (i), (a), (c) or (d) of the preceding paragraph (excluding the recording of the information into the customer file stored on a computer used by a customer), that the customer is informed of the fact that the information will be or have been recorded into a customer file or inspection file; provided, however, that this does not apply if it is confirmed that the customer has inspected the information;

- (iii) in the case of the means set forth in item (i), (c) or (d) of the preceding paragraph, that the following matters cannot be deleted or altered for the period until five years have elapsed from the day when the transaction referred to in the information was finally conducted (in the case of the delivery of a document under the provisions set forth in Article 3, paragraph (1), item (ii) or the provisions set forth in item (iii) of that paragraph (limited to Article 62, paragraph (1), item (xi) (including as applied mutatis mutandis pursuant to paragraph (3) of that Article; hereinafter the same applies in this item)), meaning the day of expiration of an insurance period under an insurance policy; or, in the case of the delivery of a document under the provisions of Article 3, paragraph (1), item (iii) (excluding Article 62, paragraph (1), item (xi)), the day of conclusion of an insurance policy) (if any complaint related to the information has been raised within the period before the expiration date of such period, for the period until either the expiration date of such period or the day when the complaint was settled, whichever comes later); provided, however, that the information may be deleted if the information that has been made available for inspection is delivered in writing, if that information is provided by the means set forth in item (i), (a) or (b) of the preceding paragraph or in item (ii) of the preceding paragraph with the customer's consent (meaning consent given by the means specified in Article 33, paragraph (1) of the Order for Enforcement of the Act on Provision of Financial Services and the Development of the Accessible Environment Thereto (Cabinet Order No.484, 2000; hereinafter referred to as the "Order") or Article 3, paragraph (2) of this Act), or if the customer has instructed that the information should be deleted;
- (a) in the case of the means set forth in item (i), (c) of the preceding paragraph, the information recorded in the customer file;
- (b) in the case of the means set forth in item (i), (d) of the preceding paragraph, the information recorded in the inspection file;
- (iv) in the case of the means set forth in item (i), (d) of the preceding paragraph, that it conforms to the following requirements:
- (a) that information necessary for a customer's inspection of the inspection file is recorded into the customer file; and
- (b) that, for the period until the elapse of the period prescribed in the preceding item, the customer file recording the information necessary for the customer's inspection of the inspection file pursuant to the provisions of (a) and the inspection file is kept connectible via telecommunications line; provided, however, that this does not apply to the case where the customer that has been given access to the files has notified to the effect that the connectibility need not be maintained.

(Provision of Information by Electronic or Magnetic Means)

Article 3 (1) A financial service intermediary (in the case of the delivery of a document under the provisions set forth in item (ii) or (iii), including officers (meaning the officer prescribed in Article 13 paragraph (1), item (ii) of the Act; hereinafter the same applies except for Article 13, item (ii)) or employees of the financial service intermediary (limited to officers or employees prescribed in Article 294, paragraph (1) of the Insurance Business Act (Act No. 105 of 1995) as applied mutatis mutandis pursuant to Article 30 of the Act (referred to as the "Insurance Business Act as applied mutatis mutandis" in the following Chapter)); hereinafter the same applies in this Article) may provide the matters to be stated in a document by electronic or magnetic means in lieu of delivering a document under the provisions set forth in the following, with consent from the customer and as provided for by the following paragraph. In this case, the financial service intermediary is deemed to have delivered the document.

- (i) Article 49, paragraph (1), item (iv);
 - (ii) Article 56, paragraph (1), items (i), (v) and (vi) as well as items (viii) through (x);
 - (iii) Article 62, paragraph (1), items (vi), (viii) and (ix) as well as item (xi) (including as applied mutatis mutandis pursuant to paragraph (3) of that Article);
 - (iv) Article 90, paragraph (1), item (i) and item (iii), (b);
 - (v) Article 91, paragraph (1), item (i) and item (iv), (b);
 - (vi) Article 106, paragraph (1), item (iii), (b); and
 - (vii) Article 107, paragraph (1), item (iv), (b) and item (v), (b).
- (2) If a financial service intermediary intends to provide the matters to be stated in a document pursuant to the provisions of the preceding paragraph by electronic or magnetic means, it must, in advance, present to the customer the types and particulars of the following electronic or magnetic means used by it and obtain the consent in writing or by electronic or magnetic means:
- (i) the means to be used by the financial service intermediary, from among the means specified in the items of paragraph (1) of the preceding Article; and
 - (ii) the format for recording information into files.
- (3) If a customer has provided notice in writing or by electronic or magnetic means informing that the customer will not receive information by electronic or magnetic means, a financial service intermediary which has obtained consent under the provisions of the preceding paragraph must not provide the customer with the information to be stated in a document by electronic or magnetic means; provided, however, that this does not apply to the case where the customer has provided consent under the provisions of that paragraph again.

Chapter II Financial Service Intermediary

Section 1 General Rules

(Contract for Specified Deposits, etc. Relating to Transactions Used in Day-to-day Lives of People)

- Article 4 (1) The contract to be specified by Cabinet Office Order, as referred to in Article 17, paragraph (1), item (i) of the Order, is a contract for accepting a deposit, etc. set forth in Article 48, item (ii) (excluding deposits set forth in item (i) or (iii) of that Article; hereinafter referred to a "foreign currency deposit, etc." in this paragraph and Subsection 5 of the following Section), which can be withdrawn, remitted or paid in its denominated currency.
- (2) The contract to be specified by Cabinet Office Order, as referred to in Article 17, paragraph (2), item (i) of the Order, is an overdraft contract.

(Insurance Contract Requiring Highly Professional Explanations for Customers)

- Article 5 (1) The insurance policy to be specified by Cabinet Office Order, as referred to in Article 18, item (v) of the Order, is an insurance policy pertaining to an insurance underwritten in connection with the implementation of events, etc. with respect to an insured (limited to an insurance policy to cover damage, etc. arising from the implementation of events, etc. or otherwise relevant to the implementation of events, etc.).
- (2) The insurance policies to be specified by Cabinet Office Order, as referred to in Article 18, item (vi) of the Order, are the insurance policies set forth in the following items:
- (i) an insurance policy to be effected by terminating an insurance policy which has already been concluded (hereinafter referred to as an "existing policy" in this item and Article 56, paragraph (1), item (iii), (d) and paragraph (3), item (ii)) and allocating a policy reserve, refunds, or any other amounts reserved for the insured for the existing policy to the policy reserve or insurance premiums for a new insurance policy to be concluded (hereinafter referred to as a "new policy" in this item) (limited to the case where the insureds of the existing policy and the new policy include the same person);
 - (ii) an insurance policy of a third-sector insurance (meaning the insurance set forth in Article 3, paragraph (4), item (ii) or paragraph (5), item (ii) of the Insurance Business Act; hereinafter the same applies in this item) that contains in its general policy conditions a provision concerning a right to modification of base rate (meaning the right to effect any modification to the amount of insurance premiums or the amount of insurance proceeds by amending an assumed incidence rate (meaning the incidence rate of insured events which served as the basis of calculation of insurance premiums as of

the time of conclusion of the insurance policy; hereinafter the same applies in this item), due to the reason that an actual incidence rate of insured events deviates or will likely deviate from the estimation as of the time of conclusion of the insurance policy) (excluding an insurance policy whose insurance period is one year or shorter (excluding an insurance policy with a special agreement not to revise the insurance premiums rate upon the renewal of the insurance policy); and also excluding an injury insurance policy (meaning the contract for a third-sector insurance relating to the events set forth in the following) and any other insurance policies providing benefits similar thereto);

(a) a state of human body resulting from an injury inflicted upon the person;

(b) an individual's death that was directly caused by an injury (including the physical state where the medical doctor has rendered diagnosis that the insured has limited time to live and also including the state where the insured suffers the material disabilities);

(c) receiving treatment (including the following activities which are similar to treatment) in connection with the incidents specified in (a);

1. midwifery performed by a midwife prescribed in Article 3 of the Act on Public Health Nurses, Midwives and Nurses (Act No. 203 of 1948);

2. therapies performed by a judo therapist prescribed in Article 2, paragraph (1) of the Judo Therapists Act (Act No. 19 of 1970); and

3. therapies performed by a massage and finger pressure therapist, acupuncture therapist or moxacauterization therapist prescribed in the Act on Practitioners of Massage, Finger Pressure, Acupuncture and Moxacauterization, etc. (Act No. 217 of 1947) (limited to therapies performed in accordance with the instructions from medical doctors).

(3) The insurance policy to be specified by Cabinet Office Order, as referred to in Article 18, item (vii), (a) of the Order, is an insurance policy set forth in Article 56, paragraph (1), item (iii), (b).

(Purchase and Sale of Securities Requiring Highly Professional Explanations for Customers)

Article 6 (1) The requirements to be specified by Cabinet Office Order, as referred to in Article 19, paragraph (1), item (i), (a), 2. or (e), 2. of the Order, are the fulfillment of all of the following conditions:

(i) that the redemption date and amount of redemption (limited to a fixed amount) are specified, and no conditions are attached to the effect that all or part of the face value as of the time of redemption will not be redeemed;

(ii) no conditions are attached, to the effect that the redemption of principal and payment of interests will not be made by the same currency as that used for the initial payment;

- (iii) no conditions are attached, to the effect that payment before maturity is to be made depending on the fluctuation of an indicator (meaning an interest rate, the value of currency, a quotation on a financial instruments exchange market (meaning the financial instruments exchange market prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same applies in the following Section) and other indicators; the same applies in the following item);
 - (iv) no conditions are attached, to the effect that the amount of interest fluctuates depending on the fluctuation of an indicator (excluding interest rates and numerical values calculated with reference to interest rates);
 - (v) that no special provisions setting forth subordinated conditions on the payment of principal and interest are provided; and
 - (vi) that the securities are not designated by the Commissioner of the Financial Services Agency.
- (2) The securities to be specified by Cabinet Office Order, as referred to in Article 19, paragraph (1), item (i), (b), (c), 1.ii., (d), 1.ii., (f), 1. or (h) of the Order, are the securities designated as an issue for which the determination to delist it from the financial instrument exchange, etc. was made or as an issue with the risk of delisting, in accordance with the rules stipulated by the financial instrument exchange, etc. prescribed in (b) of that item on which the securities are listed.
- (3) The transactions to be specified by Cabinet Office Order, as referred to in Article 19, paragraph (1), item (i), (c), 2. of the Order, are the transactions set forth in the following items:
- (i) a commodity derivatives transaction prescribed in Article 49, paragraph (2), item (i);
 - (ii) a transaction prescribed in Article 49, paragraph (2), item (ii);
 - (iii) a transaction prescribed in Article 49, paragraph (2), item (iii);
 - (iv) a trading of bonds with options (meaning bond trading wherein one party thereto is entitled to designate the delivery date, and the contract for the trading of bonds with options will be cancelled if the party does not exercise the right within a certain period; the same applies in paragraph (5), item (v));
 - (v) a foreign exchange futures transaction; and
 - (vi) a transaction similar to those specified in the preceding items.
- (4) The purposes to be specified by Cabinet Office Order, as referred to in Article 19, paragraph (1), item (i), (c), 2., (d), 2. or (f), 2. of the Order, are the purposes set forth in the following items:
- (i) to achieve the same profits and losses as those which would be accrued by the possession of the investment asset of the securities;
 - (ii) to hedge the risk of fluctuation in price and interests related to the

- underlying assets or liabilities of the securities (meaning the risk of increase or decrease in profits or losses due to the fluctuation of an exchange rate, the fluctuation in market interests, the change in economic situations or any other factors; the same applies in the following item); and
- (iii) to hedge the risk arising from a foreign exchange futures transaction due to the fluctuation in foreign exchange rates relating to underlying assets or liabilities of the securities.
- (5) The transactions to be specified by Cabinet Office Order, as referred to in Article 19, paragraph (1), item (ii) of the Order, are the transactions set forth in the following items:
- (i) a when-issued transaction prescribed in Article 1, paragraph (2) of the Cabinet Office Order on Transactions prescribed in Article 161-2 of the Financial Instruments and Exchange Act and Deposits Related Thereto (Order of the Ministry of Finance No. 75 of 1953);
- (ii) short selling (meaning the sale of securities without possessing the securities or based on loaned securities (including the case where it is not obvious that a seller can provide the securities without delay after the sale of the securities possessed by the seller (including the loaned securities)));
- (iii) the purchase and sale of bonds, etc. (meaning the securities set forth in Article 2, paragraph (1), items (i) through (iii) or item (v) of the Financial Instruments and Exchange Act, and the securities set forth in item (xvii) of that paragraph (limited to the securities which have the natures of the securities set forth in items (i) through (iii) and item (v) of that paragraph); the same applies in the following item) on condition of repurchase (meaning a purchase and sale wherein the repurchase price has been fixed in advance, or wherein the repurchasing date has not been fixed at the time of the conclusion of the contract and the repurchase price may be determined upon fixing the repurchasing date);
- (iv) the purchase and sale of bonds, etc. on condition of resale (meaning a purchase and sale wherein the resale price has been fixed in advance, or wherein the resale date has not been fixed at the time of conclusion of the contract and the resale price may be determined upon fixing the resale date); and
- (v) a trading of bonds with options.

(Application for Registration)

Article 7 A person that intends to obtain a registration under Article 12 of the Act must submit a written application for registration under Article 13, paragraph (1) of the Act prepared using Appended Form 1, attaching the documents to be attached to the written application for registration pursuant to paragraph (2) of that Article, to the Commissioner of the Financial Services

Agency (if the authority of the Commissioner of the Financial Services Agency is delegated to the director-general of a local finance bureau or the Fukuoka Local Finance Branch Bureau, pursuant to the provisions of Article 47, paragraphs (1) and paragraph (4), and Article 48, paragraphs (1) and (4), to the director-general of the local finance bureau or the Fukuoka Local Finance Branch Bureau; hereinafter referred to as the "Commissioner, etc.")

(Point of Contact Stated in Written Application for Registration in Case of Conducting Loan Intermediary Business Operations)

Article 8 (1) The contact information to be specified by Cabinet Office Order, as referred to in Article 13 paragraph (1), item (v) of the Act, is as follows:

- (i) telephone numbers (limited to those for specifying the place and those related to the collect call service and integrated number service for specifying the relevant place);
 - (ii) website URL (meaning characters, numbers, marks or any other codes, or the combination thereof, which are assigned for the identification, on the internet, of the part of the automatic public transmission server (meaning the automatic public transmission server prescribed in Article 2, paragraph (1), item (ix)-5, (a) of the Copyright Act (Act No. 48 of 1970)) used, and which allow the recipient of the information to inspect the details of the relevant information by the input thereof in the computer used by that person; the same applies in Article 129, paragraph (1) and paragraph (5), item (ii)); and
 - (iii) E-mail address (meaning the electronic mail address prescribed in Article 2, item (iii) of the Act on Regulation of Transmission of Specified Electronic Mail (Act No. 26 of 2002); the same applies in Article 129, paragraph (1) and paragraph (5), item (iii) as well as Article 137, paragraph (2)).
- (2) For stating the point of contacts, etc. set forth in item (ii) or (iii) of the preceding paragraph as the matters set forth in Article 13, paragraph (1), item (v) of the Act, in the written application for registration referred to in that paragraph, any of information set forth in item (i) of the preceding paragraph must be stated as well.

(Means of Using Information and Communications Technology)

Article 9 The method to be specified by Cabinet Office Order, as referred to in Article 13, paragraph (1), item (vi) of the Act, is a method whereby a financial service intermediary receives from a customer the transmission of the particulars of the customer's order relating to a financial service contract (meaning a contract concluded by a customer through an act of financial service intermediary (meaning the intermediation set forth in the items of Article 11, paragraph (2) of the Act, the intermediation prescribed in paragraph (3) of that Article, the act set forth in the items of paragraph (4) of

that Article, and the intermediation prescribed in paragraph (5) of that Article, to be provided in connection with the financial service intermediary business operations; the same applies in the following Section) to be concluded by the customer by means of software provided by the financial service intermediary (excluding a contract to be concluded with a financial service intermediary; hereinafter the same applies in this Article, Article 33 and Article 34 item (i))), and transmits to a person as set forth in the following (hereinafter referred to as a "counterpart financial institution" in this Article and Subsection 1 of that Section) the particulars of the order, in accordance with the method specified by the counterpart financial institution (limited to the method relating to communication between software used by the financial service intermediary for its financial service intermediary business operations and software used by the counterpart financial institution for the conclusion of a financial service contract).

- (i) the persons set forth in Article 11, paragraph (2), item (i), (a) through (o);
- (ii) the persons set forth in the items of Article 11, paragraph (3) of the Act;
- (iii) the persons set forth in Article 11, paragraph (4), item (i), (a) or (b) of the Act; and
- (iv) a money lender (meaning the money lender prescribed in Article 2, paragraph (2) of the Money Lending Business Act (Act No. 32 of 1983; the same applies in Article 13, item (ii), (m))).

(Matters to Be Stated in Written Application for Registration)

Article 10 The matters to be specified by Cabinet Office Order, as referred to in Article 13 paragraph (1), item (viii) of the Order, are the matters set forth in the following items:

- (i) in the case where the registration applicant (meaning the registration applicant prescribed in Article 13, paragraph (1) of the Act; hereinafter the same applies in Articles 10 through 12 and Article 16, paragraph (1), item (i), (a)) is an individual person, and if the registration applicant engages in the ordinary business of any other corporation, the corporation's trade name or name, the location of its principal place of business or office, as well as the type of business;
- (ii) in the case where the registration applicant is a corporation, and if its officer engages in the ordinary business of any other corporation or conducts business of any other corporation, the name of the officer, the corporation's trade name or name, the location of its principal place of business or office, as well as the type of the ordinary business or that business; and
- (iii) the name of the certified financial service intermediary business association to which it belongs.

(Contents and Methods of Business)

Article 11 The contents and method of business to be specified by Cabinet Office Order, as referred to in Article 13, paragraph (2), item (iii) of the Act, are the contents and methods set forth in the following items:

- (i) the contents and methods of business; and
- (ii) in the case where the applicant is a corporation, the method of allocation of business operations.

(Documents to be Attached to Written Application for Registration)

Article 12 The documents to be specified by Cabinet Office Order, as referred to in Article 13, paragraph (2), item (viii) of the Act, are the documents set forth in the following items:

- (i) if the registration applicant is an individual, the following documents:
 - (a) the resume of the registration applicant;
 - (b) an extract of the resident record of the registration applicant or any other document in lieu thereof;
- (c) if 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 of the registration applicant are stated together with the current name of the registration applicant in a written application for registration created using Appended Form 1, and if the document set forth in (b) is not a document certifying the former surname and given name of the registration applicant, a document certifying the former surname and given name;
- (d) in the case where the registration applicant is a minor who does not have the same legal capacity to act as an adult with respect to financial service intermediary business, an extract of a resident record of the minor's statutory agent or any other document in lieu thereof (in the case where the statutory agent is a corporation, a certificate of registered information of the statutory agent or any other document in lieu thereof);
- (e) a certificate issued by a public agency evidencing that the registration applicant does not fall under Article 15, item (iii), (a) of the Act (limited to the part pertaining to item (ii), (b) of that Article), or any other document in lieu thereof;
- (ii) if the registration applicant is a corporation, the following documents:
 - (a) the resumes of officers (if an officer is a corporation, including a person that is to perform the duties thereof; the same applies in (b)) (if an officer is a corporation, a document describing the background of the officer);
 - (b) the extract of the resident record of the officers (if an officer is a corporation, the certificate of registered information of the officer), or any

- other document in lieu thereof;
- (c) if the former surname and the given name of the officer are stated together with the current name of the officer in a written application for registration created using Appended Form 1, and if the document set forth in (b) is not a document certifying the former surname and given name of the officer, a document certifying the former surname and given name;
 - (d) a certificate issued by a public agency evidencing that the officer does not fall under Article 15, item (ii), (b) of the Act, or any other document in lieu thereof;
 - (iii) a document evidencing that the registration applicant has a capacity to perform the financial service intermediary business operations in a precise manner;
 - (iv) in the case of conducting any concurrent business (meaning a business other than financial service intermediary business operations and a business incidental to financial service intermediary business operations; the same applies in Article 16, paragraph (1)), a document describing the particulars thereof;
 - (v) internal rules, etc. (meaning internal rules and any other rules similar thereto; the same applies in Article 35) concerning the management of financial service intermediary business operations;
 - (vi) a document describing the matters set forth in the following (a) or (b), in accordance with the categories of cases listed therein, respectively:
 - (a) in the case where a designated dispute resolution organization, according to the categories of the cases as set forth in the items of Article 28, paragraph (1) of the Act, respectively, is designated (a "designated dispute resolution organization" means a designated dispute resolution organization for deposit, etc. brokerage (meaning the designated dispute resolution organization for deposit, etc. brokerage prescribed in item (i), (a) of that paragraph; the same applies in the following Section), a designated dispute resolution organization for insurance intermediary services (meaning the designated dispute resolution organization for insurance intermediary services prescribed in item (ii), (a) of that paragraph; the same applies in the following Section), a designated dispute resolution organization for securities intermediary services (meaning the designated dispute resolution organization for securities intermediary services prescribed in item (iii), (a) of that paragraph; the same applies in the following Section), and a designated dispute resolution organization for money lending business and loan brokerage services (meaning the designated dispute resolution organization for money lending business and loan brokerage services prescribed in item (iv), (a) of that paragraph; the same applies in the following Section); the same applies in (b)): the name

- or trade name of the designated dispute resolution organization which is a counterparty to a basic contract for implementation of dispute resolution procedures for which measures to conclude a basic contract for implementation of dispute resolution procedures with respect to deposit, etc. intermediary business operations, insurance intermediary business operations, securities, etc. intermediary business operations or loan intermediary business operations are to be implemented;
- (b) in the case where a designated dispute resolution organization, according to the categories of the cases as set forth in the items of Article 28, paragraph (1) of the Act, respectively, is not designated: the content of complaint processing measures (meaning the complaint processing measures prescribed in item (i), (b); the same applies in the following Section) and dispute resolution measures (meaning the dispute resolution measures prescribed in item (i), (b) of that paragraph; the same applies in the following Section) with respect to deposit, etc. intermediary business operations, insurance intermediary business operations, securities, etc. intermediary business operations or loan intermediary business operations;
- (vii) in the case of conducting loan intermediary business operations, if the registration applicant has an employee prescribed in Article 23 of the Order (referred to an "important employee" in this item, Article 19, paragraph (2) and Article 19, paragraph (3), item (iv)), the following documents:
- (a) a document prepared using Appended Form 2, describing the name, date of birth, etc. of the important employee;
 - (b) a resume of the important employee and an extract of a resident record, or any other document in lieu thereof;
 - (c) if the former surname and given name of the important employee are stated together with the current name of the important employee in a document created using Appended Form 2, and if the document set forth in (b) is not a document certifying the former surname and given name of the important employee, a document certifying the former surname and given name;
 - (d) a certificate issued by a public agency evidencing that the important employee does not fall under Article 15, item (ii), (b) of the Act, or any other document in lieu thereof; and
- (viii) in the case of conducting electronic financial service intermediary business operations (meaning the electronic financial service intermediary business operations prescribed in Article 13 paragraph (1), item (vi) of the Act; hereinafter the same applies in this item and Article 18, paragraph (2)), a document describing the particulars of the electronic financial service intermediary business operations and the organizational structure for the

execution of the operations.

(Persons Found Likely to Commit a Wrongful Act)

Article 13 The person to be specified by Cabinet Office Order, as referred to in Article 15, item (i), (n) of the Order, is a person set forth in any of the following items:

(i) a person who falls under any of the following:

(a) a person that has made a notification under the provisions of Article 16, paragraph (3), item (iii) of the Act to the effect that the person falls under that item, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act (Act No. 88 of 1993) was made with regard to a disposition to rescind a registration prescribed in Article 12 of the Act under the provisions of Article 38, paragraph (1) of the Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the relevant notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about discontinuing its financial service intermediary business, having the whole of its business linked with financial service intermediary business succeeded to through a company split, or transferring the whole of its business linked with financial service intermediary business), if five years have not yet passed since the date of the notification;

(b) a person that has made a notification under the provisions of Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (ii), (vi) or (vii) of that paragraph, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to a disposition to rescind a registration prescribed in Article 29 of the Financial Instruments and Exchange Act under the provisions of Article 52, paragraph (1), Article 53, paragraph (3) or Article 57-6, paragraph (3) of that Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the relevant notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about discontinuing its financial instruments business (meaning the financial instruments business prescribed in Article 2, paragraph (8) of that Act; the same applies hereinafter), having the whole of its business linked with financial instruments business succeeded to through a company split, or

transferring the whole of its business linked with financial instruments business), if five years have not yet passed since the date of the notification;

- (c) in the case where, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to the rescission of the permission prescribed in Article 60, paragraph (1) the Financial Instruments and Exchange Act under the provisions of Article 60-8, paragraph (1) of that Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made, a notification has been made under the provisions of Article 60-7 of that Act to the effect that the person falls under the case prescribed in that Article as a result of discontinuing its on-exchange transaction services (meaning the on-exchange transaction services prescribed in Article 60, paragraph (1) of that Act; the same applies in (c) and item (ii), (d)), an authorized firm for on-exchange transactions (meaning the authorized firm for on-exchange transactions prescribed in Article 60-4, paragraph (1) of that Act; hereinafter the same applies in item (ii), (d)) pertaining to that notification (excluding a person that has made, before the day on which that notice was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant authorized firm for on-exchange transactions) about discontinuing its on-exchange transaction services), if five years have not yet passed since the date of the notification;
- (d) in the case where, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to the rescission of the permission prescribed in Article 60-14, paragraph (1) of the Financial Instruments and Exchange Act under the provisions of Article 60-8, paragraph (1) of that Act as applied mutatis mutandis pursuant to Article 60-14, paragraph (2) of that Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made, a notification has been made under the provisions of Article 60-7 of that Act as applied mutatis mutandis pursuant to Article 60-14, paragraph (2) of that Act to the effect that the person falls under the case prescribed in that Article as a result of discontinuing its business of conducting electronic over-the-counter derivatives transactions, etc. (meaning the business of conducting electronic over-the-counter derivatives transactions, etc. prescribed in Article 60-14, paragraph (1) of that Act; the same applies in (d) and item (ii), (e)), a business operator authorized to conduct electronic over-the-counter derivatives transactions, etc. (meaning the business operator authorized to conduct electronic over-the-counter derivatives transactions, etc. prescribed in that paragraph;

hereinafter the same applies in item (ii), (e)) pertaining to that notification (excluding a person that has made, before the day on which that notice was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant business operator authorized to conduct electronic over-the-counter derivatives transactions, etc.) about discontinuing its business of conducting electronic over-the-counter derivatives transactions, etc.), if five years have not yet passed since the date of the notification;

- (e) a person that has made a notification under the provisions of Article 63-2, paragraph (2) of the Financial Instruments and Exchange Act to the effect that the person has succeeded to the position of a notifier of specially permitted services (meaning a person that has made a notification under the provisions of Article 63, paragraph (2) of that Act; hereinafter the same applies in (e) and item (ii), (f)) pursuant to the provisions of Article 63-2, paragraph (1) of that Act or a notification under the provisions of Article 63-2, paragraph (3) of that Act to the effect that a person falls under item (ii) of that paragraph, within the period from the day on which a notice was made under the provisions of Article 15 of the Administrative Procedure Act with regard to a disposition of discontinuation of specially permitted services for qualified institutional investors, etc. (meaning the specially permitted services for qualified institutional investors, etc. prescribed in Article 63, paragraph (2) of that Act; hereinafter the same applies in this Article) under the provisions of Article 63-5, paragraph (3) of that Act to the day on which the disposition is made or the day on which the disposition is decided not to be made (in the case of having made a notification under the provisions of Article 63-2, paragraph (2) of that Act to the effect that the person has succeeded to the position of a notifier of specially permitted services pursuant to the provisions of paragraph (1) of that Article, the person is a person that was the notifier of specially permitted services pertaining to the notification, and excluding a person that had made, before the day on which the notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about transferring the whole of its business linked with specially permitted services for qualified institutional investors, etc., having the whole of its business linked with specially permitted services for qualified institutional investors, etc. succeeded to through a company split, or discontinuing its specially permitted services for qualified institutional investors, etc.), if five years have not yet passed since the date of the notification;
- (f) a person that has made a notification under the provisions of Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect

that the person falls under item (vi) or (vii) of that paragraph or a notification under the provisions of Article 63-2, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 63-3, paragraph (2) of that Act to the effect that the person falls under item Article 63-2, paragraph (3), item (ii) of that Act, within the period from the day on which a notice was made under the provisions of Article 15 of the Administrative Procedure Act with regard to a disposition of discontinuation of specially permitted services for qualified institutional investors, etc. under the provisions of Article 63-5, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 63-3, paragraph (2) of that Act to the day on which the disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about having the whole of its business linked with specially permitted services for qualified institutional investors, etc. succeeded to through a company split, transferring the whole of its business linked with specially permitted services for qualified institutional investors, etc., or discontinuing its specially permitted services for qualified institutional investors, etc.), if five years have not yet passed since the date of the notification;

- (g) a person that has made a notification under the provisions of Article 63-10, paragraph (2) of the Financial Instruments and Exchange Act to the effect that the person has succeeded to the position of a notifier of specially permitted services for foreign investors, etc. (meaning a person that has made a notification under the provisions of Article 63-9, paragraph (1) of that Act; the same applies in (g) and item (ii), (h)) pursuant to the provisions of Article 63-10, paragraph (1) of that Act or a notification under the provisions of Article 63-10, paragraph (3) of that Act to the effect that a person falls under item (ii) of that paragraph, within the period from the day on which a notice was made under the provisions of Article 15 of the Administrative Procedure Act with regard to a disposition of discontinuation of specially permitted services for foreign investors, etc. (meaning the specially permitted services for foreign investors, etc. prescribed in Article 63-8, paragraph (1) of that Act; hereinafter the same applies in this Article) under the provisions of Article 63-13, paragraph (3) of that Act to the day on which the disposition is made or the day on which the disposition is decided not to be made (in the case of having made a notification under the provisions of Article 63-10, paragraph (2) of that Act to the effect that the person has succeeded to the position of a notifier of specially permitted services for foreign investors, etc. pursuant to the

provisions of paragraph (1) of that Article, the person is a person that was the notifier of specially permitted services for foreign investors, etc. pertaining to the notification, and excluding a person that had made, before the day on which the notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about transferring the whole of its business linked with specially permitted services for foreign investors, etc., having the whole of its business linked with specially permitted services for foreign investors, etc. succeeded to through a company split, or discontinuing its specially permitted services for foreign investors, etc.), if five years have not yet passed since the date of the notification;

(h) a person that has made a notification under the provisions of Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (vi) or (vii) of that paragraph or a notification under the provisions of Article 63-10, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 63-10, paragraph (2) of that Act to the effect that the person falls under Article 63-10, paragraph (3), item (ii) of that Act, within the period from the day on which a notice was made under the provisions of Article 15 of the Administrative Procedure Act with regard to a disposition of discontinuation of specially permitted services for foreign investors, etc. under the provisions of Article 63-13, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 63-11, paragraph (2) of that Act to the day on which the disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about having the whole of its business linked with specially permitted services for foreign investors, etc. succeeded to through a company split, transferring the whole of its business linked with specially permitted services for foreign investors, etc., or discontinuing its specially permitted services for foreign investors, etc.), if five years have not yet passed since the date of the notification;

(i) a person that has made a notification under the provisions of Article 66-19, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (i) of that paragraph, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to a disposition to rescind a registration prescribed in Article 66 of that Act under the provisions of Article 66-20, paragraph (1) of that Act to the day on which

- the relevant disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the relevant notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about discontinuing its financial instruments intermediary service (meaning the financial instruments intermediary service prescribed in Article 2, paragraph (11) of that Act; the same applies in (i), item (ii), (j) as well as Article 42, items (i) and (ii)), having the whole of its business linked with financial instruments intermediary service succeeded to through a company split, or transferring the whole of its business linked with financial instruments intermediary service), if five years have not yet passed since the date of the notification;
- (j) a person that has made a notification under the provisions of Article 66-40, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (i) of that paragraph, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to a disposition to rescind a registration prescribed in Article 66-27 of the Financial Instruments and Exchange Act under the provisions of Article 66-42, paragraph (1) of that Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the relevant notice was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of its operations) about discontinuing its credit rating services (meaning the credit rating services prescribed in Article 2, paragraph (35) of that Act; the same applies in (j), item (ii), (k) as well as Article 109, paragraph (2), item (iii)), having the whole of its business linked with credit rating services succeeded to through a company split, or transferring the whole of its business linked with credit rating services), if five years have not yet passed since the date of the notification;
- (k) a person that has made a notification under the provisions of Article 66-61, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (ii), (vi) or (vii) of that paragraph, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to a disposition to rescind a registration prescribed in Article 66-50 of that Act under the provisions of Article 66-63, paragraph (1) of that Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the relevant notice was made, a decision (meaning

a decision by the organ that is responsible for making decisions about the execution of its operations) about discontinuing its high-speed trading (meaning the high-speed trading prescribed in Article 2, paragraph (41) of that Act; the same applies in item (ii), (l)), having the whole of its business linked with high-speed trading succeeded to through a company split, or transferring the whole of its business linked with high-speed trading), if five years have not yet passed since the date of the notification;

- (l) a person that has made a notification under the provisions of Article 10, paragraph (1) of the Money Lending Business Act to the effect that the person falls under item (v) of that paragraph, within the period from the day when a notice under the provisions of Article 15 of the Administrative Procedure Act was made with regard to a disposition to rescind a registration prescribed in Article 3, paragraph (1) of that Act under the provisions of Article 24-6-4, paragraph (1) or Article 24-6-5, paragraph (1) of that Act to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made (excluding a person that had made, before the day on which the relevant notice was made, a decision (if the person is a corporation, a decision by the organ that is responsible for making decisions about the execution of its operations) about discontinuing its money lending business (meaning the money lending business prescribed in Article 2, paragraph (1) of that Act; the same applies in item (ii), (m))), if five years have not yet passed since the date of the notification;
- (ii) a person who falls under any of the following:
 - (a) a person that was an officer (meaning the officer prescribed in Article 15, paragraph (i), (r) of the Act; hereinafter the same applies in this item) of a corporation that has made a notification under the provisions of Article 16, paragraph (3) of the Act to the effect that the corporation falls under any of item (iii) or items (v) through (vii) of that paragraph, within the period referred to in (a) of the preceding item (in the case of having made a notification under the provisions of that paragraph to the effect that the corporation falls under any of items (v) through (vii) of that paragraph, the corporation is a corporation that was the financial service intermediary pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (a) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about discontinuing its financial service intermediary business, having the whole of its business linked with financial service intermediary business succeeded to through a company split, transferring the whole of its business linked with financial service intermediary

business, effecting a merger (limited to a merger in the case where the financial service intermediary disappears as a result of the merger) or dissolving), if five years have not yet passed since the date of the notification;

- (b) a person that resigned within the period from the day on which the notice under the provisions of Article 15 of the Administrative Procedure Act relating to the disposition ordering the dismissal of an officer under the provisions of Article 38, paragraph (3) of the Act has been made to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made, and that was ordered to be dismissed (excluding persons with reasonable grounds for the resignation), if five years have yet to elapse from the day of the resignation;
- (c) a person that was an officer of a corporation that has made a notification under the provisions of Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (ii) through (vii) of that paragraph, within the period referred to in (b) of the preceding item (in the case of having made a notification under the provisions of that paragraph to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is a corporation that was the financial instruments business operator (meaning the financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act; the same applies in (c) and Subsection 5 of the following Section) pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (b) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about discontinuing its financial instruments business, effecting a merger (limited to a merger in the case where the financial instruments business operator disappears as a result of the merger), dissolving, having the whole of its business linked with financial instruments business succeeded to through a company split, or transferring the whole of its business linked with financial instruments business), if five years have not yet passed since the date of the notification;
- (d) in the case where, within the period set forth in (c) of the preceding item, a notification has been made under the provisions of Article 60-7 of the Financial Instruments and Exchange Act to the effect that the person falls under the case prescribed in that Article, a person that was an officer of the authorized firm for on-exchange transactions pertaining to the notification (excluding a person who made the decision (meaning a decision

- by the organ that is responsible for making decisions about the execution of operations of the relevant authorized firm for on-exchange transactions), before the day on which the notice under (c) of that item was made, about dissolving or discontinuing its on-exchange transaction services), if five years have not yet passed since the date of the notification;
- (e) in the case where, within the period set forth in (d) of the preceding item, a notification has been made under the provisions of Article 60-7 of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to Article 60-14, paragraph (2) of that Act to the effect that the person falls under the case prescribed in that Article, a person that was an officer of the business operator authorized to conduct electronic over-the-counter derivatives transactions, etc. pertaining to the notification (excluding a person who made the decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant business operator authorized to conduct electronic over-the-counter derivatives transactions, etc.)), before the day on which the notice under (d) of that item was made, about dissolving or discontinuing its business of conducting electronic over-the-counter derivatives transactions, etc.), if five years have not yet passed since the date of the notification;
- (f) a person that was an officer of a corporation that has made a notification under the provisions of Article 63-2, paragraph (2) of the Financial Instruments and Exchange Act to the effect that the corporation has succeeded to the position of a notifier of specially permitted services pursuant to the provisions of paragraph (1) of that Article, a notification under the provisions of paragraph (3) of that Article to the effect that the corporation falls under item (ii) of that paragraph or a notification under the provisions of paragraph (4) of that Article to the effect that the corporation falls under the case referred to in that paragraph, within the period referred to in (e) of the preceding item (in the case of having made a notification under the provisions of paragraph (2) of that Article to the effect that the corporation has succeeded to the position of a notifier of specially permitted services pursuant to the provisions of paragraph (1) of that Article, or a notification under the provisions of paragraph (4) of that Article to the effect that the corporation falls under the case referred to in that paragraph, the corporation is a corporation that was the notifier of specially permitted services pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (e) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about transferring the whole of its

business linked with specially permitted services for qualified institutional investors, etc., effecting a merger (limited to a merger in the case where the notifier of specially permitted services disappears as a result of the merger), having the whole of its business linked with specially permitted services for qualified institutional investors, etc. succeeded to through a company split, discontinuing its specially permitted services for qualified institutional investors, etc., or dissolving), if five years have not yet passed since the date of the notification;

- (g) a person that was an officer of a corporation that has made a notification under the provisions of Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (iii) through (vii) of that paragraph or a notification under the provisions of Article 63-2, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 63-3, paragraph (2) of that Act to that effect that the corporation falls under Article 63-2, paragraph (3), item (ii) of that Act (in the case of having made a notification under the provisions of Article 50-2, paragraph (1) of that Act to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is a corporation that made the notification under the provisions of Article 63-3, paragraph (1) of that Act pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (f) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about effecting a merger (limited to a merger in the case where the notifier under the provisions of that paragraph disappears as a result of the merger), dissolving, having the whole of its business linked with specially permitted services for qualified institutional investors, etc. succeeded to through a company split, transferring the whole of its business linked with specially permitted services for qualified institutional investors, etc., or discontinuing its specially permitted services for qualified institutional investors, etc.), if five years have not yet passed since the date of the notification;
- (h) a person that was an officer of a corporation that has made a notification under the provisions of Article 63-10, paragraph (2) of the Financial Instruments and Exchange Act to the effect that the corporation has succeeded to the position of a notifier of specially permitted services for foreign investors, etc. pursuant to the provisions of paragraph (1) of that Article, a notification under the provisions of paragraph (3) of that Article to the effect that the corporation falls under item (ii) of that paragraph or a notification under the provisions of paragraph (4) of that Article to the

effect that the corporation falls under the case referred to in that paragraph, within the period referred to in (g) of the preceding item (in the case of having made a notification under the provisions of paragraph (2) of that Article to the effect that the corporation has succeeded to the position of a notifier of specially permitted services for foreign investors, etc. pursuant to the provisions of paragraph (1) of that Article, or a notification under the provisions of paragraph (4) of that Article to the effect that the corporation falls under the case referred to in that paragraph, the corporation is a corporation that was the notifier of specially permitted services for foreign investors, etc. pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (g) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about transferring the whole of its business linked with specially permitted services for foreign investors, etc., effecting a merger (limited to a merger in the case where the notifier of specially permitted services for foreign investors, etc. disappears as a result of the merger), having the whole of its business linked with specially permitted services for foreign investors, etc. succeeded to through a company split, discontinuing its specially permitted services for foreign investors, etc., or dissolving), if five years have not yet passed since the date of the notification;

- (i) a person that was an officer of a corporation that has made a notification under the provisions of Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (iii) through (vii) of that paragraph or a notification under the provisions of Article 63-10, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 63-11, paragraph (2) of that Act to that effect that the corporation falls under Article 63-10, paragraph (3), item (ii) of that Act, within the period referred to in (h) of the preceding item (in the case of having made a notification under the provisions of Article 50-2, paragraph (1) of that Act to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is a corporation that made the notification under the provisions of Article 63-11, paragraph (1) of that Act pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (h) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about effecting a merger (limited to a merger in the case where the notifier under the provisions of that paragraph disappears as a result of the merger), dissolving, having the

whole of its business linked with specially permitted services for foreign investors, etc. succeeded to through a company split, transferring the whole of its business linked with specially permitted services for foreign investors, etc., or discontinuing its specially permitted services for foreign investors, etc.), if five years have not yet passed since the date of the notification;

- (j) a person that was an officer of a corporation that has made a notification under the provisions of Article 66-19, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of item (i), or items (iii) through (v) of that paragraph, within the period referred to in (i) of the preceding item (in the case of having made a notification under the provisions of that paragraph to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is a corporation that was the financial instruments intermediary service provider (meaning a financial instruments intermediary service provider prescribed in Article 2, paragraph (12) of that Act; the same applies in (j) and Subsection 5 of the following Section) pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (i) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about discontinuing its financial service intermediary business, having the whole of its business linked with financial service intermediary business succeeded to through a company split, transferring the whole of its business linked with financial service intermediary business, effecting a merger (limited to a merger in the case where the financial instruments intermediary service provider disappears as a result of the merger) or dissolving), if five years have not yet passed since the date of the notification;
- (k) a person that was an officer of a corporation that has made a notification under the provisions of Article 66-40, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items of that paragraph, within the period referred to in (j) of the preceding item (in the case of having made a notification under the provisions of that paragraph to the effect that the corporation falls under any of items (ii) through (iv) of that paragraph, the corporation is a corporation that was the credit rating agency (meaning the credit rating agency prescribed in Article 2, paragraph (36) of that Act; the same applies in (k) and Article 109, paragraph (2), items (ii) and (iv)) pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (j) of the preceding item was made, a decision

(meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about discontinuing its credit rating services, having the whole of its business linked with credit rating services succeeded to through a company split, transferring the whole of its business linked with credit rating services, effecting a merger (limited to a merger in the case where the credit rating agency disappears as a result of the merger) or dissolving), if five years have not yet passed since the date of the notification;

- (l) a person that was an officer of a corporation that has made a notification under the provisions of Article 66-61, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (ii) through (vii) of that paragraph, within the period referred to in (k) of the preceding item (in the case of having made a notification under the provisions of that paragraph to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is a corporation that was the high-speed trader (meaning the high-speed trader prescribed in Article 2, paragraph (42) of the Financial Instruments and Exchange Act; the same applies in (l)) pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (k) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about discontinuing its high-speed trading, effecting a merger (limited to a merger in the case where the high-speed trader disappears as a result of the merger), dissolving, having the whole of its business linked with high-speed trading succeeded to through a company split, or transferring the whole of its business linked with high-speed trading), if five years have not yet passed since the date of the notification;
- (m) a person that was an officer of a corporation that has made a notification under the provisions of Article 10, paragraph (1) of the Money Lending Business Act to the effect that the corporation falls under any of items (ii) through (v) of that paragraph, within the period referred to in (l) of the preceding item (in the case of having made a notification under the provisions of that paragraph to the effect that the corporation falls under any of items (ii) through (iv) of that paragraph, the corporation is a corporation that was the money lender pertaining to the relevant notification, and excluding a person that had made, before the day on which the notice under (l) of the preceding item was made, a decision (meaning a decision by the organ that is responsible for making decisions about the execution of operations of the relevant corporation) about effecting a merger (limited to a merger in the case where the money lender

disappears as a result of the merger, and in the case of an association or foundation without legal personality, an act equivalent to a merger), dissolving (in the case of an association or foundation without legal personality, an act equivalent to a dissolution) or discontinuing its money lending business), if five years have not yet passed since the date of the notification; and

- (n) a person that resigned within the period from the day on which the notice under the provisions of Article 15 of the Administrative Procedure Act relating to the disposition ordering the dismissal of an officer under the provisions of Article 24-6-4, paragraph (2) of the Money Lending Business Act has been made to the day on which the relevant disposition is made or the day on which the disposition is decided not to be made, and that was ordered to be dismissed (excluding persons with reasonable grounds for the resignation), if five years have yet to elapse from the day of the resignation.

(Persons Having Same or Higher Control Over Corporation Which is Equivalent to or Greater Than That of Directors)

Article 14 (1) The persons to be specified by Cabinet Office Order, as referred to in Article 15, item (i), (r) of the Act (including as applied mutatis mutandis pursuant to Article 16, paragraph (2) of the Act), are the persons set forth in the following items:

- (i) an individual that holds shares or equity (referred to as "shares, etc." in the following item, the following paragraph and Article 45) representing the voting rights exceeding 25 percent of the voting rights held by all the shareholders, etc. (meaning the voting rights of all the shareholders, etc. prescribed in Article 30, paragraph (1), item (iv) of the Order; the same applies hereinafter) of the relevant corporation, under the person's own name or another person's name (including a fictitious name; hereinafter the same applies in item (ii));
 - (ii) an individual that holds the shares, etc. representing the voting rights exceeding 50 percent of the voting rights held by all the shareholders, etc. of the parent company (meaning the parent company as defined in Article 2, item (iv) of the Companies Act (Act No. 86 of 2005)) of the relevant corporation, under the person's own name or another person's name;
 - (iii) a member in charge of executing the business of the relevant corporation, or if a person equivalent thereto is a corporation, a person to perform its duties; and
 - (iv) if an officer of the corporation or any person set forth in the preceding three items is a minor, the statutory agent thereof (in the case where the statutory agent is a corporation, including its officers).
- (2) In the case referred to in item (i) or (ii) of the preceding paragraph, the voting

rights held by the persons set forth in these provisions include voting rights relating to shares, etc. which cannot be duly asserted against the issuer (meaning the issuer prescribed in Article 2, paragraph (5) of the Financial Instruments and Exchange Act; the same applies in the following Section) pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) (including the cases when these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and Article 276 (limited to the part pertaining to item (ii)) of that Act).

(Person Unable to Properly Perform Financial Service Intermediary Business Due to Mental or Physical Disorder)

Article 15 A person specified by Cabinet Office Order, as referred to in Article 15, item (ii), (a) of the Act is a person who is unable to adequately carry out the cognition, decision making, and communication necessary for properly performing business pertaining to financial service intermediary business due to a mental impairment.

(Cases Likely to Cause Adverse Impact on Proper and Accurate Implementation of Deposit, etc. Intermediary Business Operations)

Article 16 (1) The cases to be specified by Cabinet Office Order, as referred to in Article 15, item (iv) of the Act (including as applied mutatis mutandis pursuant to Article 16, paragraph (2) of the Act), are as the cases set forth in the following items:

- (i) when the content of its main concurrent business is other than the lending of funds, discounting of negotiable instruments, guarantee of debt, accepting of negotiable instruments, or any other business of granting credit, that the concurrent business falls under any of the following cases:
 - (a) the content of the deposit, etc. intermediary business operations is found to involve the possibility of transactions in which interests of a counterpart financial institution (meaning the counterpart financial institution prescribed in Article 52-45, item (iv) of the Banking Act (Act No. 59 of 1981) as applied mutatis mutandis pursuant to Article 29 of the Act (hereinafter referred to as the "Banking Act as applied mutatis mutandis" in this Chapter); hereinafter the same applies in this paragraph, Subsection 2 of the following Section, and Article 139, paragraph (1), items (ii) and (v)) and financial service intermediary conflict, in light of the fact that it is an intermediary service for the conclusion of a contract for lending of funds or discounting of negotiable instruments for the use of business (excluding a service pertaining to a contract secured by deposits,

etc. or national government bonds that the counterpart financial institution received from a customer, and also excluding a service that does not involve examination concerning the conclusion of a contract of standardized loan products (meaning loan products for which the availability and conditions of the loan are determined only by mechanical processing of financial data concerning the consumers seeking funds; the same applies in item (ii), (b), 2.) (limited to products whose loan amount does not exceed ten million yen)), and other transactions with a customer in the course of concurrent business (excluding the cases in which the registration applicant is an insurance company (meaning the insurance company prescribed in Article 2, paragraph (2) of the Insurance Business Act; the same applies in Article 41, item (ii) and Article 62, paragraph (1), item (iii)) or other persons specified by the Commissioner of the Financial Services Agency);

- (b) it is found that there is a likelihood of an act that results in sufficient protection of customers related to deposit, etc. intermediary business operations due to the wrongful use of the advantageous position in a transaction based on its concurrent business to be conducted;
- (c) in light of the content of deposit, etc. intermediary business operations, it is found that carrying out concurrent business is likely to result in sufficient protection of customers or hinder performance of sound and appropriate services of the counterpart financial institution;
- (ii) when the content of its main concurrent business is the lending of funds, discounting of negotiable instruments, guarantee of debt, accepting of negotiable instruments, or any other business of granting credit, a case that falls under (b) or (c) of the preceding item or a case where the particulars and methods of an act set forth in Article 11, paragraph (2), item (ii) of the Act provided as financial service intermediary business operations do not fall under any of the following (in the case where it is found that there is no possibility of transactions that could result in a conflict of interests between the counterpart financial institution and the financial service intermediary in the course of business, the cases which fall under any of (a) through (c) of the preceding item):
 - (a) that the act relates to a contract secured by deposits, etc. or Japanese government bonds of a customer of the counterpart financial institution deposited with the counterpart financial institution;
 - (b) that the act relates an intermediary service for the conclusion of a contract for the purpose other than lending of funds or discounting of negotiable instruments for business purposes, which satisfies all of the following conditions (excluding the case falling under (a)):
 1. that the act relates to a loan agreement secured by goods or articles to

- be purchased with the loan funds;
 - 2. that the act relates to a contract for standardized loan products for which the registration applicant is not involved in the examination for conclusion thereof; and
 - 3. when acting as an intermediary for the conclusion of a contract for lending of funds or discounting of negotiable instruments relating to deposit, etc. intermediary business operations, for a customer to whom credit is granted in the course of the concurrent business, that the registration applicant is required to inform the counterpart financial institution of the outstanding credit granted and any other important particulars relating to the concurrent business that may affect the counterpart financial institution's judgment on the conclusion of a contract, after obtaining prior consent from the customer in writing or by methods using information and communication technology.
- (2) The "methods using information and communication technology" as referred to in paragraph (1), item (ii), (b), 3. of this Article are the methods as set forth in the following items:
- (i) one of the means of using an electronic data processing system set forth in the following item (a) or (b):
 - (a) to transmit information via telecommunications line connected between a computer used by the sender and that used by the recipient, and to record the information in a file stored on a computer used by the recipient;
 - (b) to provide the recipient access to the particulars of information recorded into a file stored on a computer used by the sender via telecommunications line, and to record the information in a file stored on a computer used by the recipient; or
 - (ii) to deliver a file storing the information, which is prepared by the use of an electronic or magnetic recording medium.
- (3) The methods specified in the items of the preceding paragraph must enable the recipient to create a document by way of outputting the information stored in the file.

(Scope of Important Employees)

Article 17 The persons to be specified by Cabinet Office Order, as referred to in Article 23 of the Order, are as follows:

- (i) a manager, head office manager, branch office manager, business office manager, office director, or, irrespective of their titles, other person that supervises the loan intermediary business operations of the place of business or office;
- (ii) for a principal place of business or office, a department manager, department vice manager, section manager, or, irrespective of their titles,

- other persons holding the position equivalent to or greater than these persons, and holding the authority to conduct any non-judicial acts with regard to loan intermediary business operations; and
- (iii) for a secondary place of business or office (meaning a place of business or office other than a principal place of business and office) in which the number of employees engaged in the loan intermediary business operations is 50 or more, a branch vice manager, branch sub manager, sub business office director, or, irrespective of their titles, a person in a position to act as a person that supervises the business of the relevant place of business or office.

(Application for Registration of Change)

Article 18 (1) A financial service intermediary that intends to obtain registration of change as referred to in Article 16, paragraph (1) of the Act must submit a written application for registration of change prepared using Appended Form 1 to the Commissioner, etc.

(2) A document describing the particulars and reasons for the change and the documents set forth in the following items which relate to the type of new business (meaning the type of business prescribed in Article 13 paragraph (1), item (iv) of the Act; the same applies in Article 34, item (i), Article 47 paragraph (1), item (v) and Article 47, paragraph (2), item (iv)) (in the case of newly conducting electronic financial service intermediary business operations, including those relating to the electronic financial service intermediary business operations), must be attached to the written application for registration of change as referred to in the preceding paragraph:

- (i) a document describing the matters set forth in the items of Article 11;
- (ii) the documents set forth in the items of Article 12;
- (iii) in the case of conducting deposit, etc. intermediary business operations by the registration of change, a document in which the registration applicant pledges that it does not fall under Article 15, item (iv) of the Act as applied *mutatis mutandis* pursuant to Article 16, paragraph (2) of the Act;
- (iv) in the case of conducting insurance intermediary business operations by the registration of change, a document in which the registration applicant pledges that it does not fall under any of Article 15, item (v), (a), (b), (c) (excluding 2.), (d) (excluding the part relating to (c), 2. of that item) or (e) (excluding the part relating to (c), 2. of that item) of the Act as applied *mutatis mutandis* pursuant to Article 16, paragraph (2) of the Act;
- (v) in the case of conducting securities, etc. intermediary business operations by the registration of change, a document in which the registration applicant pledges that it does not fall under Article 15, item (vi) of the Act as applied *mutatis mutandis* pursuant to Article 16, paragraph (2) of the Act; and
- (vi) in the case of conducting loan intermediary business operations by the

registration of change, a document in which the registration applicant pledges that it does not fall under Article 15, item (vii) of the Act as applied *mutatis mutandis* pursuant to Article 16, paragraph (2) of the Act.

(Notification Concerning Change)

Article 19 (1) A financial service intermediary that files a notification pursuant to the provisions of Article 16, paragraph (3) of the Act (limited to the part relating to item (i)) must submit to the Commissioner, etc. a written notification stating the particulars, date and reasons for change, attaching the documents describing the particulars after the change, prepared using Appended Form 1, and the documents specified in the items of the following items according to the categories set forth therein, respectively:

- (i) in case of change of the matters set forth in Article 13 paragraph (1), item (i) of the Act: the following documents
 - (a) a certificate of registered information (in the case of an individual, an extract of a resident record) containing the matters relating to the change, or any other document in lieu thereof;
 - (b) if the former surname and given name are stated together with the current name of the officer in a document describing the amended particulars created using Appended Form 1, and if the document set forth in (a) is not a document certifying the former surname and given name, a document certifying the former surname and given name;
- (ii) in case of change of the matters set forth in Article 13 paragraph (1), item (ii) of the Act: the following documents
 - (a) a certificate of registered information containing the matters relating to the change, or any other document in lieu thereof;
 - (b) the following documents relating to a person who assumed the position of officer:
 - 1. the resumes of the officer (if the officer is a corporation, including a person that is to perform the duties thereof; the same applies in 2.) (if the officer is a corporation, a document describing the background of the officer);
 - 2. the extract of the resident record of the officer (if the officer is a corporation, the certificate of registered information of the officer), or any other document in lieu thereof;
 - 3. if the former surname and given name of the officer are stated together with the current name of the officer in a document describing the amended particulars created using Appended Form 1, and if the document set forth in 2. is not a document certifying the former surname and given name of the officer, a document certifying the former surname and given name;

4. a document in which the registration applicant pledges that the officer does not fall under any of Article 15, item (ii), (a) and (c) through (f) of the Act;
 5. a certificate issued by a public agency evidencing that the officer does not fall under Article 15, item (ii), (b) of the Act, or any other document in lieu thereof; and
- (iii) in the case of any change of the matters set forth in Article 13 paragraph (1), item (vii) of the Act: a document describing the particulars of new business.
- (2) A person that files a notification pursuant to the provisions of Article 16, paragraph (3) of the Act (excluding item (i)) must submit to the Commissioner, etc. a written notification containing the matters specified in the middle column of the following table and the attachments specified in the right hand column, according to the categories set forth in the left hand column of that table, respectively.

Particulars for notification	Matters to be stated	Documents to be attached
Case where Article 16, paragraph (3), item (ii) of the Act applies	Particulars, date and reasons for the change	A document describing the matters set forth in the items of Article 11 (limited to the items relating to the change)
Case where Article 16, paragraph (3), item (vi) of the Act applies (limited to the case where a financial service intermediary business is discontinued)	Date and reasons for the discontinuance of business	(i) a latest daily cash count sheet
		(ii) a document describing the method for settlement of claims and obligations with respect to customers
Case where Article 16, paragraph (3), item (iii) of the Act applies (limited to the case where a business relating to financial service intermediary business is transferred in its entirety through a company split)	(i) the trade name or name of successor	(i) a document describing the content of an incorporation-type company split plan or absorption-type company split agreement, and the procedures for split
	(ii) the date and reasons for split	(ii) a document describing the method for transferring claims and obligations with respect to customers to the successor

Case where Article 16, item (iii) of the Act applies (limited to the case where a business relating to financial service intermediary business is transferred in its entirety)	(i) the trade name or name of transferee	(i) a document describing the content of a business transfer contract
	(ii) the date and reasons for transfer	(ii) a document describing the method for transferring claims and obligations with respect to customers to the transferee
Case where Article 16, paragraph (3), item (iv) of the Act applies	To that effect, and the date of death	
Case where Article 16, paragraph (3), item (v) of the Act applies	(i) the trade name or name of the counterparty to merger	(i) a document describing the content of merger agreement and procedures for merger
	(ii) the date and reasons for merger	(ii) a document describing the method for transferring claims and obligations with respect to customers to the corporation surviving the merger
	(iii) the method of merger	
Case where Article 16, paragraph (3), item (vi) of the Act applies	(i) the date of filing a petition for commencement of bankruptcy proceedings	(i) a copy of written judgment of the decision on commencement of bankruptcy proceedings or a document describing the particulars of the decision on commencement of bankruptcy proceedings
	(ii) the date order for commencement of bankruptcy proceedings	(ii) a document describing the method for settlement of claims and obligations with respect to customers
Case where Article 16, paragraph (3), item (vii) of the Act applies	Date and reasons for dissolution	a document describing the method for settlement of claims and obligations against customers

Case where Article 16, paragraph (3), item (viii) of the Act applies	The fact that the person falls under Article 16, paragraph (3), item (viii), (a) through (d) of the Act	a document evidencing that the person falls under any of the persons specified in Article 16, paragraph (3), item (viii), (a) through (d) of the Act
Case where item (i) of the following paragraph applies	Particulars, date and reasons for the change	amended articles of incorporation (including documents equivalent thereto);
Case where item (ii) or (iii) of the following paragraph applies	Particulars, date of occurrence and any other information that should serve as reference with respect to incident, etc. prescribed in item (ii) of the following paragraph	
Case where item (iv) of the following paragraph applies	Date of change	(i) a document prepared using Appended Form 2, describing the name, date of birth, etc. of the new important employee;
		(ii) a resume of the new important employee and an extract of a resident record, or any other document in lieu thereof;

		<p>(iii) if the former surname and given name of the new important employee is stated together with the current name of the new important employee in a document created using Appended Form 2, and if the document set forth in the preceding item is not a document certifying the former surname and given name of the new important employee, a document certifying the former surname and given name; and</p> <p>(iv) a document in which the applicant pledges that the person who came to fall under an important employee does not fall under any of Article 15, item (ii), (a) and (c) through (f) of the Act.</p>
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- (3) The cases to be specified by Cabinet Office Order, as referred to in Article 16, paragraph (3), item (ix) of the Act, are the cases as set forth in the following items; and the persons to be specified by Cabinet Office Order, as referred to in item (ix) of that paragraph, are the persons as set forth in the following items:
- (i) if a financial service intermediary amended its articles of incorporation (including documents similar thereto): the financial service intermediary
 - (ii) if it comes to knowledge that an officer (if the officer is a corporation, including a person that is to perform the duties thereof) or employee of the financial service intermediary conducted any of the acts set forth in the following (hereinafter referred to as an "incident, etc." in this item) (excluding an incident, etc. which is an act as set forth in Article 112, items (i) through (iv) which was caused by negligence; the same applies in the following item): the financial service intermediary
 - (a) an act in violation of laws and regulations, etc. (meaning laws and regulations, dispositions of government agencies based on laws and regulations, as well as articles of incorporation and other rules) in relation to financial service intermediary business;
 - (b) an act which hinders or may be likely to hinder the proper and accurate execution of financial service intermediary business, and which is equivalent to the act set forth in (a).
 - (iii) if the details of the incident, etc. as referred to in the preceding items are

- identified: the financial service intermediary
- (iv) in the case of conducting loan intermediary business operations, if there occurs any change in its important employees: the financial service intermediary

(Cases Where Bank, etc. Is Permitted to Act as Financial Service Intermediary and to Conduct Insurance Intermediary Business Operations)

Article 20 (1) The cases to be specified by Cabinet Office Order, as referred to in Article 17, paragraph (1) of the Act, are the case where a bank prescribed in that paragraph which is also a financial service intermediary (limited to one conducting insurance intermediary business operations; hereinafter the same applies in this Article) and any other persons specified by Cabinet Order (hereinafter referred to as a "bank, etc." in this Article and Article 62, paragraph (1)) or its officers or employees provide intermediary services for conclusion of insurance policies set forth in item (i) or (iii) and the requirements set forth in the items of the following paragraph are met, or the case where a bank, etc. or its officers or employees provide intermediary services for conclusion of the insurance policies set forth in item (ii) or items (iv) through (vii) and the requirements set forth in the items of that paragraph and the items of paragraph (3) are met, respectively:

- (i) the insurance policies set forth in Article 212, paragraph (1), items (i), (ii), (iv) and (v) of the Regulation for Enforcement of the Insurance Business Act (Ministry of Finance Order No. 5 of 1996) (excluding the insurance policy set forth in item (iv), (a) of that paragraph);
 - (ii) the insurance policy set forth in Article 212, paragraph (1), item (vi) of the Regulation for Enforcement of the Insurance Business Act;
 - (iii) the insurance policies set forth in Article 212-2, paragraph (1), items (ii) through (iv) and item (v)-3 of the Regulation for Enforcement of the Insurance Business Act;
 - (iv) the insurance policy set forth in Article 212-2, paragraph (1), item (vi) of the Regulation for Enforcement of the Insurance Business Act;
 - (v) the insurance policy set forth in Article 212-2, paragraph (1), item (viii) of the Regulation for Enforcement of the Insurance Business Act;
 - (vi) the insurance policy set forth in Article 212-4, paragraph (1), item (v) of the Regulation for Enforcement of the Insurance Business Act; and
 - (vii) the insurance policy set forth in Article 212-4, paragraph (1), item (vi) of the Regulation for Enforcement of the Insurance Business Act.
- (2) When a bank, etc. which is a financial service intermediary or its officers or employees provide an intermediary service for the conclusion of the insurance policies as referred to in the items of the preceding paragraph, the bank, etc. must satisfy the following requirements:

- (i) that the bank, etc. has implemented the following measures in relation to the use of information concerning its customers:
 - (a) measures to ensure that non-public financial information (meaning information concerning customers' deposits, exchange transactions, or borrowing of funds or other non-disclosure information concerning customers' financial transactions or assets which may come to the knowledge of any of the officers or employees in the course of their duties (excluding information prescribed in Article 37 and special non-disclosure information prescribed in Article 38); the same applies in Article 55, item (vii), (a) and Article 62, paragraph (1), item (xv), (a)) on its customers handled in the course of its businesses (excluding the business pertaining to insurance intermediary business operations) is not to be used for any business pertaining to insurance intermediary business operations (excluding the confirmation as to whether the customer falls under the category of the parties restricted from insurance intermediary service by bank, etc. prescribed in item (i) of the following paragraph), without obtaining prior consent from the customers in writing or by any other appropriate means;
 - (b) measures to ensure that non-disclosure insurance information (meaning information concerning customers' lives, physical conditions, properties or other non-disclosure information necessary for conducting insurance intermediary business operations, which may come to the knowledge of any of the officers or employees in the course of their duties (excluding information prescribed in Article 37 and special non-disclosure information prescribed in Article 38); the same applies in Article 62, paragraph (1), item (xv), (b)) on its customers handled in the course of its insurance intermediary business operations is not to be used for any business other than insurance intermediary business operations, such as monetary loan business, without obtaining prior consent from the customers in writing or by any other appropriate means;
- (ii) that the bank, etc., for the purpose of assurance of the fairness in insurance intermediary business operations, has articulated the guidelines concerning the content of insurance policies to its customers and other matters, publicized the guidelines, and has implemented measures so as to implement the guidelines; and
- (iii) that the bank, etc. has assigned to its respective places of business or offices which carry out the business pertaining to insurance intermediary business operations a supervisor of the affairs to secure compliance with the laws and regulations, etc. (collectively meaning the laws and regulations, dispositions of administrative agencies issued under the laws and regulations, internal rules of the bank, etc., or any other rules equivalent to

the aforementioned; hereinafter the same applies in this item) applicable to insurance intermediary business operations (or, if the affairs to secure compliance with any other laws and regulations are implemented by integrating two or more places of business or offices as a single unit (limited to a unit comprising the places of business or offices which carry out the insurance intermediary business operations), the supervisor is assigned to the respective unit); and that the bank, etc. has assigned to its head office or principal office a chief supervisor which instructs supervisors and to control and manage the business to secure compliance with laws and regulations, etc. applicable to insurance intermediary business operations.

- (3) When a bank, etc. which is a financial service intermediary or its officers or employees provide intermediary services for conclusion of the insurance policies as referred to in paragraph (1), item (ii) or items (iv) through (vii), the bank, etc. must satisfy the following requirements:
- (i) that the bank, etc. has implemented measures to ensure that it will refrain from providing intermediary services for conclusion of an insurance policy (limited to the insurance policies set forth in paragraph (1), item (ii) and items (iv) through (vii); and excluding a contract for renewal or novation (a novation excludes any novation for the improvement of insurance benefits such as increase in the amount of insurance proceeds (excluding the improvement due to increase in value of the object of insurance policy or any other factors similar thereto) or extension of insurance period) of the insurance policy already in effect (limited to an insurance policy regarding which the bank, etc. or its officers or employees prescribed intermediary services for the conclusion, in consideration of fees or any other remunerations)), wherein the policyholder or insured is any of the following parties (if the bank, etc. falls under the category of a cooperative financial institution (collectively meaning a shinkin bank, labor bank, credit cooperatives and agricultural cooperatives, etc. (meaning the agricultural cooperatives prescribed in Article 29, item (viii) of the Order, and fisheries cooperatives prescribed in item (x) of that Article and fishery processing cooperatives prescribed in item (xii) of that Article; hereinafter the same applies in this item); hereinafter the same applies in paragraph (5) as well as Article 62, paragraph (1), items (x) and (xiv)) which has prescribed the matters prescribed in paragraph (5), the parties which are the members or partners of the cooperative financial institution (including the representative of the corporation which is a member or partner, and, if the cooperative financial institution is an agricultural cooperative, etc., including the persons who live together with the partner; hereinafter the same applies in paragraph (5) and Article 62, paragraph (1), items (x) and (xiv)) are excluded; hereinafter referred to as "parties restricted from insurance intermediary

services by bank, etc." in the following item, paragraph (6), item (ii) and Article 62, paragraph (1), items (ix) and (xiii)), in consideration of any fees or any other remunerations:

- (a) a corporation (excluding the state, local governments, those specified in the items of Article 4, paragraph (13) of the Order for Enforcement of the Banking Act (Cabinet Order No. 40 of 1982), and those to be designated by the Commissioner of the Financial Services Agency; the same applies in (c) and the following paragraph) or its representative, when the bank, etc. provides the corporation or representative with monetary loans required for its business or provides the funds by way of discounting negotiable instruments;
 - (b) an individual person engaged in business, when the bank, etc. provides the individual person with monetary loans required for the person's business or provides funds by way of discounting negotiable instruments;
 - (c) full-time employees or officers (excluding a representative) of a small enterprise (meaning an entrepreneur (meaning a corporation or any other organization and an individual person who becomes a party to a contract in the course of or for business) hiring fifty full-time employees or less (or twenty full-time employees or less, if the bank, etc. falls under the category of an exceptional local financial institution)), when the bank, etc. provides the individual person or corporation that is a small enterprise or its representative with monetary loans required for the business of the small enterprise or provides funds by way of discounting negotiable instruments;
 - (ii) that the bank, etc. has implemented the measures to carry out in an accurate manner a confirmation whether the customer falls under a party restricted from insurance intermediary services by bank, etc., and the measures so that its insurance intermediary business operations would not have negative impact on the bank, etc. in carrying out its other lines of business in a sound and appropriate manner; and
 - (iii) that the bank, etc. has implemented the measures to ensure that its employees who contacts customers in connection with monetary loans required for their businesses or discounting of negotiable instruments will refrain from conducting insurance intermediary business operations (limited to insurance intermediary business operations for the insurance policies referred to in paragraph (1), item (ii) and items (iv) through (vii)); provided, however, that in the case where the bank, etc. is an exceptional local financial institution, it would be sufficient for the bank, etc. to have implemented the measures to be substituted with the aforementioned measures, as specified by the Commissioner of the Financial Services Agency.
- (4) The term "exceptional local financial institution" prescribed in the preceding paragraph means a financial institution designated by the Commissioner of the

Financial Services Agency as the financial institution whose regional scope of business is limited within a certain prefecture; and which provides in its guidelines prescribed in paragraph (2), item (ii) that when the financial institution or its officers or employees provide intermediary services for conclusion of an insurance policy set forth in paragraph (1), item (ii), (v) or (vii) (including insurance options with similar terms and conditions; the same applies in the following paragraph) wherein the policyholder is a full-time employee of an individual person or corporation or an officer of a corporation (excluding its representative) when the financial institution or its officers or employees provides the individual person or corporation engaged in the business (excluding an individual or corporation engaged in the business wherein more than 50 persons are employed as full-time employees if the financial institution implements the measures prescribed in the main clause of item (iii) of the preceding paragraph) or its representative with monetary loans necessary for that business or discounting of negotiable instruments, the total of the insurance proceeds or any other benefit payable to a single policyholder under an insurance policy for which the financial institution or its officers or employees has provided the intermediary service for conclusion with regard to the insurance specified in each of the following items in accordance with the categories respectively set forth therein does not exceed the amount as respectively set forth in the relevant items:

- (i) an insurance wherein the insurer undertakes to pay a certain amount of insurance proceeds contingent upon the life or death (including the physical state where the medical doctor has rendered diagnosis that the insured has limited time to live and also including the state where the insured suffers the material disabilities; hereinafter the same applies in this item) of a person and whereby the insurer receives insurance premiums (excluding insurances contingent upon the death of a person directly resulting from an injury inflicted upon the person): 10,000,000 yen
- (ii) an insurance wherein the insurer undertakes to pay a certain amount of insurance proceeds contingent upon the following incidents or to compensate damage suffered by the person which may arise from the incidents and whereby the insurer receives insurance premiums, which are to be specified by the Commissioner of the Financial Services Agency: the amount specified by the Commissioner of the Financial Services Agency:
 - (a) contracting of diseases by a person;
 - (b) state of human resulting from diseases (excluding the state which fall under the serious disabilities);
 - (c) the incidents set forth in the items of Article 4 of the Regulation for Enforcement of the Insurance Business Act; and
 - (d) receiving treatment (including activities specified in Article 5, paragraph

- (2), item (ii), (c), 1. through 3. as the activities similar to treatment) in connection with the incidents set forth in (a) through (c).
- (5) A cooperative financial institution which is a financial service intermediary must provide in its guidelines prescribed in paragraph (2), item (ii) that when the cooperative financial institution or its officers or employees provide the intermediary services for conclusion of an insurance policy set forth in paragraph (1), item (ii), (v) or (vii) wherein the policyholder is its member or partner which fall under a party specified in paragraph (3), item (i), (a) through (c), the total of the insurance proceeds or any other benefit payable to a single policyholder under an insurance policy for which the cooperative financial institution or its officers or employees have provided the intermediary service for conclusion with regard to the insurance specified in the items of the preceding paragraph in accordance with the categories respectively set forth therein does not exceed the amount as respectively set forth in the relevant items.
- (6) When a bank, etc. which is a financial service intermediary or its officers or employees provide intermediary services for conclusion of insurance policies as specified in paragraph (1), item (i) or (iii), and if any of following items applies, the insurance option to be added to the insurance policy must be closely related to the terms and conditions of the insurance policy, and the insurance premiums and insurance amount pertaining to the insurance option must be reasonable compared to the insurance premiums and insurance amount under the insurance policy:
- (i) where the bank, etc. fails to satisfy the requirements set forth in the items of paragraph (3); and
 - (ii) where the policyholder or the insured under the insurance policy falls under the category of a party restricted from insurance intermediary services by bank, etc. (excluding the case as referred to in the preceding item).

(Financial Basis for Conducting Electronic Payment Services)

Article 21 The criteria specified by Cabinet Office Order, as referred to in Article 18, paragraph (1), item (i), (a) of the Act, are that the amount of net assets (meaning the amount calculated by deducting the total amount of liabilities from the total amount of assets recorded on the balance sheet prescribed in Article 24, item (i), (a) or documents in lieu thereof or the written statement of the assets prescribed in item (ii) of that Article) is not a negative value.

(Matters to be Stated in Written Notification Concerning Electronic Payment Service)

Article 22 For the purpose of application of the provisions of Article 34-64-2 of the Regulation for Enforcement of the Banking Act (Ministry of Finance Order

No. 10 of 1982) in the case where a financial service intermediary files a notification under the provisions of Article 18, paragraph (3) of the Act, the part "the following particulars; provided, however, that the particulars set forth in item (iv) are required to be included only if the registration applicant (meaning the registration applicant prescribed in that paragraph; hereinafter the same applies in this Article and Article 34-64-4) performs the acts set forth in Article 2, paragraph (21), item (i) of the Act (excluding the acts specified in Article 1-3-3):" in paragraph (1) of that Article is deemed to be replaced with "the matters set forth in items (i) through (iii)"; the terms "users of the electronic payment service provider" and "registration applicant" in item (i) of that paragraph are deemed to be replaced with "customers of the electronic payment service provider" and "a financial service intermediary that files a notification under the provisions of Article 18, paragraph (3) of the Act on the Provision of Financial Services and the Development of the Accessible Environment Thereto (referred to as a "notifier" in the following paragraph)"; and the parts "registration applicant" and "written application for registration (meaning the written application for registration prescribed in Article 52-61-3, paragraph (1) of the Act; the same applies in Article 34-64-4)" in paragraph (2) of that Article are deemed to be replaced with "notifier" and "written notification," respectively.

(Details and Method of Services Related to Electronic Payment Services)

Article 23 (1) The particulars specified by Cabinet Office Order, as referred to in Article 18, paragraph (4), item (ii) of the Act, are as follows:

- (i) which of the acts related to electronic payment services (meaning the electronic payment services prescribed in Article 2, paragraph (21) of the Banking Act; hereinafter the same applies in this Article) that constitute acts set forth in the items of that paragraph (excluding the acts specified in Article 1-3-3 of the Regulation for Enforcement of the Banking Act) the electronic payment service provider performs (if the electronic payment service provider performs all of the acts set forth in the items of that paragraph (excluding the acts specified in Article 1-3-3 of that Regulation), a statement to that effect);
 - (ii) an outline of the services related to electronic payment services to be handled; and
 - (iii) the systems for carrying out electronic payment services.
- (2) The systems for carrying out electronic payment services prescribed in item (iii) of the preceding paragraph include the following particulars:
- (i) the system for ensuring the proper handling and security control of the information on customers that the electronic payment service provider has acquired in relation to the electronic payment services;

- (ii) the system for ensuring the appropriate execution of the business of electronic payment services (if the electronic payment service provider intends to perform only the acts set forth in Article 2, paragraph (21), item (ii) of the Banking Act, this is limited to the business of ensuring the proper handling and safe control of the information on users that the electronic payment service provider has acquired in relation to the electronic payment services) if the electronic payment service provider entrusts the business to a third party; and
- (iii) the name and job title of the person responsible for the management of electronic payment services.

(Other Documents to be Attached to Notification in Case of Engaging in Electronic Payment Services)

Article 24 The documents to be specified by Cabinet Office Order, as referred to in Article 18, paragraph (4), item (iii) of the Act, are as follows; provided, however, that this does not apply to the case where the financial service intermediary that makes a notification pursuant to Article 18, paragraph (3) of the Act (hereinafter referred to as a "notifier" in this Article) is a bank (meaning the bank prescribed in Article 2, paragraph (1) of the Banking Act; hereinafter the same applies in this Chapter) or any of the persons set forth in Article 29, items (ii) through (xv).

- (i) if the notifier is a corporation, the following documents:
 - (a) a balance sheet for the business year immediately prior to the business year in which the date of notification under the provisions of Article 18, paragraph (3) of the Act (hereinafter referred to as a "date of notification" in this Article) falls (including related notes; the same applies in (a)), or any other document in lieu thereof; however, in the case of a corporation incorporated in a business year in which the date of notification falls, a balance sheet at the time of incorporation thereof or any other document in lieu thereof;
 - (b) in the case where a notifier is a company with financial auditor prescribed in Article 2, item (xi) of the Companies Act, a document describing the particulars of a financial audit report prescribed in Article 396, paragraph (1) of that Act for the business year immediately preceding the business year in which the date of notification falls; and
- (ii) in the case where a notifier is an individual person, a written statement of property prepared using Appended Form 3 for the business year immediately preceding the business year in which the date of notification falls.

Section 2 Business

Subsection 1 General Rules

(Forms of Signs to Be Posted)

Article 25 (1) The form to be specified by Cabinet Office Order, as referred to in Article 20, paragraph (1) of the Act, is a form specified in Appended Form 4.

(2) The method to be specified by Cabinet Office Order, as referred to in Article 20, paragraph (2) of the Act, is the use of the Internet.

(3) The matters to be specified by Cabinet Office Order, as referred to in Article 20, paragraph (2) of the Act, are the matters set forth in the following items:

(i) the registration number as referred to in Article 14 paragraph (1), item (ii) of the Act; and

(ii) the name of the certified financial service intermediary business association to which the financial service intermediary belongs (if it does not belong to any certified financial service intermediary business association, to that effect).

(Notification concerning Depositing of Security Deposit)

Article 26 (1) When any of the cases specified in the following items is applicable to a financial service intermediary, the financial service intermediary must notify the Commissioner, etc. to that effect:

(i) case where, pursuant to the provisions of Article 22, paragraph (1), (4) or (8) or Article 23, paragraph (2) of the Act, or Article 13, paragraph (6) or Article 14, paragraph (1) of the Regulation on Security Deposits by Financial Service Intermediaries (Cabinet Office and Ministry of Justice Order No. 4 of 2021), a financial service intermediary has completed depositing of security deposit;

(ii) case where a party which has concluded a contract under Article 22, paragraph (3) of the Act (hereinafter referred to as "guarantee entrustment contract" in this Subsection) with a financial service intermediary (hereinafter referred to as a "counterparty to guarantee entrustment contract" in the following item and the following Article) has completed the depositing of security deposit, pursuant to the provisions of Article 22, paragraph (4) of the Act;

(iii) case where, pursuant to the provisions of Article 22, paragraph (10) of the Act, or Article 13, paragraphs (7) through (9) or Article 14 of the Regulation on Security Deposits of Financial Service Intermediaries, a financial service intermediary or a counterparty to guarantee entrustment contract has restituted the security deposit in whole or part;

(iv) case where a financial service intermediary has concluded a guarantee entrustment contract, has cancelled the guarantee entrustment contract with the approval under the provisions of Article 27, item (ii) of the Order, or has effected amendment to any of the terms and conditions thereunder; or

(v) case where a financial service intermediary has concluded a financial

- service intermediary liability insurance policy (meaning the financial service intermediary liability insurance policy prescribed in Article 23, paragraph (1) of the Act; hereinafter the same applies in this Subsection), where it has cancelled the financial service intermediary liability insurance policy or effected any amendment to terms and conditions thereunder with the approval under the provisions of Article 29, paragraph (1), item (iv) of the Order.
- (2) In the case referred to in the preceding paragraph, a financial service intermediary is to submit to the Commissioner, etc. the documents specified in the following items, in accordance with the categories respectively set forth therein:
- (i) the case specified in item (i) of the preceding paragraph: an original of the certificate of deposit and a statement of security deposit, etc., in relation to the deposit;
 - (ii) the case specified in item (ii) or (iii) of the preceding paragraph: a statement of security deposit, etc.; and
 - (iii) the case specified in item (iv) or (v) of the preceding paragraph: a document certifying the fact, and a statement of security deposit, etc.
- (3) A statement of security deposit, etc. prescribed in the items of the preceding paragraph is to be prepared in accordance with Appended Form 5.
- (4) When the Commissioner, etc. receives an original of the certificate of deposit as set forth in paragraph (2), item (i), the Commissioner, etc. must issue the certificate of custody to the financial service intermediary.

Article 27 (1) When a counterparty to guarantee entrustment contract deposits the security deposits pursuant to the provisions of Article 22, paragraph (4) of the Act, the party is to make the deposit with the deposit office nearest to the head office or principal office of the financial service intermediary which has concluded the guarantee entrustment contract (with regard to those that do not have a place of business or office in Japan, the Tokyo Legal Affairs Bureau).

- (2) When a counterparty to guarantee entrustment contract completes the deposit under the preceding paragraph, the party is to submit to the Commissioner, etc. an original of the certificate of deposit.
- (3) When the Commissioner, etc. receives an original of the certificate of deposit as set forth in the preceding paragraph, the Commissioner, etc. must issue the certificate of custody to the counterparty to guarantee entrustment contract.

Article 28 (1) When a financial service intermediary intends to obtain an approval under the provisions of Article 27, item (ii) of the Order, it must, no later than one month prior to the day when it intends to effect cancellation of the guarantee entrustment contract for which the approval is sought or to

amend any terms and conditions thereunder, submit to the Commissioner, etc. a written application for approval, as well as a written statement of reasons and any document describing reference information.

- (2) When an application for approval under the preceding paragraph has been filed, the Commissioner, etc. is to examine whether it is unlikely that the protection of customers, etc. (meaning the customers, etc. prescribed in Article 22, paragraph (2) of the Act; the same applies in Article 32, paragraph (4)) would be hindered if the financial service intermediary which has filed the application for approval cancelled the guarantee entrustment contract or amended any term thereunder.

(Counterparties to Contracts in Lieu of Whole or Part of Deposit)

Article 29 The financial institutions to be specified by Cabinet Office Order, as referred to in Article 27 of the Order, are the financial institutions set forth in the following items:

- (i) the Long Term Credit Bank prescribed in Article 2 of the Long Term Credit Bank Act (Act No. 187 of 1952);
- (ii) a shinkin bank;
- (iii) a federation of shinkin banks;
- (iv) a labor bank;
- (v) the Rokinren Bank;
- (vi) credit cooperatives;
- (vii) a federation of cooperatives that carries out the business set forth in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
- (viii) agricultural cooperatives which engage in the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
- (ix) a federation of agricultural cooperatives which engages in the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act;
- (x) fisheries cooperatives engaged in the business set forth in Article 11, paragraph (1), item (iv) of the Fishery Cooperatives Act (Act No. 242 of 1948);
- (xi) a federation of fisheries cooperatives which engages in the business set forth in Article 87, paragraph (1), item (iv) of the Fishery Cooperatives Act;
- (xii) fishery processing cooperatives which engage in the business as set forth in Article 93, paragraph (1), item (ii) of the Fishery Cooperatives Act;
- (xiii) a federation of fishery processing cooperatives which engages in the business specified in Article 97, paragraph (1), item (ii) of the Fishery Cooperatives Act;
- (xiv) the Norinchukin Bank; and

(xv) the Shoko Chukin Bank, Limited.

(Commencement Day for Counting of Time Limit for Additional Deposit)

Article 30 The day to be specified by Cabinet Office Order, as referred to in Article 22, paragraph (8) of the Act, is the day set forth in the following items, in accordance with the grounds for the accrual of deficiency in the amount of the deposits respectively set forth therein:

- (i) if a financial service intermediary has amended any of the terms and conditions of a guarantee entrustment contract with approval under the provisions of Article 27, item (ii) of the Order (referred to as "approval" in the following item), as a result of which the amount of deposit deposited as prescribed in Article 22, paragraph (10) of the Act (including the amount required to be deposited under the guarantee entrustment contract) falls short of the amount specified in Article 26 of the Order: the day when the term of the guarantee entrustment contract was amended;
- (ii) if the financial service intermediary has cancelled the guarantee entrustment contract with the approval: the day of the cancellation of the guarantee entrustment contract;
- (iii) when the procedures for execution of the right as referred to in Article 28 of the Order were implemented: the day when the financial service intermediary has received a copy of the payment entrustment document under Article 11, paragraph (2) of the Regulation on Deposits of Financial Service Intermediaries (or any other day to be designated separately by the Commissioner, etc., if the Commissioner, etc. is unable to locate the address of the place of business or office of the financial service intermediary); or
- (iv) if, for the purpose of implementing procedures for the execution of the rights referred to in Article 28 of the Order, the Commissioner, etc. has realized the deposited securities (including the book-entry transfer bonds prescribed in Article 278, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares), and has deposited the realized amount less the realization costs: the day on which the financial service intermediary has received a notice of deposit under Article 15, paragraph (4) of the Regulation on Deposit of Financial Service Intermediaries.

(Types of Securities Which May Deposited in Replacement of Deposit)

Article 31 (1) The securities to be specified by Cabinet Office Order, as referred to in Article 22, paragraph (9) of the Act, are the securities set forth in the following items:

- (i) national government bond securities (including the national government bond securities, the attribution to which are determined in accordance with the statement or record contained in the book-entry transfer account book as

referred to in the Act on Book-Entry Transfer of Corporate Bonds and Shares);

(ii) local government bond securities;

(iii) government guaranteed bond certificates (meaning the securities set forth in Article 2, paragraph (1), item (iii) of the Financial Instruments and Exchange Act, for which the government guarantees redemption of principal and interest payments); and

(iv) corporate bond certificates and any other bond certificates, which are designated by the Commissioner of the Financial Services Agency (excluding registered bond certificates and bond certificates issued by means of discounting and the securities set forth in the preceding item).

(2) The value of the securities when the securities are to be substituted for deposits pursuant to the provisions of Article 22, paragraph (9) of the Act is the amount specified in the following items, in accordance with the categories of the securities respectively set forth therein:

(i) the securities set forth in item (i) of the preceding paragraph: the par value thereof (if the attribution of the right pertaining to the securities is to be determined in accordance with the statement or record contained in the book-entry transfer account book as referred to in the Act on Book-Entry Transfer of Corporate Bonds and Shares, the amount stated or recorded in the book-entry transfer account book; hereinafter the same applies in this Article);

(ii) the securities set forth in item (ii) of the preceding paragraph: the amount calculated by discounting the par value of 100 yen to 90 yen;

(iii) the securities set forth in item (iii) of the preceding paragraph: the amount calculated by discounting the par value of 100 yen to 95 yen; and

(iv) the securities set forth in item (iv) of the preceding paragraph: the amount calculated by discounting the par value of 100 yen to 80 yen.

(3) With regard to the securities issued by way of discounting, the issue value thereof plus the amount calculated in accordance with the following formula is deemed to be the par value thereof, and the provisions of the preceding paragraph apply.

$$((\text{par value} - \text{issue value}) \div \text{the number of years falling in the period from the issue date to the redemption date}) \times (\text{the number of years falling in the period from the issue date to the deposit date})$$

(4) For the purpose of calculation in accordance with the formula set forth in the preceding paragraph, if any fraction of less than one year arises with regard to the number of years from the issue date and the redemption date and the number of years falling in the period from the issue date to the deposit date, or if any fraction of less than one yen arises with regard to the amount obtained by dividing the difference between par value and issue value by the number of

years falling in the period from the issue date to the redemption date, the fraction is truncated.

(Application for Approval Relating to Financial Service Intermediary Liability Insurance Contract Substituted for Security Deposit in Part)

Article 32 (1) When a financial service intermediary intends to obtain an approval under the provisions of Article 23, paragraph (1) of the Act, it must, no later than one month prior to the day when it elects not to deposit a part of the security interest by way of a financial service intermediary liability insurance contract for which the approval is sought, submit to the Commissioner, etc. a written application for approval, with a written statement of reasons and any other documents containing the matters which would serve as reference information.

(2) When an application for the approval under the preceding paragraph has been filed, the Commissioner, etc. is to examine whether the terms and conditions of the financial service intermediary liability insurance contract to be concluded by the financial service intermediary which has filed an application for the approval conforms the requirements specified in the items of Article 29, paragraph (1) of the Order.

(3) When a financial service intermediary intends to obtain an approval under the provisions of Article 29, paragraph (1), item (iv) of the Order, it must, no later than one month prior to the day when it intends to effect cancellation of the financial service intermediary liability insurance contract for which the approval is sought or to amend any of the terms and conditions thereunder, submit to the Commissioner, etc. a written application for approval, as well as a written statement of reasons and any document describing reference information.

(4) When an application for approval under the preceding paragraph has been filed, the Commissioner, etc. is to examine whether it is unlikely that the protection of customers, etc. would be hindered if the financial service intermediary which has filed the application for approval effects any change or cancellation of the financial service intermediary liability insurance contract.

(Provision of Information)

Article 33 (1) A financial service intermediary must clearly indicate the fact that it is not allowed to perform the following activities on behalf of any counterpart financial institution, as information concerning the authority of financial service intermediary prescribed in Article 25, paragraph (1), item (iii):

- (i) to accept offer for amendment of terms and conditions or the cancellation of a financial service contract;
- (ii) to issue a certificate of a financial service contract and any other document

- similar thereto;
- (iii) in the case of conducting insurance intermediary business operations, to receive from customers an announcement or notice concerning insurance policies; and
 - (iv) in the case of conducting insurance intermediary business operations, to make a judgment as to the existence of any liability to compensate for damage arising from an insured event, and to determine the amount to be compensated.
- (2) The matters to be specified by Cabinet Office Order, as referred to in Article 25, paragraph (1), item (vi) of the Act, are the matters set forth in the following items:
- (i) the registration number as referred to in Article 14 paragraph (1), item (ii) of the Act;
 - (ii) the trade name or name of the counterpart financial institution relating to the financial service contract to be concluded by the customer;
 - (iii) the amount of fees payable by the customer in relation to the financial service contract to be concluded by the customer (including any consideration payable by the customer in relation to the financial service contract as expenses equivalent to fees, irrespective of its name such as fees, remuneration, expenses or others; referred to as "fees, etc." in the following item, item (v), Subsection 5 and Article 139) or the upper limit thereof, or the outline of the method of calculation thereof (if these details cannot be clearly indicated, to that effect and the reason therefor);
 - (iv) in the case of providing a service relating to a financial service contract with the same types of provisions as a financial service contract of a counterpart financial institution (limited to a contract concluded with other counterpart financial institution), if fees, etc. payable by a customer to the counterpart financial institution for a financial service contract to be concluded by the customer differ depending on the counterpart financial institutions, to that effect;
 - (v) in the case of conducting investment advisory business (meaning the investment advisory business prescribed in Article 28, paragraph (6) of the Financial Instruments and Exchange Act; hereinafter the same applies in this item and Subsection 5), if any act of financial service intermediary (limited to the acts set forth in Article 11, paragraph (4), items (i) through (iii) of the Act; hereinafter the same applies in this item) for customers of the investment advisory business (excluding the case where the amount of fees, etc. for an act of financial service intermediary within a certain period is fixed without regard to the number of occasions of the act of financial service intermediary, and where the methods and amount of fees, etc. are clearly explained to the customer in advance), the amount of fees, etc. to be obtained

- based on the act of financial service intermediary (if the amount of fees, etc. is not prefixed, the method for calculating the amount of fees);
- (vi) capital relationship and personal relationship between the financial service intermediary and the counterpart financial institution relating to the financial service contract to be concluded by the customer, and whether there is an entrustment contract in relation to the financial service contract; and
 - (vii) the matters relating to the roles of the counterpart financial institution with respect to the financial service contract to be concluded between the financial service intermediary and customer, in connection with the provision of information, explanation and delivery of documents, etc. to the customer with respect to the financial service intermediary business operations.

(Information Disclosure)

Article 34 The matters to be specified by Cabinet Office Order, as referred to in Article 25, paragraph (2) of the Act, are the matters set forth in the following items:

- (i) the trade name and name of major counterpart financial institutions which are in business relationship with the financial service intermediary in connection with financial service intermediary business operations, and the percentage of the total amount of fees, remuneration and other consideration received from a counterpart financial institution (hereinafter referred to as "fees, etc." in this item) received from a counterpart financial institution in relation to a financial service contract to be concluded by a customer, to the aggregate amount of fees, etc., for each type of business; and
- (ii) the amount of security deposits deposited by the financial service intermediary, the amount to be deposited under a guarantee entrustment contract concluded by the financial service intermediary, or the insured amount under a financial service intermediary liability insurance policy.

(Internal Rules)

Article 35 A financial service intermediary must establish internal rules, etc. concerning explanations on material information to be provided to customers, in light of the customers' knowledge, experience, the status of their properties, and the purpose of transactions, and other measures to ensure healthy and proper business operations (including the explanations of the details and risks of instruments or transactions by the delivery of a document or by any other appropriate means and measures to prevent crimes), in accordance with the details and the method of its financial service intermediary business operations, and must develop a sufficient system to provide training to employees or otherwise ensure that the businesses will be conducted based on the internal rules, etc.

(Security Management Measures for Customers' Personal Information)

Article 36 When entrusting the security management of information concerning individual customers which it handles, supervision of its employees or handling of the information, a financial service intermediary must take necessary and appropriate measures to prevent divulgence of, loss of or damage to the information in supervising the party to whom its business is entrusted.

(Report on Leakage of Personal Information of Customers)

Article 36-2 If there occurs any divulgence, loss or destruction of information on individual customers handled by a financial service intermediary (limited to information that is personal data prescribed in Article 16, paragraph (3) of the Act on the Protection of Personal Information (Act No. 57 of 2003)) or situation with the risk thereof, the financial service intermediary must promptly report the occurrence of the situation to a Director-General of a Local Finance Bureau or Director-General of the Fukuoka Local Finance Branch Bureau and take any other appropriate measures.

(Treatment of Information on Repayment Capacity)

Article 37 A financial service intermediary must take measures to ensure that it will not use information of individual persons seeking funds relating to their ability to pay provided by a credit information-related organization (meaning an organization that collects information on repayment capacity of persons seeking funds and provide the information to the financial service intermediary) for any purposes other than for the investigation of their repayment capacity.

(Treatment of Special Non-Disclosure Information)

Article 38 A financial service intermediary must take measures to ensure that it will not use information of individual customers relating to their race, creed, family origin, registered domicile, health and medical care or criminal records, or any other special non-disclosure information (meaning non-disclosure information which has come to knowledge of it in the course of business) that it handles for any purposes other than those deemed to be necessary for ensuring proper operation of the business.

(Prevention of Confusion with Counterpart Financial Institution in Case of Using Computer)

Article 39 If a financial service intermediary conducts its business by the use of a computer connected via telecommunications line, it must take appropriate measures to prevent customers from misidentifying the financial service

intermediary with a counterpart financial institution or other persons.

(Measures to Ensure Proper Performance of Entrusted Business)

Article 40 When entrusting financial service intermediary business to a third party, a financial service intermediary must take necessary measures to ensure that the entrusted business is correctly executed by confirming the status of execution of the entrusted business on a regular basis or as needed, and if necessary, requesting improvements, or by any other means.

(Persons Excluded from Scope of Closely Related Persons)

Article 41 The persons to be specified by Cabinet Office Order, as referred to in the non-itemized part of Article 30, paragraph (1) of the Order, are the persons set forth in the following items:

- (i) the persons set forth in the items of Article 29;
- (ii) an insurance company (including a foreign insurance company, etc. (meaning the foreign insurance company, etc. prescribed in Article 2, paragraph (7) of the Insurance Business Act; the same applies in Article 62, paragraph (1)) and a small amount and short term insurer (meaning the small amount and short term insurer prescribed in Article 2, paragraph (18) of that Act; the same applies in Article 56, paragraph (1) and Article 62, paragraph (1), items (ii) and (iii)));
- (iii) a trust company (meaning the trust company prescribed in Article 2, paragraph (2) of the Trust Business Act (Act No. 154 of 2004); hereinafter the same applies in this Section); and
- (iv) a fund transfer service provider (meaning the fund transfer service provider prescribed in Article 2, paragraph (3) of the Payment Services Act (Act No. 59 of 2009); the same applies in Article 46, item (ix)).

(Parties Excluded from Scope of Parent Corporation, etc. and Subsidiary Corporation, etc.)

Article 42 The persons to be specified by Cabinet Office Order, as referred to in Article 30, paragraphs (2) and (3) of the Order, are the persons set forth in the following items:

- (i) a person solely engaged in a business for the execution of securities, etc. intermediary business operations, financial instruments business, etc. (meaning the financial instruments business, etc. prescribed in Article 50, paragraph (1), item (i) of the Financial Instruments and Exchange Act; the same applies in the following item) or the financial instruments intermediary service of any of the following parties:
 - (a) the party itself;
 - (b) the party itself, and its parent corporation, etc. (meaning the parent

corporation, etc. prescribed in Article 30, paragraph (2) of the Order; hereinafter the same applies in this Section excluding Article 51, paragraph (1), item (ii)) or its subsidiary corporation, etc. (meaning the subsidiary corporation, etc. prescribed in Article 30, paragraph (3) of the Order; hereinafter the same applies in this Section excluding Article 51, paragraph (1), item (i));

- (ii) a person solely engaged in the business (excluding securities, etc. intermediary business operations, financial instruments business, etc. and a financial instruments intermediary service) of any of the parties set forth in the following (excluding business related to non-disclosure asset information (meaning non-public significant information on the management, business or assets of a company that is the issuer, which is found to have an impact on the customer's investment decision (meaning the investment decision prescribed in Article 2, paragraph (8), item (xi), (b) of the Financial Instruments and Exchange Act; the same applies in Subsection 5) or any information which may come to knowledge of officers (if the officer is a corporation, including a person that is to perform the duties thereof) or employees of itself, its parent corporation, etc. or subsidiary corporation, etc. in the course of business with respect to ordering trends concerning the purchase and sale or other transactions of securities, etc. (meaning the purchase and sale or other transactions of securities, etc. prescribed in Article 41-2, item (iv) of that Act; the same applies in Article 118, paragraph (1), item (viii)) of a customer and any other special information (excluding the information mentioned above which pertains to a foreign corporation (including an unincorporated foreign organization for which the representative person or administrator has been designated))) (limited to that relating to customers of securities, etc. intermediary business operations conducted by the issuer or the party itself)):

- (a) the party itself;

- (b) the party itself, and its parent corporation, etc. or subsidiary corporation, etc.; or

- (iii) a corporation or any other organization of a foreign state which has no place of business, office or any other establishment equivalent thereto in Japan.

(Scope of Parent Company, etc.)

Article 43 (1) The companies to be specified by Cabinet Office Order, as referred to in Article 30, paragraph (4) of the Order, are the following company, etc. (meaning the company, etc. prescribed in that paragraph; hereinafter the same applies in Articles 43 through 45); provided, however, that this does not apply to the case where the company is found as obviously not having control over

the decision-making body (meaning the decision-making body prescribed in that paragraph; the same applies in item (ii), (e)) of other company, etc., in terms of the financial, operational or business relationship therewith:

- (i) a company, etc. which, on its own account, holds the majority of voting rights in another company, etc. (excluding another company, etc. which has been subject to an order commencing bankruptcy proceedings, an order commencing rehabilitation proceedings or an order commencing reorganization proceedings or any other company, etc. equivalent thereto, regarding which no effective parent-subsidiary relationship is found to exist; hereinafter the same applies in this paragraph);
- (ii) a company, etc. which, on its own account, holds not less than 40 percent but not more than 50 percent of the voting rights in another company, etc., and which falls under any of the following requirements:
 - (a) that the majority of the voting rights in such other company, etc. is constituted by the voting rights held by the company, etc. on its own account as well as the voting rights held by any party having a close relationship with the company, etc. in terms of equity contribution, personnel affairs, funding, technology, business transactions, etc. and therefore is likely to exercise its voting rights in concert with the intention of the company, etc. and any party having consented to exercise the voting rights in concert with the intention of the company, etc.;
 - (b) that the majority of the members of the board of directors or any other organ equivalent thereto of such other company, etc. is constituted by the officers or employees of the company, etc. or persons formerly in such positions, who may exert the influence on such other company, etc. in making decision on its financial, operational or business policies;
 - (c) that the company, etc. and such other company, etc. has entered into a contract or the like, which provides that the first-mentioned company, etc. takes control over significant decision on any important financial, operational or business policies of such other company, etc.;
 - (d) that the company, etc. has financed (including a provision of a guarantee of obligation and provision of collaterals; hereinafter the same applies in (d) and Article 44, item (ii), (b)) more than half of the total amount of funds procured by such other company, etc. (limited to the amount recorded in the liabilities section of the balance sheet; the same applies in (d)) (including the cases where more than half of the total amount of the funds procured by such other company, etc. is financed by the company, etc. and the amount financed by a person with a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, business transactions, etc.);
 - (e) that there exists any other fact inferring that the company, etc. controls

- the decision-making body of such other company, etc.; or
- (iii) the company, etc. which falls under any of the requirements specified in (b) through (e) of the preceding item, in the case where the majority of the voting rights in another company, etc. is constituted by the voting rights held by the company, etc. on its own account as well as the voting rights held by any party having a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, business transactions, etc. and therefore is likely to exercise its voting rights in concert with the intention of the company, etc. and any party having consented to exercise the voting rights in concert with the intention of the company, etc. (including the case where the company, etc. does not own voting rights on its own account).
- (2) Notwithstanding the provisions of the preceding paragraph, with regard to a special purpose company (meaning the specific purpose company prescribed in Article 2, paragraph (3) of the Act on Securitization of Assets (Act No. 105 of 1998) and a business entity engaged in a business similar thereto which is restricted from effecting any modification to its business details), if the purpose of the incorporation thereof is to entitle the owners of the securities it issues (including the creditors related to the specific borrowing prescribed in Article 2, paragraph (12) of that Act) to receive the profit generating from assets that have been transferred to the special purpose company at a fair value, and if the business thereof is properly implemented in compliance with the purpose, the special purpose company is regarded as being independent of the companies, etc. which transferred the assets to it (hereinafter referred to as the "transferor company, etc." in this paragraph), and is presumed not to fall under the category of a subsidiary company, etc. (meaning the subsidiary company, etc. prescribed in Article 30, paragraph (4) of the Order; hereinafter the same applies in this Section) of the transferor company, etc.

(Scope of Affiliated Companies, etc.)

Article 44 The companies to be specified by Cabinet Office Order, as referred to in Article 30, paragraph (5) of the Order, are the following companies, etc.; provided, however, that this does not apply to the case where the company, etc. (including its subsidiary company, etc.) is found as obviously unable to exert any material influence on decision-making related to financial policies or operational business policies of other company, etc. excluding its subsidiary companies, etc., in terms of the financial, operational or business relationship therewith:

- (i) the other company, etc. except for a subsidiary company, etc., when a company, etc. (including a subsidiary company, etc. of the company, etc.) holds, on its own account, 20 percent or more of the voting rights in such other company, etc. except for a subsidiary company, etc. (excluding another

- company, etc. except for a subsidiary company, etc. which has been subject to an order commencing bankruptcy proceedings, order commencing rehabilitation proceedings or order commencing reorganization proceedings, or another company, etc. except for a subsidiary company, etc. equivalent thereto, in which case the company, etc. is found as unable to exert any material influence on the decision related to the financial, operational or business policies; hereinafter the same applies in this Article);
- (ii) the other company, etc. except for a subsidiary company, etc. which falls under any of the following requirements, in which case the company, etc. (including a subsidiary company, etc. of the company, etc.) holds, on its own account, 15 percent or more but less than 20 percent of the voting rights in another company, etc. except for a subsidiary company, etc.:
 - (a) that any officers or employees of the company, etc. or any person formerly in such a position, in which case the company, etc. can exert its influence on decision of its financial, operational or business policies, has assumed the position of its representative director, executive officer or any other position equivalent thereto;
 - (b) that any important loan has been extended from the company, etc.;
 - (c) that any important technology is furnished from the company, etc.;
 - (d) that any important operational or business transactions such as distribution or supply have been entered into with the company, etc.;
 - (e) that there exists any other fact inferring that the company, etc. can exert its material influence on the decision on its financial, operational or business policies; or
 - (iii) the other company, etc. except for a subsidiary company, etc. which falls under any of the requirements set forth in (a) through (e) of the preceding item, in the case where 20 percent or more of the voting rights in such other Company except for a subsidiary company, etc. is constituted by the voting rights held by the company, etc. (including a subsidiary company, etc. of the company, etc.) on its own account as well as the voting rights held by any person having a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, business transactions, etc. and therefore is likely to exercise the voting rights in concert with the intention of the company, etc. and the voting rights held by any person having consented to exercise the voting rights in concert with the intention of the company, etc. (including the case where the company, etc. does not hold voting rights on its own account).

(Criteria for Determining Holding of Voting Rights)

Article 45 (1) For the purpose of determining the holding of voting rights prescribed in Article 30, paragraph (6) of the Order, the voting rights held are

to include the voting rights held under the name of any other person (or under a fictitious name), and the voting rights pertaining to shares, etc. in any of the following cases:

- (i) if a person has been granted the authority to exercise the voting rights in the company, etc. or the authority to give instructions as to the exercise thereof, under the provisions of a contract such as a monetary trust agreement or the laws;
 - (ii) if any person in special relationship holds the voting rights in the company, etc.; or
 - (iii) if, pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (including the case where these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) and Article 276 (limited to the parts pertaining to item (ii)) of that Act), a person may not assert the shares, etc. held by the person (including the shares, etc. representing the voting rights which, pursuant to the provisions of this paragraph, are to be included in the voting rights held by the specified individual shareholder referred to in Article 30, paragraph (1), item (iv) of the Order) against the issuer thereof.
- (2) Notwithstanding the provisions of the preceding paragraph, the voting rights held as referred to in that paragraph are not to include the voting rights pertaining to the following shares, etc.:
- (i) the shares, etc. held by a corporation, if a person with the authority to act as representative of the corporation or a manager having the authority to act as an agent therefor has been granted the authority to exercise the voting rights or to give instruction as to the exercise thereof or the authority required for making an investment, based on the authority to act as representative or authority to act as an agent; or
 - (ii) the shares, etc. owned by heirs as their estate (limited to the shares, etc. owned prior to the day when the heir (excluding the case of a joint succession) gave an unqualified acceptance (including the case where an unqualified acceptance is deemed to have been given) or a qualified acceptance, or the shares, etc. which the coheirs of that estate have not yet divided).
- (3) The term "person in special relationship" as referred to in paragraph (1), item(ii) means the relationship set forth in the following items, according to the categories of persons as set forth therein, respectively:
- (i) a person that holds subject voting rights (meaning the subject voting rights as defined in Article 29-4, paragraph (2) of the Financial Instruments and Exchange Act and excluding subject voting rights which are deemed to be held under the provisions of Article 29-4, paragraph (5) of the Act (limited to

- the part that involves item (ii)); hereinafter the same applies in this item) or a person whose subject voting rights are held by a controlled company: the relationship between that person and the following persons:
- (a) a person that jointly holds subject voting rights with that person, or that has agreed to jointly exercise subject voting rights with that person (referred to as a "joint holder" in paragraph (5));
 - (b) the person's spouse;
 - (c) the person's controlled company;
 - (d) the person's controlling shareholder, etc.;
 - (e) another controlled company of the person's controlling shareholder, etc.;
- or
- (ii) persons other than those set forth in the preceding item: the relationship between that person and the persons set forth in (a) or (b) of that item.
- (4) In this Article, the term "controlling shareholder, etc." means a person that holds voting rights constituting over 50 percent of the voting rights held by all the shareholders, etc. of a company, and the term "controlled company" means a company in which voting rights constituting over 50 percent of the voting rights held by all the shareholders, etc. are held by a controlling shareholder, etc. In this case, if a controlling shareholder, etc. and the controlled company thereof jointly hold voting rights that constitute over 50 percent of voting rights held by all the shareholders, etc. of another company, the other company is deemed to be the controlled company of the controlling shareholder, etc. and the controlling shareholder, etc. is deemed to be the controlling shareholder, etc. of the other company.
- (5) If there is a person that, together with a joint holder, jointly holds voting rights constituting over 50 percent of the voting rights held by all the shareholders, etc. of a company, each of those persons is deemed to be a controlling shareholder, etc. of the company, the company is deemed to be a controlled company of that person, and the provisions of paragraph (3) apply.
- (6) If there is a person that, together with that person's spouse, jointly holds voting rights constituting over 50 percent of the voting rights held by all the shareholders, etc. of a company, that person is deemed to be the controlling shareholder, etc. of that company, the company is deemed to be the controlled company of that person, and the provisions of paragraph (3) apply.
- (7) The provisions of Article 14, paragraph (2) apply *mutatis mutandis* to voting rights held by persons prescribed in these provisions in the cases referred to in the preceding three paragraphs. In this case, the parts "Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) (including the case where these provisions are applied *mutatis mutandis* pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and

Article 276 (limited to the part pertaining to item (ii)) of that Act)" and "shares, etc." in paragraph (2) of that Article is deemed to be replaced with "Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001)" and "shares", respectively.

(Exception to Restriction on Receiving Cash Deposits)

Article 46 The cases where there is little likelihood of resulting in sufficient protection of customers to be specified by Cabinet Office Order, as referred to in Article 27 of the Act, are as follows:

- (i) deposits made by a bank and the persons set forth in Article 29 in the course of their business (excluding the cases set forth in items (iii), (v), (vii), (ix), (xi), (xiii), (xv), (xvi) and (xviii));
- (ii) deposits made by a specific credit business agent prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act in the course of its specific credit business agency service (meaning the specific credit business agency service prescribed in paragraph (2) of that Article; the same applies in the following item);
- (iii) deposits made by a bank, etc. prescribed in Article 92-3, paragraph (1) of the Agricultural Cooperatives Act which conducts specific credit business agency service by filing a notification under the provisions of paragraph (3) of that Article in the course of its specific credit business agency service;
- (iv) deposits made by a specific credit business agent prescribed in Article 106, paragraph (3) of the Fishery Cooperatives Act in the course of its specific credit business agency service (meaning the specific credit business agency service prescribed in paragraph (2) of that Article; the same applies in the following item);
- (v) deposits made by a bank, etc. prescribed in Article 107, paragraph (1) of the Fishery Cooperatives Act which conducts specific credit business agency service by filing a notification under the provisions of paragraph (3) of that Article in the course of its specific credit business agency service;
- (vi) deposits made by a credit cooperative agent (meaning the credit cooperative agent prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperative (Act No. 183 of 1949); the same applies in Article 62, paragraph (1), item (xv)) in the course of its credit cooperative agency service (meaning the credit cooperative agency service prescribed in Article 6-3, paragraph (2) of the Act on Financial Businesses by Cooperative; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
- (vii) deposits made by a credit cooperative, etc. prescribed in Article 6-4 of the Act on Financial Businesses by Cooperatives which conducts a credit cooperative agency service by filing a notification under the provisions of

- Article 52-60-2, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 6-4-2, paragraph (1) of the Act on Financial Businesses by Cooperatives, in the course of its credit cooperative agency service;
- (viii) deposits made by a shinkin bank agent (meaning the shinkin bank agent prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act (Act No. 238 of 1951); the same applies in Article 62, paragraph (1), item (xv)) in the course of its shinkin bank agency service (meaning the shinkin bank agency service prescribed in Article 85-2, paragraph (2) of the Shinkin Bank Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
 - (ix) deposits made by a shinkin bank, etc. prescribed in Article 85-2-2 of the Shinkin Bank Act which conducts a shinkin bank agency service by filing a notification under the provisions of Article 52-60-2, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Shinkin Bank Act in the course of its shinkin bank agency service;
 - (x) deposits made by a long-term credit bank agent (meaning the long-term credit bank agent prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act; the same applies in Article 62, paragraph (1), item (xv)) in the course of its long-term credit bank agency service (meaning the long-term credit bank agency service prescribed in Article 16-5, paragraph (2) of the Long-Term Credit Bank Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
 - (xi) deposits made by a long-term credit bank, etc. prescribed in Article 16-7 of the Long-Term Credit Bank Act which conducts a long-term credit bank agency service by filing a notification under the provisions of Article 52-60-2, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, in the course of its long-term credit bank agency service;
 - (xii) deposits made by a labor bank agent (meaning the labor bank agent prescribed in Article 89-3, paragraph (3) of the Labor Bank Act (Act No. 227 of 1953); the same applies in Article 62, paragraph (1), item (xv)) in the course of its labor bank agency service (meaning the labor bank agency service prescribed in Article 89-3, paragraph (2) of the Labor Bank Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
 - (xiii) deposits made by a labor bank, etc. prescribed in Article 89-4 of the Labor Bank Act which conducts a labor bank agency service by filing a notification under the provisions of Article 52-60-2, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Bank Act, in the course of its labor bank agency service;

- (xiv) deposits made by a bank agent (meaning the bank agent prescribed in Article 2, paragraph (15) of the Banking Act; the same applies in Article 62, paragraph (1), item (xv)) in the course of its bank agency service (meaning the bank agency service prescribed in Article 2, paragraph (14) of the Banking Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
- (xv) deposits made by a bank, etc. prescribed in Article 52-60-2, paragraph (1) of the Banking Act which conducts a bank agency service by filing a notification under the provisions of paragraph (3) of that Article in the course of its bank agency service;
- (xvi) deposits made by an agricultural cooperative, fisheries cooperative and fishery processing cooperative that provides an agency service for businesses relating to authorization under of Article 42, paragraph (3) of the Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperative Savings Insurance Cooperation (Act No. 118 of 1996) (hereinafter referred to as an "agency service under the Enhancement and Restructuring Act" in this Section), in the course of its agency service under the Enhancement and Restructuring Act;
- (xvii) deposits made by a Norinchukin Bank agent (meaning the Norinchukin Bank agent prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act (Act No. 93 of 2001); the same applies in Article 62, paragraph (1), item (xv)) in the course of its Norinchukin Bank agency service (meaning the Norinchukin Bank agency service prescribed in Article 95-2, paragraph (2) of the Norinchukin Bank Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
- (xviii) deposits made by a bank, etc. prescribed in Article 95-3, paragraph (1) of the Norinchukin Bank Act which conducts a Norinchukin Bank agency service by filing a notification under the provisions of paragraph (3) of that Article in the course of its Norinchukin Bank agency service; and
- (xix) deposits made by a funds transfer service provider in the course of its funds transfer service prescribed in Article 2, paragraph (2) of the Payment Services Act.

(Complaint Processing Measures and Dispute Resolution Measures)

Article 47 (1) The complaint processing measures to be specified by Cabinet Office Order, as referred to in Article 28 paragraph (1), item (i), (b) of the Act, are the measures set forth in one of the following items:

- (i) to take all measures set forth below:
 - (a) to develop a business operation system that is sufficient to fairly and appropriately executing business pertaining to the processing of

- complaints related to financial service intermediary business operations (meaning the complaints related to financial service intermediary business operations prescribed in Article 11, paragraph (10) of the Act; hereinafter the same applies in this Article and Chapter IV, Section 2);
- (b) to establish internal rules for fair and appropriate execution of business pertaining to processing of complaints related to financial service intermediary business operations (limited to rules which include provisions clarifying the division of responsibilities with respect to the business within the company);
 - (c) to inform customers, etc. (meaning the customers, etc. prescribed in Article 28, paragraph (2) of the Act; the same applies in Chapter IV, Section 2) of the contact information for submitting complaints related to financial service intermediary business operations and to publish the business operation system as referred to in (a) and the internal rules as referred to in (b);
- (ii) to process the complaints related to financial service intermediary business operations through the resolution of complaints conducted by a certified financial service intermediary business association pursuant to the provisions of Article 43, paragraph (1) of the Act;
 - (iii) to take the measures set forth in the following (a) or (b), in accordance with the categories of cases listed therein:
 - (a) in the case of conducting financial service intermediary business operations other than loan intermediary business operations: to process the complaints related to financial service intermediary business operations through the resolution of complaints conducted by a financial instruments firms association (meaning the authorized financial instruments firms association prescribed in Article 2, paragraph (13) of the Financial Instruments and Exchange Act or a certified financial instruments business association prescribed in Article 78, paragraph (2) of that Act; the same applies in item (i) of the following paragraph and Article 113, paragraph (1), item (iv)) or a certified investor protection organization (meaning the certified investor protection organization prescribed in Article 79-10, paragraph (1) of that Act; the same applies in item (i) of the following paragraph and Subsection 5), pursuant to the provisions of Article 77, paragraph (1) of that Act (including as applied mutatis mutandis pursuant to Article 78-6 and Article 79-12 of that Act);
 - (b) in the case of conducting loan intermediary business operations: to process the complaints related to financial service intermediary business operations through the resolution of complaints conducted by a money lenders association prescribed in Article 2, paragraph (10) of the Money Lending Business Act pursuant to the provisions of Article 41-7, paragraph

- (1) of that Act;
- (iv) to process the complaints related to financial service intermediary business operations through mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act (Act No. 78 of 1968);
- (v) to process complaints related to financial service intermediary business operations through complaint processing procedures to be implemented by a person specified in the following or a designated person as set forth in the items of Article 40 of the Order, depending on the types of businesses as set forth in the following:
 - (a) deposit, etc. intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for deposit, etc. brokerage;
 - (b) insurance intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for insurance intermediary services;
 - (c) securities, etc. intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for securities intermediary services;
 - (d) loan intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for money lending business and loan brokerage services; and
- (vi) to process the complaints related to financial service intermediary business operations through a complaint processing procedures implemented by a corporation (meaning the corporation prescribed in Article 51, paragraph (1), item (i) of the Act; the same applies in item (v) of the following paragraph), having the accounting basis and personnel structure necessary for conducting the business pertaining to processing of the complaints related to financial service intermediary business operations fairly and appropriately.
- (2) The dispute resolution measures to be specified by Cabinet Office Order, as referred to in Article 28 paragraph (1), item (i), (b) of the Act, are the measures set forth in one of the following items:
 - (i) in the case where a financial service intermediary conducts financial service intermediary business operations other than loan intermediary business operations, to process the disputes related to financial service intermediary business operations (meaning the disputes related to financial service intermediary business operations prescribed in Article 11, paragraph (11) of the Act; hereinafter the same applies in this Article and Chapter IV, Section 2), through mediation (meaning the mediation prescribed in Article 77-2, paragraph (1) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 78-6 and Article 79-13 of that Act); the same applies in Article 113, paragraph (1), item (iv)) conducted by a

- financial instruments firms association or a certified investor protection organization;
- (ii) to resolve the disputes related to financial service intermediary business operations through mediation by an organization under the articles of association prescribed in Article 33, paragraph (1) of the Attorney Act (Act No. 205 of 1949) or under rules stipulated in accordance with the provisions of the articles of association, or through arbitration procedures by the organization;
 - (iii) to resolve the disputes related to financial service intermediary business operations through mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act or through resolution by agreement prescribed in Article 25 of the same Act;
 - (iv) to process disputes related to financial service intermediary business operations through dispute processing procedures to be implemented by a person specified in the following or a designated person as set forth in the items of Article 40 of the Order depending on the types of businesses as set forth in the following:
 - (a) deposit, etc. intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for deposit, etc. brokerage;
 - (b) insurance intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for insurance intermediary services;
 - (c) securities, etc. intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for securities intermediary services;
 - (d) loan intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for money lending business and loan brokerage services; and
 - (v) to resolve the disputes related to financial service intermediary business operations through dispute resolution procedures implemented by a corporation, having the accounting basis and personnel structure necessary for conducting the business pertaining to resolution of the disputes related to financial service intermediary business operations fairly and appropriately.
- (3) Notwithstanding the provisions of the preceding two paragraphs (limited to the portion relating to paragraph (1), item (vi) and paragraph (2) item (v)), a financial service intermediary may not process the complaints related to financial service intermediary business operations and resolve the disputes related to financial service intermediary business operations through procedures implemented by a corporation falling under any of the categories set forth in the following items:

- (i) a corporation that has been sentenced to a fine under the provisions of the Act or the Attorney Act, and for whom five years have not passed since the day when the execution of the punishment terminated or it became free from execution of the punishment;
- (ii) a corporation whose designation under the provisions of Article 51, paragraph (1) of the Act was rescinded pursuant to the provisions of Article 73, paragraph (1) of the Act and for whom five years have not passed since the day when the designation was rescinded, or a corporation whose designation set forth in the items of Article 40 of the Order was rescinded and for whom five years have not passed since the day when the designation was rescinded;
- (iii) a corporation, any of whose officers in charge of its business (if an officer is a corporation, including a member that is to perform the duties thereof; the same applies in (b)) falls under any of the following conditions:
 - (a) a person who has been sentenced to imprisonment without work or heavier punishment or was sentenced pursuant to the provisions of the Act or the Attorney Act, if a period of five years has not yet elapsed since the day on which the person served out the sentence or was exempted from the execution of the sentence; or
 - (b) a person who was an officer of a corporation whose designation under the provisions of Article 51, paragraph (1) of the Act was rescinded pursuant to the provisions of Article 73, paragraph (1) of the Act, if the person was an officer of the corporation within one month before the rescission and a period of five years has not yet elapsed from the date of rescission; or a person who was an officer of a corporation whose designation set forth in the items of Article 40 of the Order was rescinded, if the person was an officer of the corporation within one month before the rescission and a period of five years has not yet elapsed from the date of rescission.

Subsection 2 Special Provisions on Deposit, etc. Intermediary Business Operations

(Specified Deposits)

Article 48 The deposits, etc. to be specified by Cabinet Office Order, as referred to in Article 52-44, paragraph (2) of the Banking Act as applied *mutatis mutandis*; are the following deposits, etc.:

- (i) a deposit, etc. that requires the depositor, etc. (meaning the depositor, etc. prescribed in Article 52-44, paragraph (2) of the Banking Act as applied *mutatis mutandis*; the same applies in the following Article) to pay a penalty or anything else equivalent to this (hereinafter referred to as a "penalty, etc." in this item) if the depositor, etc. cancels it before maturity, regarding which

- the amount arrived at when the amount of the penalty, etc. is deducted from the balance of the deposit, etc. at the time of the cancellation may fall below the deposited amount due to changes in interest rates, value of currencies, quotations on a financial instruments market, and other indicators;
- (ii) a deposit, etc. that is denominated in a foreign currency; or
 - (iii) a deposit, etc. entailed by a transaction (limited to transactions pertaining to purchase and sale of currencies) on acceptance of the deposit, etc. prescribed in Article 2, paragraph (22), item (iii) (excluding (b)) of the Financial Instruments and Exchange Act.

(Provision of Information to Depositors, etc.)

Article 49 (1) When a financial service intermediary (limited to an intermediary conducting deposit, etc. intermediary business operations; hereinafter the same applies in this Subsection) provides information to depositors, etc. pursuant to the provisions of Article 52-44, paragraph (2) of the Banking Act as applied *mutatis mutandis*, it shall provide the information by the following methods:

- (i) by giving a clear indication of the interest rate on the principal deposit, etc.;
- (ii) by giving a clear indication of the fee pertaining to the deposit, etc. handled by the intermediary;
- (iii) by giving a clear indication of the deposit, etc. that is handled by the intermediary, and which is subject to the payment of insurance proceeds prescribed in Article 53 of the Deposit Insurance Act (Act No. 34 of 1971) or Article 55 of the Agricultural and Fishery Cooperation Savings Insurance Act (Act No. 53 of 1973);
- (iv) by using a document stating the following particulars among information concerning the contents of products to give an explanation (if the matters to be stated in a document are recorded in an electronic or magnetic record (meaning the electronic or magnetic record prescribed in Article 62, paragraph (8) of the Act; hereinafter the same applies in this Chapter and Article 146, paragraph (4)), including an explanation using the recorded matters indicated on a computer screen) at the request of depositors, etc., and by delivering that document containing the following matters:
 - (a) their names (including their aliases);
 - (b) scope of persons subject to the acceptance of their deposits, etc.;
 - (c) period of depositing (including an indication whether the deposit will be automatically renewed or not);
 - (d) minimum deposit amount, unit of deposit amount, and any other matters concerning the depositing;
 - (e) method of repayment;
 - (f) method of establishing interests, payment method of interests, calculation method of interests, and other particulars regarding interests;

- (g) fees;
- (h) the particulars of special provisions that may be added;
- (i) handling in the case of the termination of the contract during the period of depositing (including the calculation methods of interest and fees);
- (j) the particulars prescribed in each of the following in accordance with the categories of cases set forth respectively therein:
 1. in the case where a designated dispute resolution organization for deposit, etc. brokerage is designated: the trade name or name of the designated dispute resolution organization for deposit, etc. brokerage, which is the other party to the basic contract for implementation of dispute resolution procedures, for which the financial service intermediary takes measures to conclude the basic contract for implementation of dispute resolution procedures;
 2. in the case where a designated dispute resolution organization for deposit, etc. brokerage is not designated: the details of the complaint processing measures and the dispute resolution measure of the financial service intermediary;
- (k) other information found to be of reference for depositing a deposit, etc.;
- (v) by giving a detailed explanation stating that the full amount paid at the time of depositing is not guaranteed to be repaid at its maturity and any other detailed explanations concerning the financial instruments, if it handles a financial instrument in which the full amount paid at the time of depositing for the combination of the following items and the deposit, etc. is not guaranteed to be repaid at its maturity:
 - (a) a market derivative transaction or a foreign-market derivatives transaction other than that which falls under securities-related derivatives transactions (meaning the securities-related derivatives transactions prescribed in Article 28, paragraph (8), item (vi) of the Financial Instruments and Exchange Act; the same applies in (d) and Article 93, item (xii));
 - (b) a financial derivative transaction;
 - (c) a forward exchange transaction;
 - (d) a securities-related derivative transaction (excluding a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a transaction in a foreign financial instruments market (meaning the foreign financial instruments market prescribed in paragraph (8), item (iii), (b) of that Article; the same applies in (e) and Subsection 5) similar to the transaction set forth in paragraph (21), item (i) of that Article);
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a

- foreign financial instruments market to that set forth in that item (limited to the securities set forth in paragraph (1), item (i) and item (ii) of that Article and those set forth in item (iii) and item (v) of that paragraph (limited to securities of which the national government guarantees the redemption of principal and interest payments), and securities set forth in Article 2, paragraph (1), item (xvii) of that Act pertaining to those which have characteristics prescribed in item (i) of that paragraph); or
- (vi) by appropriately providing information concerning the relevant criteria and methods as well as interest rates, if the indicator which is the basis for determining an interest rate and the method for determining an interest rate with respect to a floating rate deposit are specified.
- (2) the term "financial derivative transaction" as referred to in item (v), (b) of the preceding paragraph means transactions in which the parties agree to pay or receive money based on the difference between a figure agreed between the parties in advance as a figure of the interest rate, the value of currencies, the price of commodity, the price of carbon dioxide equivalent quota (meaning the carbon dioxide equivalent quota prescribed in Article 2, paragraph (7) of the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998) and other values similar thereto; the same applies in item (ii)) or any other indicators, and the actual figure of the relevant indicator at a fixed time in the future, or the transactions set forth in the following items:
- (i) commodity derivative transaction (a transaction in which the parties mutually agree to make payment with respect to a commodity of which the quantity is specified by the parties, based on the commodity market price agreed upon between the relevant parties, and other similar transactions (limited to the following transactions)):
- (a) a transaction settled by payment of the difference;
 - (b) a purchase and sale transaction in which the parties agree to transfer between them a commodity and the consideration therefor and which satisfies all of the following requirements:
 1. the purchase and sale transaction does not result in the holding of the commodity pertaining to that transaction on the completion of the settlement;
 2. the purchase and sale transaction does not result in bearing the risk that may arise in relation to the custody or transportation of the commodity pertaining to that transaction;
- (ii) a transaction in which the parties mutually agree to make payment with respect to a carbon dioxide equivalent quota of which the quantity is determined by the parties, based on the quotation of a carbon dioxide equivalent as agreed between the parties and other similar transactions (limited to the following transactions):

- (a) a transaction settled by payment of the difference;
 - (b) a purchase and sale transaction in which the parties agree to transfer between them a carbon dioxide equivalent quota and the consideration therefor and that does not result in the holding of the carbon dioxide equivalent quota pertaining to that purchase and sale transaction on the completion of the settlement; and
 - (iii) a transaction in which one party grants the other party a right to consummate a transaction as set forth in the preceding two items between those parties by one party manifesting the intention, and the other party promises to pay the consideration for the granting of the right, and any other similar transaction.
- (3) Notwithstanding the provisions of paragraph (1), if a counterpart financial institution prescribed information concerning the conclusion of a contract for deposit, etc. to a depositor, etc. by the method set forth in the items of that paragraph, a financial service intermediary is not required to provide information to the depositor, etc. by the method set forth in the items of that paragraph.

(Prevention of Misidentification with Deposits, etc.)

- Article 50 (1) When a financial service intermediary sells financial instruments (meaning the sale of financial instruments prescribed in Article 3, paragraph (1) of the Act, and excluding the acts relating to items (i) and (ii) of that paragraph) or acts as an agent or intermediary for the sale, the financial service intermediary must provide to a customer an explanation for preventing the customer from misidentifying those financial instruments as deposits, etc., by delivering documents or other appropriate methods, according to the method of their business and based on the customer's knowledge, experience, financial status, and purpose of conducting the transaction:
- (2) If a financial service intermediary provides the explanation prescribed in the preceding paragraph, the financial service intermediary is to explain the following particulars (excluding what is set forth in items (iii) and (iv), in a case of corporate bonds (other than short term bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares) issued by the financial service intermediary):
- (i) that the product is not a deposit, etc.;
 - (ii) that the product is not subject to the payment of insurance proceeds prescribed in Article 53 of the Deposit Insurance Act or Article 55 of the Agricultural and Fishery Cooperation Savings Insurance Act;
 - (iii) that repayment of the principal is not guaranteed;
 - (iv) the parties to the contract; and
 - (v) other information found to be of reference for the prevention of

misidentification as a deposit, etc.

- (3) If a financial service intermediary concludes a trust agreement without agreement for compensation of the principal, or acts as an agent or intermediary for the conclusion of such a contract, the bank must display that the trust agreement does not have an agreement for compensation of the principal in a place easily seen by customers at its places of business or offices; and, if it concludes a trust agreement pertaining to a monetary trust without agreement for compensation of the principal, or acts as an agent or intermediary for the conclusion of the contract (excluding cases set forth in each item of Article 78 of the Order for Enforcement of Trust Business Act (Cabinet Office Order No. 107 of 2004)), it must explain those particulars set forth in each item of the preceding paragraph.

(Closely Related Persons of Financial Service Intermediary)

Article 51 (1) The closely related persons of a financial service intermediary to be specified by Cabinet Office Order, as referred to in Article 52-45, item (iii) of the Banking Act as applied mutatis mutandis, are the following persons (excluding subsidiary companies of a financial service intermediary):

- (i) a subsidiary corporation, etc. (meaning the persons set forth in items of Article 30, paragraph (3) of the Order) of the financial service intermediary;
- (ii) a parent corporation, etc. of the financial service intermediary (meaning the persons set forth in Article 30, paragraph (2), items (i) through (iii) of the Order, and excluding those set forth in the preceding item);
- (iii) the following company, partnership, or other business entity equivalent thereto related to the financial service intermediary (limited to an individual person; hereinafter referred to as an "individual financial service intermediary" in this item) (including equivalent entities in foreign states, but excluding the persons set forth in the preceding two items; hereinafter referred to as a "company, etc." in this item):
 - (a) a company, etc. (including a subsidiary company, etc. of that company, etc. and an affiliated company, etc. of that company, etc. prescribed in Article 30, paragraph (5) of the Order) in which the individual financial service intermediary holds voting rights that exceed fifty percent of the voting rights of all of the shareholders; or
 - (b) a company, etc. in which the individual financial service intermediary holds voting rights accounting for not less than twenty percent but not more than fifty percent of the voting rights of all of the shareholders.

- (2) The term "subsidiary company" as used in Article means a second company in which a first company holds the majority of all shareholders' voting rights. In this case, the second company in which the first company and one or more of its subsidiary companies hold the majority of the voting rights held by all the

shareholders, etc., or in which one or more of the first company's subsidiary companies hold the majority of the voting rights held by all the shareholders, etc., is deemed to be the subsidiary company of the relevant first company.

(Act Unlikely to Result in Insufficient Customer Protection)

Article 52 The acts specified by Cabinet Office Order as being unlikely to result in sufficient customer protection, as referred to in Article 52-45, item (iii) of the Banking Act as applied mutatis mutandis, is an act that does not involve the wrongful provision of intermediary service for the conclusion of a contract for lending of funds or discounting of negotiable instruments on the condition that a customer executes the transaction.

(Specified Related Parties of Counterpart Financial Institution)

Article 53 The persons in a unique relationship to be specified by Cabinet Office Order with a counterpart financial institution, as referred to in Article 52-45, item (iv) of the Banking Act as applied mutatis mutandis, are the persons set forth in the following items:

- (i) a specified related party prescribed in Article 13-2 of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, Article 89, paragraph (1) of the Shinkin Bank Act, Article 94, paragraph (1) of the Labor Bank Act or Article 6, paragraph (1) of the Act on Financial Businesses by Cooperative;
- (ii) a specified related party prescribed in Article 11-4, item (iii) of the Agricultural Cooperatives Act;
- (iii) a specified related party prescribed in Article 11-10, item (iii) of the Fisheries Cooperatives Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1) of that Act); and
- (iv) a specified related party prescribed in Article 59 of the Norinchukin Bank Act.

(Acts Unlikely to Impair the Sound and Appropriate Performance of Services of Counterpart Financial Institutions)

Article 54 The acts that are unlikely to impair the sound and appropriate performance of services of counterpart financial institutions to be specified by Cabinet Office Order, as referred to in Article 52-45, item (iv) of the Banking Act as applied mutatis mutandis, are acts relating to transactions or acts for which the counterpart financial institution obtained approval under the provisions of the proviso to Article 13-2 of the Banking Act (including as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, Article 89, paragraph (1) of the Shinkin Bank Act, Article 94, paragraph

(1) of the Labor Bank Act, and Article 6, paragraph (1) of the Act on Financial Businesses by Cooperative), the proviso to Article 11-9 of the Agricultural Cooperatives Act, the proviso to Article 11-15 of the Fisheries Cooperatives Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1) of that Act).

(Prohibited Acts concerning Deposit, etc. Intermediary Business Operations)

Article 55 The conduct specified by Cabinet Office Order, as referred to in Article 52-45, item (v) of the Banking Act as applied mutatis mutandis, are the conducts set forth in the following items:

- (i) an act of not conveying to a customer, in accordance with the content of its deposit, etc. intermediary business operations, an important particular in light of that customer's knowledge, experience, financial status, or purpose for conducting a transaction, or of conveying something to the customer that is likely to lead to a misunderstanding;
- (ii) to wrongfully act as an intermediary for the conclusion of a contract prescribed in any of the items of Article 11, paragraph (2) of the Act on the condition that the customer executes a transaction with the financial service intermediary or a business operator it designates (excluding an act set forth in Article 52-45, item (iii) of the Banking Act as applied mutatis mutandis);
- (iii) to wrongfully use its advantageous position in a transaction as a financial service intermediary to put a customer at a disadvantage concerning a condition or implementation of a transaction;
- (iv) to wrongfully have the customer conduct a transaction with itself or a business operator it designates on the condition that it act as an intermediary for the conclusion of a contract prescribed in the items of Article 11, paragraph (2) of the Act;
- (v) to improperly use its advantageous position in a transaction with respect to its concurrent business (meaning business other than services relating to deposit, etc. intermediary business operations; the same applies in item (vii)) to put a customer at a disadvantage concerning a condition or implementation of a transaction involving deposit, etc. intermediary business operations;
- (vi) an act of not conveying to the counterpart financial institution an important particular that affects its judgment regarding the conclusion of a contract related to the deposit, etc. intermediary business operations, or of conveying something that is false regarding this;
- (vii) not to take the following measures:
 - (a) measures in order to ensure that non-public financial information concerning a customer handled in the course of deposit, etc. intermediary business operations will not be used for concurrent business (excluding

- insurance intermediary business operations and business relating to insurance solicitation prescribed in Article 2, paragraph (26) of the Insurance Business Act; the same applies in (b)) without obtaining the customer's prior consent in writing or other appropriate methods;
- (b) measures in order to ensure that non-public information (meaning information which is obtained in the course of its concurrent business and not publicly disclosed (excluding information prescribed in Article 37 and special non-public information prescribed in Article 38; the same applies in (c))) concerning a customer handled in connection with concurrent business will not be used for deposit, etc. intermediary business operations without obtaining the customer's prior consent in writing or other appropriate methods; and
- (c) measures in order to ensure that non-public information concerning a customer handled in the course of concurrent business will not be provided to a counterpart financial institution without obtaining the customer's prior consent in writing or other appropriate methods.

Subsection 3 Special Provisions on Insurance Intermediary Business Operations

(Provision of Information to Policyholders and Insured Persons)

Article 56 (1) When providing information concerning the terms and conditions of insurance policy and other information which would serve as reference information for policyholders, etc. (meaning the policyholders, etc. prescribed in Article 17, paragraph (1) of the Act; the same applies in item (i), (o) and Article 62, paragraph (1), item (iv)) pursuant to the provisions of Article 294, paragraph (1) of the Insurance Business Act as applied mutatis mutandis, a financial service intermediary (limited to one engaged in insurance intermediary business operations; hereinafter the same applies in this Subsection, except for Article 62, paragraph (1), item (xii) and paragraph (4)) or its officers or employees (limited to employees prescribed in Article 294, paragraph (1) of the Insurance Business Act as applied mutatis mutandis; the same applies in paragraph (4) and the following paragraph), are to provide the information to policyholders and insured persons by the following methods:

- (i) provision of explanation using a written document stating the following matters pertaining to the terms and conditions of and other information concerning the insurance policy (when the matters to be stated in a document are recorded in electronic or magnetic records, including provision of explanation by way of showing the recorded matters which are displayed on a computer screen; hereinafter the same applies in this paragraph) and delivery of a document stating the following matters:

- (a) the structure of the instrument;
- (b) the matters related to insurance benefits (including main grounds for payment of insurance proceeds, refunds and other benefits (referred to as "insurance proceeds, etc." in (b)) and matters pertaining to cases where insurance proceeds, etc. may not be paid);
- (c) the matters related to main special provisions which can be added;
- (d) the matters related to the insurance period;
- (e) the amount of insurance proceeds and other terms pertaining to underwriting of the insurance policy;
- (f) the matters related to insurance premiums;
- (g) the matters related to the payment of insurance premiums;
- (h) the matters related to policy dividends;
- (i) the matters related to the cancellation and cancellation refund relating to the insurance policy;
- (j) the matters related to the revocation of an offer, etc. for the insurance policy (meaning the revocation of an offer, etc. prescribed in Article 309, paragraph (1) of the Insurance Business Act);
- (k) the matters related to the announcement to be made by the policyholder or the insured;
- (l) the matters related to the time of commencement of insurance liability;
- (m) the matters related to the grace period for the payment of insurance premiums;
- (n) the matters related to expiration or restoration after the expiration of the insurance policy;
- (o) the matters related to special measures, etc. for protection of policyholders, etc., such as financial assistance, etc. provided by the Insurance Policyholders Protection Corporation of Japan (meaning the Insurance Policyholders Protection Corporation of Japan prescribed in Article 259 of the Insurance Business Act; the same applies in item (ix));
- (p) the matters set forth in the following, in accordance with the categories of cases listed therein:
 1. in the case where there is a designated insurance intermediary dispute resolution organization: the trade name or name of the designated insurance intermediary dispute resolution organization, which is the counterparty to a basic contract for the implementation of dispute resolution procedures for which the financial service intermediary takes measures to conclude the basic contract for the implementation of dispute resolution procedures;
 2. in the case where there is no designated insurance intermediary dispute resolution organization: details of measures for complaint processing procedures and measures for dispute resolution procedures to be taken

- by the financial service intermediary;
- (q) beyond the matters set forth in (a) through (p), the matters which are necessary for the policyholder or the insured to understand the details of the instruments and the matters which would serve as reference information for the policyholder or the insured as the matters which are to be noted by the policyholder or the insured, which particularly require explanation;
 - (ii) in relation to the intermediary service for the conclusion of an insurance policy, or an act of solicitation for the subscription to an insurance policy for a group insurance (meaning the group insurance prescribed in Article 294, paragraph (1) of the Insurance Business Act as applied *mutatis mutandis*; the same applies in item (iii), (c) and the following paragraph) for which the financial service intermediary prescribed intermediary service for conclusion, or any other act to make a customer subscribe to the insurance policy (including an act to make the customer subscribe to the group insurance conducted by a person other than the person that prescribed intermediary service for the conclusion of the insurance policy for the group insurance), provision of explanation pertaining to the matters which would serve as reference information in making a judgment on the conclusion of the insurance policy or subscription to the insurance policy;
 - (iii) in the case of providing an intermediary service for the conclusion of the following insurance policies, when there is a method which would contribute to the understanding of the policyholder or the insured pertaining to the insurance policy without using the methods set forth in the preceding two items in light of the characteristics of the insurance policy, such as the method based on the agreement between the policyholder and the insured, the other method (in the case of providing intermediary service for the conclusion of an insurance policy specified in (c), limited to the portion pertaining to the provision of information to the policyholder related to the insurance policy):
 - (a) an insurance policy pertaining to the insurance set forth in Article 3, paragraph (5), item (i) of the Insurance Business Act, which are of highly individual or particular nature;
 - (b) an insurance policy under which insurance premiums to be paid each year (in the case of an insurance policy which is for the insurance period of less than one year and is renewable, the amount converted to the annual amount) is no more than 5,000 yen;
 - (c) an insurance policy pertaining to a group insurance;
 - (d) an insurance policy partially amending an insurance policy which has already been concluded (limited to the portion pertaining to the amendment);

- (iv) in the case of a financial service intermediary dealing with an insurance policy for an insurance to be underwritten by two or more counterpart financial institutions (meaning the counterpart financial institution prescribed in Article 300, paragraph (1), item (viii) of the Insurance Business Act as applied mutatis mutandis; hereinafter the same applies in this Subsection and Article 139, paragraph (2), item (ii)) or its officers or employees, provision of explanation of the matters set forth in (a) through (c) below, for the respective cases listed therein:
- (a) in the case where, in relation to the terms and conditions of a single insurance policy pertaining to the insurance underwritten by the counterpart financial institution, information concerning the terms and conditions of the insurance policy in comparison with other insurance policies pertaining to that insurance is to be provided: the matters pertaining to the comparison;
- (b) in the case where one or more insurance policies for which the conclusion of an insurance policy or subscription to an insurance policy is to be made (hereinafter referred to as a "suggested contract" in (c), Article 63 and Article 64, paragraph (2)) are to be suggested by selecting insurance policies that follow the customer's intention from among two or more comparable insurance policies of the same class pertaining to the insurance underwritten by two or more counterpart financial institutions: outline of comparable insurance policies of the same class that follow the customer's intention from among insurance policies handled by the financial service intermediary that handles the insurance to be underwritten by two or more counterpart financial institutions, and the reasons for the suggestion;
- (c) in the case where suggested contracts are to be suggested without making the selection in accordance with the provisions of (b) from among two or more comparable insurance policies of the same class pertaining to the insurance underwritten by two or more counterpart financial institutions: the reasons for the suggestion;
- (v) in the case where explanation about the fact that, when an insured event pertaining to the insurance policy has occurred, the person entitled to receive the insurance proceeds may receive, at its option, payment of insurance proceeds or direct payment service (meaning, when the person entitled to receive insurance proceeds decides to purchase or accept goods, rights or services (hereinafter referred to as "goods, etc." in this item) handled by a business operator partnered with the counterpart financial institution (hereinafter referred to as a "partnered business operator" in this item) in exchange for all or part of the insurance proceeds pertaining to the insurance policy, the making of a payment by the counterpart financial institution of all or part of the insurance proceeds to the partnered business operator

- instead of the person entitled to receive the insurance proceeds in consideration of all or part of the goods, etc.; the same applies hereinafter) and about the details or level of instruments, etc. handled by the partnered business operator is to be provided (limited to cases where the contents or level of the goods, etc., pertaining to the explanation have material influence on the decision on the conclusion of an insurance policy or subscription to an insurance policy): provision of explanation using a document stating the details or level of the instruments, etc. or any other necessary matters and delivery of the document;
- (vi) in the case of providing an intermediary service for the conclusion of an insurance policy that undertakes to use a projected cancellation rate for calculating insurance premiums and not to pay any refund for the cancellation of the insurance policy, provision of explanation using a document stating that there is no refund for the cancellation of the insurance policy, and delivery of the document;
 - (vii) in the case of providing an intermediary service for the conclusion of an underlying insurance policy (meaning the insurance policy that is not a reinsurance policy; the same applies in this item) in Japan (excluding the case of providing an intermediary service for the conclusion of an insurance policy wherein the policyholder is a small amount and short term insurer), the delivery of a document stating the matters specified in (a) or (b), in accordance with the categories of the insurance policies (limited to a underlying insurance policy in Japan; hereinafter the same applies in this item) as respectively set forth in (a) or (b) or provision of explanation of the matters set forth in (a) or (b) by any other appropriate method:
 - (a) insurance policies other than those set forth in (b): whether or not the insurance policy for which the financial service intermediary provides intermediary service for the conclusion falls under the category of a covered insurance policy (meaning the covered insurance policy prescribed in Article 270-3, paragraph (2), item (i) of the Insurance Business Act; the same applies in (a) and item (ix)), or the scope of insurance policies falling under the category of covered insurance policies;
 - (b) Underlying life insurance policies, etc. prescribed in Article 1-6, paragraph (2) of the Order Concerning Special Measures, etc. for the Protection for Policyholders, etc. (Ministry of Finance Order No. 124 of 1998; referred to as the "Protection Order" in (b)) whose insurance periods (for an insurance policy whose insurance period is renewable or extendable pursuant to the provisions of already effected insurance policy, the total insurance period including the renewed or extended insurance period) exceed five years (limited to insurance policies for which the projected interest rate is used as the basis for the calculation of the insurance

premiums or the policy reserve (including those for which the projected interest rate prescribed in parentheses of Article 50-5, paragraph (3) of the Protection Order is used)): the matters set forth in 1. and 2. below:

1. the matters specified in (a);
 2. that insurance policies that fall under the category of contracts with a high projected interest rate prescribed in Article 50-5, paragraph (3) of the Protection Order and insurance policies pertaining to bankrupt insurance companies prescribed in Article 260, paragraph (2) of the Insurance Business Act are subject to the provisions of Article 50-5, paragraph (2) of the Protection Order (including cases where applied *mutatis mutandis* pursuant to Article 50-11 of the Protection Order) and Article 1-6, paragraph (2) of the Protection Order, or Article 50-14, paragraph (2) of the Protection Order;
- (viii) in the case of providing an intermediary service for the conclusion of an insurance policy, which is to be renewed unless the policyholder expresses otherwise before the expiry date of the insurance period, and wherein a small amount and short term insurer is the insurer, the provision of explanation using a document stating that the method of calculation of insurance premiums, the insured amount and any other conditions for the insurance policy after renewal to be specified by the Commissioner of the Financial Services Agency are subject to revision and delivery of the document;
- (ix) in the case of providing an intermediary service for the conclusion of an insurance policy wherein the insurer is a small amount and short term insurer, the provision of explanation using a document stating that measures such as financial assistance from the Insurance Policyholders Protection Corporation of Japan are not applicable and that the contract does not fall under the category of the covered contract, and delivery of the document;
- (x) in the case of providing an intermediary service for the conclusion of an insurance policy wherein the insurer is a small amount and short term insurer, its officers, the provision of explanation using a document stating the following matters and delivery of the document:
- (a) that the counterpart financial institution is a party which only underwrites the insurance for which the insurance period does not exceed the period specified in Article 1-5 of the Order for Enforcement of the Insurance Business Act (Cabinet Order No. 425 of 1995) and the insurance amount does not exceed the amount specified in Article 1-6 of that Cabinet Order;
 - (b) that the total of the insured amounts of all insurance policies to be underwritten by the counterpart financial institution for a single insured must not exceed twenty million yen (or ten million yen with regard to the total of the insured amounts of each category of insurance set forth in

- Article 1-6, items (i) through (vi) of the Order for Enforcement of the Insurance Business Act); and
- (c) that the total of the insured amount (meaning the total of the insured amounts according to each category of insurance set forth in the items of Article 1-6 of the Order for Enforcement of the Insurance Business Act, which are to be underwritten by the counterpart financial institution for a single policyholder) does not exceed the maximum total insured amount (meaning the amount obtained by multiplying the amount set forth in the items of that Article with respect to the insurance set forth therein, respectively, by one hundred (in the case of the insurance set forth in item (v) of that Article, for insurance other than an accidental death insurance subject to adjustment provisions (meaning an accidental death insurance subject to adjustment provisions prescribed in the same item; hereinafter the same applies in (c)), 300 million yen, and for an accidental death insurance subject to adjustment provisions, the amount calculated by deducting the total of the insured amounts of insurance other than the accidental death insurance subject to adjustment provisions from 600 million yen; the same applies in (c))) (including that the total of the insured amount does not exceed the special maximum total insured amount (meaning an amount obtained by multiplying the maximum total amount by one hundred and 10 percent (in the case of insurance set forth in that item, for insurance other than the accidental death insurance subject to adjustment provisions, 330 million yen, and for the accidental death insurance subject to adjustment provisions, the amount calculated by deducting the total of the insured amounts of insurance other than the accidental death insurance subject to adjustment provisions from 660 million yen))).
- (2) Notwithstanding the provisions of the preceding paragraph, if a counterpart financial institution or its officer or employee (limited to an insurance agent prescribed in Article 2, paragraph 23 of the Insurance Business Act) prescribed information concerning the conclusion of an insurance policy or the subscription to a group insurance policy to a policyholder or the insured by the method set forth in the items of that paragraph (excluding item (iv)), a financial service intermediary or its officer or employee is not required to provide information to the policyholder or the insured by the method set forth in the items of that paragraph (excluding item (iv)).
- (3) The cases to be specified by Cabinet Office Order, as referred to in the proviso to Article 294, paragraph (1) of the Insurance Business Act as applied *mutatis mutandis*, are as follows:
- (i) providing an intermediary service for the conclusion of the following insurance policies (limited to the case where it relates to the provision of

information to a person other than the policyholder pertaining to the insurance policy):

- (a) an insurance policy for which the amount of insurance premiums to be borne by the insured (limited to a person other than the policyholder; the same applies in (b)) is zero;
- (b) an insurance policy under which the insurance period does not exceed one month and the amount of insurance premiums to be borne by the insured does not exceed 1,000 yen;
- (c) an insurance policy pertaining to the insurance underwritten incidental to the implementation of events, etc. with respect to the insured (limited to those that do not require decision-making by the insured (limited to those other than the policyholder) pertaining to the subscription to the insurance policy and are to cover damage, etc. arising from the implementation of events, etc. or otherwise are relevant to the implementation of events, etc.);
- (ii) cases where the intermediary service for the conclusion of an insurance policy for partially amending an existing policy is to be provided, and (a) or (b) below is applicable:
 - (a) cases where, in relation to the amendments, no change is to be made to the details of the provision of information under paragraph (1) pertaining to the existing policy; or
 - (b) cases where, in relation to the amendments, the information has been provided by the method set forth in paragraph (1), item (iii) (excluding the part pertaining to the amendments).

(Cases Where Understanding of Intention Is Not Required)

Article 57 The cases to be specified by Cabinet Office Order, as referred to in Article 294-2 of the Insurance Business Act as applied mutatis mutandis, are the cases set forth in the following items:

- (i) the cases set forth in the items of paragraph (3) of the preceding Article; or
- (ii) when providing intermediary service for the conclusion of an insurance policy which is required to be concluded by the customer or to which the customer is required to subscribe pursuant to the provisions of other laws.

(Prohibition from Self-Contract)

Article 58 The insurance policy to be specified by Cabinet Office Order, as referred to in Article 295, paragraph (1) of the Insurance Business Act as applied mutatis mutandis, is an insurance policy wherein the insurer is a non-life insurance company prescribed in Article 2, paragraph (4) of the Insurance Business Act and a foreign non-life insurance company, etc. prescribed in paragraph (9) of that Article.

(Total Amount of Insurance Premiums under Self-Contracts)

Article 59 (1) The amount to be calculated as the total amount of insurance premiums under self-contracts subject to insurance intermediary business operations prescribed in Article 295, paragraph (2) of the Insurance Business Act as applied mutatis mutandis (hereinafter referred to as "insurance premiums under self-contract subject to insurance intermediary business operations" in this paragraph), in accordance with the formula as provided for by Cabinet Office Order, is the amount equivalent to the average per business year of the insurance premiums under self-contract subject to insurance intermediary business operations provided by the financial service intermediary for the latest two business years (in the case of an insurance policy wherein the policyholder is itself or its employer, excluding insurance premiums under the insurance policies which satisfy all of the following requirements):

- (i) that the policyholder has no insured's benefits (meaning economic benefit to which the insured is entitled, in relation to non-occurrence of insured event);
- (ii) that the insurance premiums are borne by the insured; and
- (iii) that there are any inevitable grounds to designate itself or its employer as a policyholder.

(2) The amount to be calculated as the total amount of insurance premiums under an insurance contract subject to insurance intermediary business operations prescribed in Article 295, paragraph (2) of the Insurance Business Act as applied mutatis mutandis, in accordance with the formula to be provided by Cabinet Office Order, is the amount equivalent to the average per business year of the insurance premiums under the insurance contract subject to insurance intermediary business operations by a financial service intermediary for the latest two business years.

(3) For the purpose of calculation of the insurance premiums prescribed in the preceding two paragraph, if a financial service intermediary provides intermediary services for conclusion of insurance policies of two or more counterpart financial institutions, insurance premiums pertaining to all such two or more counterpart financial institutions are to be aggregated.

(4) The insurance premiums prescribed in paragraphs (1) and (2) are to be calculated based on the amount actually received, and in the case of an insurance policy with an installment payment option or an insurance policy wherein the insurance period exceeds one year, the insurance premiums are the annualized insurance premiums.

(Matters to Be Specified in Letter of Consummation)

Article 60 The matters to be specified by Cabinet Office Order, as referred to in

Article 546, paragraph (1) of the Commercial Code (Act No. 48 of 1899) as applied pursuant to Article 298 of the Insurance Business Act as applied mutatis mutandis (including as applied mutatis mutandis pursuant to Article 293 of the Insurance Business Act as applied mutatis mutandis) are the matters set forth in the following items:

- (i) the trade name or name and address of the financial service intermediary;
- (ii) the registration serial number as referred to in Article 14 paragraph (1), item (ii) of the Act;
- (iii) the trade name or name of the insured or the person entitled to receive the insured amount;
- (iv) the type of insurance policies, and the terms and conditions thereunder;
- (v) the object of insurance, and the value thereof;
- (vi) the insured amount;
- (vii) the starting and ending of the insurance period; and
- (viii) the insurance premiums and the method of payment thereof.

(Items Amounts of Which Are Contingent)

Article 61 The matters to be specified by Cabinet Office Order, as referred to in Article 300, paragraph (1), item (vii) of the Insurance Business Act as applied mutatis mutandis, are insurance proceeds, refunds or any other benefits, or insurance premiums, the amount of which are contingent upon the asset investment outcomes and any other factors.

(Prohibited Acts in Relation to Conclusion of Insurance Intermediary Business Operations)

Article 62 (1) The acts to be specified by Cabinet Office Order, as referred to in Article 300, paragraph (1), item (ix) of the Insurance Business Act as applied mutatis mutandis, are the acts set forth in the following items:

- (i) circumvention of prohibitions prescribed in Article 300, paragraph (1) of the Insurance Business Act as applied mutatis mutandis imposed on activities specified in item (v) of that paragraph, irrespective of the name under which the activity is to be conducted;
- (ii) a conduct of a financial service intermediary which is a corporation where, in connection with any insurance other than those designated by the Commissioner of the Financial Services Agency, it causes any of its officers or employees, or any other party designated by the Commissioner of the Financial Services Agency which has a close relationship with the financial service intermediary to make an application for an insurance policy where in the insurer is a life insurance company prescribed in Article 2, paragraph (3) of the Insurance Business Act, a foreign life insurance company, etc. prescribed in paragraph (8) of that Article or a small amount and short term

- insurer, or where it causes the policyholder or insured to make an application for insurance policy or to terminate the insurance policy already in effect, by way of intimidation or by unjustly taking advantage of its business position, etc.;
- (iii) a conduct to cause a policyholder to make an application for an insurance policy, knowing that any of the persons in specified relationship (meaning the person in specified relationship prescribed in Article 100-3 of the Insurance Business Act (including the cases where applied mutatis mutandis pursuant to Article 272-13, paragraph (2) of that Act) and a person in specified relationship prescribed in Article 194 of that Act) of the insurance company, etc. (meaning the insurance company and a small amount and short term insurer; the same applies in items (v) and (vi)) or a foreign insurance company, etc. has extended or has undertaken to extend credit to the policyholder or insured thereunder on the condition that the policyholder or insured will conclude the insurance policy with the insurance company, etc. or foreign insurance company, etc.;
 - (iv) a conduct to notify or present the policyholder, insured or unspecified person misleading information as to important matters related to insurance policies, etc. (meaning the insurance policy as well as a contract under which intermediary service for conclusion of an insurance policy is provided for the benefit of a customer (including a policyholder, etc. other than a customer)) which may affect their respective judgments;
 - (v) a conduct to inform the policyholder of any misleading information which may create the confusion as to type of insurance under the insurance policy or the trade name or name of the insurance company, etc. or foreign insurance company, etc.;
 - (vi) when intermediary services for conclusion of insurance policy with an option of lump-sum payment of insurance premiums is to be provided and where the application for the contract to be made by the customer falls under the case where the revocation, etc. of application prescribed in Article 309, paragraph (1) of the Insurance Business Act is unacceptable (excluding the cases specified in items (i) through (v) of the same paragraph, the case specified in Article 45, item (vii) of the Order for Enforcement of the Insurance Business Act, and the case where the insurance company, etc. or foreign insurance company, etc. which has underwritten the insurance policy accepts the revocation, etc. of the application), an act to cause the customer to make an application for the insurance policy without providing explanation of the fact by means of delivery of documents, or without obtaining a signature or seal or taking any other similar measures in acknowledgement of receipt of the documents from the customer;
 - (vii) a conduct of a bank, etc. which is a financial service intermediary or its

- officers or employees (limited to those prescribed in Article 294, paragraph (1) of the Insurance Business Act as applied mutatis mutandis; hereinafter the same applies in this Article) to provide intermediary service for the conclusion of insurance policies as the condition precedent to extending credit by the bank, etc., or any other intermediary service for the conclusion of insurance policies while unjustly taking advantage of dominant business position of the bank, etc.;
- (viii) a conduct of a bank, etc. which is a financial service intermediary or its officers or employees to provide intermediary service for the conclusion of insurance policies, without providing a customer with prior explanation by means of delivery of documents that the transaction pertaining to intermediary services for concluding an insurance policy will not give any impact on the business of the customer;
 - (ix) a conduct of a bank, etc. which is a financial service intermediary or any of its officers or employees to provide intermediary services for conclusion of insurance policies as set forth in Article 20, paragraph (1), item (ii) or items (iv) through (vii), without providing a customer with a prior explanation on the verification as to whether the customer falls under a party restricted from insurance intermediary service by bank, etc., by means of delivery of a document to the customer;
 - (x) a conduct of a bank, etc. which is a financial service intermediary or any of its officers or employees, despite knowing that any customer is making an application for loan or discounting of negotiable instruments (limited to a loan or discounting of negotiable instruments required for the business of the customer or its closely related person (meaning the representative of a corporation in the case where the customer is a corporation (excluding the state, local governments, those specified in the items of Article 4, paragraph (13) of the Order for Enforcement of the Banking Act, and those to be designated by the Commissioner of the Financial Services Agency; hereinafter the same applies in this item) or a corporation in the case where the customer is the representative of the corporation; the same applies in this item and item (xiv)); the same applies in item (xiv)) to the bank, etc., to provide the customer or its closely related person (if the bank, etc. is a cooperative financial institution, excluding customers who are the members or partners of the cooperative financial institution or their closely related persons) with intermediary services for conclusion of insurance policies as set forth in Article 20, paragraph (1), item (ii) or items (iv) through (vii) (excluding an insurance policy for the purpose of securing performance of the obligations under a monetary loan contract, lease contract or any other contract (excluding a contract related to fund required for business); and also excluding an insurance policy for renewal or novation (a novation excludes

- any novation for the improvement of insurance benefits such as increase in the amount of insurance proceeds (excluding the improvement due to increase in value of the object of insurance policy or any other factors similar thereto) or extension of insurance period) of an insurance policy already in effect (limited to a contract for which an officer or employee of the bank, etc. has prescribed intermediary services therefor in consideration of fees or other types of remuneration));
- (xi) a conduct of a bank, etc. which is a financial service intermediary or any of its officers or employees, to cause the policyholder to make an application for an insurance policy specified in Article 20, paragraph (1), item (i) (limited to an insurance policy as set forth in Article 121, paragraph (1), item (i) of the Regulation for Enforcement of the Insurance Business Act) when providing intermediary services for conclusion thereof, without providing with the policyholder with an explanation on the section of the bank, etc. or any other section to consult with when the policyholder becomes incapable of repaying the debts to be covered by the insurance proceeds payable under the insurance policy, by means of delivery of a document;
 - (xii) a conduct of a specified related party of a bank, etc. which is a financial service intermediary (limited to one conducting insurance intermediary business operations) or any of its officers or employees to provide intermediary service for the conclusion of an insurance policy, despite knowing that the bank, etc. has extended or undertakes to grant credit to the policyholder or insured under an insurance policy on the condition that the intermediary service for conclusion thereof will be rendered by the specified related person, or that the bank, etc. otherwise unjustly takes advantage of its dominant business position;
 - (xiii) a conduct of a specified related party of a bank, etc. which is a financial service intermediary or any of its officers or employees to provide intermediary services for conclusion of an insurance policy (excluding insurance policies specified in Article 20, paragraph (1), items (i) and (iii) (if any insurance option is to be prescribed in the insurance policy, limited to the case where the insurance option is closely related to the terms and conditions of the insurance policy, and where the amount of insurance premiums and insurance amount payable under the insurance option is reasonable compared to the insurance premiums and insurance amount payable under the insurance policy; the same applies in the following item); the same applies in the following item), despite knowing that the policyholder or the insured falls under the category of the parties restricted from insurance intermediary service by bank, etc. pertaining to the bank, etc.;
 - (xiv) a conduct of a specified related party of a bank, etc. which is a financial

service intermediary or any of its officers or employees to provide the customer or their closely related person (in the case where the bank, etc. is a cooperative financial institution, excluding customers who are the members or partners of the cooperative financial institution) with intermediary service for the conclusion of an insurance policy, despite knowing that the customer has made an application for loan or discounting of negotiable instruments to the bank, etc.;

(xv) in the case where a financial service intermediary conducts deposit, etc. intermediary business operations, or where it is a financial institution agent (meaning the bank agent, long-term credit bank agent, shinkin bank agent, labor bank agent, credit cooperative agent, specific credit business agent prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act, specific credit business agent prescribed in Article 106, paragraph (3) of the Fisheries Cooperatives Act, Norinchukin Bank agent, as well as an agricultural cooperative, fisheries cooperative and fishery processing cooperative conducting an agency service under the Enhancement and Restructuring Act; hereinafter the same applies in this Article and Article 118, item (viii)), the failure to take the following measures:

(a) measures to ensure that non-public financial information on a customer it handles in the course of its financial institution agency service (meaning the deposit, etc. intermediary business operations, bank agency service, long-term credit bank agency service, shinkin bank agency service, labor bank agency service, credit cooperative agency service, specific credit business agency service prescribed in Article 92-2, paragraph (2) of the Agricultural Cooperatives Act, specific credit business agency service prescribed in Article 106, paragraph (2) of the Fisheries Cooperatives Act, or Norinchukin Bank agency service; the same applies in (b) as well as Article 111, paragraphs (1) and (2)) (including businesses relating to an agency service under the Enhancement and Restructuring Act (limited to agency service for the receipt of deposits, savings and installment savings, loan of funds or discounting of negotiable instruments or the conclusion of contracts for exchange transactions); the same applies in (b)) will not be used for the insurance intermediary business operations, without obtaining prior consent from the relevant customer in writing or by any other appropriate means;

(b) measures to ensure that non-public insurance information on a customer it handles in the course of its insurance intermediary business operations will not be used for any business relating to financial institution agency services, without obtaining prior consent from the relevant customer in writing or by any other appropriate means; and

(xvi) in the case where a financial service intermediary conducts deposit, etc.

intermediary business operations or is a financial institution agent, the failure to implement the measures necessary and appropriate for assigning to its respective places of business or offices to carry out the business pertaining to insurance intermediary business operations a supervisor of the affairs to secure compliance with the laws and regulations, etc. (collectively meaning the laws and regulations, dispositions of administrative agencies issued under the laws and regulations, internal rules of the financial service intermediary, or any other rules equivalent to the aforementioned; hereinafter the same applies in this item) applicable to insurance intermediary business operations (or, if the affairs to secure compliance with any other laws and regulations are implemented by two or more places of business or offices integrated as a single unit (limited to a unit comprising the places of business or offices which carry out the insurance intermediary business operations), the supervisor is assigned to the respective units), and for assigning to its principal place of business or office a chief supervisor which instructs supervisors and to control and manage the business to secure compliance with laws and regulations, etc. applicable to insurance intermediary business operations.

- (2) The term "specified related party" in items (xii) through (xiv) of the preceding paragraph means a person prescribed in Article 4-2, paragraph (1), items (i) through (x) of the Order for Enforcement of the Banking Act (including as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Order for Enforcement of the Long-Term Credit Bank Act (Cabinet Order No. 42 of 1982), Article 11-2, paragraph (1), item (i) of the Order for Enforcement of the Shinkin Bank Act (Cabinet Order No. 142 of 1968), Article 5-2, paragraph (1), item (i) of the Order for Enforcement of the Labor Bank Act (Cabinet Order No. 46 of 1982), Article 3-2, paragraph (1), item (i) of the Order for Enforcement of the Act on Financial Businesses by Cooperative (Cabinet Order No. 44 of 1982), items of Article 55 of the Order for Enforcement of the Agricultural Cooperatives Act (Cabinet Order No. 271 of 1962)) (with respect to item (iii), limited to a person set forth in Article 10, paragraph (1), item (i) of the Order for Credit Business of Agricultural Cooperatives and Federation of Agricultural Cooperatives (Order of the Ministry of Finance and the Ministry of Agriculture, Forestry and Fisheries No. 1 of 1993), Article 9, paragraph (1), item (i) of the Order for Enforcement of the Fisheries Cooperatives Act (Cabinet Order No. 328 of 1993), Article 8, paragraph (1), item (i) of the Order for Enforcement of the Norinchukin Bank Act (Cabinet Order No. 285 of 2001), and Article 7 paragraph (1), items (i) and (ii) of the Order for Enforcement of the Shoko Chukin Bank Limited Act (Cabinet Order No. 367 of 2007)).
- (3) The provisions of paragraph (1) (limited to the part relating to items (vii) and (xi)) apply mutatis mutandis to a financial service intermediary (limited to one

which is a financial institution agent or which conducts deposit, etc. intermediary business operations) or its officers or employees. In this case, the terms "the bank, etc." and "extending credit" in item (vii) of that paragraph are replaced with "the financial service intermediary" and "providing agency or intermediary service for the conclusion of a contract for loans or discounting of negotiable instruments", respectively; and the term "the bank, etc." in item (xi) of that paragraph is replaced with "the financial service intermediary and its principal bank, etc. (meaning the principal bank prescribed in Article 2, paragraph (16) of the Banking Act; a principal Long Term Credit bank prescribed in Article 16-5, paragraph (3) of the Long Term Credit Bank Act; a principal shinkin bank prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act; a principal labor bank prescribed in Article 89-3, paragraph (3) of the Labor Bank Act; a principal credit cooperative prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperative; a principal cooperative prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act; a principal cooperative prescribed in Article 106, paragraph (3) of the Fisheries Cooperatives Act; The Norinchukin Bank prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act (excluding banks authorized under the provisions of Article 42, paragraph (3) of the Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperative Savings Insurance Cooperation, etc. (hereinafter referred to as the "Enhancement and Restructuring Act" in this paragraph); and the Norinchukin Bank authorized under the provisions of Article 42, paragraph (3) of the Enhancement and Restructuring Act or a federation of agricultural and fishery cooperative savings credit cooperation prescribed in Article 2, paragraph (2) of the Enhancement and Restructuring Act)), or a counterparty to a contract for loans or discounting of negotiable instruments to be concluded by the relevant policyholder through the deposit, etc. intermediary business operations provided by the financial service intermediary."

- (4) The provisions of paragraph (1) (limited to the part relating to item (xii)) apply mutatis mutandis to a financial service intermediary (limited to one conducting insurance intermediary business operations) (limited to one which is a specified related party (meaning the person prescribed in Article 4-2, paragraph (1), items (xi) through (xiii) of the Order for Enforcement of the Banking Act (in the case of a party set forth in item (xi), excluding a bank agent prescribed in the same item; and including the cases where these provisions are applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Order for Enforcement of the Long Term Credit Bank Act); a person prescribed in Article 11-2, paragraph (1), items (ii) through (iv) of the Order for Enforcement of the Shinkin Bank Act (in the case of a party specified in item

(ii), a shinkin bank agent prescribed in the same item is excluded); a person prescribed in Article 5-2, paragraph (1), items (ii) through (iv) (in the case of a party specified in item (ii), a labor bank agent prescribed in the same item is excluded) of the Order for Enforcement of the Labor Bank Act; a person prescribed in Article 3-2, paragraph (1), items (ii) through (iv) (in the case of a party specified in item (ii), a credit cooperative agent prescribed in the item is excluded) of the Order for Enforcement of the Act on Financial Businesses by Cooperative; a person prescribed in Article 10, paragraph (1), items (ii) through (v) (in the case of a party specified in item (ii), excluding a specified credit service agent prescribed in the item; or in the case of a party specified in item (v), excluding an agricultural cooperative prescribed in the same item) of the Order for Credit Business of Agricultural Cooperatives and Federation of Agricultural Cooperatives; a person prescribed in Article 9, paragraph (1), items (ii) through (v) (in the case of a party specified in item (ii), excluding a specified credit service agent prescribed in that item; or in the case of a party specified in item (v), excluding a fishery cooperative and fishery processing cooperative prescribed in the same item) of the Order for Enforcement of the Fisheries Cooperatives Act; a person prescribed in Article 8, paragraph (1), items (ii) through (v) (in the case of a party specified in item (ii), excluding a Norinchukin agent as referred to in that item; or in the case of a party specified in item (v), excluding an agricultural cooperative, fishery cooperative and fishery processing cooperative prescribed in the same item) of the Order for Enforcement of the Norinchukin Bank Act; a person prescribed in Article 7, paragraph (1), item (iii) (excluding a cooperative agent, etc. prescribed in that item) and item (iv) of the Order for Enforcement of the Shoko Chukin Bank Act) of a financial institution agent or a specified related party (meaning the person set forth in the items of Article 51, paragraph (1)) of a financial service intermediary conducting deposit, etc. intermediary business operations) or its officers and employees. In this case, the term "that the bank, etc. has extended or undertakes to grant credit to the policyholder or insured under an insurance policy" in paragraph (1), item (xii) is deemed to be replaced with "that the financial institution agent or the financial service intermediary that conducts the deposit, etc. intermediary business operations has provided, or has undertaken to provide the policyholder or the insured under the insurance policy with agency or intermediary service for the conclusion of a contract for loan or discounting of negotiable instruments to be implemented by the counterparty to the contract for loan or discounting of negotiable instruments to be concluded by the policyholder or insured, through the deposit, etc. intermediary business operations provided by its principal bank, etc. (meaning the principal bank, etc. prescribed in the preceding item as applied mutatis mutandis pursuant to paragraph (3)) or the financial service intermediary."

(Prevention of Misunderstanding Relating to Insurance Intermediary Business Operations)

Article 63 In cases where a financial service intermediary provides, in relation to the terms and conditions of a single insurance policy pertaining to an insurance underwritten by a counterparty financial institution, information concerning the terms and conditions of the insurance policy in comparison with other insurance policies pertaining to the insurance (limited to the case where terms and conditions of insurance policies related to the insurance underwritten by different counterparty financial institutions are compared; the same applies in paragraph (1) of the following Article), or where it presents suggested contracts selected from among two or more comparable insurance policies of the same class pertaining to the insurance underwritten by two or more counterparty financial institutions, it must take appropriate measures to prevent the customer from misunderstanding the existence of an entrustment contract between the financial service intermediary and the counterparty financial institution.

(Measures to Ensure the Appropriateness of Provision of Compared Terms and Conditions of Contracts)

Article 64 (1) When a financial service intermediary provides, in relation to the terms and conditions of a single insurance policy pertaining to the insurance underwritten by a counterparty financial institution, information concerning terms and conditions of the insurance policy in comparison with other insurance policies pertaining to that insurance, it must take appropriate measures to prevent it from representing or indicating to the policyholder, the insured or any other unspecified persons any message concerning the comparison which are likely to cause misunderstanding of these persons.

(2) When presenting a suggested contract from among two or more comparable insurance policies of the same class pertaining to insurance underwritten by two or more counterparty financial institutions, a financial service intermediary must take measures to ensure that necessary explanation pertaining to the suggestion is provided.

Subsection 4 Special Provisions on Securities, etc. Intermediary Business Operations

Article 65 The act to be specified by Cabinet Office Order, as referred to in Article 66-14, item (i), (f) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 31, paragraph (1) of the Act, is an act of the acceptance of entrustment, etc. (meaning the acceptance of

entrustment, etc. prescribed in Article 44-2, paragraph (1), item (i) of the Financial Instruments and Exchange Act and limited to that related to securities, etc. intermediary business operations; the same applies in item (i) of the purchase and sale of securities (meaning the purchase and sale of securities prescribed in Article 2, paragraph (8), item (i) of that Act; hereinafter the same applies in this Section) on the condition that credit is granted to the customer, which fulfills all of the following requirements:

- (i) that the act is an acceptance of entrustment, etc. for the purchase and sale of securities from any individual that has presented or given notice of identification cards, etc. (meaning identification cards or any other object, or symbols such as numbers and marks), in which case the individual makes a lump-sum payment of the amount equivalent to the consideration for the securities within a period shorter than two months and the payment is delivered to the counterpart financial institution (meaning a counterparty to a specific financial service contract (meaning the specific financial service contract prescribed in Article 31, paragraph (2) of the Act; the same applies in the following Subsection) concluded by a customer through the securities, etc. intermediary business operations provided by a financial service intermediary; and limited to an operator engaged in the securities, etc. management business (meaning the securities, etc. management business prescribed in Article 28, paragraph (5) of the Financial Instruments and Exchange Act; the same applies in Article 98, paragraph (2), item (ii), (a) and Article 104, paragraph (2), item (ii), (a)); the same applies in item (iii));
- (ii) that the total amount of the amount equivalent to the consideration set forth in the preceding item for the individual in the month in which the purchase and sale of securities set forth in that item was conducted does not exceed 100,000 yen;
- (iii) that the purchase and sale of the securities is conducted under the contract for cumulative investment (meaning a contract wherein a counterpart financial institution receives money deposit from a customer and sells securities to that customer continuously on dates designated in advance while receiving a consideration payable out of the money deposit, which satisfies all of the following requirements):
 - (a) that the contract provides for the types of the securities and the method for the appropriation of the deposit for purchasing, as a method of purchasing the securities;
 - (b) that the contract provides, as a method for the management of the deposits, that the fruits derived from the money paid or securities deposited by the customer, and the money which the counterpart financial institution keeps custody due to the receipt of redemption payment are treated as the cumulative investment deposit, and that accounting of the

cumulative investment deposit is managed separately from any other deposit;

- (c) that the contract provides that, if the securities are to be purchased jointly with another customer or counterpart financial institution, the customer acquires sole ownership in the securities purchased by the customer when the code and number thereof are identified;
- (d) that the contract provides, as a method for the management of the securities, that the deposited securities (limited to those co-held by the counterpart financial institution and the customer) are managed separately from any other securities; and
- (e) that the contract may be cancelled if the customer so requests.

Subsection 5 Special Provisions on Financial Service Intermediary Business Operations Related to a Specified Financial Service Contract

(Contract Types)

Article 66 The contracts specified by Cabinet Office Order as prescribed in Article 34 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 31, paragraph (2) of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as applied mutatis mutandis" in this Subsection and Article 139, paragraph (6), item (ii)) are as follows:

- (i) a contract for specified deposit, etc. (meaning the contract for specified deposit, etc. prescribed in Article 52-44, paragraph (2) of the Banking Act as applied mutatis mutandis; hereinafter the same applies in this Subsection);
- (ii) a purchase and sale contract of securities or a contract on acquisition of securities;
- (iii) an investment advisory contract (meaning the investment advisory contract prescribed in Article 2, paragraph (8), item (xi) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection);
- (iv) a discretionary investment contract (meaning the discretionary investment contract prescribed in Article 2, paragraph (8), item (xii), (b) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection).

(The Particular to Be Stated in a Document to Be Delivered to a Professional Investor Who Made a Request)

Article 67 The particular specified by Cabinet Office Order as prescribed in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and

Exchange Act as applied mutatis mutandis is the fact that the applicant (meaning the applicant prescribed in the same paragraph) will be treated as a customer other than a professional investor (meaning the professional investor prescribed in Article 2, paragraph (31) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection) with regard to the subject contract (meaning the subject contract prescribed in Article 34-2, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in Article 70), only by the financial service intermediary (limited to a person who engages in financial service intermediary business operations related to a specified financial service contract; hereinafter the same applies in this Subsection except for Article 69, item (i)) who has approved the request pursuant to the provisions of the same paragraph.

(Provision by Use of Information and Communications Technology)

Article 68 The methods specified by Cabinet Office Order as prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) of the Financial Instruments and Exchange Act as applied mutatis mutandis (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis), Article 34-4, paragraph (3), Article 37-3, paragraph (2), and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis) are the methods set forth in the items of Article 2, paragraph (1).

(Types and Details of Electronic or Magnetic Means)

Article 69 The types and details of the means to be specified under the provisions of Article 33, paragraph (1) and Article 34, paragraph (1) of the Order are as follows:

- (i) the methods set forth in the items of Article 2, paragraph (1) or the items of Article 71, paragraph (1), which are to be used by a financial service intermediary;
- (ii) the format for recording information in a file.

(Particulars to Be Stated in a Document Indicating Consent by a Person Having Made a Request for Reinstatement as a Professional Investor)

Article 70 The particulars specified by Cabinet Office Order as prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the day on which the acceptance under the provisions of Article 34-2,

- paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be given (hereinafter referred to as the "date of acceptance" in items (iv) and (v));
- (ii) the contract type to which the subject contract belongs (meaning the contract type prescribed in Article 34 of the Financial Instruments and Exchange Act as applied mutatis mutandis; hereinafter the same applies in this Subsection);
 - (iii) the fact that the applicant for reinstatement (meaning the applicant for reinstatement prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis; hereinafter the same applies in this Article) understands the following particulars:
 - (a) the fact that the provisions set forth in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis do not apply in the case where the applicant for reinstatement is any of the persons respectively specified in those items with regard to the subject contract (excluding the cases prescribed in the proviso to the same Article);
 - (b) the fact that in the case where a person who is deemed inappropriate to be treated as a professional investor with regard to the subject contract, in light of the person's knowledge, experience and state of property, is treated as a professional investor, the protection of the person might be impaired;
 - (iv) the fact that the applicant for reinstatement will again be treated as a professional investor in the case of soliciting or providing an intermediary service for the conclusion of the subject contract on or after the date of acceptance;
 - (v) the fact that the applicant for reinstatement may make a request under the provisions of Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis at any time on or after the date of acceptance.

(Obtaining of Consent Using Information and Communications Technology)

Article 71 (1) The methods specified by Cabinet Office Order as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as applied mutatis mutandis (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis); the same applies in item (i), (a)) are as follows:

- (i) out of the methods of using an electronic data processing system, those set forth as follows:
 - (a) the method of transmitting the information via a telecommunications line

connecting a computer used by the financial service intermediary and a computer used by the party from whom a consent is to be obtained under the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as applied mutatis mutandis (hereinafter the party is referred to as the "customer" in (b)) and recording the information in a file stored on a computer used by the recipient;

- (b) the method of making the particulars concerning the customer's consent recorded in a file stored on a computer used by the financial service intermediary available for the customer's inspection via a telecommunications line, and recording the particulars concerning the customer's consent in a file stored on a computer used by the financial service intermediary;
 - (ii) the method of obtaining a file recording the particulars concerning a consent, which is prepared by the use of an electronic or magnetic recording medium.
- (2) The methods set forth in the items of the preceding paragraph must be those enabling a financial service intermediary to prepare a document by way of outputting the information recorded in the files.

(Expiration Date in the Case Where a Corporation Which is a Customer Other Than a Professional Investor is Deemed to Be a Professional Investor)

Article 72 (1) The case specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis is the case where a financial service intermediary has designated a certain date and publicized the following particulars by posting them at a place easily accessible to the public at its business office or office, or by any other appropriate means:

- (i) the designated date;
 - (ii) the fact that the day prescribed in the following paragraph is to be the expiration date (meaning the expiration date prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in paragraph (2), items (i) and (ii) of the following Article and in Article 74).
- (2) The day specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be the day designated by a financial service intermediary under the provisions of the preceding paragraph, which is the latest of the days within one year from the date of acceptance (meaning the date of acceptance prescribed in paragraph (2), item (i) of the same Article; the same applies in paragraph (2), item (iv) of the following Article and in Article 74).

(Particulars to Be Stated in a Document Indicating Consent by a Corporation Which is a Customer Other Than a Professional Investor Having Made a Request)

Article 73 (1) The particular specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2), item (iv), (a) of the Financial Instruments and Exchange Act as applied mutatis mutandis is the fact that the provisions set forth in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis do not apply in the case where the applicant (meaning the applicant prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in the following paragraph) falls under any of the persons respectively specified in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis with regard to the subject contract (meaning the subject contract prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in the following paragraph and in Article 75) (excluding the cases prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act as applied mutatis mutandis).

(2) The particulars specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the fact that, with regard to any act related to the subject contract (excluding an investment advisory contract and a discretionary investment contract) for which the financial service intermediary provided an intermediary service for the conclusion prior to the expiration date, which is to be conducted pursuant to the provisions of laws and regulations or the provisions of the contract, the applicant is treated as a professional investor, even if that act is conducted after the expiration date;
- (ii) the fact that, in the case where the type of the contract related to the request prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis is any of the types set forth in Article 66, items (iii) and (iv), with regard to any act related to the subject contract (limited to an investment advisory contract and a discretionary investment contract), which is to be conducted pursuant to the provisions of laws and regulations or the provisions of the contract, the applicant is treated as a professional investor, only if that act is conducted prior to the expiration date;
- (iii) the fact that the applicant will be treated as a professional investor with regard to the subject contract, only by the financial service intermediary who

has approved the request pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis;

- (iv) the fact that the applicant may make a request under the provisions of Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act as applied mutatis mutandis at any time on or after the date of acceptance.

(Period Necessary for a Corporation Which is a Customer Other Than a Professional Investor Having Made a Request to Make a Request for Renewal)

Article 74 (1) The period specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be eleven months (in the cases set forth in the following items, the period respectively specified therein):

- (i) in the case where the period between the date of acceptance and the expiration date is less than one year (excluding the case set forth in the following item): that period minus one month;
- (ii) in the case where the period between the date of acceptance and the expiration date does not exceed one month: one day.

(2) With regard to the application of the provisions of the preceding paragraph in the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act as applied mutatis mutandis, the term "date of acceptance" in the items of the preceding paragraph is deemed to be replaced with "day following the previous expiration date".

(Particulars to Be Stated in a Document to Be Delivered to a Corporation Having Made a Request for Reinstatement as a Customer Other Than a Professional Investor)

Article 75 The particulars specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the day on which the acceptance under the provisions of Article 34-3, paragraph (10) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be given (hereinafter referred to as the "date of acceptance" in item (iii));
- (ii) the contract type to which the subject contract belongs;
- (iii) the fact that the corporation that made a request under the provisions of Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act as applied mutatis mutandis will again be treated as a customer other than a professional investor in the case of soliciting or providing an intermediary service for the conclusion of the subject contract on or after the date of

acceptance.

(Proprietors That May Make a Request for Treatment as a Professional Investor)

Article 76 (1) The individuals specified by Cabinet Office Order as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act as applied mutatis mutandis are those falling under either of the following requirements:

- (i) the individual has not obtained the consent from all of the silent partners on making a request under the provisions of Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis;
 - (ii) the total amount of the equity investment under the silent partnership contract (meaning the silent partnership contract prescribed in Article 535 of the Commercial Code) which the individual concluded is less than 300 million yen.
- (2) The individuals specified by Cabinet Office Order as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:
- (i) an individual who has concluded a partnership contract (meaning the partnership contract prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896)) and has become a partner delegated to manage the business operations of the partnership (limited to an individual who falls under both of the following requirements):
 - (a) the individual has obtained the consent from all of the other partners on making a request under the provisions of Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis;
 - (b) the total amount of the equity investment under the partnership contract is not less than 300 million yen;
 - (ii) an individual who has concluded a limited liability partnership agreement (meaning the limited liability partnership agreement prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005)) and is involved in the decision-making on the execution of the important business operations of the partnership, and who is also a partner personally executing the relevant business operations (limited to an individual who falls under both of the following requirements):
 - (a) the individual has obtained the consent from all of the other partners on making a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis;
 - (b) the total amount of the equity investment under the limited liability partnership agreement is not less than 300 million yen.

(Individuals Who May Make a Request for Treatment as a Professional Investor)

Article 77 The requirements specified by Cabinet Office Order as prescribed in Article 34-4, paragraph (1), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis are to fulfill all of the following requirements:

- (i) judging reasonably from the status of the transactions or any other circumstances, the amount obtained by deducting the total amount of liabilities of the applicant (meaning the applicant prescribed in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis; hereinafter the same applies in this Article and Article 79) as of the date of acceptance (meaning the date of acceptance prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis; hereinafter the same applies in this Article through Article 80) from the total amount of the assets of the applicant as of the date of acceptance is likely to be 300 million yen or more;
- (ii) judging reasonably from the status of the transactions or any other circumstances, the total amount of the assets (limited to the assets set forth as follows) of the applicant as of the date of acceptance is likely to be 300 million yen or more:
 - (a) securities (excluding those set forth in (e) and (f) (limited to those under contracts concluded with a special enterprise prescribed in Article 2, paragraph (9) of the Real Estate Specified Joint Enterprise Act (Act No. 77 of 1994)) and those falling under what are set forth in (h));
 - (b) rights relating to derivatives transactions prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act;
 - (c) specified deposits, etc. prescribed in Article 13-4 of the Banking Act, specified deposits, etc. prescribed in Article 17-2 of the Long-Term Credit Bank Act, specified deposits, etc. prescribed in Article 89-2, paragraph (1) of the Shinkin Bank Act, specified deposits, etc. prescribed in Article 94-2 of the Labor Bank Act, specified deposits, etc. prescribed in Article 6-5-11, paragraph (1) of the Act on Financial Businesses by Cooperatives, specified deposits, etc. prescribed in Article 11-5 of the Agricultural Cooperatives Act, specified deposits, etc. prescribed in Article 11-11 of the Fishery Cooperatives Act, specified deposits, etc. prescribed in Article 59-3 of the Norinchukin Bank Act, and specified deposits, etc. prescribed in Article 29 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007) (collectively referred to as "specified deposits, etc." in Article 93, items (xii) and (xviii));
 - (d) the rights relating to benefits, such as insurance proceeds, mutual aid

- benefits and refunds payable under a specified insurance contract (meaning the specified insurance contract prescribed in Article 300-2 of the Insurance Business Act; hereinafter the same applies in this Subsection), a specified mutual aid contract prescribed in Article 11-27 of the Agricultural Cooperatives Act, a specified mutual aid contract prescribed in Article 12-3, paragraph (1) of the Consumer Cooperatives Act (Act No. 200 of 1948), a specified mutual aid contract prescribed in Article 15-12 of the Fisheries Cooperatives Act, and a specified mutual aid contract prescribed in Article 9-7-5, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act;
- (e) beneficial interest in trust relating to a specific trust agreement prescribed in Article 24-2 of the Trust Business Act (excluding those falling under what are set forth in (h));
- (f) rights under a real estate specified joint enterprise contract prescribed in Article 2, paragraph (3) of the Real Estate Specified Joint Enterprise Act;
- (g) rights relating to transactions on a commodity market prescribed in Article 2, paragraph (10) of the Commodity Derivatives Transaction Act (Act No. 239 of 1950)), foreign commodity market transactions prescribed in paragraph (13) of the same Article, and over-the-counter commodity derivatives transactions prescribed in paragraph (14) of the same Article;
- (h) what are set forth in the items of Article 43 of the Cabinet Office Order on Electronic Payment Instruments Service Providers (Cabinet Office Order No. 48 of 2023);
- (iii) one year has elapsed from the day on which the applicant concluded a specified financial service contract that belongs to the type of the contract related to the request under the provisions of Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis through an intermediary service by the financial service intermediary for the first time.

(Expiration Date in the Case Where an Individual Who is a Customer Other Than a Professional Investor is Deemed to Be a Professional Investor)

Article 78 (1) The case specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis is the case where a financial service intermediary has designated a certain day and publicized the following particulars by posting them at a place easily accessible to the public at its business office or office, or by any other appropriate means:

- (i) the designated day;

- (ii) the fact that the day prescribed in the following paragraph is to be the expiration date (meaning the expiration date prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in paragraph (2), items (i) and (ii) of the following Article and in Article 80).
- (2) The day specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be the day designated by a financial service intermediary under the provisions of the preceding paragraph, which is the latest of the days within one year from the date of acceptance.

(Particulars to Be Stated in a Document Indicating Consent by an Individual Who is a Customer Other Than a Professional Investor Having Made a Request)

- Article 79 (1) The particular specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2), item (iv), (a) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis is the fact that the provisions set forth in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis do not apply in the case where the applicant falls under any of the persons respectively specified in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis with regard to the subject contract (meaning the subject contract prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in the following paragraph and in Article 81) (excluding the cases prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act as applied mutatis mutandis).
- (2) The particulars specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the fact that, with regard to any act related to the subject contract (excluding an investment advisory contract and a discretionary investment contract) for which the financial service intermediary provided an intermediary service for the conclusion prior to the expiration date, which is to be conducted pursuant to the provisions of laws and regulations or the provisions of the contract, the applicant is treated as a professional investor, even if that act is conducted after the expiration date;
- (ii) the fact that, in the case where the type of the contract related to the request prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis is any of the types set forth in Article 66, items (iii) and (iv), with regard to any act related to the subject contract (limited to an investment advisory contract and a discretionary investment contract), which is to be conducted pursuant to the provisions of laws and regulations or the provisions of the contract, the applicant is treated as a professional investor, only if that act is conducted prior to the expiration date;
- (iii) the fact that the applicant will be treated as a professional investor with regard to the subject contract, only by the financial service intermediary who has approved the request pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis;
- (iv) the fact that the applicant may make a request under the provisions of Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis at any time on or after the date of acceptance.

(Period Necessary for an Individual Who is a Customer Other Than a Professional Investor Having Made a Request to Make a Request for Renewal)

Article 80 (1) The period specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be eleven months (in the cases set forth in the following items, the period respectively specified therein):

- (i) in the case where the period between the date of acceptance and the expiration date is less than one year (excluding the case set forth in the following item): that period minus one month;

- (ii) in the case where the period between the date of acceptance and the expiration date does not exceed one month: one day.
- (2) With regard to the application of the provisions of the preceding paragraph in the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis, the term "date of acceptance" in the items of the same paragraph is deemed to be replaced with "day following the previous expiration date".

(Particulars to Be Stated in a Document to Be Delivered to an Individual Having Made a Request for Reinstatement as a Customer Other Than a Professional Investor)

Article 81 The particulars specified by Cabinet Office Order as prescribed in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis that is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the day on which the acceptance under the provisions of Article 34-4, paragraph (5) of the Financial Instruments and Exchange Act as applied mutatis mutandis is to be given (referred to as the "date of acceptance" in item (iii));
- (ii) the contract type to which the subject contract belongs;
- (iii) the fact that the individual who made a request under the provisions of Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis will again be treated as a customer other than a professional investor in the case of soliciting or providing an intermediary service for the conclusion of the subject contract on or after the date of acceptance.

(Acts Similar to Advertising)

Article 82 The acts specified by Cabinet Office Order as prescribed in the paragraphs of Article 37 of the Financial Instruments and Exchange Act as applied mutatis mutandis are to be the provision of identical information to many persons, by means of postal mail, correspondences delivery (meaning the correspondence delivery prescribed in Article 2, paragraph (2) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) that is provided by a general correspondence delivery operator prescribed in paragraph (6) of the same Article or by a specified correspondence delivery operator prescribed in paragraph (9) of the same Article), transmission by facsimile devices, transmission by electronic mail (meaning the electronic mail

prescribed in Article 2, item (i) of the Act on Regulation of Transmission of Specified Electronic Mail), distribution of leaflets or pamphlets or by any other means (excluding those set forth as follows):

- (i) distribution of documents prepared in accordance with laws or regulations, or in accordance with the dispositions rendered by administrative agencies under laws and regulations;
- (ii) distribution of materials on the analysis and appraisal of individual companies not intended to be used for solicitation for the conclusion of a specified financial service contract;
- (iii) provision of premiums or any other goods only indicating all of the particulars specified in (a) or (b) below in accordance with the category of specified financial service contracts respectively set forth therein (limited to premiums or other goods clearly and accurately indicating the particulars set forth in (a), 2. through 4. or (b), 2. through 4.) (in the case where any of the following particulars is not indicated on the premiums or other goods, including provision of those premiums or other goods together with other goods indicating the relevant particular as an integral part thereof):
 - (a) a contract for specified deposit, etc.: the following particulars:
 - 1. the name of the financial instrument (including alias thereof);
 - 2. the trade name or name, or alias of the financial service intermediary that provides identical information to many persons by the methods prescribed in this item;
 - 3. the particulars set forth in Article 35, paragraph (2), item (i) of the Order (limited to the case where the letters or numerical characters representing the relevant particulars are indicated in a size which does not differ substantially from the size of the largest letters or numerical characters representing other particulars; the same applies in (b), 3.);
 - 4. a notice to the effect that the details of any of the following documents should be read comprehensively:
 - i. the document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis (hereinafter referred to as the "document to be delivered prior to conclusion of contract" in this Subsection);
 - ii. the document on foreign currency deposit, etc. prescribed in Article 90, paragraph (1), item (i);
 - iii. the explanatory document on change to contract information prescribed in Article 90, paragraph (1), item (iii), (b);
 - (b) a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract; the same applies in 1., i.): the following particulars:
 - 1. the name, issue or alias of any of the following:

- i. the specified financial service contract or the type thereof;
- ii. the securities or the types thereof;
- iii. the particulars equivalent to the particulars set forth in i. and ii.;
- 2. the trade name or name, or alias of the financial service intermediary that provides identical information to many persons by the methods prescribed in this item;
- 3. the particulars set forth in Article 35, paragraph (2), item (i) of the Order;
- 4. a notice to the effect that the details of any of the following documents should be read comprehensively:
 - i. the document to be delivered prior to conclusion of contract;
 - ii. the explanatory document on listed securities, etc. prescribed in Article 91, paragraph (1), item (i);
 - iii. the prospectus prescribed in Article 91, paragraph (1), item (iii) (in the case where there is any document to be delivered as an integral part of the prospectus under the provisions of the same item, the prospectus and the relevant document);
 - iv. the explanatory document on change to contract information prescribed in Article 91, paragraph (1), item (iv), (b).

(Method of Indication of Advertisement on the Details of the Financial Service Intermediary Business Operations Related to a Specified Financial Service Contract)

- Article 83 (1) When making an advertisement or conducting any of the acts prescribed in the preceding Article (hereinafter referred to as the "advertisement, etc." in this Subsection) with regard to the details of its financial service intermediary business operations related to a specified financial service contract, a financial service intermediary must clearly and accurately indicate the particulars set forth in the items of Article 37, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*.
- (2) When making an advertisement, etc. with regard to the details of its financial service intermediary business operations related to a specified financial service contract, a financial service intermediary is to indicate the particulars set forth in Article 35, paragraph (1), item (ii) of the Order by using letters or numerical characters in a size which does not differ substantially from the size of the largest letters or numerical characters representing other particulars.
- (3) Notwithstanding the provisions of the preceding paragraph, when a financial service intermediary intends to make any advertisement of the details of its financial service intermediary business operations related to a specified financial service contract by way of having it broadcast through the use of

broadcasting facilities of a basic broadcaster (meaning the basic broadcaster prescribed in Article 2, item (xxiii) of the Broadcast Act (Act No. 132 of 1950) and excluding the Japan Broadcasting Corporation and the Open University of Japan (meaning the Open University of Japan prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002)); the same applies in Article 86, paragraph (1), item (ii)) or by any of the methods set forth in the items of the same paragraph (excluding the method of sound broadcasting), the financial service intermediary is to indicate the particulars set forth in Article 35, paragraph (2), item (i) of the Order by using letters or numerical characters in a size which does not differ substantially from the size of the largest letters or numerical characters representing other particulars.

(Particulars Concerning Consideration Payable by Customers)

Article 84 (1) The particulars specified by Cabinet Office Order as prescribed in Article 35, paragraph (1), item (i) of the Order are the amount of the fees, etc. by type or the upper limit thereof, or the outline of the method of calculation thereof (in the case of a contract for specified deposit, etc., including the ratio to the amount of the principal relating to the contract for specified deposit, etc., and in the case of a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract), including the ratio to the price of the securities relating to the specified financial service contract or to the amount of the investment property (meaning the investment property prescribed in Article 35, paragraph (1), item (xv) of the Financial Instruments and Exchange Act; the same applies in Article 92, paragraph (1) and Article 111, paragraph (1), item (xix)), or the ratio to the profit generated by the conclusion of the specified financial service contract; hereinafter the same applies in this paragraph), and the total of the relevant amount by type or the upper limit thereof, or the outline of the method of calculation thereof; provided, however, that in the case where these details cannot be stated, that fact and the reasons therefor are to be stated.

(2) In the case where a specified financial service contract referred to in the preceding paragraph relates to the acquisition of the right to be indicated on the securities set forth in Article 2, paragraph (1), item (x) or (xi) of the Financial Instruments and Exchange Act (hereinafter the relevant right is referred to as the "investment trust beneficial interests, etc." in this Article) and the property relating to the relevant investment trust beneficial interests, etc. is to be invested or contributed in other investment trust beneficial interests, etc. (hereinafter referred to as the "target investment trust beneficial interests, etc." in this Article), the fees, etc. referred to in the preceding paragraph include trust fees and other fees, etc. relating to the target investment trust beneficial interests, etc.

- (3) In the case where the property relating to the target investment trust beneficial interests, etc. referred to in the preceding paragraph is to be invested or contributed in other investment trust beneficial interests, etc., those other investment trust beneficial interests, etc. are deemed to be target investment trust beneficial interests, etc. and the provisions of the preceding two paragraphs are applied thereto.
- (4) The provisions of the preceding paragraph apply *mutatis mutandis* in the case where the property relating to investment trust beneficial interests, etc. that were deemed to be target investment trust beneficial interests, etc. under the provisions of the same paragraph (including as applied *mutatis mutandis* pursuant to this paragraph) is to be invested or contributed in other investment trust beneficial interests, etc.

(Important Particulars Which May Have an Impact on Customers' Decisions)

Article 85 The particulars specified by Cabinet Office Order as prescribed in Article 35, paragraph (1), item (iii) of the Order are as follows:

- (i) the facts regarding important particulars on the specified financial service contract, which would be disadvantageous to customers;
- (ii) in the case where the financial service intermediary is a member of a certified financial service intermediary business association, that fact and the name of the association.

(Method Equivalent to Broadcasting by the Use of Broadcasting Facilities of a Basic Broadcaster)

Article 86 (1) The methods specified by Cabinet Office Order as prescribed in Article 35, paragraph (2) of the Order are as follows:

- (i) the method of broadcasting by the use of broadcasting facilities of a general broadcaster (meaning the general broadcaster prescribed in Article 2, item (xxv) of the Broadcast Act);
- (ii) the method of making available for customers' inspection the details of the information recorded in a file stored on a computer used by the financial service intermediary or by a person that has accepted the entrustment of the business operations relating to an advertisement, etc. to be made by the financial service intermediary (limited to information identical to the particulars provided through broadcasting by the use of the broadcasting facilities of a basic broadcaster or by the method set forth in the preceding item) via a telecommunications line;
- (iii) the method of exposing to the public an indoor or outdoor advertisement regularly or continuously for a certain period, by way of posting or indicating it on signboards, standing signboards, bills, notices, or advertising towers, billboards, buildings or any other structures, or by any other methods similar

thereto.

- (2) The particulars specified by Cabinet Office Order as prescribed in Article 35, paragraph (2), item (ii) of the Order are those set forth in Article 82, item (iii), (a), 4. or (b), 4.

(Particulars Prohibited from Misleading Advertisements)

Article 87 The particulars specified by Cabinet Office Order as prescribed in Article 37, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the particulars concerning the cancellation of a specified financial service contract (in the case of a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract; the same applies in item (v), (a)), including the particulars concerning the provisions of Article 37-6, paragraphs (1) through (4) of the Financial Instruments and Exchange Act (with regard to paragraphs (3) and (4), including as applied mutatis mutandis pursuant to Article 31, paragraph (2) of the Act));
- (ii) the particulars concerning the sharing of all or part of the losses or a guarantee of profit, in connection with a specified financial service contract;
- (iii) the particulars concerning the planned amount of damages (including penalties) relating to a specified financial service contract;
- (iv) the particulars concerning the amount of the fees, etc. payable by customers in connection with a specified financial service contract or the method of calculation thereof, and the method and timing of the payment of the fees, etc. and the payee of the fees, etc. ;
- (v) When making an advertisement, etc. concerning the securities, etc. intermediary business operations, the following particulars:
 - (a) the particulars concerning a financial instruments market or any other market similar thereto located in a foreign state, which relates to a specified financial service contract;
 - (b) the particulars concerning a counterparty financial institution (meaning the counterparty financial institution prescribed in Article 37-3, paragraph (1), item (i) of the Financial Instruments and Exchange Act as applied mutatis mutandis; hereinafter the same applies in this Subsection, and in Article 139, paragraph (3), items (i) and (ii) and paragraph (4), item (ii)), and concerning the financial resources or credit of a financial service intermediary;
 - (c) the particulars concerning a counterparty financial institution's performance of the financial instruments business (in the case of a registered financial institution (meaning the registered financial institution prescribed in Article 2, paragraph (11) of the Financial

Instruments and Exchange Act; the same applies in Article 98, paragraph (2) and Article 104, paragraph (2)), performance of the registered financial institution business operations prescribed in Article 33-3, paragraph (1), item (vi), (a) of the same Act), and concerning a financial service intermediary's performance of the securities, etc. intermediary business operations;

- (d) When making an advertisement, etc. for an investment advisory contract, the particulars concerning the details and method of the advisory services;
- (e) When making an advertisement, etc. for a discretionary investment contract, the particulars concerning the details and method of making investment decisions;
- (f) When making an advertisement, etc. for the securities, etc. intermediary business operations with regard to electronically recorded transferable rights to be indicated on securities, etc. (meaning the rights prescribed in Article 29-2, paragraph (1), item (viii) of the Financial Instruments and Exchange Act; the same applies in (f) and in Article 95, paragraph (1), item (ii)), the following particulars:
 - 1. the nature of the electronically recorded transferable rights to be indicated on securities, etc.;
 - 2. the particulars concerning the mechanism for the holding and transfer of the electronically recorded transferable rights to be indicated on securities, etc.

(Method of Preparing a Document to be Delivered Prior to Conclusion of Contract)

Article 88 (1) The particulars set forth in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis (excluding item (vi); the same applies in paragraph (3)) must be stated unambiguously and accurately in a document to be delivered prior to conclusion of contract by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards based on the Industrial Standardization Act (Act No. 185 of 1949) (hereinafter referred to as the "Japanese Industrial Standards").

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified in the following items in accordance with the category of specified financial service contracts respectively set forth therein are to be stated unambiguously and accurately, after the particulars prescribed in the following paragraph, in the frame of the document to be delivered prior to conclusion of contract by using letters and numerical characters larger than 12-point as prescribed in Z8305 of the Japanese Industrial Standards.

- (i) a contract for specified deposit, etc.: the outline of the particulars set forth

- in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, and the particulars set forth in item (v) of the same paragraph and Article 93, item (xi);
- (ii) a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract): the outline of the particulars set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, and the particulars set forth in item (v) of the same paragraph, and in Article 94, items (ii), (iii), and (vi).
- (3) When preparing a document to be delivered prior to conclusion of contract, a financial service intermediary is to indicate especially important particulars that may have an impact on a customer's decisions, out of the particulars set forth in Article 93, item (i) or Article 94, item (i), and the particulars set forth in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, plainly at the beginning of the document to be delivered prior to conclusion of contract by using letters and numerical characters larger than 12-point as prescribed in Z8305 of the Japanese Industrial Standards.

(Method for Information Provision)

Article 89 The provision of information under the provisions of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* is to be implemented by the delivery of a document to be delivered prior to conclusion of contract.

(Exemption from Requirement to Deliver a Document to be Delivered Prior to Conclusion of Contract Relating to a Contract for Specified Deposit, etc.)

Article 90 (1) The cases specified by Cabinet Office Order as prescribed in the proviso to Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a contract for specified deposit, etc., are as follows:

- (i) the case where, within one year prior to the conclusion of the contract for specified deposit, etc. relating to a foreign currency deposit, etc., the financial service intermediary has delivered to the customer a document in which the particulars set forth in Article 37-3, paragraph (1), items (i) through (v) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, and the particulars set forth in Article 93, items (i), (xi), (xvi) and (xvii) are stated with regard to the relevant contract for specified deposit, etc. by a method equivalent to that prescribed in Article 88

- (hereinafter referred to as a "document on foreign currency deposit, etc." in this Subsection) (limited to the case where the customer has expressed an intent that the delivery of a document to be delivered prior to conclusion of contract is not necessary);
- (ii) the case where, within one year prior to the conclusion of the contract for specified deposit, etc., the financial service intermediary has delivered to the customer a document to be delivered prior to conclusion of contract relating to another contract for deposit, etc. which is in substance identical to the relevant contract for deposit, etc. (including the case where the financial service intermediary has not delivered a document to be delivered prior to conclusion of contract relating to that other contract for deposit, etc. which is in substance identical, under the provisions of the preceding item);
 - (iii) in the case of providing an intermediary service for the conclusion of a contract for specified deposit, etc. for the purpose of effecting a partial change to any term of a contract for specified deposit, etc. already in effect, the following cases:
 - (a) when the relevant partial change does not result in a change to the particulars to be stated in the document to be delivered prior to conclusion of contract relating to a contract for specified deposit, etc. already in effect;
 - (b) in the case where the relevant partial change results in a change to the particulars to be stated in the document to be delivered prior to conclusion of contract relating to a contract for specified deposit, etc. already in effect, when the financial service intermediary has delivered to the customer a document stating the particulars subject to the change (hereinafter referred to as an "explanatory document on change to contract information" in item (v) and Article 110, item (ii));
 - (iv) the case where, with regard to the conclusion of a contract for specified deposit, etc., the counterparty financial institution to the contract for specified deposit, etc. has delivered to the customer a document prescribed in the main clause of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Banking Act, Article 17-2 of the Long-Term Credit Bank Act, Article 89-2 of the Shinkin Bank Act, Article 94-2 of the Labor Bank Act, Article 6-5-11 of the Act on Financial Businesses by Cooperatives, Article 11-5 of the Agricultural Cooperatives Act, Article 11-11 of the Fishery Cooperatives Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1) of the same Act), or Article 59-3 of the Norinchukin Bank Act (limited to a document in which the particulars set forth in Article 37-3, paragraph (1), items (i) and (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis and in Article 93, items (xv) through (xvii) are also stated), pursuant to the

provisions of the main clause of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to these provisions;

- (v) the case where the financial service intermediary has conducted the provision, etc. of important information in a simple manner and has also provided the customer with explanations regarding the particulars set forth in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case prescribed in item (iii), (b), limited to the particulars related to the change referred to in the same item) in a manner and to the extent necessary for ensuring that the customer understands them, in light of the customer's knowledge, experience, and conditions of property and in light of the purpose of concluding the contract for specified deposit, etc. (in the case where the financial service intermediary has provided the customer with the particulars to be stated in a document to be delivered prior to conclusion of contract (in the case of providing an intermediary service for the conclusion of a contract for specified deposit, etc. relating to a foreign currency deposit, etc., in a document to be delivered prior to conclusion of contract or a document on foreign currency deposit, etc., and in the case prescribed in item (iii), (b), in a document to be delivered prior to conclusion of contract or an explanatory document on change to contract information; hereinafter the same applies in this item and in paragraph (4), items (ii) and (iii)) by the method of making them available for customers' inspection by the use of an electronic data processing system, excluding the case where the customer requests the delivery of a document to be delivered prior to conclusion of contract, only when the following requirements are fully satisfied):
 - (a) the particulars to be stated in the document to be delivered prior to conclusion of contract have been displayed in an easily visible location for the customer, on the screen of a computer used by the customer in accordance with the method prescribed in Article 88 (excluding the case where the manner to make them available for customers' inspection conforms to the criteria set forth in Article 2, paragraph (2), item (i));
 - (b) measures are taken to keep the particulars to be stated in the document to be delivered prior to conclusion of contract easily available for the customer's inspection for five years after the day on which the transaction referred to in those particulars was conducted finally (when any complaint related to those particulars has been raised prior to the last day of the relevant period, until the last day of the relevant period or the day on which the complaint is resolved, whichever comes later).
- (2) In the case where, within one year from the day of delivery of a document on foreign currency deposit, etc. (including the day on which a document on

foreign currency deposit, etc. is deemed to have been delivered under the provisions of this paragraph), a financial service intermediary has provided an intermediary service for the conclusion of a contract for specified deposit, etc. relating to a foreign currency deposit, etc. (limited to the case where the customer has expressed an intent that the delivery of a document to be delivered prior to conclusion of contract is not necessary), a document on foreign currency deposit, etc. is deemed to have been delivered on the date of the conclusion of that contract for specified deposit, etc., and the provisions of item (i) of the preceding paragraph apply.

(3) In the case where, within one year from the day of delivery of a document to be delivered prior to conclusion of contract (including the day on which a contract for specified deposit, etc. was concluded in the case where a document to be delivered prior to conclusion of contract is not delivered for the contract for specified deposit, etc. under the provisions of paragraph (1), item (i), and the day on which a document to be delivered prior to conclusion of contract is deemed to have been delivered under the provisions of this paragraph), a financial service intermediary has provided an intermediary service for the conclusion of another contract for specified deposit, etc. which is in substance identical to the contract for specified deposit, etc. relating to the relevant document to be delivered prior to conclusion of contract, a document to be delivered prior to conclusion of contract is deemed to have been delivered on the date of the conclusion of that other contract, and the provisions of paragraph (1), item (ii) apply.

(4) The "provision, etc. of important information in a simple manner" referred to in paragraph (1), item (v) means to deliver a document stating the following particulars in a simple manner or to provide the particulars to be stated in the document by electronic or magnetic means and to provide explanations on these particulars (including to reply to customers' questions based on the examples of questions referred to in item (i)):

- (i) the outline of the major particulars set forth in the items (excluding item (vi)) of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case prescribed in paragraph (1), item (iii), (b), limited to the particulars related to the change referred to in the same item) that contribute to customers' decisions on the conclusion of a contract for specified deposit, etc. and examples of questions related thereto;
- (ii) a notice to the effect that the information necessary to receive the provision of the particulars to be stated in the document to be delivered prior to conclusion of contract and the details of the particulars to be provided should be read comprehensively;
- (iii) the fact that a document to be delivered prior to conclusion of contract will

be delivered at the request of a customer.

(Exemption from Requirement to Deliver a Document to be Delivered Prior to Conclusion of Contract Relating to a Specified Financial Service Contract)

Article 91 (1) The cases specified by Cabinet Office Order as prescribed in the proviso to Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a specified financial service contract other than a contract for specified deposit, etc. and a specified insurance contract (hereinafter simply referred to as a "specified financial service contract" in this Article), are as follows:

- (i) the case where, within one year prior to the conclusion of the specified financial service contract relating to the purchase and sale or any other transaction of securities listed on a financial instruments exchange (meaning the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection), over-the-counter traded securities (meaning the over-the-counter traded securities prescribed in paragraph (8), item (x), (c) of the same Article; the same applies in Article 111, paragraph (1), item (xv) and Article 118, item (iv)) (excluding securities designated by the Commissioner of the Financial Services Agency), securities listed on an exchange located in a foreign state which is similar to a financial instruments exchange, or securities traded on a market located in a foreign state which is similar to the over-the-counter securities market (meaning the over-the-counter securities market prescribed in Article 67, paragraph (2) of the same Act; the same applies in Article 111, paragraph (1), item (xv) and paragraph (3)) (excluding securities designated by the Commissioner of the Financial Services Agency) (hereinafter referred to as the "purchase and sale, etc. of listed securities, etc."), the financial service intermediary has delivered to the customer a document in which the particulars set forth in Article 37-3, paragraph (1), items (i) through (v) of the Financial Instruments and Exchange Act as applied mutatis mutandis, and the particulars set forth in Article 94, items (i) through (iii), (viii), (xi) and (xii) are stated with regard to the relevant specified financial service contract by a method equivalent to that prescribed in Article 88 (hereinafter referred to as an "explanatory document on listed securities, etc." in this Article and Article 111, paragraph (1), item (i), (b));
- (ii) the case where, within one year prior to the conclusion of the specified financial service contract relating to the purchase and sale or any other transaction of securities, the financial service intermediary has delivered to

- the customer a document to be delivered prior to conclusion of contract relating to another specified financial service contract which is in substance identical to the relevant specified financial service contract;
- (iii) the case where the financial service intermediary has delivered to the customer a prospectus (meaning the prospectus prescribed in Article 2, paragraph (10) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Article) (limited to a prospectus in which all of the particulars to be stated in the document to be delivered prior to conclusion of contract are stated by a method equivalent to that prescribed in Article 88) (in the case where all of those particulars are not stated in a prospectus, including the case where the prospectus and a document in which all of the particulars that are not stated in the prospectus are stated have been delivered as an integral part thereof), or the case set forth in Article 15, paragraph (2), item (ii) of the same Act;
 - (iv) in the case of providing an intermediary service for the conclusion of a specified financial service contract for the purpose of effecting a partial change to any term of a specified financial service contract already in effect, the following cases:
 - (a) when the relevant partial change does not result in a change to the particulars to be stated in the document to be delivered prior to conclusion of contract relating to a specified financial service contract already in effect;
 - (b) in the case where the relevant partial change results in a change to the particulars to be stated in the document to be delivered prior to conclusion of contract relating to a specified financial service contract already in effect, when the financial service intermediary has delivered to the customer a document stating the particulars subject to the change (hereinafter referred to as an "explanatory document on change to contract information" in item (vii) and Article 111, paragraph (1), item (i));
 - (v) in the case of providing an intermediary service for the conclusion of a specified financial service contract for the purchase and sale, etc. of listed securities, etc., when the financial service intermediary has provided the customer (limited to a person who has received the delivery of an explanatory document on listed securities, etc. from the relevant financial service intermediary) with the particulars to be stated in an explanatory document on listed securities, etc. by the method of making them available for customers' inspection by the use of an electronic data processing system (excluding the case where the customer requests the delivery of an explanatory document on listed securities, etc., only when the following requirements are fully satisfied):
 - (a) the financial service intermediary has provided the customer with an

explanation in advance to the effect that the relevant particulars will be provided by the method of making them available for customers' inspection and that an explanatory document on listed securities, etc. will be delivered at the request of the customer, by way of delivering a document or by any other appropriate means;

- (b) the financial service intermediary has provided the customer with information necessary for receiving the provision of the relevant particulars, by way of delivering a document or by any other appropriate means, within one year prior to the conclusion of the specified financial service contract for the purchase and sale, etc. of listed securities, etc.;
- (c) the relevant particulars have been displayed in an easily visible location for the customer, on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88;
- (d) measures are taken to keep the relevant particulars easily available for the customer's inspection for five years after the day on which the financial service intermediary provided an intermediary service for the relevant purchase and sale, etc. of listed securities, etc. (when any complaint related to those particulars has been raised prior to the last day of the relevant period, until the last day of the relevant period or the day on which the complaint is resolved, whichever comes later);
- (vi) in the case where the financial service intermediary provides an intermediary service for the conclusion of a specified financial service contract relating to the purchase and sale or any other transaction of the securities set forth in Article 2, paragraph (1), items (i) through (iii) or item (v) of the Financial Instruments and Exchange Act (excluding corporate bond certificates with share options; hereinafter the same applies in this item) or the securities set forth in item (xvii) of the same paragraph that have the nature of the securities set forth in items (i) through (iii) or item (v) of the same paragraph (limited to securities for which the due date (limited to the fixed due date; hereinafter the same applies in this item) and the amount of redemption (limited to the fixed amount; hereinafter the same applies in this item) are specified and to which no conditions are attached to the effect that all or part of the amount of redemption as of the due date will not be redeemed, and excluding securities designated by the Commissioner of the Financial Services Agency) (referred to as "purchase and sale, etc. of claims" in (b) and (d)), when the financial service intermediary has provided the customer (limited to a person who has received the delivery of a document to be delivered prior to conclusion of contract relating to another specified financial service contract which is in substance identical to the relevant specified financial service contract from the financial service intermediary) with the particulars to be stated in a document to be delivered prior to

conclusion of contract by the method of making them available for customers' inspection by the use of an electronic data processing system (excluding the case where the customer requests the delivery of a document to be delivered prior to conclusion of contract, only when the following requirements are fully satisfied):

- (a) the financial service intermediary has provided the customer with an explanation in advance to the effect that the relevant particulars will be provided by the method of making them available for customers' inspection and that a document to be delivered prior to conclusion of contract will be delivered at the request of the customer by way of delivering a document or by any other appropriate means;
- (b) the financial service intermediary has provided the customer with information necessary for receiving the provision of the relevant particulars, by way of delivering a document or by any other appropriate means, within one year prior to the conclusion of the specified financial service contract for the purchase and sale, etc. of claims;
- (c) the relevant particulars have been displayed in an easily visible location for the customer, on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88;
- (d) measures are taken to keep the relevant particulars easily available for the customer's inspection for five years after the day on which the financial service intermediary provided an intermediary service for the relevant purchase and sale, etc. of claims (when any complaint related to those particulars has been raised prior to the last day of the relevant period, until the last day of the relevant period or the day on which the complaint is resolved, whichever comes later);
- (vii) the case where the financial service intermediary has conducted the provision, etc. of important information in a simple manner and has also provided the customer with explanations regarding the particulars set forth in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case prescribed in item (iv), (b), limited to the particulars related to the change referred to in the same item) in a manner and to the extent necessary for ensuring that the customer understands them, in light of the customer's knowledge, experience, and conditions of property and in light of the purpose of concluding the specified financial service contract (in the case where the financial service intermediary has provided the customer with the particulars to be stated in a document to be delivered prior to conclusion of contract (in the case of providing an intermediary service for the conclusion of a specified financial service contract for the purchase and sale, etc. of listed securities, etc., in a document to be delivered prior to conclusion of

contract or an explanatory document on listed securities, etc., and in the case prescribed in item (iv), (b), in a document to be delivered prior to conclusion of contract or an explanatory document on change to contract information; hereinafter the same applies in this item and in paragraph (6), items (ii) and (iii)) by the method of making them available for customers' inspection by the use of an electronic data processing system, excluding the case where the customer requests the delivery of a document to be delivered prior to conclusion of contract, only when the following requirements are fully satisfied):

- (a) the particulars to be stated in the document to be delivered prior to conclusion of contract have been displayed in an easily visible location for the customer, on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88 (excluding the case where the manner to make them available for customers' inspection conforms to the criteria set forth in Article 2, paragraph (2), item (i));
 - (b) measures are taken to keep the particulars to be stated in the document to be delivered prior to conclusion of contract easily available for the customer's inspection for five years after the day on which the transaction referred to in those particulars was conducted finally (when any complaint related to those particulars has been raised prior to the last day of the relevant period, until the last day of the relevant period or the day on which the complaint is resolved, whichever comes later);
- (viii) in the case where the specified financial service contract relates to any of the following acts:
- (a) the sale of securities (limited to the case where a specified financial service contract for the relevant sale of securities has been concluded with a counterparty financial institution);
 - (b) an intermediary service for the purchase of securities (limited to the case where the financial service intermediary provides an intermediary service for the purchase of securities in relation to a tender offer (meaning the tender offer prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the same Act); the same applies in Article 107, paragraph (1), item (ii), (b)) for a tender offeror (meaning the tender offeror prescribed in Article 27-3, paragraph (2) of the same Act (including as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the same Act); the same applies in Article 107, paragraph (1), item (ii), (b)) as a counterparty);
 - (c) a reversing trade (in the case of the sale of securities, meaning the purchase of securities, and in the case of the purchase of securities, meaning the sale of securities; the same applies in Article 111, paragraph

- (1));
- (d) the purchase of securities under a contract for cumulative investment (meaning a contract wherein a counterparty financial institution receives a money deposit from a customer and sells securities to that customer continuously on dates designated in advance while receiving a consideration payable out of the relevant money deposit; the same applies in (d) and in Article 107, paragraph (1), item (i), (a)), or the sale of securities to be conducted on a regular basis under a contract for cumulative investment;
 - (e) an act to have a customer acquire an issue identical to the securities set forth in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act owned thereby, by using the earnings generated from those securities;
 - (f) the purchase and sale (excluding the initial purchase) of the securities set forth in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act (limited to the beneficiary certificates for bond investment trust (meaning the bond investment trust prescribed in Article 25, item (ii) of the Regulation for Enforcement of the Act on Investment Trust and Investment Corporations (Order of the Prime Minister's Office No. 129 of 2000) (limited to the bond investment trust of which accounting period is one day); the same applies in Article 107, paragraph (1), item (i), (c) and Article 114));
 - (g) the handling of a public offering of securities (meaning the public offering of securities prescribed in Article 2, paragraph (3) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection) or secondary distribution of securities (meaning the secondary distribution of securities prescribed in paragraph (4) of the same Article; hereinafter the same applies in this Subsection) (limited to the case where the customer for the specified financial service contract is the issuer or owner of the relevant securities).
- (2) The provisions of Article 27-30-9, paragraph (1) of the Financial Instruments and Exchange Act, Article 23-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Ministry of Finance Order No. 5 of 1973), Article 18-2 of the Cabinet Office Order on the Disclosure of Information, etc. on Issuers of Foreign Government Bonds, etc. (Ministry of Finance Order No. 26 of 1972), and Article 32-2 of the Cabinet Office Order on Disclosure of Information on Regulated Securities (Ministry of Finance Order No. 22 of 1993) apply *mutatis mutandis* to the delivery of the documents under the provisions of item (iii) of the preceding paragraph.
- (3) In the case where, within one year from the day of delivery of an explanatory document on listed securities, etc. (including the day on which an explanatory

document on listed securities, etc. is deemed to have been delivered under the provisions of this paragraph), a financial service intermediary has provided an intermediary service for the conclusion of a specified financial service contract for the purchase and sale, etc. of listed securities, etc., an explanatory document on listed securities, etc. is deemed to have been delivered on the date of the conclusion of the relevant specified financial service contract, and the provisions of paragraph (1), item (i) apply.

- (4) In the case where, within one year from the day of delivery of a document to be delivered prior to conclusion of contract (including the day on which a document to be delivered prior to conclusion of contract is deemed to have been delivered under the provisions of this paragraph), a financial service intermediary has provided an intermediary service for the conclusion of another specified financial service contract which is in substance identical to the specified financial service contract relating to the relevant document to be delivered prior to conclusion of contract, a document to be delivered prior to conclusion of contract is deemed to have been delivered on the date of the conclusion of that other contract, and the provisions of paragraph (1), item (ii) apply.
- (5) With regard to the application of the provisions of paragraph (1), item (iii) to a prospectus regarding the securities set forth in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act (in the case where there is any document to be delivered as an integral part of a prospectus under the provisions of paragraph (1), item (iii), the relevant prospectus and document), the phrase "by a method equivalent to that prescribed in Article 88" in the same item is deemed to be deleted.
- (6) The "provision, etc. of important information in a simple manner" referred to in paragraph (1), item (vii) means to deliver a document stating the following particulars in a simple manner or to provide the particulars to be stated in the document by electronic or magnetic means and to provide explanations on these particulars (including to reply to customers' questions based on the examples of questions referred to in item (i)):
- (i) the outline of the major particulars set forth in the items (excluding item (vi)) of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case prescribed in paragraph (1), item (iv), (b), limited to the particulars related to the change referred to in the same item) that contribute to customers' decisions on the conclusion of a specified financial service contract and examples of questions related thereto;
 - (ii) a notice to the effect that the information necessary to receive the provision of the particulars to be stated in the document to be delivered prior to conclusion of contract and the details of the particulars to be provided should

- be read comprehensively;
- (iii) the fact that a document to be delivered prior to conclusion of contract will be delivered at the request of a customer.

(Particulars Concerning Consideration Payable by Customers)

Article 92 (1) The particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied mutatis mutandis are the amount of fees, etc. payable by a customer in relation to a specified financial service contract by type or the upper limit thereof, or the method of calculation thereof (in the case of a contract for specified deposit, etc., including the ratio to the amount of principal relating to the contract for specified deposit, etc., and in the case of a specified financial service contract other than a contract for specified deposit, etc. and a specified insurance contract, including the ratio to the price of securities or the amount of investment property relating to the specified financial service contract, or the ratio to the profit generated by the conclusion of the specified financial service contract; hereinafter the same applies in this paragraph), and the total of the relevant amount by type or the upper limit thereof or the method of calculation thereof; provided, however, that in the case where these details cannot be stated, that fact and the reasons therefor are to be stated.

- (2) The provisions of Article 84, paragraphs (2) through (4) apply mutatis mutandis to the fees, etc. referred to in the preceding paragraph (limited to the fees, etc. payable by a customer in relation to a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract)).

(Particulars to Be Stated in a Document to be Delivered Prior to Conclusion of Contract Relating to a Contract for Specified Deposit, etc.)

Article 93 The particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a contract for specified deposit, etc., are as follows:

- (i) a notice to the effect that the details of the document to be delivered prior to conclusion of contract should be read comprehensively;
- (ii) the name of the financial instrument (including alias thereof);
- (iii) whether it is subject to payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act or Article 55 of the Agricultural and Fishery Cooperatives Savings Insurance Act;

- (iv) the scope of the persons subject to acceptance;
- (v) the period of deposit (including whether the deposit will be automatically renewed);
- (vi) the minimum amount of deposit, unit of deposit, and any other particulars concerning deposit;
- (vii) the method of repayment;
- (viii) the method of establishing interest, payment method of interest, calculation method of interest, and other particulars concerning interest;
- (ix) the particulars concerning special provisions that may be added;
- (x) the handling of the cancellation before maturity of the deposit period (including the calculation methods of interest and fees);
- (xi) in the case where the conclusion of a contract for specified deposit, etc. by the customer bears a risk of the accrual of any loss caused directly by a fluctuation in money rates, the value of currencies, quotations on the financial instruments market, or any other indicators, the following particulars:
 - (a) the relevant indicators;
 - (b) the reasons for a risk of loss which may be caused by any fluctuation in those indicators;
- (xii) in the case of handling a financial instrument in which the full amount paid at the time of depositing for the combination of the specified deposit, etc. with the following transactions is not guaranteed to be repaid at its expiry, a detailed explanation stating that the full amount paid at the time of depositing is not guaranteed to be repaid at its expiry and any other detailed explanations concerning the financial instrument:
 - (a) market derivatives transactions or foreign market derivatives transactions (excluding transactions that correspond to transactions of securities-related derivatives);
 - (b) financial derivatives transactions prescribed in Article 49, paragraph (2);
 - (c) foreign exchange futures transactions;
 - (d) transactions of securities-related derivatives (excluding transactions set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and transactions similar to those set forth in the same item on a foreign financial instruments market);
 - (e) transactions set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and transactions similar to those set forth in the same item on a foreign financial instruments market (limited to transactions relating to the securities set forth in paragraph (1), items (i) and (ii) of the same Article, the securities set forth in items (iii) and (v) of the same paragraph (limited to those for which redemption of the principal and payment of interest are guaranteed by the government), and

- the securities set forth in item (xvii) of the same paragraph that have the nature of the securities set forth in item (i) of the same paragraph);
- (xiii) in the case where an indicator to be the standard for establishing a money rate of a floating rate deposit, etc. and the method of establishing a money rate are specified, the particulars concerning the relevant standard and method and money rate;
- (xiv) the outline of the taxation concerning the contract for specified deposit, etc.;
- (xv) the method whereby the customer contacts the financial service intermediary and the counterparty financial institution to the contract for specified deposit, etc.;
- (xvi) whether the financial service intermediary is a member of any certified financial service intermediary business association, and in the case where it is a member, the name of the association, and whether the financial service intermediary is a covered operator (meaning the covered operator prescribed in Article 79-11, paragraph (1) of the Financial Instrument and Exchange Act; hereinafter the same applies in this item and item (xi) of the following Article) of any certified investor protection organization (limited to a certified investor protection organization whose certified business operations (meaning the certified business operations prescribed in Article 79-10, paragraph (1) of the same Act) covers the relevant specified financial service contract; the same applies in the same item), and in the case where it is a covered operator, the name of the organization;
- (xvii) the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein:
- (a) in the case where there is a designated dispute resolution organization for deposit, etc. intermediary business operations: the name or trade name of the designated dispute resolution organization for deposit, etc. intermediary business operations, which is the counterparty to the basic contract for execution of procedures, under which the financial service intermediary takes measures to conclude the basic contract for execution of procedures;
- (b) in the case where there are no designated dispute resolution organizations for deposit, etc. intermediary business operations: the details of the complaint processing measures and dispute resolution measures that the financial service intermediary takes;
- (xviii) other particulars found to serve as reference with regard to the deposit of a specified deposit, etc.

(Particulars to Be Stated in All Types of Document to be Delivered Prior to Conclusion of Contract Relating to a Specified Financial Service Contract)

Article 94 The particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a specified financial service contract other than a contract for specified deposit, etc. and a specified insurance contract (hereinafter simply referred to as a "specified financial service contract" in this Article), are as follows:

- (i) a notice to the effect that the details of the document to be delivered prior to conclusion of contract should be read comprehensively;
- (ii) in the case where the conclusion of a specified financial service contract by the customer bears a risk of the accrual of any loss caused directly by a fluctuation in money rates, the value of currencies, quotations on the financial instruments market, or any other indicators, the following particulars:
 - (a) the relevant indicators;
 - (b) the reasons for a risk of loss which may be caused by any fluctuation in those indicators;
- (iii) in the case where the conclusion of a specified financial service contract by the customer bears a risk of the accrual of any loss caused directly by a change to the status of the business operations or property of the counterparty financial institution or any other person, the following particulars:
 - (a) the relevant person;
 - (b) the fact that there is a risk of the accrual of any loss caused by a change to the status of the business operations or property of the relevant person and the reasons for the risk;
- (iv) the outline of the taxation concerning the specified financial service contract;
- (v) in the case where there is any ground for termination of the specified financial service contract, the details thereof;
- (vi) whether the provisions of Article 37-6 of the Financial Instruments and Exchange Act is applicable to the specified financial service contract;
- (vii) in the case where the provisions of Article 37-6 of the Financial Instruments and Exchange Act is applicable to the specified financial service contract, the particulars concerning the provisions of paragraphs (1) through (4) of the same Article (with regard to paragraphs (3) and (4), including as applied mutatis mutandis pursuant to Article 31, paragraph (2) of the Act);
- (viii) the outline of the financial service intermediary;
- (ix) the outline of the details and method regarding the financial service intermediary business operations related to a specified financial service

- contract conducted by the financial service intermediary;
- (x) the method whereby the customer contacts the financial service intermediary and the counterparty financial institution;
- (xi) whether the financial service intermediary is a member of any certified financial service intermediary business association, and in the case where it is a member, the name of the association, and whether the financial service intermediary is a covered operator of any certified investor protection organization, and in the case where it is a covered operator, the name of the operator;
- (xii) the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein:
 - (a) in the case where there is a designated dispute resolution organization for securities, etc. intermediary business operations: the name or trade name of the designated dispute resolution organization for securities, etc. intermediary business operations, which is the counterparty to the basic contract for execution of procedures, under which the financial service intermediary takes measures to conclude the basic contract for execution of procedures;
 - (b) in the case where there are no designated dispute resolution organizations for securities, etc. intermediary business operations: the details of the complaint processing measures and dispute resolution measures that the financial service intermediary takes.

(Particulars to Be Stated in All Types of Document to be Delivered Prior to Conclusion of Contract Relating to the Purchase and Sale or Any Other Transaction of Securities)

Article 95 (1) Beyond the particulars set forth in the items of the preceding Article, the particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion (excluding a contract for specified deposit, etc. and a specified insurance contract; the same applies in paragraph (3)) relates to the purchase and sale or any other transaction of securities, are as follows:

- (i) in the case where the transfer of the securities is subject to any restriction, that fact and the details of the relevant restriction;
- (ii) in the case where the securities fall under the category of the electronically recorded transferable rights to be indicated on securities, etc., the outline of the electronically recorded transferable rights to be indicated on securities, etc. and other particulars that require the attention of customers with regard

to the nature of the electronically recorded transferable rights to be indicated on securities, etc.

- (2) In the case where a counterparty financial institution must deliver a document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act to a customer under the provisions of the same paragraph with regard to a single purchase and sale or any other transaction of securities, and when the counterparty financial institution has delivered the document stating the particulars set forth in the items of the preceding paragraph, a financial service intermediary does not need to state the particulars set forth in the items of the same paragraph in a document to be delivered prior to conclusion of contract, notwithstanding the provisions of the same paragraph.
- (3) In the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion relates to the sale of securities and the customer for the specified financial service contract is the issuer or owner of the relevant securities, a financial service intermediary does not need to state the particulars set forth in the items of paragraph (1) in a document to be delivered prior to conclusion of contract, notwithstanding the provisions of the same paragraph.

(Special Provisions on Particulars to Be Stated in a Document to be Delivered Prior to Conclusion of Contract Relating to the Purchase and Sale or Any Other Transaction of Beneficial Interest in Trust, etc.)

Article 96 (1) Beyond the particulars prescribed in paragraph (1) of the preceding Article, the particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract) for which a financial service intermediary provides an intermediary service for the conclusion relates to the purchase and sale or any other transaction of the securities set forth in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act or the securities set forth in item (xvii) of the same paragraph (limited to those that have the nature of the securities set forth in item (xiv) of the same paragraph) (hereinafter referred to as "beneficial interest in trust, etc." in this Article), are as follows:

- (i) the particulars concerning the type of the trust property, term of the trust, method for the management or disposition of the trust property and delivery of the trust property;
- (ii) the particulars concerning the person who has been granted the authority to manage or dispose of the trust property, as well as the details of the

- authority (when the person is a financial instruments business operator that is registered under Article 29 of the Financial Instruments and Exchange Act as engaging in the investment management business for qualified investors (meaning the investment management business for qualified investors prescribed in Article 29-5, paragraph (1) of the same Act; the same applies in Article 99, paragraph (1), items (iv) and (v) and Article 105, paragraph (1), items (i) and (ix)), including that fact);
- (iii) whether the trust property was appraised by any third party at the time of the creation of the trust, or any other particulars concerning the appraisal of the trust property;
 - (iv) the type of the transaction;
 - (v) in the case of an intermediary service for the sale, or a public offering, or the handling for secondary distribution, the particulars concerning the seller or the purchaser;
 - (vi) the purpose of the trust;
 - (vii) the following particulars concerning beneficiaries' rights and obligations:
 - (a) in the case where there are any provisions providing that the trustee and the beneficiary enter into an agreement prescribed in Article 48, paragraph (5) of the Trust Act (Act No. 108 of 2006) (including as applied mutatis mutandis pursuant to Article 54, paragraph (4) of the same Act) (excluding the case where the trust company provides an explanation under the provisions of Article 29-3 of the Trust Business Act), that fact and the details of the agreement;
 - (b) in the case where there are any special provisions on the decision-making of beneficiaries, that fact and the details of the special provisions;
 - (c) in the case where there are any special provisions on the change, consolidation or split of the trust, that fact and the details of the special provisions;
 - (d) in the case where there are any special provisions on the grounds for the termination of the trust, that fact and the details of the special provisions;
 - (e) in the case where there are any special provisions on the termination of the trust based on an agreement, that fact and the details of the special provisions;
 - (f) in the case where there are any special provisions on the resignation of a trustee and the appointment of a new trustee, that fact and the details of the special provisions;
 - (viii) the following particulars concerning the risk of loss of beneficial interest in trust, etc.:
 - (a) in the case where there is any obligation in relation to the right set forth in Article 21, paragraph (1), item (iii) of the Trust Act, the particulars concerning the details of the obligation, such as the total amount of the

- obligation and the amount of obligation per contract (in the case where the relevant obligation is a borrowing, including the total amount of the borrowing, and also including the particulars concerning the features of the lender, borrowed amount, due date, outstanding balance for the immediately prior accounting period, interest rates for the accounting period and borrowing period, method of repayment and creation of security, as itemized by the relevant contracts, and the aim and purpose of use of the borrowing);
- (b) beyond what are set forth in (a), in the case where there is any obligation which may result in any loss related to beneficial interest in trust, that fact and the status of the obligation, such as the total amount thereof;
 - (c) in the case where there is any trust claim, security interest created on the trust property or any other rights having priority over beneficial interest in trust, the details of those rights;
 - (d) in the case where a credit enhancement has been implemented in relation to beneficial interest in trust, that fact and the details of the credit enhancement;
 - (e) in the case where there are special provisions promising to compensate for loss or to supplement profit pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943), that fact and the details of the special provisions;
 - (ix) the particulars concerning tax and any other expenses for the trust property;
 - (x) the particulars concerning the accounting period of the trust property;
 - (xi) the particulars concerning reporting of the status of the management or disposition of the trust property;
 - (xii) the name of the trustee, and the means of giving public notice;
 - (xiii) in the case where the money comprising the trust property is to be invested jointly with the money comprising the trustee's own property or the money comprising any other trust property, that fact and the criteria for the allocation of profit and loss between the relevant trust property, and the trustee's own property or that other trust property;
 - (xiv) in the case where the specified financial service contract relates to the purchase and sale or any other transaction of beneficial interest in trust, etc. relating to the trust created by the methods set forth in Article 3, item (iii) of the Trust Act, the following particulars:
 - (a) the details of the particulars stated or recorded in the notarized deed or any other document or electronic or magnetic record referred to in Article 3, item (iii) of the Trust Act;
 - (b) whether the trustee has been registered as referred to in Article 50-2, paragraph (1) of the Trust Business Act, and whether the inspection

- referred to in paragraph (10) of the same Article has been conducted;
- (c) in the case where the inspection referred to in Article 50-2, paragraph (10) of the Trust Business Act has been conducted, the results thereof;
- (d) in the case where the inspection referred to in Article 50-2, paragraph (10) of the Trust Business Act has not been conducted, and the person conducting the purchase and sale or any other transaction of beneficial interest in trust, etc. is the trustee of the relevant trust, the particulars set forth in the items of Article 51-7, paragraph (1) of the Regulation for Enforcement of the Trust Business Act;
- (xv) in the case where the specified financial service contract relates to the purchase and sale or any other transaction of beneficial interest in trust, etc. relating to a limited liability trust (meaning the limited liability trust prescribed in Article 2, paragraph (12) of the Trust Act; the same applies in (a) and (b)), the following particulars, beyond what are set forth in items (i) through (xiii):
 - (a) the name of the limited liability trust;
 - (b) the place where the affairs of the limited liability trust are handled;
 - (c) the amount payable, and the fact that the benefit in relation to the trust property in excess of the relevant payable amount cannot be paid to the beneficiaries.
- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the purchase and sale or any other transaction of beneficial interest in trust, etc. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of paragraph (1) of the following Article".
- (3) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to beneficial interest in trust, etc. In this case, the term "paragraph (1)" in the same paragraph is deemed to be replaced with "paragraph (1) of the following Article".

(Special Provisions on Particulars to Be Stated in a Document to be Delivered Prior to Conclusion of Contract Relating to Commodity Fund-Related Transactions)

Article 97 (1) Beyond the particulars prescribed in paragraph (1) of the preceding Article, the particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract) for which a financial service intermediary provides an intermediary service for the conclusion relates to the purchase and sale or any other transaction of a beneficial interest in

commodity fund (referred to as a "commodity fund-related transaction" in item (xxx) and the following paragraph, and in Article 103), are as follows:

- (i) the trade names, names and the addresses of the person who makes an investment (hereinafter referred to as the "investment manager" in this paragraph) of the commodity fund (meaning money or any other property invested or contributed by persons entitled to the beneficial interest in commodity fund; hereinafter the same applies in this paragraph and in Article 103, paragraph (1), item (iv)), and of the major parties set forth as follows from among those having a close business relationship with the commodity fund (hereinafter referred to as the "related business operators" in items (xiii) and (xiv)), and in the case where any of the aforementioned persons has the representative person, the name thereof:
 - (a) a commodity trading advisor involved in the investment of the commodity fund (meaning the commodity trading advisor prescribed in Article 2, paragraph (4) of the Act on Regulation of Commodity Investment (Act No. 66 of 1991); the same applies in item (ix) and item (xiii), (c)), and a person who has been granted the same type of permission as a commodity investment advisory business permission referred to in Article 3 of the same Act or any other disposition equivalent thereto (referred to as a "permission, etc." in (c) of the same item) in a foreign state under the provisions of laws and regulations of the foreign state corresponding to the same Act;
 - (b) a person who accepts an investment or contribution from the commodity fund (excluding the investment manager);
 - (c) a person to whom the investment manager and the person set forth in (b) entrust the investment of the commodity fund;
- (ii) the amount of stated capital or the total amount of the contribution of the counterparty financial institution and the investment manager, the trade names or names of the major shareholders (meaning the persons who hold ten percent or more of the voting rights held by all the shareholders, etc. under the name of the person or any other person; the same applies in paragraph (1), item (i) of the following Article), and in the case where the counterparty financial institution or the investment manager conducts any additional business, the type of the relevant business;
- (iii) the balance sheet and profit and loss statement for the business year immediately preceding the business year containing the day on which the investment manager commenced the investment of property, or any substituting documents;
- (iv) the names of the officers of the investment manager, and of the major employees thereof engaged in the investment of the commodity fund (meaning persons responsible for the investment of the commodity fund, such

- as the general manager, vice-chief, section manager or any other person, irrespective of the job title), and in the case where any officer is involved in ordinary affairs or carries out the business of another corporation, the name of that officer, the trade name or name of that other corporation and the type of the business operations or that other business;
- (v) the following particulars concerning the type of the specified financial service contract and the scope of customers' rights and liabilities:
 - (a) the type of the specified financial service contract;
 - (b) whether customers have a right to monitor the property invested or contributed thereby or the trust property relating to the beneficial interest in commodity fund, and in the case where they have the relevant right, the details of the right;
 - (c) the ownership of the property invested or contributed by customers, or of the trust property relating to the beneficial interest in commodity fund;
 - (d) the scope of the customers' liabilities owed to third parties;
 - (e) the particulars concerning the allocation of losses to be borne by customers, in the case of any loss to the property invested or contributed by customers or to the trust property relating to the beneficial interest in commodity fund due to any loss;
 - (f) the right to receive profit and redemption in regard to the property invested or contributed by customers or to the trust property relating to the beneficial interest in commodity fund;
 - (vi) the outline of the laws and regulations applicable to the specified financial service contract or to the trust agreement relating to the beneficial interest in commodity fund;
 - (vii) the following particulars concerning the investment form for the property invested or contributed by customers or the trust property relating to the beneficial interest in commodity fund:
 - (a) whether the investment is of a principal-protected type or an aggressive type;
 - (b) in the case where the investment is of a principal-protected type, the method for the protection of principal and the amount of principal that may be protected;
 - (c) in the case where the investment is of an aggressive type, the scope of the losses estimated to be incurred;
 - (d) whether any additional offering is to be made;
 - (viii) the following particulars concerning the details and policies of the investment of the property invested or contributed by customers or the trust property relating to the beneficial interest in commodity fund:
 - (a) in the case where the scheduled ratio classified into categories of investment target, such as ratio per region or ratio per type, has been

- made clear, the relevant ratio and any other particulars concerning the details of and the criteria for major investment targets;
- (b) in the case where any restriction on investment is imposed by laws and regulations or any other rules, the details and basis of the relevant restriction;
 - (c) whether any borrowing, concentrated investment, investment in other commodity funds or investment in any investment target lacking liquidity is to be made, and in the case where any restriction on investment is to be imposed, the details and basis of the relevant restriction;
 - (d) whether an accelerated redemption may be made;
 - (e) the scheduled date for the commencement of the investment;
 - (f) the scheduled date for the termination of the investment;
 - (g) the accounting period for the investment of the commodity fund, which is not longer than one year (hereinafter referred to as the "accounting period" in this paragraph);
 - (ix) the factors expected to give rise to any loss in connection with the investment of the commodity fund by way of the transaction set forth in Article 2, paragraph (1), item (i) of the Act on Regulation of Commodity Investment (hereinafter referred to as the "commodity futures transaction" in this item and item (xxx), (a), 1.), such as its speculative nature, efficiency of fund management, liquidity, credibility of the commodity futures transactions dealer prescribed in Article 2, paragraph (23) of the Commodity Derivatives Transaction Act, the method of investment adopted by the commodity trading advisor and other factors;
 - (x) the method, frequency and timing of reporting the status of the investment to customers;
 - (xi) in the case where a contract set forth in Article 2, paragraph (5), item (iii) of the Act on Regulation of Commodity Investment is to be concluded, the details of the right to demand a report to be granted to customers under that contract;
 - (xii) the following particulars concerning the investment manager:
 - (a) the purpose of the business as set forth in its articles of incorporation;
 - (b) the background of the incorporation thereof;
 - (c) a change to its trade name;
 - (d) whether any change of an officer of the investment manager requires the approval of the supervisory government agencies or shareholders, etc., and in the case where the approval is required, the basis thereof as well as the procedures for obtaining the approval;
 - (e) a change to its articles of incorporation, consolidation, business transfer and acquisition of business;
 - (f) the status of the major investment or contribution;

- (g) material events such as lawsuits;
- (xiii) the following particulars concerning major related business operators:
 - (a) in the case where a related business operator is to accept an investment or contribution from the commodity fund, the amount of its stated capital or total amount of contributions;
 - (b) in the case where a corporation which becomes a related business operator is to be incorporated based on an investment or contribution to be newly made by the commodity fund, the scheduled amount of the relevant investment or contribution;
 - (c) with regard to a commodity trading advisor and a person who has been granted the same type of permission, etc. as a permission referred to in Article 3 of the Act on Regulation of Commodity Investment in a foreign state under the provisions of laws and regulations of the foreign state corresponding to the same Act, the serial number of the permission, etc., the name of the agency which has granted the permission, etc., the name of the state to which the relevant agency belongs, and the year of its establishment, and the year when the permission, etc. was granted;
 - (d) the details of the business operations relating to the investment of the commodity fund;
- (xiv) the capital relationship with the investment manager and the major related business operators;
- (xv) the following particulars concerning the public offering or secondary distribution of beneficial interest in commodity fund:
 - (a) the name of the beneficial interest in commodity fund;
 - (b) the scheduled total amount and the scheduled total unit of the public offering or secondary distribution;
 - (c) the unit of the public offering or secondary distribution;
 - (d) the period, method and place of handling applications;
 - (e) the payment date and the payment method;
- (xvi) the particulars concerning the contract period relating to the beneficial interest in commodity fund;
- (xvii) the particulars concerning a change to the specified financial service contract, such as the procedures for the change, the method for the announcement that the change is to take place, and any other particulars;
- (xviii) the following particulars concerning the cancellation of the specified financial service contract:
 - (a) whether the specified financial service contract is cancellable;
 - (b) in the case where the specified financial service contract is cancellable, the following particulars:
 1. the conditions and method for the cancellation;
 2. the period for the application of the cancellation;

3. the method of calculation of the amount to be redeemed upon cancellation, as well as the payment method thereof;
 4. the scheduled date for the payment of the amount to be redeemed upon cancellation;
 5. the cancellation fee;
 6. the fact that frequent cancellation of the contracts may result in making it impossible to make an investment as initially scheduled and make the investment itself;
- (xix) whether the counterparty financial institution conducts a buy-back, and in the case where it conducts a buy-back, the conditions and methods therefor, the method of calculation of the buy-back price for the buy-back, and the method and timing of the payment thereof;
 - (xx) when there is an agreement on the planned amount of damages (including penalties), the details thereof;
 - (xxi) the method by which the counterparty financial institution collects fees, etc. from customers;
 - (xxii) the payee, calculation method, amount to be paid, payment method and timing of the payment of the fees, etc. relating to the management of the commodity fund payable from the commodity fund, and in the case where the amount to be paid has not been fixed, that fact;
 - (xxiii) the following particulars concerning asset appraisal, etc. relating to the commodity fund:
 - (a) the method of calculation of the net asset per unit, and the method of appraisal of the assets per unit;
 - (b) the accounting period;
 - (c) the method for notification to customers;
 - (xxiv) whether there is a plan to receive an audit by a certified public account (including a foreign certified public accountant prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies in item (xxx), (f) and in Article 111, paragraph (1), item (xii), (d), 2.) or by an audit corporation with regard to the balance sheet, profit and loss statement, or any substituting documents, or any other documents on financial calculation of the commodity fund for the accounting period, and in the case where there is a plan, the scope of the auditing;
 - (xxv) the method and policy for the distribution of any profit of the commodity fund;
 - (xxvi) the method of calculation of the amount of redemption payable upon maturity, as well as the method and timing of the payment thereof;
 - (xxvii) the particulars concerning taxation on the dividend and the redemption;
 - (xxviii) in the case where the investment manager is a foreign corporation, whether it has any person domiciled in Japan who has been granted the

authority to act as an agent of the investment manager in connection with acts in or out of court, and in the case where it has such person, the trade name, name and the address of the relevant person and the details of the authority;

(xxix) in the case where a contract or any other juridical act with regard to the beneficial interest in commodity fund provides for the court that has jurisdiction over actions related to the beneficial interest in commodity fund, the name and location of the relevant court;

(xxx) in the case of providing an intermediary service for the conclusion of a specified financial service contract relating to commodity fund-related transactions for the purpose of making additional investment in a commodity fund which accepts additional investment of principal, the following particulars:

(a) the status of the distribution of assets in relation to the commodity fund as of the last day of the month two months prior to the day of the commencement of solicitation for the conclusion of the contract, for each of the following particulars:

1. commodity futures transactions (including a breakdown by the category of major goods relating to the commodity futures transactions, such as precious metals, agricultural products, energy resources and others);
2. commodity investment prescribed in Article 2, paragraph (1), item (ii) of the Act on Regulation of Commodity Investment (including a breakdown by the category of major goods relating to the relevant commodities investment, such as precious metals, agricultural products, energy resources and others);
3. commodity investment prescribed in Article 2, paragraph (1), item (iii) of the Act on Regulation of Commodity Investment (including a breakdown by the category of major goods relating to the relevant commodities investment, such as precious metals, agricultural products, energy resources and others);
4. investment by way of acquisition (including production), transfer or use of the goods set forth in Article 37, paragraph (1), item (ii), (a) through (e) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965) or by way of having those goods used (including a breakdown by the category of the goods set forth in (a) through (e) of the same item relating to the relevant investment);
5. other methods of investment (including a breakdown by the category of major investment methods, such as an investment in securities, negotiable deposits and other major financial instruments (meaning the financial instruments prescribed in Article 2, paragraph (24) of the

Financial Instruments and Exchange Act; hereinafter the same applies in this Chapter), transactions set forth in the items of paragraph (21) of the same Article, transactions set forth in the items of paragraph (22) of the same Article, and a transaction prescribed in paragraph (23) of the same Article, or other methods);

- (b) the net asset and the dividend as of the last day of each of the latest ten accounting periods, which has ended as of the last day of the month two months prior to the month containing the day of the commencement of the solicitation;
 - (c) the amount, the cancellation payment amount and redemption amount related to public offering, private placement (meaning the private placement of securities prescribed in Article 2, paragraph (3) of the Financial Instruments and Exchange Act), secondary distribution or solicitation for selling, etc. only for professional investors (meaning the solicitation for selling, etc. only for professional investors prescribed in paragraph (6) of the same Article) for each of the latest ten accounting periods, which has ended as of the last day of the month two months prior to the month containing the day of the commencement of the solicitation;
 - (d) the balance sheet and the profit and loss statement of the commodity fund for the accounting period immediately prior to the accounting period containing the day of the commencement of the solicitation, or any substituting documents;
 - (e) in the case where there is any person who has accepted an investment or contribution from the commodity fund referred to in (d), the consolidated balance sheet and the consolidated profit and loss statement relating to the commodity fund and the person, or any substituting documents, which are set out in such a way that customers may understand the net asset of the commodity fund or the person;
 - (f) when the document set forth in (d) or (e) or any other documents on the financial calculation has been audited by a certified public accountant or an audit corporation, the scope of the auditing (excluding the case where a document related to auditing by a certified public accountant or an audit corporation is attached to the document to be delivered prior to conclusion of contract, and the scope of the auditing is clearly indicated in the document).
- (2) The provisions of Article 95, paragraph (2) apply mutatis mutandis to a commodity fund-related transaction. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 97, paragraph (1)".
- (3) The provisions of Article 95, paragraph (3) apply mutatis mutandis to beneficial interest in commodity fund. In this case, the term "paragraph (1)" in

- the same paragraph is deemed to be replaced with "Article 97, paragraph (1)".
- (4) The term "beneficial interest in commodity fund" referred to in paragraph (1) and the preceding paragraph means the right to be indicated on the securities set forth in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act or on the securities set forth in item (xvii) of the same paragraph (limited to those which have the nature of the securities set forth in item (xiv) of the same paragraph), which is to receive the distribution of profits and refund of the principal of trust primarily intended for the investment of the trust property relating to the relevant right through investment by means of the following acts:
- (i) commodity investment prescribed in Article 2, paragraph (1) of the Act on Regulation of Commodity Investment;
 - (ii) the acquisition (including production), transfer or use of any of the goods set forth in Article 37, paragraph (1), item (ii), (a) through (e) of the Order for Enforcement of the Financial Instruments and Exchange Act, or having those goods used.

(Particulars to Be Stated in a Document to be Delivered Prior to Conclusion of Contract Relating to an Investment Advisory Contract)

Article 98 (1) Beyond the particulars set forth in the items of Article 94, the particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract) for which a financial service intermediary provides an intermediary service for the conclusion is an investment advisory contract, are as follows:

- (i) in the case where the counterparty financial institution is a corporation, the amount of stated capital or the total amount of the contribution of the counterparty financial institution, and the trade names or names of its officers and major shareholders;
- (ii) the name of a person who conducts the analysis of the values, etc. of the financial instruments prescribed in Article 2, paragraph (8), item (xi), (b) of the Financial Instruments and Exchange Act for the purpose of making it available for the advisory services for a customer under the investment advisory contract, or who makes investment decisions based on the relevant analysis (referred to as the "analyst, etc." in Article 104, paragraph (1), item (vi));
- (iii) the details and method of the advisory services;
- (iv) the name of a person who provides the advisory services for a customer under the investment advisory contract;

- (v) in the case where the provisions of Article 37-6 of the Financial Instruments and Exchange Act is applicable to the specified financial service contract, the fact that before ten days have elapsed from the day on which the customer received the document prescribed in Article 37-4, paragraph (1) of the same Act that is to be prepared when the specified financial service contract is effected (hereinafter referred to as the "document to be delivered upon conclusion of contract") (in the case where, instead of the receipt of the document to be delivered upon conclusion of contract, the particulars to be stated therein were provided by electronic or magnetic means prescribed in Article 56, paragraph (1) of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007), from the day specified in (a) or (b) below in accordance with the category of cases respectively set forth therein), a customer may cancel the specified financial service contract in writing or in an electronic or magnetic record:
- (a) in the case of the provision by the method set forth in Article 56, paragraph (1), item (i) of the Cabinet Office Order on Financial Instruments Business: the day on which the particulars to be stated in the document to be delivered upon conclusion of contract were recorded into a file stored on a computer used by a customer;
 - (b) in the case of the provision by the method set forth in Article 56, paragraph (1), item (ii) of the Cabinet Office Order on Financial Instruments Business: the day of the receipt of the file referred to in the same item;
- (vi) the fact that the cancellation of the specified financial service contract by either of the following means under the provisions of Article 37-6, paragraph (1) of the Financial Instruments and Exchange Act comes into effect as of the time respectively specified in (a) or (b) below:
- (a) in writing: when the relevant document is sent;
 - (b) in an electronic or magnetic record recorded in a recording medium: when the relevant recording medium is sent;
- (vii) the fact that the counterparty financial institution may not conduct any acts set forth in Article 2, paragraph (8), items (i) through (iv) of the Financial Instruments and Exchange Act with the customers as the counterparties or for the customers, in connection with its investment advisory services;
- (viii) the fact that the counterparty financial institution may not receive any money deposit or securities from customers or have customers deposit their money or securities to any person having a close relationship with the counterparty financial institution, in connection with its investment advisory services, irrespective of the grounds therefor;
- (ix) the fact that the counterparty financial institution may not loan money or

securities to customers, or provide any intermediary, brokerage, or agency services for the lending of money or securities by a third party to customers, in connection with its investment advisory services.

- (2) The provisions set forth in the following items do not apply to the cases respectively set forth therein:
- (i) the provisions of item (vii) of the preceding paragraph: in the case where the counterparty financial institution falls under any of the following persons:
 - (a) a person engaged in the type-I financial instruments business (meaning the type-I financial instruments business prescribed in Article 28, paragraph (1) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection) (excluding a type-I small amount electronic public offering service provider (meaning the type-I small amount electronic public offering service provider prescribed in Article 29-4-2, paragraph (9) of the same Act; the same applies in Article 104, paragraph (2), item (i), (a)));
 - (b) a person engaged in the type-II financial instruments business (meaning the type-II financial instruments business prescribed in Article 28, paragraph (2) of the Financial Instruments and Exchange Act; the same applies in Article 104, paragraph (2), item (i), (b)) (excluding a type-II small amount electronic public offering service provider (meaning the type-II small amount electronic public offering service provider prescribed in Article 29-4-3, paragraph (2) of the same Act; the same applies in (b) of the same item));
 - (c) a registered financial institution;
 - (d) a financial instruments intermediary service provider;
 - (e) a financial service intermediary (limited to a person engaged in the securities, etc. intermediary business operations);
 - (ii) the provisions of item (viii) of the preceding paragraph: in the case where the counterparty financial institution falls under any of the following persons:
 - (a) a person engaged in the securities, etc. management business operations;
 - (b) a registered financial institution (limited to a financial institution engaged in the trust business (meaning a financial institution that has obtained the authorization referred to in Article 1, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions; the same applies in (b) of the following item and Article 104, paragraph (2), item (ii), (b) and item (iii), (b)) or a financial institution accepting deposits, savings, or installment savings, etc. (meaning the installment savings, etc. prescribed in Article 2, paragraph (4) of the Banking Act; the same applies in Article 104, paragraph (2), item (ii), (b)));
 - (iii) the provisions of item (ix) of the preceding paragraph: in the case where

the counterparty financial institution falls under any of the following persons:

- (a) a person engaged in the type-I financial instruments business;
 - (b) a registered financial institution (limited to a financial institution engaged in the trust business);
 - (c) a financial instruments intermediary service provider;
 - (d) a financial service intermediary (limited to a person engaged in the securities, etc. intermediary business operations).
- (3) The provisions of Article 95, paragraph (2) apply mutatis mutandis to an investment advisory contract. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 98, paragraph (1)".

(Particulars to Be Stated in a Document to be Delivered Prior to Conclusion of Contract Relating to a Discretionary Investment Contract)

Article 99 (1) Beyond the particulars set forth in the items of Article 94, the particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract) for which a financial service intermediary provides an intermediary service for the conclusion is a discretionary investment contract, are as follows:

- (i) the basic investment policy;
- (ii) the method of investment regarding the customer's assets to be made for the customer under the discretionary investment contract, and the type of the transaction;
- (iii) the name of a person who makes investment decisions, or who makes investment decisions and makes investments based thereon, for the customer under the discretionary investment contract;
- (iv) the particulars concerning the scope of the discretionary investment decisions and the implementation of investments (in the case where all or part of the authority to make investments for a right holder (meaning the right holder prescribed in Article 42, paragraph (1) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Subsection) is to be entrusted to a person prescribed in Article 42-3, paragraph (1) of the same Act (including the case where a part of the authority so entrusted is to be re-entrusted), including the trade name or name of the relevant person (when the person is a financial instruments business operator that is registered under Article 29 of the same Act as engaging in the investment management business for qualified investors,

- including that fact), and the outline of the entrustment);
- (v) when a person who makes investments for a right holder under the discretionary investment contract is a financial instruments business operator that is registered under Article 29 of the Financial Instruments and Exchange Act as engaging in the investment management business for qualified investors, that fact;
 - (vi) whether an external audit is implemented for the counterparty financial institution's finance or the business operations relating to the discretionary investment contract, and in the case where an external audit has been implemented, the name of the person who implemented the external audit, as well as the target and the outline of the results of the external audit.
- (2) In the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a discretionary investment contract, the particulars specified by Cabinet Office Order as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis, under the policy to set the subject securities of specific issue as the subject of investment under the discretionary investment contract after concluding the discretionary investment contract, are as follows, beyond the particulars prescribed in the preceding paragraph:
- (i) the name of the subject securities, method of calculation of the price of the subject securities, and the particulars concerning the frequency and method of reporting the price to a person who holds the right relating to the subject securities;
 - (ii) the trade name or name, and the address or residence of the issuer of the subject securities, a person who engages in important business operations for the investment of assets invested or contributed by a person who holds the right relating to the subject securities (hereinafter the relevant assets are referred to as the "fund assets" in this item and item (iv)), a person who engages in important business operations for the preservation of the fund assets, and a person who engages in important business operations for the particulars set forth in the preceding item other than the business operations relating to the investment and preservation of the fund assets (limited to the particulars concerning the calculation method of the price prescribed in the same item or the method of reporting the relevant price) (they are referred to as the "persons related to the fund" in the following item), and the particulars concerning the role sharing of those persons;
 - (iii) the capital relationship and personal relationship between the counterparty financial institutions and the persons related to the fund;
 - (iv) whether an external audit is implemented for the fund assets, and in the case where the external audit is to be implemented, the name of the person

who implements the external audit.

- (3) The provisions of Article 95, paragraph (2) apply *mutatis mutandis* to a discretionary investment contract. In this case, in the same paragraph, the term "the items of the preceding paragraph" is deemed to be replaced with "the items of paragraph (1) and the items of paragraph (2) of Article 99"; the term "the provisions of the same paragraph" is deemed to be replaced with "these provisions"; and the term "the items of the same paragraph" is deemed to be replaced with "the items of paragraph (1) and the items of paragraph (2) of the same Article".
- (4) The term "subject securities" referred to in paragraph (2) means the following securities (excluding those securities corresponding to the case where the disclosure prescribed in Article 4, paragraph (7) of the Financial Instruments and Exchange Act is implemented in relation thereto):
- (i) the securities set forth in Article 2, paragraph (1), item (x) or (xi) of the Financial Instruments and Exchange Act;
 - (ii) the securities similar to beneficiary certificates of an investment trust (meaning the investment trust prescribed in Article 2, paragraph (3) of the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951); hereinafter the same applies in this Chapter) from among the securities set forth in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act;
 - (iii) the securities set forth in Article 2, paragraph (1), item (xvii) of the Financial Instruments and Exchange Act that have the nature of the securities set forth in the preceding item;
 - (iv) the securities set forth in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act that indicate the right relating to the securities set forth in the preceding three items;
 - (v) the right to be indicated on the securities set forth in the preceding items that are deemed to be securities under the provisions of Article 2, paragraph (2) of the Financial Instruments and Exchange Act.

(Particulars to Be Stated in a Document to be Delivered upon Conclusion of Contract Relating to a Contract for Specified Deposit, etc.)

Article 100 The following particulars must be stated in a document prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* that is to be prepared when a contract for specified deposit, etc. is effected (hereinafter the document is referred to as a "document to be delivered upon conclusion of contract" in this Subsection):

- (i) the trade name or name of the financial service intermediary and the counterparty financial institution;
- (ii) the amount of deposit (in the case where the amount of the principal is

- indicated in a foreign currency, the amount indicated in the relevant foreign currency);
- (iii) whether it is subject to payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act or Article 55 of the Agricultural and Fishery Cooperatives Savings Insurance Act;
- (iv) date of deposit and date of maturity (including whether the deposit will be automatically renewed);
- (v) the method of repayment;
- (vi) the method of establishing interest, payment method of interest, calculation method of interest, and other particulars concerning interest;
- (vii) the handling of the cancellation before maturity of the deposit period (including the calculation methods of interest and fees);
- (viii) the date on which the contract for specified deposit, etc. was effected;
- (ix) the particulars concerning fees, etc. in relation to the contract for specified deposit, etc.;
- (x) the name of the customer;
- (xi) the method whereby the customer contacts the financial service intermediary and the counterparty financial institution.

(Particulars to Be Stated in All Types of Document to be Delivered Upon Conclusion of Contract Relating to a Specified Financial Service Contract)

Article 101 The following particulars must be stated in a document to be delivered upon conclusion of contract that is to be prepared when a specified financial service contract other than a contract for specified deposit, etc. and a specified insurance contract is effected:

- (i) the trade name or name of the financial service intermediary and the counterparty financial institution;
- (ii) the name of the business office or office of the counterparty financial institution;
- (iii) the outline of the specified financial service contract;
- (iv) the date on which the specified financial service contract was effected;
- (v) the particulars concerning fees, etc. in relation to the specified financial service contract;
- (vi) the name of the customer;
- (vii) the method whereby the customer contacts the financial service intermediary and the counterparty financial institution.

(Particulars to Be Stated in All Types of Document to be Delivered Upon Conclusion of Contract Relating to the Purchase and Sale or Any Other Transaction of Securities)

Article 102 (1) Beyond the particulars prescribed in the items of the preceding

Article, the following particulars must be stated in a document to be delivered upon conclusion of contract that is to be prepared when a specified financial service contract relating to the purchase and sale or any other transaction of securities is effected:

- (i) whether it is a transaction for the counterparty financial institution itself or based on entrustment;
 - (ii) whether it is the sale, etc. (meaning the sale or any other manner of transfer for value) or the purchase, etc. (meaning the purchase or any other manner of acquisition for value);
 - (iii) the issues (including financial instruments, financial indicators (meaning financial indicators prescribed in Article 2, paragraph (25) of the Financial Instruments and Exchange Act; the same applies in Article 111, paragraph (1), item (xv) and Article 139, paragraph (3)) which are to be the subject of the transaction, or any others equivalent thereto);
 - (iv) the agreed volume;
 - (v) the unit price, amount of consideration, agreed figure (meaning the agreed figure prescribed in Article 2, paragraph (21), item (ii) of the Financial Instruments and Exchange Act), or any other amount or figure per transaction unit;
 - (vi) the amount of money payable by a customer and the method of calculation thereof;
 - (vii) the type of the transaction;
 - (viii) whether the transaction is a cash transaction or a margin transaction (meaning the margin transaction prescribed in Article 156-24, paragraph (1) of the Financial Instruments and Exchange Act);
 - (ix) Beyond the particulars set forth in the preceding items, the particulars necessary for properly indicating the details of the transaction.
- (2) In the case where the counterparty financial institution must deliver a document prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act to a customer under the provisions of the same paragraph with regard to a single purchase and sale or any other transaction of securities, and when the counterparty financial institution has delivered the document stating the particulars set forth in the items of the preceding paragraph, a financial service intermediary does not need to state the particulars set forth in the items of the same paragraph in a document to be delivered upon conclusion of contract, notwithstanding the provisions of the same paragraph.

(Special Provisions on Particulars to Be Stated in a Document to be Delivered upon Conclusion of Contract Relating to Commodity Fund-Related Transactions)

Article 103 (1) Beyond the particulars prescribed in paragraph (1) of the preceding Article, the following particulars must be stated in a document to be delivered upon conclusion of contract that is to be prepared when a specified financial service contract relating to commodity fund-related transactions is effected:

- (i) the particulars set forth in Article 37-3, paragraph (1), item (v) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*;
 - (ii) the particulars set forth in Article 95, paragraph (1), item (i), and Article 97, paragraph (1), items (i), (v), and (xvi), and item (xviii), (b), 2. and 4. through 6. and item (xx);
 - (iii) the details of the investment by any of the acts set forth in the items of Article 97, paragraph (4) in relation to the beneficial interest in commodity fund;
 - (iv) the method for the distribution of any profit of the commodity fund;
 - (v) the method of the payment of the redemption payable upon maturity, and in the case where an accelerated redemption may be made, the method of the payment of the accelerated redemption;
 - (vi) the method and rate of taxation imposed on the dividend and the redemption.
- (2) The provisions of paragraph (2) of the preceding Article apply *mutatis mutandis* to commodity fund-related transactions. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of paragraph (1) of the following Article".

(Particulars to Be Stated, etc. in a Document to be Delivered upon Conclusion of Contract Relating to an Investment Advisory Contract)

Article 104 (1) Beyond the particulars set forth in the items of Article 101, the following particulars must be stated in a document to be delivered upon conclusion of contract that is to be prepared when an investment advisory contract is effected:

- (i) the details and method of the advisory services;
- (ii) the amount and timing of the payment of the remuneration;
- (iii) the particulars concerning the cancellation of the contract (including the particulars concerning the provisions of Article 37-6, paragraphs (1) through (4) of the Financial Instruments and Exchange Act (with regard to paragraphs (3) and (4), including as applied *mutatis mutandis* pursuant to Article 31, paragraph (2) of the Act));
- (iv) when there is an agreement on the planned amount of damages (including penalties), the details thereof;
- (v) the contract period;
- (vi) the name of the analyst, etc.;

- (vii) the name of a person who provides the advisory services for a customer under the investment advisory contract;
 - (viii) the fact that a customer is entitled to receive, in preference over other creditors, performance with regard to claims originating from the investment advisory contract, from a deposit for operation furnished by the counterpart financial institution;
 - (ix) the particulars set forth in Article 98, paragraph (1), item (vii);
 - (x) the particulars set forth in Article 98, paragraph (1), item (viii);
 - (xi) the particulars set forth in Article 98, paragraph (1), item (ix).
- (2) The provisions set forth in the following items do not apply in the cases respectively specified therein:
- (i) the provisions of item (ix) of the preceding paragraph: the case where the counterparty financial institution falls under any of the following persons:
 - (a) a person engaged in the type-I financial instruments business (excluding a type-I small amount electronic public offering service provider);
 - (b) a person engaged in the type-II financial instruments business (excluding a type-II small amount electronic public offering service provider);
 - (c) a registered financial institution;
 - (d) a financial instruments intermediary service provider;
 - (e) a financial service intermediary (limited to a person engaged in the securities, etc. intermediary business operations);
 - (ii) the provisions of item (x) of the preceding paragraph: the case where the counterparty financial institution falls under any of the following persons:
 - (a) a person engaged in the securities, etc. management business operations;
 - (b) a registered financial institution (limited to a financial institution engaged in the trust business or a financial institution accepting deposits, savings, or installment savings, etc.);
 - (iii) the provisions of item (xi) of the preceding paragraph: the case where the counterparty financial institution falls under any of the following persons:
 - (a) a person engaged in the type-I financial instruments business;
 - (b) a registered financial institution (limited to a financial institution engaged in the trust business);
 - (c) a financial instruments intermediary service provider;
 - (d) a financial service intermediary (limited to a person engaged in the securities, etc. intermediary business operations).
- (3) The provisions of Article 102, paragraph (2) apply mutatis mutandis to an investment advisory contract. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 104, paragraph (1)".

(Particulars to Be Stated, etc. in a Document to be Delivered upon Conclusion

of Contract Relating to a Discretionary Investment Contract)

Article 105 (1) Beyond the particulars set forth in the items of Article 101, the following particulars must be stated in a document to be delivered upon conclusion of contract that is to be prepared when a discretionary investment contract is effected:

- (i) the particulars concerning the scope of the discretionary investment decisions and the implementation of investments (in the case where all or part of the authority to make investment decisions or make investments is to be entrusted to another person, including the name of the entrusted person (when the person is a financial instruments business operator that is registered under Article 29 of the Financial Instruments and Exchange Act as engaging in the investment management business for qualified investors, including that fact) and the scope of the entrustment);
 - (ii) the amount and timing of the payment of the remuneration;
 - (iii) the particulars concerning the cancellation of the contract;
 - (iv) when there is an agreement on the planned amount of damages (including penalties), the details thereof;
 - (v) the contract period;
 - (vi) the details and amount of the customer's assets relating to the discretionary investment contract;
 - (vii) the name of a person who makes investment decisions, or who makes investment decisions and makes investments based thereon, for the customer under the discretionary investment contract;
 - (viii) the method of investment regarding the customer's assets to be made for the customer under the discretionary investment contract, and the type of the transaction;
 - (ix) when a person who makes investments for a right holder under the discretionary investment contract is a financial instruments business operator that is registered under Article 29 of the Financial Instruments and Exchange Act as engaging in the investment management business for qualified investors, that fact;
 - (x) the frequency to deliver an investment report referred to in Article 42-7, paragraph (1) of the Financial Instruments and Exchange Act.
- (2) The provisions of Article 102, paragraph (2) apply mutatis mutandis to a discretionary investment contract. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 105, paragraph (1)".

(Exemption from Requirement to Deliver a Document to be Delivered Upon Conclusion of Contract Relating to a Contract for Specified Deposit, etc.)

Article 106 (1) The cases specified by Cabinet Office Order as prescribed in the

proviso to Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis, when a contract for specified deposit, etc. is effected, are as follows:

- (i) the case where, within one year prior to the conclusion of the contract for specified deposit, etc. relating to a foreign currency deposit, etc., the financial service intermediary has delivered to the customer a document on foreign currency deposit, etc. (limited to the case where the customer has expressed an intent that the delivery of a document to be delivered upon conclusion of contract is not necessary);
- (ii) the case where, within one year prior to the conclusion of the contract for specified deposit, etc., the financial service intermediary has delivered to the customer a document to be delivered upon conclusion of contract relating to another contract for deposit, etc. which is in substance identical to the relevant contract for deposit, etc. (including the case where the financial service intermediary has not delivered a document to be delivered upon conclusion of contract relating to that other contract for deposit, etc. which is in substance identical, under the provisions of the preceding item);
- (iii) in the case where a new contract for specified deposit, etc. is effected for the purpose of effecting a partial change to any term of a contract for specified deposit, etc. already in effect, the following cases:
 - (a) when the relevant partial change does not result in a change to the particulars to be stated in the document to be delivered upon conclusion of contract relating to a specified financial service contract already in effect;
 - (b) in the case where the relevant partial change results in a change to the particulars to be stated in the document to be delivered upon conclusion of contract relating to a specified financial service contract already in effect, when the financial service intermediary has delivered to the customer a document stating the particulars subject to the change;
- (iv) the case where, with regard to the conclusion of a contract for specified deposit, etc., the counterparty financial institution to the contract for specified deposit, etc. has delivered to the customer a document prescribed in the main clause of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Banking Act, Article 17-2 of the Long-Term Credit Bank Act, Article 89-2 of the Shinkin Bank Act, Article 94-2 of the Labor Bank Act, Article 6-5-11 of the Act on Financial Businesses by Cooperatives, Article 11-5 of the Agricultural Cooperatives Act, Article 11-11 of the Fishery Cooperatives Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1) of the same Act), or Article 59-3 of the Norinchukin Bank Act (limited to a document in which the particulars set forth in Article 100, items (i) and (xi) are also stated),

pursuant to the provisions of the main clause of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to these provisions.

- (2) In the case where, within one year from the day of delivery of a document on foreign currency deposit, etc. (including the day on which a document on foreign currency deposit, etc. is deemed to have been delivered under the provisions of this paragraph), a financial service intermediary has provided an intermediary service for the conclusion of a contract for specified deposit, etc. relating to a foreign currency deposit, etc. (limited to the case where the customer has expressed an intent that the delivery of a document to be delivered upon conclusion of contract is not necessary), a document on foreign currency deposit, etc. is deemed to have been delivered on the date of the conclusion of that contract for specified deposit, etc., and the provisions of item (i) of the preceding paragraph apply.
- (3) In the case where, within one year from the day of delivery of a document to be delivered upon conclusion of contract (including the day on which a contract for specified deposit, etc. was concluded in the case where a document to be delivered upon conclusion of contract is not delivered for the contract for specified deposit, etc. under the provisions of paragraph (1), item (i), and the day on which a document to be delivered upon conclusion of contract is deemed to have been delivered under the provisions of this paragraph), a financial service intermediary has provided an intermediary service for the conclusion of another contract for specified deposit, etc. which is in substance identical to the contract for specified deposit, etc. relating to the relevant document to be delivered upon conclusion of contract, a document to be delivered upon conclusion of contract is deemed to have been delivered on the date of the conclusion of that other contract, and the provisions of paragraph (1), item (ii) apply.

(Exemption from Requirement to Deliver a Document to be Delivered Upon Conclusion of Contract Relating to a Specified Financial Service Contract)

Article 107 (1) The cases specified by Cabinet Office Order as prescribed in the proviso to Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis, in the case where a specified financial service contract other than a contract for specified deposit, etc. and a specified insurance contract (hereinafter simply referred to as a "specified financial service contract" in this paragraph) is effected, are as follows:

- (i) in the case where the specified financial service contract falls under any of the following, and when the financial service intermediary has established a system to enable it to periodically deliver documents containing the details of the specified financial service contract to customers and to promptly respond

to customers' inquiries on individual transactions:

- (a) a contract for the purchase of securities under the contract for cumulative investment, or for the sale of securities conducted on a regular basis under the contract for cumulative investment;
 - (b) a contract under which the financial service intermediary has a customer acquire the issues of securities that are identical to the securities set forth in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act that the customer owns by using the earnings generated from those securities;
 - (c) a contract for the purchase and sale of the securities set forth in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act (limited to the beneficiary certificates for bond investment trust);
- (ii) in the case where a specified financial service contract for the following transactions is effected, and when the counterparty financial institution is to deliver a written contract to a customer under the provisions of Article 110, paragraph (1), item (ii) of the Cabinet Office Order on Financial Instruments Business:
- (a) an intermediary service for the sale of securities (limited to the case where the customer for the specified financial service contract is the issuer or owner of the relevant securities);
 - (b) an intermediary service for the purchase of securities (limited to the case of providing an intermediary service for the purchase of securities subject to tender offer for a tender offeror);
 - (c) the handling of a public offering or secondary distribution of securities (limited to the case where the customer for the specified financial service contract is the issuer or owner of the relevant securities);
- (iii) the case of the handling of a problematic conduct (meaning a transaction that is to be conducted, in the case where any of the acts set forth in Article 118, item (i), (a) through (e) of the Cabinet Office Order on Financial Instruments Business was committed, for the purpose of cancelling the transaction relating to that act and effecting performance in compliance with the purpose of the relevant customer's order, with the consent of the customer);
- (iv) in the case where a customer has concluded a discretionary investment contract with the counterparty financial institution (limited to the counterparty financial institution engaging in the investment management business (meaning the investment management business prescribed in Article 28, paragraph (4) of the Financial Instruments and Exchange Act; the same applies in Article 111, paragraph (1), item (xix)), and when the purchase and sale or any other transaction of securities under the discretionary investment contract satisfy all of the following requirements:

- (a) the financial service intermediary obtains, in writing or by a method utilizing information and communications technology, the customer's prior consent for not requiring the delivery of a document to be delivered upon conclusion of contract;
- (b) the financial service intermediary delivers to the customer, without delay, a document stating the particulars equivalent to those set forth in the items of Article 102, paragraph (1) and other details of the purchase and sale or any other transaction of securities to be conducted under the discretionary investment contract (excluding the case where the customer's prior consent for not requiring the delivery of a document stating those particulars is obtained in writing or by a method utilizing information and communications technology);
- (c) the financial service intermediary has established a system to enable it to promptly respond to customers' inquiries on individual transactions;
- (v) in the case where a new specified financial service contract is effected for the purpose of effecting a partial change to any term of a specified financial service contract already in effect, the following cases:
 - (a) when the relevant partial change does not result in a change to the particulars to be stated in the document to be delivered upon conclusion of contract relating to a specified financial service contract already in effect;
 - (b) in the case where the relevant partial change results in a change to the particulars to be stated in the document to be delivered upon conclusion of contract relating to a specified financial service contract already in effect, when the financial service intermediary has delivered to the customer a document stating the particulars subject to the change.
- (2) In lieu of delivering a document referred to in item (i) of the preceding paragraph, a financial service intermediary may provide the particulars to be stated in the relevant document (referred to as the "particulars to be stated" in the following paragraph) by electronic or magnetic means (excluding the method set forth in Article 2, paragraph (1), item (i), (d); the same applies in the following paragraph) with the customer's consent. In this case, the financial service intermediary is deemed to have delivered the relevant document.
- (3) The provisions of Article 3, paragraphs (2) and (3) apply mutatis mutandis to the case where a financial service intermediary intends to provide the particulars to be stated by electronic or magnetic means under the provisions of the preceding paragraph. In this case, the terms "the preceding paragraph" and "the items of paragraph (1) of the preceding Article" in paragraph (2) of the same Article are deemed to be replaced with "Article 107, paragraph (2)" and "paragraph (1), item (i), (a) through (c) or item (ii) of the preceding Article", respectively.

- (4) In the case referred to in paragraph (2), with regard to the application of the provisions of Article 2, paragraph (2) (excluding item (iii), (b) and item (iv)), the phrase "the transaction set forth in the particulars to be stated was finally conducted" in item (iii) of the same paragraph is deemed to be replaced with "the particulars to be stated was recorded".
- (5) "A method utilizing information and communications technology" referred to in paragraph (1), item (iv), (a) and (b) means any of the following methods; provided, however, that the method must be one enabling a financial service intermediary to prepare a document by way of outputting the information recorded in the files:
- (i) out of the methods of using an electronic data processing system, those set forth as follows:
 - (a) the method of transmitting the particulars to be stated via a telecommunications line connecting a computer used by the financial service intermediary and computers used by customers, and recording those particulars to be stated in a file stored on a computer used by a recipient;
 - (b) the method of making the particulars concerning a customer's consent that are recorded in a file stored on a computer used by the financial service intermediary available for the customer's inspection via a telecommunications line, and recording those particulars concerning the customer's consent in a file stored on a computer used by the financial service intermediary;
 - (ii) the method of obtaining a file recording the particulars concerning a customer's consent, which is prepared by the use of an electronic or magnetic recording medium.

(Credit Ratings Less Likely to Result in Insufficient Protection of Investors)

Article 108 What are specified by Cabinet Office Order as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are to be the following credit ratings (meaning the credit ratings prescribed in Article 2, paragraph (34) of the Financial Instruments and Exchange Act):

- (i) a credit rating for the assessment of the credit status of the underlying assets (meaning the underlying assets prescribed in Article 295, paragraph (3), item (ii) of the Cabinet Office Order on Financial Instruments Business) of the asset securitization products (meaning the asset securitization products prescribed in item (i) of the same paragraph) for which the specified financial service contract was concluded (excluding a credit rating which is deemed to be substantially a credit rating for the assessment of the credit status of the asset securitization products);

- (ii) beyond what is set forth in the preceding item, a credit rating whose prime object is the assessment of the credit status of securities other than those relating to the specified financial service contract or the credit status of any party other than the issuer of those securities (excluding a credit rating which is deemed to be substantially the credit rating for the assessment of the credit status of securities relating to the specified financial service contract or the credit status of the issuer of those securities).

(Significance of Registration of Credit Rating Agencies and Other Particulars)

Article 109 (1) The particulars specified by Cabinet Office Order as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are as follows:

- (i) the significance of a registration referred to in Article 66-27 of the Financial Instruments and Exchange Act;
 - (ii) the following particulars regarding the person who has determined the credit rating:
 - (a) the trade name or name;
 - (b) when the person is a corporation (including an organization without juridical personality for which the representative person or administrator has been designated), the names of its officers (in the case of an organization without juridical personality for which the representative person or administrator has been designated, the name of that representative person or administrator);
 - (c) the name and the location of the head office or any other principal business office or office;
 - (iii) the outline of the policies and methods used by the person who has determined the credit rating in determining the relevant credit rating;
 - (iv) the assumptions, significance and limitations of the credit rating.
- (2) Notwithstanding the provisions of the preceding paragraph, with regard to credit ratings determined by a specified associated corporation (meaning the specified associated corporation prescribed in Article 116-3, paragraph (2) of the Cabinet Office Order on Financial Instruments Business; hereinafter the same applies in this paragraph), the particulars specified by Cabinet Order as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are as follows:
- (i) the significance of a registration referred to in Article 66-27 of the Financial Instruments and Exchange Act;
 - (ii) the trade name or name and the registration number of the credit rating agency whose associated corporation (meaning the associated corporation prescribed in Article 295, paragraph (3), item (x) of the Cabinet Office Order on Financial Instruments Business) was designated by the Commissioner of

the Financial Services Agency as a specified associated corporation, based on the provisions of Article 116-3, paragraph (2) of the same Cabinet Office Order;

- (iii) the name used by the specified associated corporation as a representation of its credit rating business;
- (iv) the outline of the policies and methods used by the specified associated corporation which has determined the credit rating in determining the relevant credit rating or the means to obtain information on the relevant outline from the credit rating agency prescribed in item (ii);
- (v) the assumptions, significance and limitations of the credit rating.

(Prohibited Acts in Relation to an Intermediary Service for the Conclusion of a Contract for Specified Deposit, etc.)

Article 110 The acts specified by Cabinet Office Order as prescribed in Article 38, item (ix) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a contract for specified deposit, etc., are as follows:

- (i) the acts set forth in the items of Article 55;
- (ii) an act to provide an intermediary service for the conclusion of a contract for specified deposit, etc., without having provided a customer (excluding a professional investor (excluding a person who is deemed to be a customer other than a professional investor under the provisions of Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* but including a person who is deemed to be a professional investor under the provisions of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (including as applied *mutatis mutandis* pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*)); hereinafter the same applies in this item, and paragraph (1), items (i) and (xvi) of the following Article, as well as in Article 118, items (iv) and (v)) with a prior explanation on the particulars set forth in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case where an explanatory document on change to contract information is to be delivered, a prior explanation on the particulars set forth in items (iii) through (v) and item (vii) of the same paragraph as stated in the relevant document) upon the delivery of the following documents, in a manner and to the extent necessary for ensuring that the customer understands them, in light of the customer's knowledge, experience, and conditions of property and in light of the purpose of concluding the contract for specified deposit, etc.:

- (a) a document to be delivered prior to conclusion of contract;
- (b) a document on foreign currency deposit, etc.;
- (c) an explanatory document on change to contract information;
- (iii) an act to make any false representation, or to make any representation which would lead to any material particular being misunderstood, in making a solicitation or providing an intermediary service for the conclusion of a contract for specified deposit, etc.;
- (iv) an act to promise a customer or the customer's designee to provide any special benefit, or to provide any special benefit to a customer or a third party (including an act to have any third party promise to provide, or to provide, any special benefit), in connection with a contract for specified deposit, etc.;
- (v) in connection with the conclusion or cancellation of a contract for specified deposit, etc., an act to solicit a customer (limited to an individual) by phone calls or visits at times when the customer may feel annoyed.

(Prohibited Acts in Relation to the Securities, etc. Intermediary Business Operations)

Article 111 (1) The acts specified by Cabinet Office Order as prescribed in Article 38, item (ix) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, in the case where a specified financial service contract for which a financial service intermediary provides an intermediary service for the conclusion is a specified financial service contract other than a contract for specified deposit, etc. and a specified insurance contract (hereinafter simply referred to as a "specified financial service contract" in item (i)), are as follows:

- (i) an act to conduct the intermediation for financial services (limited to the acts set forth in the items of Article 11, paragraph (4) of the Act; the same applies in the following item through item (vi)), without having provided a customer with a prior explanation on the particulars set forth in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case where an explanatory document on change to contract information is to be delivered, a prior explanation on the particulars set forth in items (iii) through (v) and item (vii) of the same paragraph as stated in the relevant document) upon the delivery of the following documents, in a manner and to the extent necessary for ensuring that the customer understands them, in light of the customer's knowledge, experience, and conditions of property and in light of the purpose of concluding a specified financial service contract:
 - (a) a document to be delivered prior to conclusion of contract;
 - (b) an explanatory document on listed securities, etc.;
 - (c) in the case set forth in Article 91, paragraph (1), item (iii), the prospectus

- prescribed in the same item (in the case where there is any document to be delivered as an integral part of the prospectus under the provisions of the same item, the prospectus and the relevant document);
- (d) an explanatory document on change to contract information;
 - (ii) an act to make any false representation, or to make any representation which would lead to any material particular being misunderstood, in connection with the intermediation for financial services;
 - (iii) an act to promise a customer or the customer's designee to provide any special benefit, or to provide any special benefit to a customer or a third party (including an act to have any third party promise to provide, or to provide, any special benefit), in connection with the intermediation for financial services;
 - (iv) an act to use fraudulent means, or to commit an assault or intimidation, in connection with the intermediation for financial services;
 - (v) an act to refuse or unreasonably delay the performance of all or part of the intermediation for financial services based on a contract under which the intermediation for financial services are to be conducted;
 - (vi) in connection with the intermediation for financial services, an act to solicit a customer (in the case where the intermediation for financial services relates to any transaction other than the purchase and sale or any other transaction of a beneficial interest in commodity fund prescribed in Article 97, paragraph (4), limited to an individual) by phone calls or visits at times when the customer may feel annoyed;
 - (vii) an act to conduct the purchase and sale or any other transaction of securities, or market derivatives transactions or foreign market derivatives transactions on a customer's account, without obtaining the customer's prior consent;
 - (viii) an act to conduct the purchase and sale or any other transaction of securities solely in pursuit of speculative profit by a financial service intermediary, who is an individual, or any officer (when an officer is a corporation, including its executive members) or employee (limited to an employee engaged in the securities, etc. intermediary business operations) of a financial service intermediary;
 - (ix) an act to accept a customer's application for an intermediary service for the purchase and sale or any other transaction of securities, or for an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market (meaning the financial instruments exchange market prescribed in Article 2, paragraph (17) of the Financial Instruments and Exchange Act; hereinafter the same applies in this paragraph and paragraph (3), and in Article 118, items (i) and (ii)) or on a foreign financial instruments market, while knowing that the

- relevant purchase and sale or any other transaction of securities by that customer violates or may violate the provisions of Article 166, paragraph (1) or (3) or Article 167, paragraph (1) or (3) of the same Act;
- (x) with regard to an intermediary service for the purchase and sale or any other transaction of securities, or an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market or on a foreign financial instruments market, an act to solicit a customer while furnishing undisclosed information of the issuer of those securities in regard to decisions on the launch or suspension (excluding those corresponding to the standards prescribed in the proviso to Article 167, paragraph (2) of the Financial Instruments and Exchange Act; the same applies in the following item) of a tender offer prescribed in Article 27-2, paragraph (1) of the same Act (limited to the case where the provisions of the main clause of the same paragraph are applicable; the same applies in the following item), an equivalent buying-up of share certificates, etc. (meaning the share certificates, etc. prescribed in Article 27-2, paragraph (1) of the same Act; the same applies in the following item and in Article 118, item (iii)), and a tender offer prescribed in Article 27-22-2, paragraph (1) of the same Act (limited to the case where the provisions of the main clause of the same paragraph are applicable; the same applies in the following item);
- (xi) with regard to an intermediary service for the purchase and sale or any other transaction of securities, or an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market or on a foreign financial instruments market (hereinafter the purchase and sale of securities or the purchase and sale of securities on a financial instruments exchange market or on a foreign financial instruments market are collectively referred to as the "purchase and sale, etc." in this item), an act to solicit a customer to conduct the purchase and sale, etc. for the purpose of having the customer gain profits or avoiding to cause loss with the customer by having the customer conduct the purchase and sale, etc. before the publication of the information of the issuer of those securities in regard to decisions on the launch or suspension of a tender offer prescribed in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act, an equivalent buying-up of share certificates, etc., and a tender offer prescribed in Article 27-22-2, paragraph (1) of the same Act (excluding the act set forth in the preceding item);
- (xii) an act of a financial service intermediary or any officer (when an officer is a corporation, including its executive members) or employee thereof to receive from, or provide to, its parent corporation, etc. or subsidiary corporation, etc. any information on ordering trends in a customer's purchase and sale of securities or market derivatives transactions or foreign market

derivatives transactions or any other special information (excluding information related to a foreign corporation (including a foreign organization without juridical personality for which the representative person or administrator has been designated)), which has come to be known by any officer or employee of the financial service intermediary or of its parent corporation, etc. or subsidiary corporation, etc., in the course of duties (excluding such act committed in the following cases), or to solicit for the purchase and sale or any other transaction of securities by using the relevant special information obtained from its parent corporation, etc. or subsidiary corporation, etc. (excluding the special information in the case where the parent corporation, etc. or subsidiary corporation, etc. makes it a rule to suspend the provision of the relevant information to the financial service intermediary or its officers or employees at the request of the customer (limited to a person falling under any of (d), 1. through 4.) and when that fact is made readily available to the customer (excluding the case where the customer has made the relevant request), and also excluding the special information which the parent corporation, etc. or subsidiary corporation, etc. has provided by obtaining the customer's prior consent in writing or in an electronic or magnetic record):

- (a) the case where the customer has given prior consent in writing or in an electronic or magnetic record for the provision of the special information by the financial service intermediary or its officers or employees, or its parent corporation, etc. or subsidiary corporation, etc.;
- (b) the case where the parent corporation, etc. or subsidiary corporation, etc. is the counterparty financial institution, and where the information set forth in Article 123, paragraph (1), item (xviii), (a) through (c) of the Cabinet Office Order on Financial Instruments Business is to be received or the information set forth in Article 118, item (ix), (a) or (b) is to be provided;
- (c) the case where the financial institution agency services are provided based on the entrustment by the counterparty to a contract for the lending of funds or the discounting of bills and notes that a customer concludes through deposit, etc. intermediary business operations conducted by a principal bank, etc. (meaning the principal bank prescribed in Article 2, paragraph (16) of the Banking Act, the principal long-term credit bank prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act, the principal Shinkin bank prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act, the principal labor bank prescribed in Article 89-3, paragraph (3) of the Labor Bank Act, the principal credit cooperative prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperative, the principal cooperative prescribed in Article 92-2,

paragraph (3) of the Agricultural Cooperatives Act, the principal cooperative prescribed in Article 106, paragraph (3) of the Fisheries Cooperatives Act, and the Norin Chukin Bank prescribed in Article 95-2, paragraph (3) of the Norin Chukin Bank Act; the same applies in the following paragraph) which is the financial service intermediary's parent bank, etc. (meaning a parent corporation, etc. falling under a bank or a cooperative financial institution (meaning the cooperative financial institution prescribed in Article 2, paragraph (1) of the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions (Act No. 44 of 1993); the same applies in (c)); the same applies in the following paragraph) or the financial service intermediary's subsidiary bank, etc. (meaning a subsidiary corporation, etc. falling under a bank or a cooperative financial institution; the same applies in the same paragraph) or by the financial service intermediary itself, and where the information set forth in item (i) or (ii) of the same paragraph is to be received or the information set forth in item (iii) or (iv) of the same paragraph is to be provided;

- (d) the case where the financial service intermediary or the parent corporation, etc. or subsidiary corporation, etc. makes it a rule to suspend the provision of the special information to the financial service intermediary or its officers or employees at the request of the customer (limited to persons falling under any of the following), and when that fact is made readily available to the customer (excluding the case where the customer has made the relevant request):
1. a listed company, etc. prescribed in Article 163, paragraph (1) of the Financial Instruments and Exchange Act and its subsidiary company, etc.;
 2. a stock company that intends to list shares it issues on a financial instruments exchange (limited to a stock company that has concluded a contract for receiving advice necessary for conforming to the listing criteria or a contract for receiving an audit by a certified public accountant or an audit corporation pursuant to the provisions of Article 193-2 of the Financial Instruments and Exchange Act) and its subsidiary company, etc.;
 3. a person who has submitted an annual securities report prescribed in Article 24, paragraph (1) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to paragraph (5) of the same Article (including as applied mutatis mutandis pursuant to Article 27 of the same Act) and Article 27 of the same Act) and its subsidiary company, etc.;
 4. a qualified institutional investor prescribed in Article 2, paragraph (3),

item (i) of the Financial Instruments and Exchange Act (excluding those set forth in Article 10, paragraph (1), item (xxiii) (limited to the portion relating to (a)) and item (xxiv) of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) and its subsidiary company, etc.;

- (xiii) an act to solicit unspecified and many customers to make an application for an intermediary service for, or an intermediary service for the entrustment of, the purchase or sale of securities of a specified and small number of issues simultaneously and in an excessively aggressive manner continuously over a certain period, which may prejudice the formation of a fair price;
- (xiv) an act to solicit unspecified and many customers to make an application for an intermediary service for, or an intermediary service for the entrustment of, the purchase or sale of securities simultaneously and in an excessively aggressive manner continuously over a certain period, with a view to take advantage of any fluctuation in the prices, indicators, figures or amount of consideration based on a customer's transaction and thereby to gain own profit or a profit for a third party other than the customer;
- (xv) an act to provide an intermediary service for, or an intermediary service for the entrustment of, the purchase or sale of listed financial instruments, etc. (meaning financial instruments, financial indicators or options (meaning the options prescribed in Article 2, paragraph (1), item (xix) of the Financial Instruments and Exchange Act) that are listed by a financial instruments exchange, and excluding crypto-and other assets, etc. (meaning the crypto-and other assets, etc. prescribed in Article 185-23, paragraph (1) of the same Act) or over-the-counter traded securities, while knowing that it will result in manipulative quotations not reflecting the actual market through causing fluctuations in, or pegging, fixing or stabilizing quotations or figures calculated based on quotations or transaction volumes of listed financial instruments, etc. on a financial instruments exchange market or over-the-counter traded securities on an over-the-counter securities market, or through increasing their transaction volumes;
- (xvi) an act to provide an intermediary service for the purchase, or an intermediary service for the entrustment of the purchase of securities on a financial instruments exchange market or a foreign financial instruments market, without explaining that the following documents relating to the securities are to be prepared in English or without delivering a document stating to that effect to a customer (including the provision of the particulars to be stated in that document by a method equivalent to the method of making them available for customers' inspection prescribed in Article 91,

- paragraph (1), item (v) or (vi); hereinafter the same applies in this item) (excluding the case where, within one year prior to the date of the relevant act, the explanation has been provided and the document has been delivered to the customer):
- (a) a foreign company statement prescribed in Article 5, paragraph (8) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of the same Act);
 - (b) a foreign company report prescribed in Article 24, paragraph (8) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of the same Act);
 - (c) a foreign company semiannual securities report prescribed in Article 24-5, paragraph (7) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of the same Act);
 - (d) a foreign company confirmation letter prescribed in Article 1, item (xviii)-4 of the Cabinet Office Order on Disclosure of Corporate Affairs;
 - (e) a foreign company internal control report prescribed in Article 2, item (iii)-2 of the Cabinet Office Order on the System for Ensuring the Appropriateness of Documents on Financial Calculation and Other Information (Cabinet Office Order No. 62 of 2007);
 - (f) a foreign company extraordinary report prescribed in Article 24-5, paragraph (15) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of the same Act);
 - (g) a document for correction of any of the documents set forth in (a) through (f), which was prepared in English;
 - (h) a report on the status of foreign parent company, etc. prescribed in Article 19-4, paragraph (2) of the Cabinet Office Order on Disclosure of Corporate Affairs;
- (xvii) to commit any of the acts set forth in the items of Article 11, paragraph (4) of the Act on the condition that the financial service intermediary provides the agent or intermediary services for the conclusion of a contract for the lending of funds or the discounting of bills and notes (excluding the act through the act set forth in item (iii));
- (xviii) in the case of providing the investment advisory services, an act to solicit a customer to conduct the purchase and sale or any other transaction of securities, for the purpose of having the customer complete the purchase and sale or any other transaction of securities that the customer had conducted based on advice given in the investment advisory services or having the customer conduct a reversing trade;
- (xix) in the case of conducting the investment management business, an act to solicit a customer other than right holders of the investment property related to the investment management business to conduct the purchase and sale or

- any other transaction of securities, for the purpose of having the customer complete the purchase and sale or any other transaction of securities that the customer had conducted as the investment of the relevant investment property or having the customer conduct a reversing trade;
- (xx) in the case of conducting the defined contribution pension operational management business (meaning the defined contribution pension operational management business prescribed in Article 2, paragraph (7) of the Defined Contribution Pension Act (Act No. 88 of 2001); the same applies in the following item), an act to use information on investment instructions (limited to instructions regarding the purchase and sale of securities; the same applies in the following item) of subscribers, etc. (meaning the subscribers, etc. prescribed in Article 2, paragraph (7), item (i), (a) of the same Act; the same applies in the following item) of the relevant defined contribution pension operational management business, and thereby to solicit a customer other than those subscribers, etc. to conduct the purchase and sale or any other transaction of securities;
- (xxi) in the case of conducting the defined contribution pension operational management business, an act to solicit a customer other than subscribers, etc. of the relevant defined contribution pension operational management business to conduct the purchase and sale or any other transaction of securities, for the purpose of having the customer complete the purchase and sale or any other transaction of securities that the customer had conducted based on investment instructions of those subscribers, etc.;
- (xxii) in the case of conducting the trust business, etc. (meaning the trust business prescribed in Article 2, paragraph (1) of the Trust Business Act, the trust agreement agency services prescribed in paragraph (8) of the same Article, the property management services prescribed in Article 21, paragraph (1) of the same Act, or business operations to be conducted based on the entrustment of the trust business by a trust company under Article 22, paragraph (1) of the same Act; the same applies in the following item), an act to use information on the purchase and sale or any other transaction of securities, market derivatives transactions or foreign market derivatives transactions in connection with the management or disposition of trust property based on the trust business, etc., and thereby to solicit a customer other than customers relating to the trust property to make an entrustment, etc. of the purchase and sale or any other transaction of securities (meaning the entrustment, etc. prescribed in Article 44, item (i) of the Financial Instruments and Exchange Act; the same applies in Article 118, item (iv));
- (xxiii) in the case of conducting the trust business, etc., an act to solicit a customer other than customers relating to a trust agreement based on the trust business, etc. to conduct the purchase and sale or any other transaction

of securities, for the purpose of having the customer complete the purchase and sale or any other transaction of securities that the customer had conducted based on the relevant trust agreement or a settlor's instructions based on the trust business, etc. or having the customer conduct a reversing trade;

(xxiv) in the case of providing the financial institution agency services (including the agency service operations under the Enhancement and Restructuring Act; the same applies in the following item), an act of a financial service intermediary engaged in the securities, etc. intermediary business operations or any officer (when an officer is a corporation, including its executive members) or employee thereof to receive from, or provide to, a financial service intermediary engaged in the financial institution agency service operations or its officers or employees undisclosed loan information, etc. of a customer who is the issuer of securities (excluding the securities set forth in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act and the securities set forth in Article 2, paragraph (1), item (xvii) of the same Act that have the nature referred to in items (i) and (ii) of the same paragraph; hereinafter the same applies in this item) (the undisclosed loan information, etc. means undisclosed information on the business of a customer or any other special information, which has come to be known by a financial service intermediary engaged in the financial institution agency service operations (meaning business operations relating to the agent or intermediary services for the conclusion of a contract for the lending of funds or the discounting of bills and notes, out of the financial institution agency service operations, and including business operations relating to the agent or intermediary services for the conclusion of a contract for the lending of funds or the discounting of bills and notes, out of the agency service operations under the Enhancement and Restructuring Act; hereinafter the same applies in this item, the following item and in Article 118, item (vii)) or its officers or employees, and which is found to have an impact on the customer's investment decisions in regard to the securities solicited by a financial service intermediary engaged in the securities, etc. intermediary business operations or its officers or employees, or any information on ordering trends in a customer's purchase and sale of securities or market derivatives transactions or foreign market derivatives transactions or any other special information, which has come to be known by a financial service intermediary engaged in the securities, etc. intermediary business operations or its officers or employees in the course of duties, and which is found to have a material impact on the financial institution agency service operations relating to the issuer of the securities (excluding such information relating to a foreign corporation (including a

foreign organization without juridical personality for which the representative person or administrator has been designated)); hereinafter the same applies in this item and Article 118, item (vii)) (excluding the cases specified as follows):

- (a) the case where the undisclosed loan information, etc. is to be provided by obtaining the customer's prior consent in writing or in an electronic or magnetic record;
- (b) the case where it is found necessary to receive any undisclosed loan information, etc. from the financial service intermediary engaged in the financial institution agency service operations or its officers or employees in order to ensure the compliance with the laws and regulations applicable to the securities, etc. intermediary business operations;
- (c) the case where the undisclosed loan information, etc. is to be provided to the financial service intermediary supervising the business operations of the section in charge of the execution of the securities, etc. intermediary business operations (limited to the section also in charge of the execution of the financial institution agency service operations) or its officers or employees;
- (d) the case where the financial service intermediary makes it a rule to suspend the provision of the undisclosed loan information, etc. to a financial service intermediary engaged in the securities, etc. intermediary business operations or its officers or employees or to a financial service intermediary engaged in the financial institution agency service operations or its officers or employees at the request of the customer (limited to a person falling under any of item (xii), (d), 1. through 4.) and when that fact is made readily available to the customer (excluding the case where the customer has made the relevant request);
- (xxv) in the case of providing the financial institution agency services, an act of a financial service intermediary engaged in the financial institution agency service operations or its officers or employees to conduct the purchase and sale or any other transaction of securities, or market derivatives transactions or foreign market derivatives transactions (excluding brokerage for clearing of securities, etc. prescribed in Article 2, paragraph (27) of the Financial Instruments and Exchange Act), based on any undisclosed information which has come to be known by the relevant person in the course of duties and which is found to have an impact on investment decisions with regard to securities;
- (xxvi) in the case where an entrusting financial instruments business operator (meaning a financial instruments business operator engaged in the type-I financial instruments business which entrusts the securities, etc. intermediary business operations to a financial service intermediary) is to

- become an underwriter (meaning the underwriter prescribed in Article 2, paragraph (6) of the Financial Instruments and Exchange Act; hereinafter the same applies in this item) of securities issued by a person who owes a debt relating to a borrowing to the entrusting financial instruments business operator's parent corporation, etc. or subsidiary corporation, etc. (excluding the securities set forth in Article 33, paragraph (2), item (i) of the same Act and the securities set forth in Article 2, paragraph (1), item (xvii) of the same Act that have the nature referred to in items (i) and (ii) of the same paragraph) or an underwriter of the treasury shares to be disposed of, an act of the financial service intermediary to commit any of the acts set forth in Article 11, paragraph (4), item (i) of the Act (limited to an act in the case where those securities are to be sold within the period extending until the day on which six months have elapsed from the day on which the entrusting financial instruments business operator becomes an underwriter) or the acts set forth in item (iii) of the same paragraph in regard to those securities, while knowing that the proceeds from those securities will be appropriated for the performance of the obligation relating to the borrowing.
- (2) The information to be received from, or provided to, the counterparty to a contract for the lending of funds or the discounting of bills and notes that a customer concludes through deposit, etc. intermediary business operations conducted by a principal bank, etc., which is the financial service intermediary's parent bank, etc. or subsidiary bank, etc. referred to in item (xii), (c) of the preceding paragraph, or by the financial service intermediary itself is as follows:
- (i) information on the financial institution agency services to be provided by the financial service intermediary based on the entrustment by the counterparty to a contract for the lending of funds or the discounting of bills and notes that a customer concludes through deposit, etc. intermediary business operations conducted by a principal bank, etc., which is the financial service intermediary's parent bank, etc. or subsidiary bank, etc., or by the financial service intermediary itself;
 - (ii) information which is found necessary for the financial service intermediary to receive in order to ensure the compliance with the laws and regulations applicable to the financial institution agency services that it provides based on the entrustment by the counterparty to a contract for the lending of funds or the discounting of bills and notes that a customer concludes through deposit, etc. intermediary business operations conducted by a principal bank, etc., which is the financial service intermediary's parent bank, etc. or subsidiary bank, etc., or by the financial service intermediary itself;
 - (iii) information which is found necessary for the financial service intermediary to receive in order to provide the financial institution agency services based

- on the entrustment by the counterparty to a contract for the lending of funds or the discounting of bills and notes that a customer concludes through deposit, etc. intermediary business operations conducted by a principal bank, etc., which is the financial service intermediary's parent bank, etc. or subsidiary bank, etc., or by the financial service intermediary itself;
- (iv) information which may come to the knowledge of the financial service intermediary in the course of the financial institution agency services that it provides based on the entrustment by the counterparty to a contract for the lending of funds or the discounting of bills and notes that a customer concludes through deposit, etc. intermediary business operations conducted by a principal bank, etc., which is the financial service intermediary's parent bank, etc. or subsidiary bank, etc., or by the financial service intermediary itself, and which is found necessary for the financial service intermediary to provide to these persons in order to ensure the compliance with laws and regulations.
- (3) The provisions of paragraph (1), item (xv) do not apply when an intermediary service is provided for a series of purchases and sales of securities, etc. in the case where the series of purchases and sales of securities, etc. are to be conducted on a financial instruments exchange market or an over-the-counter securities market in order to facilitate a public offering of securities (limited to a public offering made to 50 or more persons) or secondary distribution of securities (limited to secondary distribution made to 50 or more persons).

(Problematic Conduct)

Article 112 The problematic conduct specified by the Cabinet Office Order prescribed in Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* is any of the following acts committed by a financial service intermediary or its representative person, agent, employee or other staff member (referred to as the "representative person, etc." in paragraph (1), items (x) and (xi) of the following Article and in Article 116, item (iii), (a)), in connection with the financial service intermediary's business operations, for the conclusion of a specified financial service contract (excluding a contract for specified deposit, etc. and a specified insurance contract; hereinafter the same applies in this Article), and thereby causing any loss to a customer:

- (i) an act to provide an intermediary service for the conclusion of a specified financial service contract on a customer's account, without confirming the details of the customer's order;
- (ii) an act to solicit a customer in a manner which would lead the customer to misunderstand the following:
 - (a) the nature of the securities relating to the intermediation for financial

- services (limited to the acts set forth in the items of Article 11, paragraph (4) of the Act);
- (b) the conditions of the transaction;
- (c) any appreciation or decline in the price of the financial instruments;
- (iii) an act to erroneously handle affairs due to any negligence, in the course of providing an intermediary service for the conclusion of a specified financial service contract on a customer's account;
- (iv) an act to erroneously provide an intermediary service for the conclusion of a specified financial service contract on a customer's account, due to any disorder in the electronic data processing system;
- (v) any other act in violation of the laws and regulations.

(Exemption from Requirement to Confirm a Problematic Conduct)

Article 113 (1) The cases specified by Cabinet Office Order as prescribed in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis are as follows:

- (i) the case where a final and binding judgment has been issued by the court;
- (ii) the case where a judicial settlement (excluding the judicial settlement specified in Article 275, paragraph (1) of the Code of Civil Procedures (Act No. 109 of 1996)) has been reached;
- (iii) the case where a conciliation prescribed in Article 16 of the Civil Conciliation Act (Act No. 222 of 1951) has been reached, or the case where a court decision has been made pursuant to the provisions of Article 17 of the same Act and no objection was filed for that decision within the period prescribed in Article 18, paragraph (1) of the same Act;
- (iv) the case where a settlement has been reached through mediation by a financial instruments firms association or a certified investor protection organization, or through dispute resolution procedures conducted by a designated dispute resolution organization (including those that have been designated as set forth in the items of Article 40 of the Order);
- (v) the case where a settlement has been reached through mediation by an organization prescribed in the bar association rules under Article 33, paragraph (1) the Attorney Act or in any other rules established under the provisions of the relevant bar association rules, or the case where an arbitral award under arbitration procedures conducted by that organization has been issued;
- (vi) the case where a settlement has been reached through mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act, or the case where a resolution has been reached based on an agreement prescribed in the same Article;
- (vii) the case where a settlement has been reached through certified dispute

- resolution procedures prescribed in Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004) conducted by a certified dispute resolution business operator (meaning the certified dispute resolution business operator prescribed in Article 2, item (iv) of the same Act, and limited to the case where disputes relating to the intermediation for financial services (limited to the acts set forth in the items of Article 11, paragraph (4) of the Act) fall within the scope of the disputes prescribed in Article 6, item (i) of the same Act);
- (viii) the case where a settlement has been reached, and where the following requirements are all satisfied:
- (a) an attorney or a judicial scrivener (limited to a judicial scrivener who performs the affairs set forth in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act (Act No. 197 of 1950); the same applies in the following item) has represented the customer in connection with the relevant settlement procedures;
 - (b) the amount payable by the financial service intermediary to the customer due to the effectuation of the settlement does not exceed ten million yen (in the case where the judicial scrivener referred to in (a) represents the customer, the amount prescribed in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act);
 - (c) a document or an electronic or magnetic record evidencing that the attorney or judicial scrivener referred to in (a) has verified and confirmed the fact that the payment referred to in (b) is to be made for the purpose of compensating for all or part of any losses arising from a problematic conduct (meaning the problematic conduct prescribed in Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis; hereinafter the same applies in this Article and Article 116) has been delivered or provided to the financial service intermediary.
- (ix) the case where the amount payable to a customer with respect to losses arising from a problematic conduct has been specified between the financial service intermediary and the customer, and where the following requirements are both satisfied (excluding the cases set forth in the preceding items):
- (a) the amount payable by the financial service intermediary to the customer does not exceed ten million yen (in the case where a committee prescribed in (b) consists only of members that are judicial scriveners, the amount prescribed in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act);
 - (b) the fact that the payment referred to in (a) is to be made for the purpose of compensating for losses arising from a problematic conduct has been verified and confirmed by a committee set up within a certified financial

- service intermediary business association (meaning a committee that consists of multiple members appointed by the certified financial service intermediary business association (limited to persons who are attorneys or judicial scriveners and who have no special interest in the financial service intermediary and the customer relating to the problematic conduct));
- (x) the case where the financial service intermediary or its representative person, etc. has caused any loss to a customer due to any of the acts set forth in the items of the preceding Article, and when the amount of the property benefit offered, promised or provided to the customer in relation to a loss suffered by the customer in a daily trading does not exceed the amount equivalent to 1,000,000 yen (excluding the cases set forth in the preceding items);
- (xi) the case where the financial service intermediary or its representative person, etc. has caused any loss to a customer due to any of the acts set forth in item (iii) or (iv) of the preceding Article (excluding the cases set forth in items (i) through (ix) only in the case where it is obvious from the descriptions in the books and documents set forth in Article 138, item (iii) or the records of the details of the customer's orders that the relevant act falls under a problematic conduct).
- (2) The benefit referred to in item (x) of the preceding paragraph is to be calculated for each category of the acts set forth in the items of the preceding Article. In this case, in calculating the amount of the benefit relating to the category of the act set forth in item (iii) or (iv) of the same Article, the amount of property benefit offered, promised or provided in the case set forth in item (xi) of the same paragraph is to be deducted.
- (3) In the cases set forth in paragraph (1), items (ix) through (xi), when a financial service intermediary has offered or promised to provide, or has provided any property benefit to a customer, without obtaining confirmation referred to in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, it must report the particulars set forth in the items of Article 116 to the Director-General of a Local Finance Bureau with jurisdiction over the location of the business office or office where the problematic conduct relating to the relevant offer, promise or provision took place (in the case where that location falls within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, to the Director-General thereof, and where the financial service intermediary has no business office or office in Japan, to the Director-General of the Kanto Finance Bureau), no later than the last day of the month immediately after the month containing the day of the offer, promise or provision.

(Exemption from Prohibition of Compensation of Losses)

Article 114 The investment trust specified by Cabinet Office Order as prescribed in Article 39, paragraph (4) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* is a bond investment trust, for which beneficial interest is acquired or held for the purpose of providing it for paying or receiving money in the purchase and sale or any other transaction of securities between a customer and the counterparty financial institution.

(Application for Confirmation of Problematic Conduct)

Article 115 A person who intends to obtain confirmation referred to in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* must submit a written application and documents to be attached thereto as referred to in paragraph (7) of the same Article to the Commissioner of the Financial Services Agency, etc.

(Particulars to Be Stated in a Written Application for Confirmation)

Article 116 The particulars specified by Cabinet Office Order as prescribed in Article 39, paragraph (7) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are as follows:

- (i) the trade name or name, and the registration number of the financial service intermediary;
- (ii) the name and the location of the business office or office where the problematic conduct took place;
- (iii) the following particulars in relation to the fact for which confirmation is sought:
 - (a) the name of the representative person, etc. or the section which was involved in the act which falls under a problematic conduct;
 - (b) the name and the address of the customer (in the case where the customer is a corporation, its trade name or name, the location of its principal business office or office, and the name of its representative person);
 - (c) the outline of the problematic conduct;
 - (d) reasons which prove that the customer's loss that is to be compensated for results from the problematic conduct;
 - (e) the amount of property benefit to be offered, promised or provided;
- (iv) any other particulars which would serve as reference information.

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

Article 117 (1) The documents specified by Cabinet Office Order as prescribed in Article 39, paragraph (7) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are the documents evidencing that the customer has confirmed the details of the particulars set forth in the items of the preceding Article, and any other materials which would serve as reference information.

- (2) The provisions of the preceding paragraph do not apply in the case where a written application referred to in Article 39, paragraph (7) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* relates to an application referred to in paragraph (1), item (ii) of the same Article.

(Circumstances Where the State of the Business Operations is Likely to Go Against Public Interest or Compromise the Protection of Investors)

Article 118 The circumstances specified by Cabinet Office Order as prescribed in Article 40, item (ii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are as follows:

- (i) the circumstances where the financial service intermediary frequently provides an intermediary service for the purchase and sale or any other transaction of securities, or an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market or on a foreign financial instruments market on a customer's account, without confirming the details of the customer's orders in advance;
- (ii) the circumstances where a person who has solicited unspecified and many investors and has become entrusted with the purchase and sale of securities (excluding a person who conducts an act that constitutes a financial instruments transaction prescribed in Article 34 of the Financial Instruments and Exchange Act in compliance with laws and regulations) provides an intermediary service for the purchase and sale or any other transaction of securities, or an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market or on a foreign financial instruments market, while knowing that the transactions are to be conducted on those investors' accounts, and without confirming their intentions in advance;
- (iii) with regard to the management of corporate information (meaning undisclosed material information about the operations, business, or assets of a listed company, etc. prescribed in Article 163, paragraph (1) of the Financial Instruments and Exchange Act, which is found to have an impact on customers' investment decisions, and undisclosed information on decisions on the launch or suspension (excluding those corresponding to the standards prescribed in the proviso to Article 167, paragraph (2) of the same Act) of a tender offer prescribed in Article 27-2, paragraph (1) of the same Act (limited to the case where the provisions of the main clause of the same paragraph are applicable), and an equivalent buying-up of share certificates, etc., and a tender offer prescribed in Article 27-22-2, paragraph (1) of the same Act (limited to the case where the provisions of the main clause of the same paragraph are applicable), hereinafter the same applies in this item and item (vii)) that the financial service intermediary handles, or the management of

- customers' purchase and sale or any other transaction of securities, the circumstances where it is found that the financial service intermediary has not implemented the measures necessary and appropriate for the prevention of unfair transactions based on corporate information;
- (iv) the circumstances where, in connection with the solicitation for a rollover (meaning the acquisition or purchase of investment trust beneficiary certificates, etc. or the entrustment, etc. thereof, which accompanies partial cancellation of or refund of investment equity (meaning the investment equity prescribed in Article 2, paragraph (14) of the Act on Investment Trust and Investment Corporations) under an investment trust agreement (meaning the investment trust agreement prescribed in Article 3 or Article 47, paragraph (1) of the same Act) for the investment trust beneficiary certificates, etc. currently held, or which accompanies the sale of investment trust beneficiary certificates, etc. currently held or the entrustment, etc. thereof) of the investment trust beneficiary certificates, etc. (meaning the beneficiary certificates of investment trust or foreign investment trust (meaning the foreign investment trust prescribed in Article 2, paragraph (24) of the same Act; the same applies in Article 139, paragraph (3)) (excluding the beneficiary certificates set forth in Article 65, item (ii), (a) through (c) of the Cabinet Office Order on Financial Instruments Business and those of a similar nature), investment securities (meaning the investment securities prescribed in Article 2, paragraph (15) of the same Act; hereinafter the same applies in this item and in Article 139, paragraph (3)) or foreign investment securities (meaning the foreign investment securities prescribed in Article 220, paragraph (1) of the same Act; the same applies in Article 139, paragraph (3)) that are similar to investment securities, and excluding those listed on a financial instruments exchange and those falling under the category of the over-the-counter traded securities; hereinafter the same applies in this item), the financial service intermediary has not provided a customer with an explanation on the important particulars with regard to such rollover;
- (v) the circumstances where the financial service intermediary intends to have a customer acquire, or to sell securities set forth in Article 2, paragraph (1), item (v) of the Financial Instruments and Exchange Act or securities set forth in item (xvii) of the same paragraph (limited to those which have the nature of the securities set forth in any of items (i) through (iii) and item (v) of the same paragraph) through an act set in Article 11, paragraph (4), item (iii) of the Act, and the financial service intermediary has not provided the customer, who is an individual, with an explanation on any material circumstances that took place during the period for making an application for the acquisition or purchase of those securities and that may have an impact

- on the customer's investment decisions;
- (vi) the circumstances where the management of the electronic data processing system to be used for the securities, etc. intermediary business operations is found to be insufficient;
- (vii) the circumstances where the financial service intermediary supervising the business operations of the section in charge of the execution of the securities, etc. intermediary business operations (limited to the section also in charge of the execution of the financial institution agency service operations) or any officer (when an officer is a corporation, including its executive members) or employee thereof has acquired undisclosed loan information, etc. of a customer who is the issuer of securities (excluding the securities set forth in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act and the securities set forth in Article 2, paragraph (1), item (xvii) of the same Act that have the nature referred to in items (i) and (ii) of the same paragraph) by themselves or has received such information from a financial service intermediary engaged in the financial institution agency service operations or its officers or employees, and conducts any of the acts set forth in the items of Article 11, paragraph (4) in regard to those securities (including the circumstances where, with regard to the provision of undisclosed loan information, etc. (excluding corporate information), the supervising financial service intermediary or any of its officers or employees provides a financial service intermediary engaged in the securities, etc. intermediary business operations or its officers or employees with a customer's undisclosed loan information, etc. (when the financial service intermediary makes it a rule to suspend the provision of the undisclosed loan information, etc. at the request of the relevant customer (limited to a person falling under any of Article 111, paragraph (1), item (xii), (d), 1. through 4.), and when that fact is made readily available to the customer (excluding the case where the customer has made the relevant request), excluding such undisclosed loan information, etc.), without obtaining the customer's prior consent in writing or in an electronic or magnetic record);
- (viii) the circumstances where the financial service intermediary (limited to a person engaged in the securities, etc. intermediary business operations; the same applies in the following item) establishes its business office or office in the same building as that of the head office or other business or office or agency office of a financial institution (meaning a bank, trust company or any other financial institution set forth in the items (excluding item (iv)) of Article 22 of the Order) (including a financial institution agent's business office or office and excluding a life insurance agent prescribed in Article 2, paragraph (19) of the Insurance Business Act and a non-life insurance

representative prescribed in paragraph (21) of the same Article), and it is found that the financial service intermediary has not taken appropriate measures to prevent customers from confusing the financial service intermediary with such financial institution;

- (ix) the circumstances where the financial service intermediary provides any information on a customer's properties or any other special information which it has obtained (excluding the following information) to the counterparty financial institution without obtaining the customer's prior consent in writing or in an electronic or magnetic record, or where the financial service intermediary solicits the purchase and sale or any other transaction of securities using any information on a customer's properties or any other special information obtained from the counterparty financial institution (limited to information other than those set forth in (c) and (d) that the counterparty financial institution provided without obtaining the customer's prior consent in writing or in an electronic or magnetic record):
 - (a) information that is found necessary for the financial service intermediary to provide to the counterparty financial institution in order to conduct the intermediation for financial services (limited to the acts set forth in the items of Article 11, paragraph (4) of the Act);
 - (b) information obtained in the course of the securities, etc. intermediary business operations entrusted by the counterparty financial institution that is found necessary for the financial service intermediary to provide to the counterparty financial institution in order to ensure the compliance with the laws and regulations applicable to the securities, etc. intermediary business operations;
 - (c) in the case where the financial service intermediary is the counterparty financial institution's parent corporation, etc. or subsidiary corporation, etc. or where the counterparty financial institution is the financial service intermediary's parent corporation, etc. or subsidiary corporation, etc., information relating to a foreign corporation (including a foreign organization without juridical personality for which the representative person or administrator has been designated);
 - (d) in the case where the financial service intermediary is the counterparty financial institution's parent corporation, etc. or subsidiary corporation, etc. or where the counterparty financial institution is the financial service intermediary's parent corporation, etc. or subsidiary corporation, etc., and when the financial service intermediary or the counterparty financial institution makes it a rule to suspend the provision of that special information at the request of the relevant customer (limited to a person falling under any of Article 111, paragraph (1), item (xii), (d), 1. through 4.), and when that fact is made readily available to the customer (excluding the

case where the customer has made the relevant request), that special information.

(Exceptions for Exclusion from Application of Restriction on Acts)

Article 119 The case specified by Cabinet Office Order as prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act as applied mutatis mutandis is the case where a financial service intermediary has not established a system to enable it to promptly respond to customers' inquiries on specified financial service contracts that customers have concluded with regard to the application of the provisions of Article 37-4 of the Financial Instruments and Exchange Act as applied mutatis mutandis.

Subsection 6 Special Provisions on Loan Intermediary Business Operations

(Form of the Identification Card)

Article 120 (1) The identification card prescribed in Article 12-4, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis pursuant to Article 32 of the Act (hereinafter referred to as the "Money Lending Business Act as applied mutatis mutandis" in this Subsection and in Article 139, paragraphs (5) and (9)) is to contain the following particulars, and the relevant employee's photo must be attached thereto:

(i) the trade name or name, the address and the registration number of the financial service intermediary (limited to a person engaged in the loan intermediary business operations; hereinafter the same applies in this Subsection);

(ii) the employee's name;

(iii) the identification card number.

(2) Business operations relating to the loan intermediary business operations prescribed in Article 12-4, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis do not include business operations solely for advertisement without solicitation or business operations that are conducted without meeting persons seeking funds, etc. (meaning persons seeking funds, etc. prescribed in Article 28, paragraph (2) of the Act) at a business office or office.

(3) When engaging in business operations relating to the loan intermediary business operations, an employee must present their identification card referred to in paragraph (1) at the request of a counterparty.

(Particulars to be Stated in a Roster of Employees)

Article 121 (1) The particulars specified by Cabinet Office Order as prescribed in

Article 12-4, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis are the following particulars concerning each of the employees engaged in business operations relating to the loan intermediary business operations:

- (i) the date of birth;
 - (ii) the details of the major duties;
 - (iii) the date on which the relevant person became an employee of the business office or office;
 - (iv) when the person has ceased to be an employee of the business office or office, the relevant date.
- (2) A roster of employees prescribed in Article 12-4, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis is to be prepared using Appended Form 6.
- (3) A financial service intermediary must preserve a roster of employees prescribed in Article 12-4, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis for 10 years from the day on which the latest statement was entered.

(Restrictions on Conclusion of Life Insurance Contracts)

Article 122 The contracts specified by Cabinet Office Order as prescribed in Article 12-7 of the Money Lending Business Act as applied mutatis mutandis are as follows:

- (i) a contract for a loan (meaning the loan prescribed in Article 2, paragraph (1) of the Money Lending Business Act and limited to the loan relating to the loan intermediary business operations; hereinafter the same applies in this Subsection and in Article 139, paragraph (5), item (vi)) for funds necessary for building or purchasing housing (meaning buildings for residential purposes (including those with part for business purpose); hereinafter the same applies in this item) (including funds necessary for the acquisition of lands for housing or for the acquisition of land leasehold rights), or for funds necessary for the improvement of housing;
- (ii) in the case where a loan referred to in the preceding item is planned to be made, a contract for a loan to be made as a stopgap before the relevant loan is to be made.

(Measures to Secure the Performance of Obligations Which Must Not Be Established as a Condition for Concluding a Loan Contract)

Article 123 The measures specified by Cabinet Office Order as prescribed in Article 12-8, paragraph (5) of the Money Lending Business Act as applied mutatis mutandis are to provide land, buildings, or any other property as collateral to secure the performance of the obligation under a loan contract.

(Preservation of Records on Confirmation of Guarantee Charges)

Article 124 A financial service intermediary must preserve the record prescribed in Article 12-8, paragraph (7) of the Money Lending Business Act as applied *mutatis mutandis* until the final repayment due date provided in a loan contract prescribed in paragraph (6) of the same Article (when the claim under the loan contract has been extinguished upon performance or on any other grounds, the day of the extinguishment of the claim (in the case where the loan contract is a basic contract for a revolving credit loan (meaning a loan contract which is based on a promise that loans are to be made for a customer, who is a person seeking funds, at the customer's request, within the limit of the maximum amount, on the condition that the customer is to repay the loans according to the predetermined terms; hereinafter the same applies in this Chapter) or a contract for a revolving credit loan (meaning a loan made under a basic contract for a revolving credit loan; hereinafter the same applies in this Chapter), the day of cancellation of the basic contract for a revolving credit loan or the latest date among the final repayment due dates provided in all the contracts for revolving credit loans under the basic contract for a revolving credit loan (when all the claims under these contracts have been extinguished upon performance or on any other grounds, the day of the extinguishment of the claims), whichever comes later)).

(Contract for Guarantee Charges Which Must Not Be Established as a Condition for Concluding a Loan Contract)

Article 125 The contract specified by Cabinet Office Order as prescribed in Article 12-8, paragraph (8) of the Money Lending Business Act as applied *mutatis mutandis* is a contract for guarantee charges in which a guarantee business operator prescribed in Article 35, paragraph (2) of the Act provides a guarantee with the obligation under a loan contract (limited to a loan contract for which the amount of interest is not fixed (excluding the case where the interest to be paid for the principal obligation is decided by the interest rate which may fluctuate after the conclusion of the contract for interest)) as the principal obligation.

(Contract for a Revolving Guarantee for Which an Intermediary Service for the Conclusion Must Not Be Provided)

Article 126 What is specified by Cabinet Office Order as prescribed in Article 12-8, paragraph (9) of the Money Lending Business Act as applied *mutatis mutandis* is either of the following contract for a revolving guarantee (meaning the contract for a revolving guarantee prescribed in the same paragraph; hereinafter the same applies in this Article):

- (i) a contract for a revolving guarantee providing the maximum principal (meaning the maximum amount of principal of the principal obligation which the guarantor is to assume the responsibility of performance) that exceeds the total of the amount of principal of the principal obligation actually in existence at the time of providing an intermediary service for the conclusion of the relevant contract for a revolving guarantee and the amount of principal of the obligation related to the loan contract which is expected to arise after providing an intermediary service for the conclusion of the relevant contract for a revolving guarantee (limited to the amount of principal which is within the scope found to be reasonable in light of the status of the borrowing of funds of the principal obligor by the time of providing an intermediary service for the conclusion of the relevant contract for a revolving guarantee or the assets held by the principal obligor at the time of providing an intermediary service for the conclusion of the relevant contract for a revolving guarantee);
- (ii) a contract for a revolving guarantee fixing a day after the day on which three years have elapsed from the date of conclusion of the contract for a revolving guarantee as the principal determination date, or a contract for a revolving guarantee with no provisions on principal determination date.

(Juridical Act Found Not to Accompany Additional Services for Intermediation)

Article 127 What is specified by Cabinet Office Order as prescribed in Article 12-8, paragraph (10) of the Money Lending Business Act as applied mutatis mutandis is a juridical act that falls under either of the following:

- (i) a refinancing (limited to a refinancing made between the same money lender (meaning the money lender prescribed in Article 15, paragraph (1), item (i) of the Money Lending Business Act as applied mutatis mutandis; hereinafter the same applies in this Subsection and in Article 139, paragraph (5), item (ii) and paragraph (6), item (ii)) and the same obligor) that is made after the conclusion of the loan contract (limited to a loan contract concluded through money brokerage (meaning the money brokerage prescribed in Article 2, paragraph (1) of the Money Lending Business Act and limited to money brokerage relating to the loan intermediary business operations; the same applies in paragraph (1), item (i) and paragraph (3) of the following Article); the same applies in the following item), which is found not to accompany any additional services;
- (ii) conclusion of a new loan contract (limited to a loan contract made between the same money lender and obligor) made after the termination of the loan contract, which is found not to accompany any additional services.

(Posting of Conditions of Loans)

Article 128 (1) The methods specified by Cabinet Office Order as prescribed in Article 14, paragraph (1), item (i) of the Money Lending Business Act as applied mutatis mutandis are the methods specified in the following items in accordance with the category respectively set forth therein:

(i) money brokerage (excluding what is set forth in the following item):

Formula 1 in the Appended Table;

(ii) intermediation for the discount of negotiable instruments: either of Formula 1 or Formula 2 in the Appended Table (in the case of using Formula 2, the fact that an obtained amount is a discount rate is to be clearly indicated).

(2) What are specified as being equivalent to the loan interest rate by Cabinet Office Order as prescribed in Article 14, paragraph (1), item (i) of the Money Lending Business Act as applied mutatis mutandis, in the case where the loan interest rate (meaning the loan interest rate prescribed in the same item; hereinafter the same applies in this Subsection) is calculated using the amount of interest obtained by adding a certain interest rate to the market rate of interest, are the name of the market rate of interest used as the basis for the calculation and the interest rate to be added thereto.

(3) The particular specified by Cabinet Office Order as prescribed in Article 14, paragraph (1), item (v) of the Money Lending Business Act as applied mutatis mutandis is the method of calculating brokerage fees (meaning the money that the financial service intermediary receives for its money brokerage, irrespective of the name under which the brokerage service is provided; hereinafter the same applies in this Subsection) (including the brokerage rate (meaning the ratio of brokerage fees to the total amount of money lent and borrowed through the brokerage service (limited to the rate expressed as a percentage, at least to the first decimal place)); hereinafter the same applies in this Subsection).

(4) When posting a loan interest rate pursuant to the provisions of Article 14, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis, a financial service intermediary is to employ a method of indicating the annual rate obtained using the amount of principal calculated by Formula 1 or Formula 2 in the Appended Table or by the method designated by the Commissioner of the Financial Services Agency as being equivalent to these formulae, as a percentage, at least to the first decimal place.

(5) The posting under the provisions of Article 14, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis must be made by a readily visible method for each type of loans made at the business office or office.

(Advertisement of Conditions of Loans)

Article 129 (1) The particulars specified by Cabinet Office Order as prescribed in

Article 15, paragraph (1), item (iii) of the Money Lending Business Act as applied mutatis mutandis are the method of calculating brokerage fees, and the telephone number registered in a register of financial service intermediaries prescribed in Article 14, paragraph (1) of the Act (limited to the case where the website URL or e-mail address registered in the register of financial service intermediaries is indicated or explained).

- (2) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to the case where a financial service intermediary makes the indication or explanation under the provisions of Article 15, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis. In this case, when the type of the loan is to be clearly indicated, the interest rate other than the loan interest rate may be stated as well.
- (3) When a financial service intermediary advertises the conditions of loans or indicates or explains the conditions of loans for soliciting for the conclusion of a loan contract (meaning the loan contract prescribed in Article 2, paragraph (3) of the Money Lending Business Act, and limited to a loan contract relating to the loan intermediary business operations; hereinafter the same applies in this Chapter), the financial service intermediary must clearly and accurately indicate or explain the particulars set forth in the items of Article 15, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis.
- (4) What is specified as being equivalent to the advertisement by Cabinet Office Order as prescribed in Article 15, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis is solicitation made to many persons with the same content.
- (5) The points of contact, etc. specified by Cabinet Office Order as prescribed in Article 15, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis are the following:
 - (i) a telephone number;
 - (ii) a website URL;
 - (iii) an e-mail address.
- (6) When advertising the conditions of loans, a financial service intermediary must not make an advertisement in violation of the Act against the Unjustifiable Premiums and Misleading Representations (Act No. 134 of 1962), Prefectural Order based on Article 3, paragraph (1) of the Outdoor Advertisement Act (Act No. 189 of 1949) or other laws and regulations.

(Delivery of Documents Prior to Concluding a Contract)

Article 130 (1) The particulars specified by Cabinet Office Order as prescribed in Article 16-2, paragraph (1), item (vii) of the Money Lending Business Act as applied mutatis mutandis are the following:

- (i) the registration numbers of the financial service intermediary and the

- money lender (entry of the registration number of the money lender in parentheses may be omitted);
- (ii) the method of establishment of each repayment due date and repayment amount;
 - (iii) whether repayment before the repayment due date is possible or not under the contract, and if possible, the details thereof;
 - (iv) when there are provisions acceleration, that fact and the details thereof;
 - (v) the method of calculating brokerage fees and the amount thereof;
 - (vi) the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein:
 - (a) the case where there is a designated dispute resolution organization for loan intermediary business operations: the name or trade name of the designated dispute resolution organization for loan intermediary business operations, which is the counterparty to the basic contract for execution of procedures under which the financial service intermediary is to take measures to conclude the basic contract for execution of procedures;
 - (b) the case where there are no designated dispute resolution organizations for loan intermediary business operations: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (2) The particulars specified by Cabinet Office Order as prescribed in Article 16-2, paragraph (2), item (vi) of the Money Lending Business Act as applied mutatis mutandis are those set forth in the items of the preceding paragraph.
- (3) In the case where, with regard to the conclusion of a loan contract, a money lender has delivered a document stating the particulars set forth in the items of paragraph (1) or the particulars prescribed in the preceding paragraph to a person who is to become the counterparty to the relevant loan contract under the provisions of Article 16-2, paragraph (1) or (2) of the Money Lending Business Act, a financial service intermediary does not need to state the particulars set forth in the items of paragraph (1) or the particulars prescribed in the preceding paragraph in a document prescribed in Article 16-2, paragraph (1) or (2) of the Money Lending Business Act as applied mutatis mutandis, notwithstanding the provisions of the preceding two paragraphs.
- (4) The particulars specified by Cabinet Office Order as prescribed in Article 16-2, paragraph (3), item (iv) of the Money Lending Business Act as applied mutatis mutandis are as follows:
- (i) the type and effect of the guarantee contract (including the explanation of the maximum amount);
 - (ii) the total outstanding balance of the obligation under the loan contract to be covered by the guarantee;
 - (iii) the maximum amount of the guarantee obligation, and the scope of

- obligation to be borne by the guarantor;
 - (iv) the date of the conclusion of the loan contract;
 - (v) the amount of loan under the loan contract;
 - (vi) the loan interest rate under the loan contract;
 - (vii) the method of repayment of the obligation under the loan contract;
 - (viii) the repayment period and number of repayment installments under the loan contract (in the case of a contract for a revolving guarantee (meaning the contract for a revolving guarantee prescribed in Article 2, paragraph (9) of the Money Lending Business Act, and limited to such contract relating to the loan intermediary business operations; the same applies in item (x)), entry of these particulars may be omitted);
 - (ix) when the loan contract contains an agreement on the planned amount of damages (including penalties), the details thereof
 - (x) each repayment due date and repayment amount for the obligation under the loan contract (in the case of a contract for a revolving guarantee, the method of establishment of each repayment due date and repayment amount for the obligation under the loan contract);
 - (xi) whether repayment for the obligation under the loan contract before the repayment due date is possible or not under the contract, and if possible, the details thereof;
 - (xii) when the loan contract contains provisions acceleration, that fact and the details thereof;
 - (xiii) the outstanding balance of the obligation under the loan contract and a breakdown thereof (meaning the information on composition of the outstanding balance, such as the principal, interest and damages due to a default under the relevant loan contract);
 - (xiv) when a guarantee period set forth in Article 16-2, paragraph (3), item (ii) of the Money Lending Business Act as applied *mutatis mutandis* is not provided, that fact;
 - (xv) the method of calculating brokerage fees and the amount thereof.
- (5) What is specified by Cabinet Office Order as prescribed in Article 16-2, paragraph (3), item (v) of the Money Lending Business Act as applied *mutatis mutandis* is the gist of the provisions of Article 454 of the Civil Code.
- (6) The particulars specified by Cabinet Office Order as prescribed in Article 16-2, paragraph (3), item (vi) of the Money Lending Business Act as applied *mutatis mutandis* are as follows:
- (i) the method of performance of the obligation under the guarantee contract;
 - (ii) when the guarantee contract contains an agreement on the planned amount of damages (including penalties), the details thereof;
 - (iii) the registration number of the financial service intermediary;
 - (iv) the trade names or names, and the addresses of the principal obligor and

- guarantor;
 - (v) the details of the documents to be received by the financial service intermediary in relation to the loan contract;
 - (vi) the particulars concerning the money other than the guarantee obligation to be borne by the guarantor;
 - (vii) the method of performance of the obligation under the guarantee contract and the place to receive the performance thereof;
 - (viii) when the guarantee contract contains provisions acceleration, that fact and the details thereof;
 - (ix) when requiring the provision of physical collateral for the claim under the loan contract, the details of the collateral;
 - (x) when part of the claim under the loan contract has been extinguished upon performance or on any other grounds, the grounds, the amount and the date of the extinguishment of the claim;
 - (xi) when the guarantor can cancel the guarantee contract under the relevant guarantee contract, the grounds for the cancellation, and if not, that fact;
 - (xii) the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein:
 - (a) the case where there is a designated dispute resolution organization for loan intermediary business operations: the trade name or name of the designated dispute resolution organization for loan intermediary business operations, which is the counterparty to the basic contract for execution of procedures under which the financial service intermediary is to take measures to conclude the basic contract for execution of procedures;
 - (b) the case where there are no designated dispute resolution organizations for loan intermediary business operations: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (7) When a financial service intermediary delivers documents explaining the details of a guarantee contract to a person who is to become a guarantor under the provisions of Article 16-2, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis, the financial service intermediary must deliver two types of documents stating the particulars specified in the following items in accordance with the category of documents respectively set forth therein:
- (i) a document stating the outline of the guarantee contract: the particulars set forth in Article 16-2, paragraph (3), items (i) through (iii) of the Money Lending Business Act as applied mutatis mutandis, and the particulars set forth in paragraph (4), items (i) through (iii), and in items (iii) and (iv) of the preceding paragraph;
 - (ii) a document stating the details of the guarantee contract (in the case where

there are two or more loan contracts to be covered by the guarantee, statements must be made for each contract): the particulars set forth in Article 16-2, paragraph (3), items (i) through (iii), and item (v) of the Money Lending Business Act as applied mutatis mutandis, and the particular set forth in the items of paragraph (4) (excluding items (i) and (ii)) and in the items of the preceding paragraph.

- (8) The provisions of Article 128, paragraph (4) apply mutatis mutandis to the case where a financial service intermediary prepares the documents to be delivered under the provisions Article 16-2, paragraphs (1) through (3) of the Money Lending Business Act as applied mutatis mutandis.
- (9) In the documents prescribed in Article 16-2, paragraphs (1) through (3) of the Money Lending Business Act as applied mutatis mutandis, the particulars to be disclosed under these provisions must be stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.
- (10) What are specified by Cabinet Office Order as prescribed in Article 16-2, paragraph (4) of the Money Lending Business Act as applied mutatis mutandis are the methods set forth in the items of Article 2, paragraph (1).

(Delivery of Documents Prior to Obtaining Consent Regarding a Life Insurance Contract)

Article 131 (1) The particulars specified by Cabinet Office Order as prescribed in Article 16-3, paragraph (1), item (ii) of the Money Lending Business Act as applied mutatis mutandis are as follows:

- (i) when the insurance proceeds to be paid to the financial service intermediary or the money lender will be appropriated for the performance of the obligation of the counterparty to the loan contract, that fact;
 - (ii) the grounds for payment of insurance proceeds, other than death;
 - (iii) the grounds on which the insurance proceeds will not be paid;
 - (iv) the particulars concerning the amount of the insurance proceeds to be paid to the financial service intermediary or the money lender;
 - (v) the particulars concerning the period during which the guarantee continues.
- (2) In the document prescribed in Article 16-3, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis, the particulars set forth in the items of the same paragraph must be stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.

(Delivery of Documents upon Conclusion of a Contract)

Article 132 (1) The particulars specified by Cabinet Office Order as prescribed in Article 17, paragraph (1), item (viii) of the Money Lending Business Act as

applied *mutatis mutandis* are as follows:

- (i) the registration numbers of the financial service intermediary and the money lender (entry of the registration number of the money lender in parentheses may be omitted, and in the case of a contract for a revolving credit loan, entry of the registration number may be omitted);
- (ii) the trade name or name and the address of the counterparty to the contract (in the case of a contract for a revolving credit loan, these may be substituted with the contract number of that contract or other information);
- (iii) the details of the documents to be received by the money lender in relation to the loan (in the case of a contract for a revolving credit loan, limited to documents to be received by the money lender in relation to the revolving credit loan, and excluding documents to be received by the money lender in relation to a basic contract for a revolving credit loan);
- (iv) each repayment due date and repayment amount (in the case of a contract for a revolving credit loan, these may be substituted with the next repayment due date and repayment amount) (when there remains an obligation under a contract for a revolving credit loan other than the relevant contract that is based on the same basic contract for a revolving credit loan and has the same conditions of repayment as the relevant contract, in lieu of the statement of each repayment due date and repayment amount under the concluded contract for a revolving credit loan, each repayment due date and repayment amount in the future for the obligations including the remaining obligation may be stated; and in lieu of the statement of the next repayment due date and repayment amount under the relevant contract, the next repayment due date and repayment amount for the obligations including the remaining obligation may be stated);
- (v) whether repayment before the repayment due date is possible or not under the contract, and if possible, the details thereof (in the case of a contract for a revolving credit loan, entry of the relevant details may be omitted when they are stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* or the relevant details are more favorable to the counterparty to the contract than those stated in the relevant documents);
- (vi) when there are provisions acceleration, that fact and the details thereof (in the case of a contract for a revolving credit loan, entry of the relevant details may be omitted when they are stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* or the relevant details are more favorable to the counterparty to the contract than those stated in the relevant documents);
- (vii) when physical collateral for claims under the loan contract is provided, the

- details of the collateral (in the case of a contract for a revolving credit loan, entry of the details of the physical collateral stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis may be omitted);
- (viii) when a guarantee contract is to be concluded for the loan contract, the trade name or name and the address of the guarantor (in the case of a contract for a revolving credit loan, entry of the information on the guarantor stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis may be omitted);
- (ix) the method of calculating brokerage fees (in the case of a contract for a revolving credit loan, entry of the method of calculating brokerage fees may be omitted when it is stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis or the relevant method is more favorable to the counterparty to the contract than the method stated in the relevant documents) and the amount thereof;
- (x) the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein:
- (a) the case where there is a designated dispute resolution organization for loan intermediary business operations: the name or trade name of the designated dispute resolution organization for loan intermediary business operations, which is the counterparty to the basic contract for execution of procedures under which the financial service intermediary is to take measures to conclude the basic contract for execution of procedures;
- (b) the case where there are no designated dispute resolution organizations for loan intermediary business operations: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (2) What are specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis are the following particulars (in the case where the details of the changes to the particulars are stated in the documents to be delivered under the provisions of the second sentence of paragraph (2) of the same Article, excluding the relevant particulars):
- (i) the particulars set forth in Article 17, paragraph (1), item (iv) or (vii) of the Money Lending Business Act as applied mutatis mutandis or the particulars set forth in item (v) or (vi) of the preceding paragraph (in the case where the loan interest rate is reduced in relation to these particulars or where other changes advantageous to the counterparty to the contract are made, excluding the relevant particulars);

- (ii) the particulars set forth in Article 17, paragraph (1), item (v) of the Money Lending Business Act as applied mutatis mutandis or the particulars set forth in item (iv) of the preceding paragraph (in the case of the particulars set forth in the same item, excluding the case where it is a contract for a revolving credit loan), in item (vii) of the same paragraph, or in item (viii) of the same paragraph (in the case of the particulars set forth in the same item, limited to the case where a guarantee contract is newly concluded);
 - (iii) the method of calculating brokerage fees (in the case where a change advantageous to the counterparty to the contract is added, excluding the method of calculating brokerage fees).
- (3) The particulars specified by Cabinet Office Order as prescribed in Article 17, paragraph (2), item (vii) of the Money Lending Business Act as applied mutatis mutandis are as follows:
- (i) the registration numbers of the financial service intermediary and the money lender (entry of the registration number of the money lender in parentheses may be omitted);
 - (ii) the trade name or name and the address of the counterparty to the contract;
 - (iii) the details of documents to be received by the money lender in relation to a basic contract for a revolving credit loan;
 - (iv) the method of establishment of each repayment due date and repayment amount;
 - (v) whether repayment before the repayment due date is possible or not under the contract, and if possible, the details thereof;
 - (vi) when there are provisions acceleration, that fact and the details thereof;
 - (vii) when physical collateral for claims under the loan contract is provided, the details of the collateral;
 - (viii) when a guarantee contract is to be concluded for the loan contract, the trade name or name and the address of the guarantor;
 - (ix) when the repayment period, number of repayment installments, repayment due date or repayment amount, which are stated in the documents to be delivered under the provisions of Article 17, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis (in the case of delivering documents to the guarantor under the provisions of paragraph (5) of the same Article, the documents to be delivered under the provisions of paragraph (4) of the same Article) or in the documents specified by Cabinet Office Order as prescribed in paragraph (6) of the same Article, may change due to a loan to be made after the loan stated in those documents or any other grounds, that fact;
 - (x) the method of calculating brokerage fees and the amount thereof;
 - (xi) the particulars specified in (a) or (b) below in accordance with the category

of cases respectively set forth therein:

- (a) the case where there is a designated dispute resolution organization for loan intermediary business operations: the name or trade name of the designated dispute resolution organization for loan intermediary business operations, which is the counterparty to the basic contract for execution of procedures under which the financial service intermediary is to take measures to conclude the basic contract for execution of procedures;
 - (b) the case where there are no designated dispute resolution organizations for loan intermediary business operations: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (4) What are specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* are the following particulars:
- (i) the particulars set forth in Article 17, paragraph (2), item (iv) or (vi) of the Money Lending Business Act as applied *mutatis mutandis* or the particulars set forth in item (v) or (vi) of the preceding paragraph (in the case where the loan interest rate is reduced in relation to these particulars or where other changes advantageous to the counterparty to the contract are made, excluding the relevant particulars);
 - (ii) the particulars set forth in Article 17, paragraph (2), item (iii) or (v) of the Money Lending Business Act as applied *mutatis mutandis* or the particulars set forth in item (iv), (vii), or (viii) of the preceding paragraph (in the case of the particulars set forth in the same item, limited to the case where a guarantee contract is newly concluded);
 - (iii) the method of calculating brokerage fees (in the case where changes advantageous to the counterparty to the contract are added, excluding the method of calculating brokerage fees).
- (5) The time specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* is either of the following:
- (i) when the maximum amount (in the case where the money lender presents to the counterparty to the basic contract for a revolving credit loan an amount smaller than the maximum amount as an upper limit on the outstanding balance of the principal of the revolving credit loan, that smaller amount or the maximum amount; the same applies in the following item) has been decreased;
 - (ii) when the maximum amount, which was once decreased, has been increased to an amount not exceeding the original amount.
- (6) What are specified by Cabinet Office Order as prescribed in the first sentence of Article 17, paragraph (3) of the Money Lending Business Act as applied

mutatis mutandis are the following particulars:

- (i) the particulars set forth in the items of Article 16-2, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis;
 - (ii) the date of the conclusion of the guarantee contract.
- (7) What are specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis are the following particulars:
- (i) the particulars set forth in Article 16-2, paragraph (3), item (ii), (iii), or (v) of the Money Lending Business Act as applied mutatis mutandis, or the particulars set forth in Article 130, paragraph (4), item (iii) or (xiv) or paragraph (6), item (ii), (vi), (viii), or (xi) (in the case where changes advantageous to the counterparty to the contract are added to these particulars, excluding the relevant particulars);
 - (ii) the particulars set forth in Article 130, paragraph (6), item (i), (vii), or (ix) (in the case of the particulars set forth in the same item, limited to the time when requiring the provision of physical collateral).
- (8) In the case where, under the provisions of the first sentence of Article 17, paragraph (4) of the Money Lending Business Act as applied mutatis mutandis, a financial service intermediary delivers to the guarantor a document disclosing the details of the loan contract in regard to the particulars set forth in the items of paragraph (1) of the same Article, and when there are two or more loan contracts to be covered by the guarantee, statements must be made for each contract.
- (9) In the case where, under the provisions of the first sentence of Article 17, paragraph (4) of the Money Lending Business Act as applied mutatis mutandis, a financial service intermediary delivers to the guarantor a document disclosing the details of the loan contract in regard to the particulars set forth in the items of paragraph (1) of the same Article, the relevant document must be delivered without delay at each time when it concludes a loan contract to be covered by the guarantee.
- (10) What are specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (4) of the Money Lending Business Act as applied mutatis mutandis are the particulars specified in paragraph (2) (in the case where the details of the changes to the particulars are stated in the documents to be delivered under the provisions of the second sentence of paragraph (5) of the same Article, excluding the relevant particulars).
- (11) In the case where, under the provisions of the first sentence of Article 17, paragraph (5) of the Money Lending Business Act as applied mutatis mutandis, a financial service intermediary delivers to the guarantor a document disclosing the details of the basic contract for a revolving credit loan in regard to the particulars set forth in the items of paragraph (2) of the same Article,

and when there are two or more basic contracts for revolving credit loans to be covered by the guarantee, statements must be made for each contract.

- (12) What are specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (5) of the Money Lending Business Act as applied *mutatis mutandis* are the particulars specified in paragraph (4).
- (13) The time specified by Cabinet Office Order as prescribed in the second sentence of Article 17, paragraph (5) of the Money Lending Business Act as applied *mutatis mutandis* is the time specified in paragraph (5).
- (14) The provisions of Article 128, paragraph (4) apply *mutatis mutandis* to the case where a financial service intermediary prepares the documents to be delivered under the provisions of Article 17, paragraphs (1) through (5) of the Money Lending Business Act as applied *mutatis mutandis*.
- (15) In the documents prescribed in Article 17, paragraphs (1) through (5) of the Money Lending Business Act as applied *mutatis mutandis*, the particulars prescribed in these provisions must be stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.
- (16) In the case where a money lender has delivered documents stating the particulars set forth in the items of paragraph (1) or the items of paragraph (3) to the counterparty to a loan contract under the provisions of Article 17, paragraph (1), (2) or (5) of the Money Lending Business Act as applied *mutatis mutandis*, a financial service intermediary does not need to state the particulars set forth in the items of paragraph (1) and the items of paragraph (3) in a document prescribed in Article 17, paragraph (1), (2) or (5) of the Money Lending Business Act as applied *mutatis mutandis*, notwithstanding the provisions of paragraph (1) and paragraph (3).
- (17) What are specified by Cabinet Office Order as prescribed in Article 17, paragraph (6) of the Money Lending Business Act as applied *mutatis mutandis* are documents in which the following particulars are stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards, with regard to the loan, performance and any other situation of transactions made during a certain period specified by a financial service intermediary within one month (in the case where, the financial service intermediary has not provided an intermediary service for loan contracts during the certain period, excluding the particulars set forth in items (iii) through (ix), (xi) through (xvi), and (xx), and where the financial service intermediary has not received performance during the certain period, excluding the particulars set forth in items (xvii) through (xix)):
 - (i) the trade names or names and the addresses of the financial service intermediary and the money lender;

- (ii) the date of the conclusion of the basic contract for a revolving credit loan;
- (iii) the maximum amount under the basic contract for a revolving credit loan (in the case where the money lender presents to the counterparty to the basic contract for a revolving credit loan an amount smaller than the maximum amount as an upper limit on the outstanding balance of the principal of the revolving credit loan, that smaller amount or the maximum amount);
- (iv) the date of the conclusion of each contract for a revolving credit loan that the financial service intermediary concluded or for which the financial service intermediary provided an intermediary service for the conclusion during a certain period;
- (v) the amount of loan for each contract for a revolving credit loan that the financial service intermediary concluded or for which the financial service intermediary provided an intermediary service for the conclusion during a certain period (in the case of a guarantee contract, the amount of loan related to guarantee);
- (vi) the loan interest rate;
- (vii) the method of repayment;
- (viii) the repayment period and number of repayment installments for each contract for a revolving credit loan that the financial service intermediary concluded or for which the financial service intermediary provided an intermediary service for the conclusion during a certain period (in lieu of the statement of repayment period and number of repayment installments for each contract for a revolving credit loan, the future repayment period and number of repayment installments for the remaining obligation under the same basic contract for a revolving credit loan (when there remain two or more obligations under a contract for a revolving credit loan that is based on the same basic contract for a revolving credit loan and has the same conditions, the combined obligation) as of the last day of the certain period may be stated);
- (ix) when there is an agreement on the planned amount of damages (including penalties), the details thereof;
- (x) the trade name or name and the address of the counterparty to the contract (these may be substituted with the contract number of that contract or other information);
- (xi) the details of the documents to be received by the money lender in relation to the revolving credit loan (excluding documents to be received by the money lender in relation to a basic contract for a revolving credit loan);
- (xii) each repayment due date and repayment amount or the next repayment due date and repayment amount for each contract for a revolving credit loan that the financial service intermediary concluded or for which the financial service intermediary provided an intermediary service for the conclusion

- during a certain period (when there remains an obligation under a contract for a revolving credit loan other than the relevant contract that is based on the same basic contract for a revolving credit loan and has the same conditions of repayment as the relevant contract, in lieu of the statement of each repayment due date and repayment amount under the contract for a revolving credit loan that the financial service intermediary concluded or for which the financial service intermediary provided an intermediary service for the conclusion, each repayment due date and repayment amount in the future for the obligations including the remaining obligation may be stated; and in lieu of the statement of the next repayment due date and repayment amount under the relevant contract, the next repayment due date and repayment amount for the obligations including the remaining obligation may be stated) (in lieu of the statement of each repayment due date and repayment amount or next repayment due date and repayment amount for each contract for a revolving credit loan, each repayment due date and repayment amount or next repayment due date and repayment amount in the future under the remaining obligation (when there remain two or more obligations under a contract for a revolving credit loan that is based on the same basic contract for a revolving credit loan and has the same conditions of repayment, the combined obligation) as of the last day of the certain period may be stated);
- (xiii) whether repayment before the repayment due date is possible or not under the contract, and if possible, the details thereof (entry of the relevant details may be omitted when they are stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* or the relevant details are more favorable to the counterparty to the contract than those stated in the relevant documents);
- (xiv) when there are provisions acceleration, that fact and the details thereof (entry of the relevant details may be omitted when they are stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* or the relevant details are more favorable to the counterparty to the contract than those stated in the relevant documents);
- (xv) when physical collateral for claims under the loan contract is provided, the details of the collateral (entry of the details of the physical collateral stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* may be omitted);
- (xvi) when a guarantee contract is to be concluded for the loan contract, the trade name or name and the address of the guarantor (entry of the

- information on the guarantor stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* may be omitted);
- (xvii) the amount of loan for each performance received during a certain period (in the case of a guarantee contract, the amount of loan related to the guarantee) (when there are two or more loans related to the relevant performance, in lieu of the amount of loan related to performance, the total of the amount of loan under the last loan and the obligation under a revolving credit loan that is based on the same basic contract for a revolving credit loan and has the same conditions of repayment as the relevant loan that remains as of that time may be stated);
 - (xviii) the amount received for each performance received during a certain period (in the case where a person other than the one who receives the delivery of the relevant documents has made the performance of obligation, the relevant amount received and that fact) and the interest, as well as the amount of damages based on the planned amount of damages (including penalties), or the amount applied to the principal;
 - (xix) the date of receipt for each performance during a certain period;
 - (xx) the method of calculating brokerage fees (entry of the relevant method may be omitted when it is stated in the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis* or the relevant method is more favorable to the counterparty to the contract than the one stated in the relevant documents) and the amount thereof;
 - (xxi) the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein:
 - (a) the case where there is a designated dispute resolution organization for loan intermediary business operations: the name or trade name of the designated dispute resolution organization for loan intermediary business operations, which is the counterparty to the basic contract for execution of procedures under which the financial service intermediary is to take measures to conclude the basic contract for execution of procedures;
 - (b) the case where there are no designated dispute resolution organizations for loan intermediary business operations: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (18) When a financial service intermediary has concluded or has provided an intermediary service for the conclusion of a loan contract, or has received performance during a certain period, the financial service intermediary is to deliver the documents referred to in the preceding paragraph (in the case of providing the relevant documents by electronic or magnetic means, they are to

be sent, offered for inspection, or delivered) for that certain period within one month from the last day thereof.

- (19) The provisions of Article 128, paragraph (4) apply *mutatis mutandis* to the case where a financial service intermediary prepares the documents referred to in paragraph (17).

(Delivery of Receipt)

Article 133 (1) The particulars specified by Cabinet Office Order as prescribed in Article 18, paragraph (1), item (vi) of the Money Lending Business Act as applied *mutatis mutandis* are as follows:

- (i) characters or letters indicating the receipt of performance;
 - (ii) the registration number of the financial service intermediary;
 - (iii) the trade name or name and the address of the obligor;
 - (iv) in the case where a person other than the obligor (when having concluded a guarantee contract for a loan contract, the principal obligor) has made the performance of obligation, the trade name or name of that person.
- (2) With regard to the particulars set forth in items (ii) and (iii) of the preceding paragraph, the statement of those particulars may be substituted by clearly indicating the loan contract related to the claim for which performance was made with its contract number or other information.
- (3) In the documents prescribed in Article 18, paragraph (1) of the Money Lending Business Act as applied *mutatis mutandis*, the particulars prescribed in the items of the same paragraph must be stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.
- (4) What are specified by Cabinet Office Order as prescribed in Article 18, paragraph (3) of the Money Lending Business Act as applied *mutatis mutandis* are documents in which the particulars set forth in the items of paragraph (17) of the preceding Article are stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards, with regard to the loan, performance and any other situation of transactions made during a certain period specified by a financial service intermediary within one month (the relevant particulars are limited to those relating to the loan intermediary business operations, and in the case where the financial service intermediary has not concluded a loan contract during the certain period, excluding the particulars set forth in items (iii) through (ix), (xi) through (xvi), and (xx) of the same paragraph, and in the case where the financial service intermediary has not received performance during the certain period, excluding the particulars set forth in items (xvii) through (xix) of the same paragraph).
- (5) When a financial service intermediary has concluded or has provided an

intermediary service for the conclusion of a loan contract, or has received performance during a certain period, the financial service intermediary is to deliver the documents referred to in the preceding paragraph (in the case of providing the relevant documents by electronic or magnetic means, they are to be sent, offered for inspection, or delivered) for that certain period within one month from the last day thereof.

- (6) The provisions of Article 128, paragraph (4) apply *mutatis mutandis* to the case where a financial service intermediary prepares the document referred to in paragraph (3).

(Persons Entitled to Request the Inspection of Books and Documents)

Article 134 The persons specified by Cabinet Office Order as prescribed in Article 19-2 of the Money Lending Business Act as applied *mutatis mutandis* are as follows:

- (i) a statutory agent, supervisor of guardian, curator, supervisor of curator, assistant, or supervisor of assistant of the obligor, etc. (meaning the obligor, etc. prescribed in Article 28, paragraph (2) of the Act; hereinafter the same applies in this Subsection and in Article 139, paragraph (5), item (viii)) or a person who was formerly an obligor, etc.;
- (ii) an heir of the obligor, etc. or a person who was formerly an obligor, etc.;
- (iii) a person who made the performance on behalf of or in lieu of the obligor, etc. or a person who was formerly an obligor, etc.;
- (iv) a person who has been granted the right of representation for a request referred to in Article 19-2 of the Money Lending Business Act as applied *mutatis mutandis* by the obligor, etc. or a person who was formerly an obligor, etc. or any of the persons set forth in the preceding three items.

(Method of Inspection of Books and Documents)

Article 135 A financial service intermediary must keep the books and documents prescribed in Article 33 of the Act (limited to those set forth in Article 138, item (v)) at each of its business office or office, and must allow a person requesting to inspect or copy them to do so during its business hours, except for the cases prescribed in Article 19-2 of the Money Lending Business Act as applied *mutatis mutandis*.

(Particulars to be Explained in Regard to the Preparation of Specified Notarized Deeds)

Article 136 (1) What is specified by Cabinet Office Order as prescribed in Article 20, paragraph (3), item (ii) of the Money Lending Business Act as applied *mutatis mutandis* is the fact that in the case of a default stated in the specified notarized deeds (meaning the specified notarized deeds prescribed in

paragraph (1) of the same Article; hereinafter the same applies in this paragraph), a financial service intermediary may carry out a compulsory execution against the assets of the obligor, etc. based on the specified notarized deeds without filing a lawsuit.

- (2) In the documents prescribed in Article 20, paragraph (3) of the Money Lending Business Act as applied *mutatis mutandis*, the particulars prescribed in the items of the same paragraph must be stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.

(Restrictions on Acts of Collection)

Article 137 (1) The hours specified by Cabinet Office Order as prescribed in Article 21, paragraph (1), item (i) of the Money Lending Business Act as applied *mutatis mutandis* are the hours between 9 p.m. and 8 a.m.

- (2) When sending documents demanding payment or electronic or magnetic records in lieu thereof to the obligor, etc. under the provisions of Article 21, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis*, a financial service intermediary or a person who was entrusted by a financial service intermediary or any other person with the collection of claims under the financial service intermediary's loan contract must employ a method of putting the documents in an envelope, a method of sending an e-mail to an e-mail address that is evidently used only by the obligor, etc., or other method that would not disclose the fact concerning the obligor's borrowing to persons other than the obligor, etc.

- (3) The particulars specified by Cabinet Office Order as prescribed in Article 21, paragraph (2), item (viii) of the Money Lending Business Act as applied *mutatis mutandis* are as follows:

- (i) the amount of remaining obligations related to the demand of payment as of the time when the demand is made;
- (ii) a breakdown of the amount demanded to be paid (meaning the information on composition of the outstanding balance, such as brokerage fees and damages due to a default);
- (iii) in the case of sending documents or electronic or magnetic records in lieu thereof to the guarantor, the date of the conclusion of the guarantee contract, the maximum amount of the guarantee obligation, and the scope of obligation to be borne by the guarantor.

- (4) In the documents prescribed in Article 21, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis*, the particulars prescribed in the items of the same paragraph must be stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.

- (5) The particulars specified by Cabinet Office Order as prescribed in Article 21, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis are as follows:
- (i) facts serving as the basis for the authority of the person conducting collecting to receive performance;
 - (ii) the particulars set forth in the items (excluding item (i)) of Article 17, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis relating to the claim to be collected (when the claim to be collected is based on a contract for a revolving credit loan, excluding the particulars that are the same as those set forth in the following item);
 - (iii) when the claim to be collected is based on a contract for a revolving credit loan, the particulars set forth in the items (excluding item (i)) of Article 17, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis relating to the basic contract for a revolving credit loan which forms the basis for the relevant contract;
 - (iv) when collecting claims from the obligor, etc., the following particulars:
 - (a) the particulars set forth in Article 21, paragraph (2), items (vi) and (vii) of the Money Lending Business Act as applied mutatis mutandis;
 - (b) the particulars set forth in paragraph (3), items (i) and (ii);
 - (v) when collecting claims from the guarantor, the particulars prescribed in Article 17, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis.
- (6) The method specified by Cabinet Office Order as prescribed in Article 21, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis is the method of delivering or sending documents in which the particulars set forth in the items of the preceding paragraph are stated clearly and accurately by using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards; provided, however, that in the case where an employee of a financial service intermediary or a person who was entrusted by a financial service intermediary or any other person with the collection of claims under the financial service intermediary's loan contract is requested from the counterparty to disclose the trade name or name of the financial service intermediary or the name of the employee, the employee may disclose the relevant information by presenting their identification card prescribed in Article 12-4, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis.

Section 3 Accounting

(Books and Documents Related to Business Operations)

Article 138 A financial service intermediary must prepare the books and

documents set forth in the following items and preserve them for a period respectively specified therein, under the provisions of Article 33 of the Act:

- (i) records relating to the intermediary service set forth in the items of Article 11, paragraph (2) of the Act: for five years from the day on which they are prepared;
- (ii) records relating to the intermediary service prescribed in Article 11, paragraph (3) of the Act: for five years from the day on which the insurance contract ceases to be in effect;
- (iii) records relating to the acts set forth in Article 11, paragraph (4), items (i) through (iii) of the Act: for seven years from the day on which they are prepared;
- (iv) records relating to the intermediary service set forth in Article 11, paragraph (4), item (iv) of the Act: for ten years from the day on which they are prepared;
- (v) records relating to the intermediary service prescribed in Article 11, paragraph (5) of the Act: for at least ten years from the final repayment due date provided in the loan contract (when the claim under the loan contract has been extinguished upon performance or on any other grounds, from the day of the extinguishment of the claim) (in the case where a basic contract for a revolving credit loan has been concluded, for at least ten years from the day of cancellation of the basic contract for a revolving credit loan or the latest date among the final repayment due dates provided in all the contracts for revolving credit loans under the basic contract for a revolving credit loan (when all the claims under these contracts have been extinguished upon performance or on any other grounds, the day of the extinguishment of the claims), whichever comes later).

(Particulars to be Stated in Books and Documents Related to Business Operations)

Article 139 (1) The following particulars must be stated in the books and documents referred to in item (i) of the preceding Article:

- (i) the date on which the intermediary service was provided;
- (ii) the names or trade names of the customer and the counterparty financial institution;
- (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
- (iv) the account number of the customer;
- (v) the names of the counterparty financial institution at which the customer's account has been opened and the relevant branch thereof;
- (vi) in the case of providing an intermediary service for the conclusion of a contract prescribed in Article 11, paragraph (2), item (i) of the Act, the

- following particulars:
- (a) the type of deposits, etc.;
 - (b) the amount of deposit, the date of making deposit, etc., the interest rate, and in the case where there is the due date for refund, that due date;
- (vii) in the case of providing an intermediary service for the conclusion of a contract prescribed in Article 11, paragraph (2), item (ii) of the Act, the following particulars:
- (a) the amount of loan;
 - (b) the loan interest rate;
 - (c) the method of repayment;
 - (d) the repayment period and number of repayment installments;
 - (e) when there is an agreement on the planned amount of damages (including penalties), the details thereof;
- (viii) in the case of providing an intermediary service for the conclusion of a contract prescribed in Article 11, paragraph (2), item (iii) of the Act, the following particulars:
- (a) the name of the person to whom the transfer is made;
 - (b) the account number to which the transfer is made;
 - (c) the names of the bank or other financial institution at which the account to which the transfer is made has been opened and the relevant branch thereof;
 - (d) the transaction amount.
- (2) The following particulars must be stated in the books and documents referred to in item (ii) of the preceding Article:
- (i) the date on which the intermediary service was provided;
 - (ii) the names or trade names of the customer and the counterparty financial institution;
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
 - (iv) the trade names or names of the insured and the beneficiaries of insurance proceeds;
 - (v) the type of the insurance contract and the details thereof;
 - (vi) the purpose and the value of the insurance;
 - (vii) the insured amount;
 - (viii) the start and end of the of the insurance period;
 - (ix) the insurance premiums relating to the insurance contract;
 - (x) when the insurance contract is a self-contract (meaning the self-contract prescribed in Article 295, paragraph (1) of the Money Lending Business Act as applied mutatis mutandis), that fact;
 - (xi) the details of the intermediary service for the conclusion of the insurance contract provided to the policyholder.

- (3) The following particulars must be stated in the books and documents referred to in item (iii) of the preceding Article; provided, however, that with regard to investment trust beneficiary certificates, etc. (meaning the beneficiary certificates of an investment trust or a foreign investment trust, investment securities or foreign investment securities similar to investment securities) without price fluctuation on the same day, the customer's name, the issues (including financial instruments or financial indicators which are to be the subject of transactions, or any information that identifies transaction subjects, including contract numbers stated in a written contract wherein transaction conditions are stated; the same applies in item (v)), whether it is a sale or purchase transaction, the volume of the order received, the agreed volume, the date of the receipt of the order and the contract date may be stated, in lieu of the following particulars:
- (i) whether the counterparty financial institution itself is dealing or it is a transaction based on entrustment by the customer;
 - (ii) the names or trade names of the customer and the counterparty financial institution;
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with any of the acts set forth in Article 11, paragraph (4), items (i) through (iii) of the Act;
 - (iv) the type of the transaction;
 - (v) the issues;
 - (vi) whether it is a sale or purchase transaction;
 - (vii) the volume of the order received;
 - (viii) the agreed volume;
 - (ix) whether it is a limit order or market order (in the case of a limit order, including the price and valid period of the order (excluding any order of which the valid period is the day of the order));
 - (x) the date and time of the receipt of the application;
 - (xi) the contract date and time;
 - (xii) the contract price.
- (4) The following particulars must be stated in the books and documents referred to in item (iv) of the preceding Article:
- (i) the date on which the intermediary service was provided;
 - (ii) the names or trade names of the customer and the counterparty financial institution;
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
 - (iv) the details of the intermediary service.
- (5) The following particulars must be stated in the books and documents referred to in item (v) of the preceding Article:

- (i) the date on which the intermediary service was provided;
 - (ii) the trade names or names and the addresses of the customer and the money lender (in the case of a guarantee contract, the principal obligor and guarantor) (in the case of a contract for a revolving credit loan, these may be substituted with the contract number of that contract or other information);
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
 - (iv) the particulars set forth in Article 17, paragraph (1), items (iii) through (viii) of the Money Lending Business Act as applied mutatis mutandis (excluding the particulars set forth in Article 132, paragraph (1), items (i), (ii), (ix), and (x), and in the case of a contract for a revolving credit loan, excluding the particulars that are the same as those set forth in the following item);
 - (v) the particulars set forth in Article 17, paragraph (2), items (ii) through (vii) of the Money Lending Business Act as applied mutatis mutandis (excluding the particulars set forth in Article 132, paragraph (3), items (i), (ii), and (ix) through (xi));
 - (vi) when having concluded a guarantee contract for a loan contract, the particulars set forth in Article 17, paragraph (3) of the Money Lending Business Act as applied mutatis mutandis (excluding the particulars set forth in Article 130, paragraph (4), item (xv), and paragraph (6), items (iv), (vii), and (xii));
 - (vii) when having received performance for all or part of the claims under the loan contract, the amount received for each performance and the date of the receipt;
 - (viii) a record on the course of negotiation with the obligor, etc. or any other person with regard to the claim under the loan contract.
- (6) The books and documents referred to in the items of the preceding Article must be prepared in accordance with the following:
- (i) they are to be prepared upon receipt of an order from a customer, in principle;
 - (ii) they are to be prepared for each counterparty financial institution (meaning the counterparty financial institution prescribed in Article 52-45, item (iv) of the Banking Act as applied mutatis mutandis, the counterparty financial institution prescribed in Article 300, paragraph (1), item (viii) of the Insurance Business Act as applied mutatis mutandis, or the counterparty financial institution prescribed in Article 37-3, paragraph (1), item (i) of the Financial Instruments and Exchange Act as applied mutatis mutandis, or the money lender);
 - (iii) they are to be prepared and preserved in date order;
 - (iv) the portion of the statements referring to the transactions that were not

- contracted is also to be preserved;
- (v) in the portion relating to the details of the transaction, information on the particulars that have come to the knowledge of the financial service intermediary is to be stated;
 - (vi) in the case where the books and documents referred to in item (iii) of the preceding Article are prepared by means of an electronic or magnetic record, they are to be prepared in accordance with the following, beyond what is set forth in the preceding items:
 - (a) the particulars set forth in the items of paragraph (3) (excluding items (viii), (xi) and (xii)) are to be input into a computer upon receipt of an application;
 - (b) the date and time when the details of the customer's application were input into a computer are to be automatically recorded;
 - (7) Notwithstanding the provisions of the preceding paragraph, with regard to the particulars prepared by means of an electronic or magnetic record under the provisions of item (vi) of the same paragraph, the statement of those particulars may be substituted by displaying the relevant particulars prepared by means of an electronic or magnetic record on the screen of a computer or, in the case of printing them out on paper, displaying or printing out those particulars in the form of lists.
 - (8) The provisions of Article 128, paragraph (4) apply *mutatis mutandis* to the case where a financial service intermediary (limited to a person engaged in the loan intermediary business operations) prepares the books and documents referred to in item (v) of the preceding paragraph.
 - (9) When a financial service intermediary prepares the books and documents referred to in item (v) of the preceding Article, the statement of the particulars specified in the following items may be substituted by preserving copies of the documents respectively set forth therein:
 - (i) the documents to be delivered under the provisions of Article 17, paragraph (1) of the Money Lending Business Act as applied *mutatis mutandis*: the particulars set forth in paragraph (5), item (iv);
 - (ii) the documents to be delivered under the provisions of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis*: the particulars set forth in paragraph (5), item (v);
 - (iii) the documents to be delivered under the provisions of Article 17, paragraph (3) of the Money Lending Business Act as applied *mutatis mutandis*: the particulars set forth in paragraph (5), item (vi);
 - (iv) the documents specified by Cabinet Office Order as prescribed in Article 17, paragraph (6) of the Money Lending Business Act as applied *mutatis mutandis*: the particulars set forth in paragraph (5), item (iv) (limited to the portion of the statements in the documents relating to contracts for revolving

credit loans that the financial service intermediary has concluded or for which the financial service intermediary has provided an intermediary service for the conclusion during a certain period).

(Form of Business Reports)

Article 140 (1) The report that a financial service intermediary submits under the provisions of Article 34, paragraph (1) of the Act must be prepared using Appended Form 7.

(2) Under the provisions of Article 34, paragraph (2) of the Act, a financial service intermediary must publish the documents referred to in the same paragraph in a way which allows easy access by customers at any time, by making those documents available for public inspection by the method of keeping a copy or an electronic or magnetic record of the report referred to in the preceding paragraph at all of its business offices or offices for the financial service intermediary business or other methods, or by the use of the internet or other methods, for one year from the day on which four months have elapsed from the end of each business year.

(3) The particulars specified by Cabinet Office Order as prescribed in Article 34, paragraph (2) of the Act are the particulars stated in the report referred to in paragraph (1).

(Public Notice of Rescission of Registration)

Article 141 The public notice prescribed in Article 38, paragraph (4) of the Act is to be given in the Official Gazette.

Chapter III Certified Financial Service Intermediary Business Associations

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

Article 142 The documents specified by Cabinet Office Order as prescribed in Article 39, paragraph (2) of the Order are as follows:

- (i) a document stating the implementation methods of certified services (meaning the certified services prescribed in Article 40 of the Act; the same applies in the following item);
- (ii) a document demonstrating that the applicant has the knowledge and ability sufficient to carry out the certified services properly and reliably;
- (iii) an inventory of assets for the latest business year (in the case of a corporation established in the business year that includes the date of the application, as of the date of the establishment) or other document demonstrating that the applicant has a financial basis;
- (iv) resumes of the officers (in the case where an officer is a corporation, including its executive members; the same applies in the following item) (in

- the case where an officer is a corporation, a document stating the background of the officer);
- (v) extracts of the residence certificates of the officers (in the case where an officer is a corporation, a certificate of registered information of the officer), or any substituting documents;
 - (vi) in the case where the former surname and the given name of an officer are stated together with their current full name in a written application referred to in Article 39, paragraph (1) of the Order, and when the document set forth in the preceding item does not prove that former surname and given name, a document to prove those names;
 - (vii) a document stating any other particulars which would serve as reference information.

(Information Required for Members in Order to Protect Customers)

Article 143 The information specified by Cabinet Office Order as prescribed in Article 44, paragraph (1) of the Act is as follows:

- (i) when coming to know of a person who engages in the financial service intermediary business without obtaining the registration referred to in Article 12 of the Act, the name, the address and the telephone number of that person (in the case of a corporation, its trade name or name, address and telephone number, and the name of its representative person) and other information about that person, as well as information on the business operations relating to the financial service intermediary business conducted by that person;
- (ii) other information that a certified financial service intermediary business association finds necessary in order to protect customers.

Chapter IV Designated Dispute Resolution Organizations

Section 1 General Rules

(A Person Unable to Properly Perform Duties Related to the Dispute Resolution Services Due to Mental or Physical Disorder)

Article 144 The person specified by Cabinet Office Order as prescribed in Article 51, paragraph (1), item (iv), (a) of the Act is a person who is unable to adequately carry out the cognition, decision making, and communication necessary for properly performing their duties related to the dispute resolution services due to mental impairment.

(Calculation of the Proportion)

Article 145 The calculation of the portion referred to in Article 51, paragraph (1), item (viii) of the Act is made by dividing the number of financial service

intermediaries that have raised objections (limited to objections based on reasonable grounds) about the particulars concerning the cancellation of the basic contract for execution of procedures, other details of the basic contract for execution of procedures (excluding the particulars set forth in the items of Article 56, paragraph (2) of the Act), or other details of the operational rules (meaning the operational rules prescribed in Article 51, paragraph (1), item (vii) of the Act; hereinafter the same applies in this Chapter) (excluding the particulars that must be contained in the operational rules under the provisions of Article 56, paragraph (3) of the Act and the particulars necessary for the compliance with the standards set forth in the items of paragraph (4) and item (i) of paragraph (5) of the same Article) by submitting, to the person intending to file an application referred to in Article 51, paragraph (1) of the Act, documents stating whether or not they have any objections about the details of the operational rules, and in the case where they have any objections, the details of the objections and the reasons therefor (the relevant documents are referred to as "written opinions" in the following Article) (those financial service intermediaries having raised objections are limited to those relating to the category of the dispute resolution services, etc. for which the person seeks to obtain designation under the provisions of Article 51, paragraph (1) of the Act by the relevant application), by the number of financial service intermediaries publicly disclosed by the Commissioner of the Financial Services Agency, etc. (referred to as "all financial service intermediaries" in paragraphs (1) and (2) of the following Article and in Article 148, paragraph (2), items (i) and (ii)) as of the day on which the person seeking to file the application delivered or sent the operational rules, etc. prescribed in paragraph (1), item (ii) of the following Article (in the case of having delivered or sent the operational rules, etc. over two or more days, as of the latest day).

(Hearing of Opinions from Financial Service Intermediaries)

Article 146 (1) Under the provisions of Article 51, paragraph (2) of the Act, a person intending to file an application referred to in paragraph of the same Article must explain the details of the operational rules to financial service intermediaries, and in the case where the person hears opinions as to whether there are any objections to the details (in the case where there are any objections, including the grounds therefor), the person must hold an explanatory meeting as specified below:

- (i) the date and place of the explanatory meeting is to be decided in consideration of the convenience of all financial service intermediaries to gather;
- (ii) the person seeking to file the application is to deliver or send to all financial service intermediaries a document stating the following particulars

- and the operational rules (collectively referred to as the "operational rules, etc." in paragraph (4), the following Article and Article 148, paragraph (2)) two weeks prior to the date of the explanatory meeting (in the case of holding two or more explanatory meetings, the date of the first explanatory meeting):
- (a) the name or trade name, the location of the principal business office or office and the telephone number or other contact information of the person seeking to file the application;
 - (b) the date and time, and the venue of the explanatory meeting;
 - (c) the fact that financial service intermediaries must submit a written opinion to the person seeking to file the application within a certain period from the date of the explanatory meeting (in the case of holding two or more explanatory meetings, the date of the last explanatory meeting);
 - (iii) the certain period referred to in (c) of the preceding item must not be shorter than two weeks.
- (2) All of the following particulars must be stated in the document stating the results prescribed in Article 51, paragraph (2) of the Act:
- (i) dates and times and venues of all of the explanatory meetings;
 - (ii) the status of the attendance of all financial service intermediaries to the explanatory meeting;
 - (iii) the status of the submission of written opinions by all financial service intermediaries;
 - (iv) whether objections are stated in the submitted written opinions;
 - (v) in the case where any objection that does not fall under an objection prescribed in Article 51, paragraph (1), item (viii) of the Act is stated in a submitted written opinion, that fact and the reasons under which the relevant objection was judged not to fall under an objection prescribed in the same item.
- (3) All of the written opinions submitted by financial service intermediaries are to be attached to the document referred to in the preceding paragraph.
- (4) In the case where the operational rules, etc. or written opinions are prepared in the form of an electronic or magnetic record, any of the methods of using an electronic data processing system or of using other information and communications technology as set forth below may be employed for delivering or sending operational rules, etc. or submitting written opinions:
- (i) the method of using an electronic data processing system as set forth in (a) or (b) below:
 - (a) the method of transmitting information via a telecommunications line connecting a computer used by the sender and a computer used by the recipient and recording the information in a file stored on a computer used by the recipient;
 - (b) the method of making the details of the information recorded in a file

- stored on a computer used by the sender available for inspection by the person receiving the provision of the information via a telecommunications line, and recording the relevant information in a file stored on a computer used by the person receiving the provision of the information;
- (ii) the method of delivering a file recording the information, which is prepared by the use of an electronic or magnetic recording medium.
- (5) The methods set forth in the items of the preceding paragraph must be those enabling a recipient to prepare a document by way of outputting the information recorded in the files.

(Submission of a Written Application for Designation)

Article 147 A written application for designation referred to in Article 52, paragraph (1) of the Act must be submitted within three months from the day on which the operational rules, etc. were delivered or sent (in the case of delivering or sending the operational rules, etc. over two or more days, from the latest day).

(Documents to be Attached to a Written Application for Designation)

Article 148 (1) The documents specified by Cabinet Office Order as prescribed in Article 52, paragraph (2), item (v) of the Act are as follows:

- (i) the balance sheet (including related notes), and income and expenditure statement or profit and loss statement (including related notes) of the business year immediately preceding the business year that includes the day of application referred to in Article 51, paragraph (1) of the Act, and the inventory of property as of the end of the relevant business year or documents equivalent thereto (in the case where the person seeking the designation under the provisions of the same paragraph (referred to as the "applicant" in paragraph (3), items (i) and (ii)) is a corporation (meaning the corporation prescribed in Article 51, paragraph (1), item (i) of the Act; the same applies in Article 154, paragraph (3), item (iii)) established in the business year that includes the day of application, the inventory of property at the time of the establishment thereof or documents equivalent thereto);
- (ii) a document stating the expected income and expenditure after the designation under the provisions of Article 51, paragraph (1) of the Act.
- (2) The documents specified by Cabinet Office Order as prescribed in Article 52, paragraph (2), item (vi) of the Act are as follows:
- (i) the operational rules, etc. delivered or sent to all financial service intermediaries under the provisions of Article 146, paragraph (1), item (ii);
- (ii) a document evidencing the dates on which the applicant delivered or sent operational rules, etc. to all financial service intermediaries and methods employed therefor;

- (iii) in the case where the applicant has sent the operational rules, etc. to financial service intermediaries, a document evidencing the particulars specified in (a) or (b) below in accordance with the category of cases respectively set forth therein, as the information on as to whether the operational rules, etc. have arrived at the financial service intermediaries and the facts related to the arrival:
 - (a) in the case where the operational rules, etc. have arrived: the date of arrival;
 - (b) in the case where the operational rules, etc. have not arrived: the cause of the failure of the arrival by an ordinary method of sending.
- (3) The documents specified by Cabinet Office Order as prescribed in Article 52, paragraph (2), item (vii) of the Act are as follows:
 - (i) a document stating the trade names or names and the locations of the principal offices or offices of persons holding five percent or more of the voting rights held by all the shareholders, etc. of the applicant, as well as the number of voting rights held thereby;
 - (ii) a document stating the trade names or names and the locations of the principal offices or offices and the details of the businesses of the applicant's parent corporation (meaning a corporation or any other organization that holds the majority of the voting rights held by all the shareholders, etc. of the applicant) and subsidiary corporations (meaning the corporations or any other organizations for which the applicant holds the majority of their voting rights held by all their shareholders, etc.);
 - (iii) extracts of the certificates of residence of officers (in the case where an officer is a corporation, including its executive members) (in the case where an officer is a corporation, a certificate of registered information of the officer), or any substituting documents;
 - (iv) in the case where the former surname and the given name of an officer are stated together with their current full name in a written application for designation referred to in Article 52, paragraph (1) of the Act, and when the document set forth in the preceding item does not prove that former surname and given name, a document to prove those names;
 - (v) a certificate issued by a public agency stating to the effect that an officer does not fall under a person referred to in Article 51, paragraph (1), item (iv), (b) of the Act (in the case where an officer does not have Japanese nationality, a document in which the officer pledges that the officer does not fall under a person referred to in (b) of the same item);
 - (vi) resumes of the officers (in the case where an officer is a corporation, a document stating the background of the officer);
 - (vii) a document stating the status of securing the candidates for dispute resolution mediators (meaning the dispute resolution mediator prescribed in

Article 53, paragraph (1) of the Act; the same applies in Article 155, paragraph (3), item (iii)) and officers and employees (hereinafter collectively referred to as "officers, etc." in this item, the following item and in Article 157, paragraphs (1) and (2)) who have knowledge and experience on the dispute resolution services, and the status of assignment of those officers, etc.;

(viii) a document in which the officers, etc. pledge that they are not members, etc. of an organized crime group (meaning an organized crime group member (meaning the organized crime group member prescribed in Article 2, item (vi) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991); hereinafter the same applied in this item) or a person for whom a period of five years has not yet elapsed from the day on which the person ceased to be an organized crime group member; the same applies in Article 157, paragraph (1), item (ii));

(ix) a document stating any other particulars which would serve as reference information.

Section 2 Business Operations

(Particulars to be Specified in the Operational Rules)

Article 149 The particulars specified by Cabinet Office Order as prescribed in Article 56, paragraph (1), item (viii) of the Act are as follows:

- (i) the particulars related to the hours of providing the dispute resolution services and related to holidays;
- (ii) the name and the location of the business office or office as well as the particulars related to the area in which the business office or office provides the dispute resolution services;
- (iii) the particulars related to the system for supervision of employees engaging in the dispute resolution services;
- (iv) in the case of entrusting the business operations for complaint processing procedures or dispute resolution procedures, the particulars related to the entrustment;
- (v) other particulars necessary for the dispute resolution services.

(Details of the Basic Contract for Execution of Procedures)

Article 150 The particular specified by Cabinet Office Order as prescribed in Article 56, paragraph (2), item (xi) of the Act is the fact that when a customer, etc. of a member financial service intermediary (meaning the member financial service intermediary prescribed in Article 54, paragraph (2) of the Act; hereinafter the same applies in this Chapter), who is the party, has made a request, a designated dispute resolution organization may investigate the

status of performance of the obligations specified in the settlement through the dispute resolution procedures, and recommend the relevant member financial service intermediary to perform the obligations.

(Substantial Controller)

Article 151 The person specified by Cabinet Office Order as prescribed in Article 56, paragraph (4), item (iii) of the Act as one who substantially controls the business of the designated dispute resolution organization or has a material impact on its business through holding shares in the designated dispute resolution organization or providing loans to the designated dispute resolution organization, or due to any other circumstances, is any of the following persons who is not found to be obviously incapable of having control over business policy decisions of the designated dispute resolution organization and having a material impact on its business in light of their business relationships:

- (i) in the case where the voting rights held by a specific person on its own account and the voting rights held by any person who is likely to exercise their voting rights in concert with the intention of the specific person due to being closely related thereto in terms of equity, personnel affairs, funding, technology, business transactions, etc., and by any person having consented to exercise their voting rights in concert with the intention of the specific person constitute one-third or more of the voting rights of the designated dispute resolution organization (including the case where the specific person does not hold voting rights on its own account), the relevant specific person;
- (ii) an officer (in the case where an officer is a corporation, including its executive members) of the designated dispute resolution organization or a person who was formerly an officer thereof;
- (iii) a relative within the third degree of kinship to an officer of the designated dispute resolution organization;
- (iv) an entity that has any of the persons set forth in the preceding two items as its representative person (including the representative person or administrator of an organization without legal personality for which the representative person or administrator has been designated; the same applies in item (iv) of the following Article);
- (v) an entity for which one-third or more of the officers of the designated dispute resolution organization serve or used to serve as an officer or an employee;
- (vi) an entity that has concluded with the designated dispute resolution organization a contract for controlling business policy decisions of the designated dispute resolution organization;
- (vii) in the case where a specific person provides loans (including guarantee of debts and provision of collateral; hereinafter the same applies in this item

- and in item (vii) of the following Article) for one-third or more of the total amount of the designated dispute resolution organization's procured funds (limited to those recorded in the liabilities section of the balance sheet; hereinafter the same applies in this item and item (vii) of the same Article) (including the case where the amount financed by the specific person and the amount financed by any person being closely related thereto in terms of equity, personnel affairs, funding, technology, business transactions, etc. constitute one-third or more of the total amount of the procured funds), the relevant specific person;
- (viii) beyond the persons set forth in the preceding items, any person whose circumstance suggests that the person has control over business policy decisions of the designated dispute resolution organization;
- (ix) in the case where the relationship of a specific person with the persons set forth in the preceding items is the same as the relationship of those persons set forth in the preceding items (excluding items (ii) through (iv); hereinafter the same applies in this item) with the designated dispute resolution organization as prescribed in the preceding items, the relevant specific person;
- (x) in the case where the relationship of the persons set forth in items (i) through (viii) with a specific person is the same as the relationship of the designated dispute resolution organization with the persons set forth in item (i) or items (v) through (viii) of the following Article as prescribed in item (i) or items (v) through (viii) of the same Article, the relevant specific person.

(Subsidiary Companies)

Article 152 What are specified by Cabinet Office Order as prescribed in Article 56, paragraph (4), item (iii) of the Act as one to which a designated dispute resolution organization is related in such a way as to substantially control its business through holding shares or due to any other circumstances, is any of the following persons for whom the designated dispute resolution organization is not found to be obviously incapable of having control over their business policy decisions, in light of their business relationship: one who substantially controls

- (i) in the case where the voting rights held by the designated dispute resolution organization on its own account and the voting rights held by any person who is likely to exercise their voting rights in concert with the intention of the designated dispute resolution organization due to being closely related thereto in terms of equity, personnel affairs, funding, technology, business transactions, etc., and by any person having consented to exercise their voting rights in concert with the intention of the designated dispute resolution organization constitute one-third or more of the voting rights of

another corporation or organization without juridical personality for which the representative person or administrator has been designated (hereinafter referred to as a "corporation, etc." in this item and item (v)) (including the case where the specific person does not hold voting rights on its own account);

- (ii) an officer (in the case where an officer is a corporation, including its executive members; hereinafter the same applies in this Article) or employee of the designated dispute resolution organization or a person who was formerly an officer or employee thereof;
- (iii) a relative within the third degree of kinship to an officer of the designated dispute resolution organization;
- (iv) an entity that has any of the persons set forth in the preceding two items as its representative person;
- (v) in the case where the persons set forth in item (ii) consist of one-third or more of the officers of another corporation, etc., that other corporation, etc.;
- (vi) in the case where the designated dispute resolution organization has concluded with a specific person a contract for controlling business policy decisions of the specific person, the relevant specific person;
- (vii) in the case where the designated dispute resolution organization provides loans for one-third or more of the total amount of a specific person's procured funds (including the case where the amount financed by the designated dispute resolution organization and the amount financed by any person being closely related thereto in terms of equity, personnel affairs, funding, technology, business transactions, etc. constitute one-third or more of the total amount of the procured funds), the relevant specific person;
- (viii) beyond the persons set forth in the preceding items, in the case where there is any circumstance suggesting that the designated dispute resolution organization has control over business policy decisions of a specific person, the relevant specific person;
- (ix) in the case where the relationship of the persons set forth in the preceding items with a specific person is the same as the relationship of the designated dispute resolution organization with the persons set forth in the preceding items (excluding items (ii) through (iv); hereinafter the same applies in this item) as prescribed in the preceding items, the relevant specific person.

(Particulars to be Stated in a Record on the Complaint Processing Procedures)

Article 153 (1) Under the provisions of Article 60 of the Act, a designated dispute resolution organization must prepare a record stating the following particulars with regard to the complaint processing procedures it implemented:

- (i) the date on which a customer, etc. of a member financial service intermediary filed an application for the settlement of a complaint related to

- financial service intermediary business operations, and the details thereof;
 - (ii) the names or trade names of the customer of the member financial service intermediary who filed the application referred to in the preceding item and the agent thereof, and the trade name or name of the member financial service intermediary;
 - (iii) the background of the implementation of the complaint processing procedures;
 - (iv) the results of the complaint processing procedure (including the reasons for the termination of the complaint processing procedures and the date thereof).
- (2) A designated dispute resolution organization must preserve a record stating the particulars prescribed in the preceding paragraph for at least five years from the day on which the complaint processing procedures implemented thereby were completed.

(Interests of Dispute Resolution Mediators)

- Article 154 (1) A person with an interest in the party prescribed in Article 56, paragraph (1), item (v) of the Act to an application referred to in Article 62, paragraph (1) of the Act as prescribed in paragraph (3) of the same Article (hereinafter simply referred to as the "party" in this paragraph) is any of the following:
- (i) the spouse of the party or a person who was formerly the spouse of the party;
 - (ii) a relative by blood within the fourth degree of kinship, affinity within the third degree of kinship, or other cohabiting relative of the party, or a person who was formerly any of these;
 - (iii) the guardian, supervisor of guardian, curator, supervisor of curator, assistant or supervisor of assistant of the party;
 - (iv) an agent or assistant in court of the party in relation to the application with regard to the dispute related to financial service intermediary business operations, or a person who was formerly any of these;
 - (v) a person who earns an income from the party through the provision of service or a person for whom a period of three years has not yet elapsed from the day on which the person ceased to earn the income.
- (2) The person specified by Cabinet Office Order as prescribed in Article 62, paragraph (3), item (iii) of the Act is a person with any of the following qualifications who has engaged in the business of responding to consumer affairs consultations (meaning the consumer affairs consultations prescribed in Article 13, paragraph (3), item (v), (a) of the Consumer Contract Act (Act No. 61 of 2000)) for five years or more in total:
- (i) the qualification of consumer-specialized counselor granted by the National Consumer Affairs Center of Japan;

- (ii) the qualification of consumer advisor granted by the Japan Industrial Association;
 - (iii) the qualification of consumer consultant granted by the Japan Consumer's Association.
- (3) The persons specified by Cabinet Office Order as prescribed in Article 62, paragraph (3), item (v) of the Act are as follows:
- (i) a person that has held one or more of the following positions for five years or more in total:
 - (a) a judge;
 - (b) an assistant judge;
 - (c) a prosecutor;
 - (d) an attorney;
 - (e) a professor or associate professor who specializes in the subjects included in the laws of faculties or special courses of universities, or graduate schools accredited under the School Education Act (Act No. 26 of 1947);
 - (ii) a person that has held one or more of the following positions for five years or more in total:
 - (a) a certified public accountant;
 - (b) a tax accountant;
 - (c) a professor or associate professor who specializes in the subjects included in the economics or commercial science of faculties or special courses of universities, or graduate schools accredited under the School Education Act;
 - (iii) a person who has engaged in business operations of processing complaints related to financial service intermediary business operations, or has engaged in investigations, guidance, recommendation, enactment of rules or other business operations necessary for the protection of customers, etc. at a corporation conducting business operations concerning processing of complaints related to financial service intermediary business operations for 10 years or more in total;
 - (iv) a person found by the Commissioner of the Financial Services Agency as having knowledge and experience equivalent to or higher than the persons who fall under any of those set forth in the preceding three items.

(Explanation to a Customers, etc. of a Member Financial Service Intermediary Who is the Party to the Dispute Related to Financial Service Intermediary Business Operations)

Article 155 (1) When a designated dispute resolution organization has received a request for the delivery of documents from a customer, etc. of a member financial service intermediary, who is the party to the dispute related to financial service intermediary business operation, upon providing explanations

prescribed in Article 62, paragraph (8) of the Act, the designated dispute resolution organization must provide the explanations by delivering documents.

- (2) What is specified by Cabinet Office Order as prescribed in Article 62, paragraph (8) of the Act is a record which is prepared in an electronic form, magnetic form, or any other form that cannot be perceived through the human senses and which is used for information processing by computers.
- (3) The particulars specified by Cabinet Office Order as prescribed in Article 62, paragraph (8), item (iii) of the Act are as follows:
 - (i) the method of handling the confidential information of the party to the dispute related to financial service intermediary business operations and a third party which is included in the opinions to be stated or materials to be submitted or presented in the dispute resolution procedures, or which is contained in a dispute resolution procedures record prescribed in Article 62, paragraph (9) of the Act (referred to as a "dispute resolution procedures record" in paragraph (1) of the following Article);
 - (ii) the requirements and method for the party to the dispute related to financial service intermediary business operations to terminate the dispute resolution procedures;
 - (iii) the fact that, when the dispute resolution mediator considers there to be no prospect of reaching a settlement between the parties to the dispute related to financial service intermediary business operations through dispute resolution procedures, the dispute resolution mediator will promptly terminate the dispute resolution procedures and notify the parties to the dispute related to financial service intermediary business operations to that effect;
 - (iv) whether there is a document to be prepared in the case where a settlement has been reached between the parties to the dispute related to financial service intermediary business operations, and in the case where the document is to be prepared, the person who will prepare the document, the number of copies to be prepared and any other outlines relating to the preparation of the document.

(Preservation and Preparation of a Dispute Resolution Procedures Record)

- Article 156 (1) A designated dispute resolution organization must preserve a dispute resolution procedures record for at least ten years from the day on which dispute resolution procedures implemented thereby were completed.
- (2) The particulars specified by Cabinet Office Order as prescribed in Article 62, paragraph (9), item (vi) of the Act are as follows:
 - (i) the details of the application for the dispute resolution procedures;
 - (ii) in the case where a special conciliation proposal (meaning the special conciliation proposal prescribed in Article 56, paragraph (6) of the Act) has

been presented in the dispute resolution procedures, the details of the relevant special conciliation proposal and the date on which it was presented; (iii) in the case where the dispute resolution procedures have resulted in a settlement, the details of the settlement.

Section 3 Supervision

(Particulars to be Notified)

Article 157 (1) When a designated dispute resolution organization intends to file a notification under the provisions of Article 68 of the Act, it must submit a written notification to the Commissioner of the Financial Services Agency, while attaching a written statement of reasons and a document stating any other particulars which would serve as reference information (in the cases set forth in the following items, including the particulars respectively specified therein):

- (i) the case set forth in Article 68, item (i) of the Act: the date on which the basic contract for execution of procedures was concluded or terminated and the trade name or name of the financial service intermediary;
- (ii) the case set forth in item (vi) of the following paragraph: a pledge by a person who has become an officer, etc. of the designated dispute resolution organization that the person is not a member, etc. of an organized crime group;
- (iii) the case set forth in item (vii) of the following paragraph: the reasons for expecting that it is uncertain that the financial service intermediary will perform the obligations under the basic contract for execution of procedures or any other obligations regarding the provision of the dispute resolution services, and the trade name or name of the relevant financial service intermediary;
- (iv) the case set forth in item (viii) or (ix) of the following paragraph: the following particulars:
 - (a) the name of the business office or office where the act took place;
 - (b) the name or trade name and the title of the officer, etc. who conducted the act;
 - (c) the outline of the act;
 - (d) remedial measures.
- (2) The time specified by Cabinet Office Order as prescribed in Article 68, item (ii) of the Act is as follows:
 - (i) when the designated dispute resolution organization has changed its articles of incorporation or provisions equivalent thereto;
 - (ii) when the designated dispute resolution organization's parent corporation (meaning a corporation or any other organization that holds the majority of

- the voting rights held by all the shareholders, etc. of the designated dispute resolution organization; the same applies in the following item) or its subsidiary corporation (meaning a corporation or any other organization for which the designated dispute resolution organization holds the majority of its voting rights held by all its shareholders, etc.; the same applies in item (iv)) has changed their trade name or name, the location of their principal business office or office, or the details of their business;
- (iii) when the parent corporation has ceased to be the parent corporation;
 - (iv) when a subsidiary corporation has ceased to be a subsidiary corporation, or when the designated dispute resolution organization has acquired or held the voting rights of a subsidiary corporation;
 - (v) when voting rights exceeding five percent of the voting rights held by all the shareholders, etc. has come to be acquired or held by a single person;
 - (vi) when there is a person who has newly become an officer, etc. of the designated dispute resolution organization after the submission of a written application for designation referred to in Article 52, paragraph (1) of the Act;
 - (vii) the case where the designated dispute resolution organization has received an application for conclusion of a basic contract for execution of procedures from a financial service intermediary, and when it has refused the application;
 - (viii) when the designated dispute resolution organization or an officer, etc. of the entity entrusted with the designated dispute resolution organization's business operations has come to know the occurrence of any act in violation of laws and regulations or the operational rules of the designated dispute resolution organization in performing the dispute resolution services (in the case of the entity entrusted with the business operations, limited to the dispute resolution services related to the business operations entrusted by the relevant designated dispute resolution organization);
 - (ix) when the designated dispute resolution organization has come to know the fact that a member financial service intermediary or an officer, etc. thereof has conducted any act in violation of the operational rules of the designated dispute resolution organization.
- (3) A notification in the case falling under item (viii) or (ix) of the preceding paragraph must be filed within one month from the day on which a designated dispute resolution organization came to know the facts prescribed in these provisions.

(Submission of a Report on the Dispute Resolution Services)

Article 158 (1) A report on the dispute resolution services to be prepared by a designated dispute resolution organization under the provisions of Article 69, paragraph (1) of the Act must be prepared using Appended Form 8 and must be

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

- (2) An inventory of property, balance sheet (including related notes), and income and expenditure statement or profit and loss statement (including related notes) for the most recent business year or documents equivalent thereto must be attached to a report referred to in the preceding paragraph.
- (3) In the case where a designated dispute resolution organization cannot submit a report referred to in paragraph (1) within the period prescribed in the same paragraph for any compelling reason, it may postpone the submission by obtaining an approval from the Commissioner of the Financial Services Agency in advance.
- (4) When a designated dispute resolution organization seeks an approval under the provisions of the preceding paragraph, it must submit a written application for approval to the Commissioner of the Financial Services Agency, while attaching a written statement of reasons.
- (5) When an application for approval under the provisions of the preceding paragraph has been filed, the Commissioner of the Financial Services Agency is to examine whether a compelling reason can be found for the designated dispute resolution organization that made the relevant application to postpone the submission under the provisions of paragraph (3).

Chapter V Miscellaneous Provisions

(Notification of Officers or Employees Engaging in the Intermediary Service for the Conclusion of Insurance Contracts)

Article 159 When a financial service intermediary intends to file a notification under the provisions of Article 74 of the Act, it must submit a written notification prepared using Appended Form 9 to the Commissioner of the Financial Services Agency, etc.

(Particulars to be Stated in a Sales Representatives Register)

Article 160 The particulars specified by Cabinet Office Order as prescribed in Article 75, paragraph (1) of the Act are as follows:

- (i) the trade name or name of the financial service intermediary seeking to have a registration made in a sales representatives register referred to in Article 75, paragraph (1) of the Act;
- (ii) the following particulars regarding a sales representative (meaning the sales representative prescribed in Article 75, paragraph (1) of the Act; hereinafter the same applies in this Chapter):
 - (a) whether the sales representative is an officer (in the case of a foreign corporation, an officer stationed at a business office or office in Japan

(including a director, accounting advisor, company auditor or executive officer, or a person that holds any position equivalent thereto)) or an employee;

- (b) when the sales representative has been ordered to suspend duties under the provisions of Article 64-5, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 77 of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as applied mutatis mutandis" in this Chapter), the day on which the relevant disposition was issued, and the reasons therefor and the period thereof.

(Place Where a Sales Representatives Register is to be Kept)

Article 161 The place specified by Cabinet Office Order as prescribed in Article 75, paragraph (1) of the Act is a Local Finance Bureau or the Fukuoka Local Finance Branch Bureau (with regard to a register for sales representatives of a financial service intermediary that has a certified financial service intermediary business association conduct registration work (meaning the registration work prescribed in Article 78, paragraph (1) of the Act; hereinafter the same applies in this Chapter) under the provisions of paragraph (1) or (2) of the same Article, the relevant certified financial service intermediary business association).

(Application for Registration)

Article 162 A financial service intermediary seeking to have a registration made in a sales representatives register referred to in Article 75, paragraph (1) of the Act must submit an application form for registration referred to in Article 64, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis that was prepared using Appended Form 10 to the Commissioner of the Financial Services Agency, etc., while attaching documents to be attached to the application form for registration under the provisions of paragraph (4) of the same Article.

(Particulars to be Stated in an Application Form for Registration)

Article 163 The particulars specified by Cabinet Office Order as prescribed in Article 64, paragraph (3), item (iv) of the Financial Instruments and Exchange Act as applied mutatis mutandis are whether the sales representative for whom the registration is sought has engaged in any financial instruments business, and if the sales representative has engaged in any financial instruments business, the period during which the sales representative engaged in the relevant business.

(Documents to be Attached to an Application Form for Registration)

Article 164 The documents specified by Cabinet Office Order as prescribed in Article 64, paragraph (4) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* are as follows:

- (i) an extract of the residence certificate of the sales representative for whom the registration is sought, or any substituting documents;
- (ii) in the case where the former surname and the given name of the sales representative for whom the registration is sought are stated together with their current full name in an application form for registration prepared using Appended Form 10, and when the document set forth in the preceding item does not prove that former surname and given name, a document to prove those names;
- (iii) a document in which the financial service intermediary seeking to have a registration made in a sales representatives register and the sales representative for whom the registration is sought pledge that the sales representative does not fall under a person referred to in the items of Article 64-2, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*.

(Notification of Changes to Registered Particulars)

Article 165 (1) A financial service intermediary that files a notification under the provisions of Article 64-4 (limited to the portion relating to item (i)) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* must submit a written notification of change prepared using Appended Form 11 to the Commissioner of the Financial Services Agency, etc.

(2) A financial service intermediary that files a notification under the provisions of Article 64-4 (limited to the portion relating to items (ii) through (iv)) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* must submit a written notification stating the particulars specified in the following items in accordance with the category of cases respectively set forth therein to the Commissioner of the Financial Services Agency, etc.:

- (i) the case falling under Article 64-4, item (ii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*: the following particulars:
 - (a) the name of the sales representative who has come to fall under the relevant provisions;
 - (b) the date on which the sales representative came to fall under the relevant provisions and the reasons therefor;
- (ii) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (limited to the case that has fallen under Article 15, item (ii), (b) of the Act): the following particulars:
 - (a) the name of the sales representative who has come to fall under the

- relevant provisions;
- (b) the date on which the sales representative became subject to an order to commence bankruptcy proceedings;
- (iii) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis (limited to the case that has fallen under Article 15, item (ii), (c) or (f) of the Act (limited to the portion relating to item (i), (m) of the same Article)): the following particulars:
 - (a) the name of the sales representative who has come to fall under the relevant provisions;
 - (b) the date on which the punishment became final and binding, and the type of the punishment;
- (iv) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis (limited to the case that has fallen under Article 15, item (ii), (d) or (f) of the Act (limited to the portion relating to item (i), (a) through (l) of the same Article)): the following particulars:
 - (a) the name of the sales representative who has come to fall under the relevant provisions;
 - (b) the date on which the sales representative became subject to the rescission, order or refusal and the reasons therefor;
- (v) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis (limited to the case that has fallen under Article 15, item (ii), (e) of the Act): the following particulars:
 - (a) the name of the sales representative who has come to fall under the relevant provisions;
 - (b) the date on which the sales representative became subject to the dismissal, reelection, replacement or removal and the reasons therefor;
- (vi) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis (limited to the case that has fallen under Article 15, item (ii), (f) of the Act (limited to the portion relating to item (i), (n) of the same Article)): the following particulars:
 - (a) the name of the sales representative who has come to fall under the relevant provisions;
 - (b) the date on which a notice under the provisions of Article 15 of the Administrative Procedure Act was given and the reasons therefor, and the date on which a notification was filed under the provisions of Article 16, paragraph (3) of the Act, Article 50-2, paragraph (1) and Article 60-7 of the Financial Instruments and Exchange Act) (including as applied mutatis mutandis pursuant to Article 60-14, paragraph (2) of the same Act), Article 63-2, paragraph (2), paragraph (3) (including as applied mutatis mutandis pursuant to Article 63-3, paragraph (2) of the same Act), or paragraph (4),

- Article 66-19, paragraph (1), Article 66-40, paragraph (1) or Article 66-61, paragraph (1) of the same Act, or in Article 10, paragraph (1) of the Money Lending Business Act, or on which an officer whose dismissal was ordered under the provisions of Article 38, paragraph (3) of the Act or Article 24-6-4, paragraph (2) of the Money Lending Business Act resigned, and the reasons therefor;
- (vii) the case falling under Article 64-4, item (iv) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*: the following particulars:
- (a) the name of the sales representative who has ceased to perform their duties;
 - (b) the reason for having ceased to perform the duties of a sales representative (meaning the duties of a sales representative prescribed in Article 75, paragraph (2) of the Act; the same applies in paragraph (4)).
- (3) In the case falling under any of the categories of cases set forth in the following items, a financial service intermediary that files a notification under the provisions of Article 64-4 (limited to the portion relating to items (ii) through (iv)) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* must attach the documents respectively specified in the following items to a written notification referred to in the preceding paragraph:
- (i) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (limited to the case that has fallen under Article 15, item (ii), (b) of the Act): a copy of the written judgment of the order to commence bankruptcy proceedings or a document stating the details of the order to commence bankruptcy proceedings;
 - (ii) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (limited to the case that has fallen under Article 15, item (ii), (c) or (f) of the Act (limited to the portion related to item (i), (m) of the same Article)): a copy of the judgment document on the final and binding judgment or a document stating the details of the final and binding judgment;
 - (iii) the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (limited to the case that has fallen under Article 15, item (ii), (d) or (f) of the Act (limited to the portion related to item (i), (a) through (l) of the same Article) and where the sales representative became subject to the rescission, order or refusal in a foreign state): a copy of a document stating that the registration is to be rescinded or a renewal is to be refused, a copy of a document ordering dissolution or discontinuation of business, or any substituting documents, and a copy of the laws and regulations of the foreign state which served as the basis of the rescission, dissolution, discontinuation of business, or refusal of a renewal, and the Japanese translation thereof;

- (4) The case specified by Cabinet Office Order as prescribed in Article 64-4, item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis is the case where a person has come to have a mental impairment and it has become extremely difficult for the person to continue performing the duties of a sales representative.

(Notification to Be Filed Upon Retirement of a Sales Representative)

Article 166 When a financial service intermediary intends to file a notification under the provisions of Article 64-4 (limited to the portion related to item (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis, and in the case where there exists any fact falling under Article 64-5, paragraph (1), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis with regard to the relevant sales representative, the financial service intermediary must submit a document stating the details of that fact to the Commissioner of the Financial Services Agency, etc. prior to the filing of the notification, pursuant to the provisions of Article 16, paragraph (3) of the Act.

(Notification Receipt Work by Certified Financial Service Intermediary Business Associations)

Article 167 (1) Pursuant to the provisions of Article 78, paragraph (1) of the Act, the Commissioner of the Financial Services Agency is to have a certified financial service intermediary business association conduct the notification receipt work (meaning the notification receipt work prescribed in the same paragraph; hereinafter the same applies in this Chapter) specified thereby or the registration work relating to officers or employees or sales representatives who provide an intermediary service for the conclusion of insurance contracts of a financial service intermediary that belongs to the relevant certified financial service intermediary business association.

(2) Pursuant to the provisions of Article 78, paragraph (2) of the Act, the Commissioner of the Financial Services Agency is to have a certified financial service intermediary business association specified thereby conduct the notification receipt work specified thereby or the registration work relating to officers or employees or sales representatives who provide an intermediary service for the conclusion of insurance contracts of a financial service intermediary that does not belong to any certified financial service intermediary business association.

(Notification Relating to Notification Receipt Work)

Article 168 (1) A certified financial service intermediary business association that files a notification relating to the notification receipt work under the

provisions of Article 78, paragraph (5) of the Act must submit a written notification stating the following particulars to the Commissioner of the Financial Services Agency, etc.:

- (i) the trade name or name of the financial service intermediary to which the officer or employee relating to the notification receipt work belongs;
 - (ii) the name and the date of birth of the officer or employee relating to the notification receipt work;
 - (iii) the details of the handled notification receipt work and the date on which the relevant work was handled.
- (2) A certified financial service intermediary business association that files a notification relating to the registration work under the provisions of Article 78, paragraph (5) of the Act must submit a written notification stating the following particulars to the Commissioner of the Financial Services Agency, etc.:
- (i) the trade name or name of the financial service intermediary to which the sales representative relating to the registration work belongs;
 - (ii) the name and the date of birth of the sales representative relating to the registration work;
 - (iii) the details of the handled registration work and the date on which the relevant work was handled;
 - (iv) in the case where the details of the registration work referred to in the preceding item was an order for suspension of duties or deletion of registration, the reasons therefor.

(Amount of Registration Fees)

Article 169 The amount specified by Cabinet Office Order as prescribed in Article 43, paragraph (1) of the Order is 1,000 yen.

(Government Agencies through Which Submission is Made)

Article 170 (1) When submitting an application form for registration referred to in Article 13, paragraph (1) of the Act or any other document prescribed in the Act, the Order, and this Cabinet Office Order (hereinafter referred to as a "written application, etc." in this paragraph and the following paragraph) to the Commissioner of the Financial Services Agency, a financial service intermediary must submit them via the Director-General of the Local Finance Bureau who has jurisdiction over the locality of its principal business office or office (in the case where the relevant locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau (excluding the jurisdictional district of a local finance office), the Director-General of the Fukuoka Local Finance Branch Bureau; in the case where the financial service intermediary does not have a business office or office in Japan, the Director-

General of the Kanto Finance Bureau; and in the case where the relevant locality is within the jurisdictional district of a local finance office, the Otaru Sub-Office or the Kitami Sub-Office, the head of the local finance office or the head of the Otaru Sub-Office, or the head of the Kitami Sub-Office (collectively referred to as the "head of the local finance office, etc." in the following paragraph)); provided, however, that this does not apply to a written application, etc. for what are designated by the Commissioner of the Financial Services Agency under the provisions of Article 47, paragraph (5) of the Order.

- (2) In the case where a financial service intermediary submits a written application, etc. to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau, and when there is the head of the local finance office, etc. who has jurisdiction over the locality of its principal business office or office, the financial service intermediary must submit them via the head of the local finance office, etc.
- (3) Notwithstanding the provisions of the preceding two paragraphs, in the case where the notification receipt work or the registration work is delegated to a certified financial service intermediary business association under the provisions of Article 78, paragraph (1) or (2) of the Act, a written notification prescribed in Article 159, an application form for registration prescribed in Article 64, paragraph (3) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, documents to be attached to the application form for registration under the provisions of paragraph (4) of the same Article, and a written notification under the provisions of Article 165, paragraphs (1) and (2) and Article 166 are to be submitted to the relevant certified financial service intermediary business association.

(Application of the Cabinet Office Order to a Financial Service Intermediary Having Its Principal Business Office or Office in a Foreign State)

Article 171 With regard to the application of the provisions of this Cabinet Office Order to a financial service intermediary that has its principal business office or office in a foreign state, the financial service intermediary's principal business office or office in Japan is deemed to be its principal business office or office.

(Preliminary Examination)

Article 172 When intending to obtain an approval or authorization under the provisions of the Act or the Order, the relevant person may seek a preliminary examination by submitting documents equivalent to those to be submitted upon applying for the relevant approval or authorization to the Commissioner of the Financial Services Agency, etc.

(Standard Processing Period)

Article 173 (1) The Commissioner of the Financial Services Agency, etc. is to endeavor to process an application for registration, approval, confirmation, certification, authorization, or designation under the provisions of the Act, the Order, or this Cabinet Office Order (excluding an application relating to a preliminary examination; hereinafter referred to as an "application for registration, etc." in this paragraph) within 30 days from the arrival of the application at its office; provided, however, that the Commissioner of the Financial Services Agency, etc. is to endeavor to process an application for registration, etc. as set forth in the following items within the period respectively specified therein:

- (i) the registration under the provisions of Article 13, paragraph (1) of the Act and the designation under the provisions of Article 51, paragraph (1) of the Act: 60 days;
 - (ii) the approval under the provisions of Article 22, paragraph (10) and Article 23, paragraph (1) of the Act, and Article 27, item (ii) and Article 29, paragraph (1), item (iv) of the Order: 20 days.
- (2) The period prescribed in the preceding paragraph does not include the following periods:
- (i) a period necessary for correcting the application;
 - (ii) a period necessary for the applicant to change the details of the application;
 - (iii) a period necessary for the applicant to add materials that are found to be necessary for the examination for the application.

Appended Table (Re. Article 128)

Formula 1

$$\sum_{i=1}^n U_i \cdot T_i$$

Formula 2 $(U_i + F) \cdot T_i$

"n" is the number of repayment installments.

" T_i " is the following period represented by using one year as one unit:

- (a) when "i" is one, the period from the day of delivery until the day immediately preceding the first performance date;
- (b) when "i" is two or more, the period from the latest performance date until the day immediately preceding the "i"-th performance date.

" U_i " is the following amount:

- (a) when "i" is one, the amount of loan (meaning the loan prescribed in Article 122, item (i)) actually available;
- (b) when "i" is two or more, the amount yet to be performed which are

calculated pursuant to the following formula:

$$U_i = U(i - 1) - (P(i - 1) - R * U(i - 1) * T(i - 1))$$

"P_i" is the amount of the "i"-th performance.

"R" is the loan interest rate as prescribed in Article 14, paragraph (1), item (i) of the Money Lending Business Act as applied mutatis mutandis pursuant to Article 32 of the Act.

"F" is the interest and the payment regarded as interest as prescribed in Article 14, paragraph (1), item (i) of the Money Lending Business Act as applied mutatis mutandis pursuant to Article 32 of the Act.