

Order for Enforcement of the Payment Services Act

(Cabinet Order No. 19 of March 1, 2010)

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Chapter I General Provisions

(Definition)

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

(Transactions Qualifying for the Funds Transfer Service)

Article 2 Transactions specified by Cabinet Order as prescribed in Article 2, paragraph (2) of the Act shall be exchange transactions pertaining to transfer of funds in an amount not more than an amount equivalent to one million yen.

Chapter II Prepaid Payment Instruments

(Close Relationship with Issuer)

Article 3 (1) The close relationship specified by Cabinet Order as prescribed in Article 3, paragraph (4) of the Act shall be any of the following relationships:
(i) if the person issuing Prepaid Payment Instruments (meaning the Prepaid Payment Instruments prescribed in Article 3, paragraph (1) of the Act; the same shall apply hereinafter in this Chapter) (hereinafter referred to as an "Issuer" in this paragraph) is an individual, that of a relative of such person;

- (ii) the relationship in which one corporation directly or indirectly holds voting rights exceeding fifty percent of the Voting Rights Held by All Shareholders, etc. (meaning voting rights of all shareholders, all members, or all equity investors (in the case of a stock company, excluding voting rights of shares which may not be exercised for all matters that are subject to a resolution of a general meeting of shareholders and including voting rights of shares in respect of which the shareholder shall be deemed to have voting rights under the provisions of Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005); the same shall apply hereinafter in this Article); the same shall apply hereinafter in this Article) of the other corporation;
 - (iii) the relationship between an individual and a corporation in which the individual and his or her relatives directly or indirectly hold voting rights exceeding fifty percent of the Voting Rights Held by All Shareholders, etc. of the corporation;
 - (iv) the relationship between corporations in which the same individual directly or indirectly holds voting rights exceeding fifty percent of the corporations' Voting Rights Held by All Shareholders, etc. (if the person is an individual, including his or her relatives) (excluding those falling under item (ii)) ; or
 - (v) the relationship between an Issuer and another person in which said other person simultaneously or continuously carries on delivery of goods or provision of services that are closely related with and inseparable from delivery of goods or provision of services carried on by the Issuer (excluding those falling under each of the preceding items).
- (2) In the case of item (ii) of the preceding paragraph, whether a corporation directly or indirectly holds voting rights exceeding fifty percent of the Voting Rights Held by All Shareholders, etc. of another corporation shall be determined by a proportion calculated by totaling the following proportions:
- (i) the proportion of the voting rights pertaining to shares or contributions (hereinafter referred to as "Shares, etc." in this paragraph) of a corporation (including voting rights pertaining to Shares, etc. that cannot be asserted against the Issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Transfer of Bonds, Shares, etc. (Act No. 75 of 2001) (including the cases where these provisions are applied mutatis mutandis pursuant to the provisions of Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and Article 276 (limited to the portion pertaining to item (ii)) of said Act); referred to as "Subject Voting Rights" in the following item) held by another corporation under its own name to the Voting Rights Held by All Shareholders, etc. of said corporation; and
 - (ii) the proportion of the Subject Voting Rights pertaining to Shares, etc. of the

corporation under the preceding item held by a subsidiary (meaning a corporation whose Shares, etc. pertaining to the Subject Voting Rights exceeding fifty percent of the Voting Rights Held by All Shareholders, etc. are held by another corporation under its own name; the same shall apply hereinafter in this item) of the other corporation under said item under its own name to the Voting Rights Held by All Shareholders, etc. of said corporation (in the case where there are two or more such subsidiaries, an aggregate proportion calculated by totaling proportions calculated for each of them).

- (3) The provision of the preceding paragraph shall apply mutatis mutandis to the determination of the relationship prescribed in paragraph (1), items (iii) and (iv).

(Prepaid Payment Instruments Excluded from Application)

Article 4 (1) Those specified by Cabinet Order as prescribed in Article 4, item (i) of the Act shall be the certificates and other articles (hereinafter referred to as "Certificates, etc." in this Article) listed in items (i) through (iii) or the numbers, marks, or other signs specified in item (iv):

- (i) passenger tickets for ground, water, and air transportation vehicles;
 - (ii) admission tickets pertaining to the following facilities or places (including attraction tickets for amusement parks and similar facilities that are issued in combination with ordinary admission tickets):
 - (a) a place where movies, theater, entertainment or music performances, sports events, or other shows are presented to or listened to by many and unspecified persons;
 - (b) horse, bicycle, compact automobile, or motorboat racing tracks; and
 - (c) art museums, amusement parks, zoos, exhibitions and other facilities or places similar to these where many and unspecified persons are admitted.
 - (iii) in addition to what is listed in the preceding two items, meal tickets and other Certificates, etc. issued in conjunction with the use of a specified facility or place that are designed to be used normally by the users of said facility or place; and
 - (iv) numbers, marks, or other signs that have a function equivalent to the Certificates, etc. listed in the preceding three items (excluding those used in the case where the delivery or provision of goods or services by the issuer or the person designated by the issuer to the users is conducted through electric telecommunication lines connecting a computer used by the issuer or the person designated by the issuer with a computer used by the users).
- (2) A certain period from the date of issuance specified by Cabinet Order as prescribed in Article 4, item (ii) of the Act shall be six months.
- (3) Corporations specified by Cabinet Order as prescribed in Article 4, item (iv) of

the Act shall be the following juridical persons:

- (i) National Agency of Vehicle Inspection;
- (ii) Japan Racing Association and Japan Broadcasting Corporation; and
- (iii) Port authorities and local road public corporations.

(4) Prepaid Payment Instruments specified by Cabinet Order as prescribed in Article 4, item (v) of the Act shall be the following Prepaid Payment Instruments:

- (i) Prepaid Payment Instruments for Third-Party Business (meaning the Prepaid Payment Instruments for Third-Party Business prescribed in Article 3, paragraph (5) of the Act) issued only to the employees of the Issuer (including persons belonging to the same household as said employees; hereinafter the same shall apply in this item) that are designed to be used only by said employees;
- (ii) Prepaid Payment Instruments pertaining to health care facilities, welfare facilities, or welfare services issued by the following persons:
 - (a) Health insurance societies or the National Federation of Health Insurance Societies;
 - (b) National public service personnel mutual aid associations, the Federation of National Public Service Personnel Mutual Aid Associations, local public service personnel mutual aid associations, the National Federation of Mutual Aid Associations for Municipal Personnel, or the Promotion and Mutual Aid Corporation for Private Schools of Japan;
 - (c) Welfare pension funds or Pension Fund Association;
 - (d) Corporate pension funds; or
 - (e) persons specified by Cabinet Office Ordinance as similar to persons listed in (a) through (d);
- (iii) Prepaid Payment Instruments issued by a person that establishes a school prescribed in Article 1 of the School Education Act (Act No. 26 of 1947) (excluding the State or a local public entity) only to its students, school children or elementary school children, or employees (hereinafter referred to as "Students, etc." in this item) (limited to those that are designed to be used only by said Students, etc.) and other Prepaid Payment Instruments that are specified by Cabinet Office Ordinance as those equivalent to said Prepaid Payment Instruments; and
- (iv) in addition to the Prepaid Payment Instruments listed in the preceding three items, Prepaid Payment Instruments issued by a person engaging in the business pertaining to a stand and other facilities for the welfare of employees who work within a certain work area or persons who were such employees (including persons belonging to the same household as these persons; hereinafter referred to as "Employees, etc." in this item) (hereinafter referred to as "Welfare Facilities" in this item) only to its

Employees, etc. (limited to those that are designed to be used only in the Welfare Facilities for said Employees, etc.) and other Prepaid Payment Instruments that are specified by Cabinet Office Ordinance as those similar to said Prepaid Payment Instruments.

- (5) Prepaid Payment Instruments specified by Cabinet Order as prescribed in Article 4, item (vi) of the Act shall be the following Prepaid Payment Instruments:
- (i) Prepaid Payment Instruments that are designed to be used for the delivery or provision of goods or services pertaining to the Specified Advance Payment Transactions prescribed in Article 2, paragraph (6) of the Installment Sales Act (Act No. 159 of 1961) or the delivery of goods pertaining to Advance Payment Installment Sales prescribed in Article 11 of said Act; and
 - (ii) Prepaid Payment Instruments issued in the transactions pertaining to the travel agency business prescribed in Article 2, paragraph (3) of the Travel Agency Act (Act No. 239 of 1952).

(Minimum Amount of Net Assets, etc.)

Article 5 (1) The amount of money specified by Cabinet Order as prescribed in Article 10, paragraph (1), item (ii), sub-item (a) of the Act shall be the amount specified in the following items for the categories of cases respectively listed therein:

- (i) in the case where the geographic area in which the Prepaid Payment Instruments issued by an applicant for registration under Article 10, paragraph (1) of the Act can be used is limited to one municipality (in the case of the part of Tokyo that is divided into special wards and designated cities prescribed in Article 252-19, paragraph (1) of the Local Autonomy Act (Act No. 67 of 1947), ward; the same shall apply in the following item): Ten million yen;
- (ii) in the case where an applicant for registration under Article 10, paragraph (1) of the Act satisfies all of the following criteria: Zero:
 - (a) the applicant is a general incorporated association, general incorporated foundation, or specified non-profit organization prescribed in Article 2, paragraph (2) of the Act to Promote Specified Non-Profit Activities (Act No. 7 of 1998) (hereinafter referred to as "General Incorporated Association, etc.");
 - (b) the articles of incorporation of the applicant contains a statement to the effect that the applicant shall engage in the business of issuing Prepaid Payment Instruments and that the purpose of the applicant is to promote invigoration of the local economy or exchange between residents in said local area;
 - (c) the geographic area in which the Prepaid Payment Instruments issued by

the applicant can be used is limited to one municipality and municipalities adjacent thereto;

- (d) rules prescribed by the applicant contain a provision to the effect that said applicant shall maintain in its bank account under its own name a bank deposit or savings in an amount not less than an amount equivalent to the amount calculated by deducting the amount of the security deposit for issuance made to a Local Deposit Office pursuant to the provisions of Article 14, paragraph (1) of the Act and the amount not required to be deposited pursuant to the provisions of Article 15 and Article 16, paragraph (1) of the Act from the unused balance (meaning the amount that can be used for the payment of consideration pertaining to the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act and the total, calculated in accordance with a method specified by Cabinet Office Ordinance, of the monetary amounts converted from the quantity of goods or services the delivery or provision of which can be claimed by using the Prepaid Payment Instruments prescribed in item (ii) of said paragraph); and
 - (e) the Prepaid Payment Instruments issued by the applicant contain a statement to the effect that inspection of the balance sheet and profit and loss statement of said General Incorporated Association, etc. or a substitute thereof may be requested;
 - (iii) cases other than those prescribed in the preceding two items: one hundred million yen.
- (2) A person specified by Cabinet Order as prescribed in Article 10, paragraph (1), item (ii), sub-item (b) of the Act shall be a nonprofit institution established under the authorization of an administrative agency pursuant to the provisions of an Act (limited to one specified by the Commissioner of the Financial Services Agency through public notice) whose articles of incorporation contains a statement to the effect that said institution shall engage in the business of issuing Prepaid Payment Instruments.

(Minimum Unused Record Date Balance Requiring a Deposit)

Article 6 The amount specified by Cabinet Order as prescribed in Article 14, paragraph (1) of the Act shall be ten million yen.

(Matters to be Included in Guarantee Contract of Security Deposit for Issuance)

Article 7 A guarantee contract of security deposit for issuance (meaning the guarantee contract of security deposit for issuance prescribed in Article 15 of the Act; the same shall apply hereinafter in this Article, paragraph (2), item (ii) of the following Article, and Article 11, paragraph (2)) to be concluded by an

Issuer of Prepaid Payment Instruments who is required to make a security deposit for issuance to a Local Deposit Office under Article 14, paragraph (1) of the Act shall contain provisions prescribing the following matters:

(i) the other party to said guarantee contract of security deposit for issuance shall promise to said Issuer of Prepaid Payment Instruments that in the case where said other party comes to fall under any of the following cases, it will make a security deposit for issuance to the Local Deposit Office on behalf of said Issuer of Prepaid Payment Instruments in the amount pertaining to the order of the Commissioner of the Financial Services Agency respectively prescribed therein:

(a) where the other party to said guarantee contract of security deposit for issuance receives an order of the Commissioner of the Financial Services Agency under Article 17 of the Act during a period from the day immediately following the date of notification under Article 15 of the Act pertaining to said guarantee contract of security deposit for issuance to a day on which two months have elapsed from the day immediately following the first Record Date (meaning the Record Date prescribed in Article 3 (2) of the Act; hereinafter the same shall apply in this item and Article 9) after said date of notification (in the case where a notification under Article 15 of the Act pertaining to said first Record Date is made before that day, the date of such notification) or;

(b) in the case where said Issuer of Prepaid Payment Instruments fails to make a security deposit for issuance to a Local Deposit Office under Article 14, paragraph (1) of the Act (including conclusion of a guarantee contract of security deposit for issuance and maintaining of trust property under a trust contract of security deposit for issuance (meaning the trust contract of security deposit for issuance prescribed in Article 16, paragraph (1) of the Act; the same shall apply in Article 11, paragraph (2)) pertaining to the first Record Date prescribed in sub-item (a) within two months from the day immediately following said first Record Date, when the other party to said guarantee contract of security deposit for issuance receives an order of the Commissioner of the Financial Services Agency under Article 17 of the Act; and

(ii) except cases where the approval of the Commissioner of the Financial Services Agency is obtained, the whole or part of said guarantee contract of security deposit for issuance may not be cancelled.

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

Article 8 (1) The requirements specified by Cabinet Order as prescribed in Article 15 of the Act shall be that the Deposit-taking Institution falls under the

category for one that is determined to have sound equity capital as specified by Cabinet Office Ordinance in consideration of the criteria prescribed in Article 14-2 of the Banking Act (Act No. 59 of 1981) and provisions of other laws and regulations similar to this.

(2) Persons specified by Cabinet Order as prescribed in Article 15 of the Act shall be the persons specified in the following items:

(i) an insurance company falling under the category for one that is determined to have a sound status with regard to capital adequacy to support the payment of Insurance Claims, etc. as specified by Cabinet Office Ordinance in consideration of the criteria prescribed in Article 130 of the Insurance Business Act (Act No. 105 of 1995) and any other person specified by Cabinet Office Ordinance; and

(ii) a person who has received the designation prescribed in Article 35-4, paragraph (1) of the Installment Sales Act and has received the approval under the proviso to Article 35-9 of said Act for the business pertaining to said guarantee contract of security deposit for issuance.

(Category and Amount Permitted in the Case of Qualifying Recovery of Security Deposit for Issuance)

Article 9 (1) When a person who has made a security deposit for issuance to a Local Deposit Office (including bond certificates (meaning bond certificates specified by Cabinet Office Ordinance as prescribed in Article 14, paragraph (3) of the Act; the same shall apply in Article 11, paragraph (8)) deposited pursuant to the provisions of Article 14, paragraph (3) of the Act; hereinafter the same shall apply in this Article and Article 11, paragraph (5)) pursuant to the provisions of Article 14, paragraph (1) or (2) or Article 17 of the Act or his/her successor (hereinafter collectively referred to as "Depositor" in this Article) has come to fall under any of the following items, the Depositor may, by obtaining the approval of the Commissioner of the Financial Services Agency, recover the security deposit for issuance in the amount respectively prescribed therein by the following Record Date:

(i) when the Unused Record Date Balance (meaning the Unused Record Date Balance prescribed in Article 3, paragraph (2) of the Act) on a Record Date has decreased to ten million yen or less: the full amount of the security deposit for issuance that has been made to the Local Deposit Office;

(ii) when the amount of security deposit for issuance (meaning the amount of security deposit for issuance prescribed in Article 14, paragraph (2) of the Act; hereinafter the same shall apply in this Article) on the day immediately following the date of submission of the written report prescribed in Article 23, paragraph (1) of the Act pertaining to a Record Date exceeds the Required Amount of Deposit (meaning the Required Amount of Deposit prescribed in

Article 14, paragraph (1) of the Act) on the same Record Date: the excess amount;

(iii) in the case where the procedure for the execution of the right under Article 31, paragraph (1) of the Act (hereinafter referred to as the "Right" in this item, the following item, paragraph (3), and Article 11) has been completed, when the unused balance as of the day on which said procedure for the execution of the Right has been completed (meaning the balance of (x) the amount that can be used for the payment of consideration pertaining to the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act and (y) the total, calculated in accordance with a method specified by Cabinet Office Ordinance, of the monetary amounts converted from the quantity of goods or services the delivery or provision of which can be claimed by using the Prepaid Payment Instruments prescribed in item (ii) of said paragraph, outstanding as of the day on which said procedure for the execution of the Right has been completed; the same shall apply in the following item) is not more than ten million yen: the amount remaining after deducting the amount of costs required for said procedure for the execution of the Right from the amount of security deposit for issuance remaining as of the day on which said procedure for the execution of the Right has been completed; or

(iv) in the case where the procedure for the execution of the Right has been completed, when the unused balance as of the day on which said procedure for the execution of the Right has been completed exceeds ten million yen: The amount remaining after deducting the amount of costs required for said procedure for the execution of the Right and half of the unused balance as of the day on which said procedure for the execution of the Right has been completed from the amount of security deposit for issuance remaining as of the day on which said procedure for the execution of the Right has been completed.

(2) The circumstances specified by Cabinet Order as prescribed in Article 18, item (iv) of the Act shall be the circumstances in which the refund procedure prescribed in Article 20, paragraph (1) of the Act has been completed, and when the Depositor has come to fall under any of the following items, he or she may, by obtaining the approval of the Commissioner of the Financial Services Agency, recover the security deposit for issuance in the amount respectively prescribed in the applicable item by the following Record Date:

(i) if the unused balance as of the day on which said refund procedure has been completed (meaning the balance of (x) the amount that can be used for the payment of consideration pertaining to the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act and (y) the total, calculated in accordance with the method specified by Cabinet Office

Ordinance, of the monetary amounts converted from the quantity of goods or services the delivery or provision of which can be claimed using the Prepaid Payment Instruments prescribed in item (ii) of said paragraph, outstanding as of the day on which said refund procedure has been completed; the same shall apply in the following item) is not more than ten million yen: the full amount of the security deposit for issuance remaining as of the day on which said refund procedure has been completed; or

(ii) the unused balance as of the day on which said refund procedure has been completed exceeds ten million yen: The amount remaining after deducting half of the unused balance as of the day on which said refund procedure has been completed from the amount of security deposit for issuance remaining as of the day on which said refund procedure has been completed.

(3) Notwithstanding the provisions of the preceding two paragraphs, a Depositor may not recover any security deposit for issuance in respect of which the refund procedure under Article 20, paragraph (1) of the Act or the procedure for execution of the Right is ongoing.

(Person Qualified to Become Agents for Local Finance Office in the Distribution Proceedings of Security Deposit to Holders of Prepaid Payment Instruments)

Article 10 Persons specified by Cabinet Order as prescribed in Article 31, paragraph (3) of the Act shall be the following persons:

(i) Deposit-taking Institutions;

(ii) Trust Companies, etc.;

(iii) in the case where a bankruptcy proceeding has been commenced against said Issuer of Prepaid Payment Instruments, the bankruptcy trustee thereof;

(iv) in the case where a reorganization proceeding has been commenced against said Issuer of Prepaid Payment Instruments, the receiver thereof; the trustee thereof; and

(v) in the case where a rehabilitation proceeding has been commenced against said Issuer of Prepaid Payment Instruments, the receiver thereof; the trustee thereof (limited to cases where a trustee has been appointed for said rehabilitation proceeding).

(Procedure for the Execution of the Right pertaining to Security Deposit for Issuance)

Article 11 (1) A holder of Prepaid Payment Instruments may file a petition with the Commissioner of the Financial Services Agency for the execution of the Right with regard to the Prepaid Payment Instruments that he/she holds (excluding those for which the refund procedure under Article 20, paragraph (1) of the Act has been completed and those for which the procedure for the

execution of the Right has been completed).

- (2) The Commissioner of the Financial Services Agency shall, when having given a public notice pursuant to the provisions of Article 31, paragraph (2) of the Act, notify the person who filed a petition under the preceding paragraph (hereinafter referred to as "Petitioner" in this Article) and the Issuer of Prepaid Payment Instruments who issued said Prepaid Payment Instruments (in the case where said Issuer of Prepaid Payment Instruments has concluded a guarantee contract of security deposit for issuance or trust contract of security deposit for issuance, said Issuer of Prepaid Payment Instruments and the other party to these contracts; the same shall apply in paragraphs (4) and (5)) to that effect.
- (3) After the public notice under Article 31, paragraph (2) of the Act is given, the procedure for execution of the Right shall not be obstructed even in the case where the Petitioner has withdrawn his/her petition.
- (4) The Commissioner of the Financial Services Agency shall conduct an investigation of the Right without delay after the period set forth in Article 31, paragraph (2) of the Act has elapsed. In this case, the Commissioner of the Financial Services Agency shall give the Petitioner, the persons who stated their claims within said period, and said Issuer of Prepaid Payment Instruments an opportunity to produce evidence and state opinions with regard to the presence or absence of the Right and the amount of claims secured by such Right, by giving public notice and giving notice to said Issuer of Prepaid Payment Instruments of the date and the place in advance.
- (5) The Commissioner of the Financial Services Agency shall, without delay, prepare a distribution table with regard to the security deposit for issuance that has been made to a Local Deposit Office by the last day of the period set forth in Article 31, paragraph (2) of the Act based on the results of the investigation under the preceding paragraph, give public notice thereof, and give notice thereof to said Issuer of Prepaid Payment Instruments.
- (6) The distribution shall be implemented in accordance with the distribution table after eighty days have elapsed from the date of the public notice under the preceding paragraph.
- (7) When the locations of business offices or offices of an Issuer of Prepaid Payment Instruments cannot be ascertained, the Commissioner of the Financial Services Agency shall not be required to give notice under paragraph (2), paragraph (4), and paragraph (5) to said Issuer of Prepaid Payment Instruments.
- (8) In the case where bond certificates have been deposited, if the Commissioner of the Financial Services Agency finds it necessary for the execution of the Right, he/she may realize them. In this case, the costs for realization shall be deducted from the realized value.

(9) In the cases referred to in paragraphs (5) and (6), the Commissioner of the Financial Services Agency may prepare a distribution table with regard to the amount remaining after deducting the costs for the public notice prescribed in Article 31, paragraph (2) of the Act, remuneration for the Agents for Local Finance Office in the Distribution Proceedings of Security Deposit to Holders of Prepaid Payment Instruments prescribed in paragraph (3) of said Article, and other costs required for the procedure for return of security deposit for issuance (excluding the costs for realization under the preceding paragraph) from the amount of security deposit for issuance prescribed in paragraph (5), and implement distribution in accordance with said distribution table.

(Requirements to be Satisfied by Deposit-taking Institutions for Exemption from Deposit Obligations)

Article 12 (1) Requirements specified by Cabinet Order as prescribed in Article 35 of the Act shall be the requirements specified in Article 8, paragraph (1).

(2) Persons specified by Cabinet Order as prescribed in Article 35 of the Act shall be the persons specified in Article 8, paragraph (2), item (i).

Chapter III Funds Transfer

(Persons Equivalent to Persons Who Were Directors, etc. of a Corporation Whose Registration for the Funds Transfer Service Has been Rescinded)

Article 13 Persons specified by Cabinet Order as prescribed in Article 40, paragraph (1), item (x), sub-item (e) of the Act shall be the following persons:

(i) in the case where a corporation had its registration under Article 64, paragraph (1) of the Act rescinded pursuant to the provisions of Article 82, paragraph (1) or (2) of the Act, a person who had been a director, executive officer, accounting advisor, company auditor, director, or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;

(ii) in the case where a corporation had its license under Article 4, paragraph (1) of the Banking Act rescinded pursuant to the provisions of Article 27 or Article 28 of said Act, had its authorization under Article 52-9, paragraph (1) of said Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of said Act, had its authorization under Article 52-17, paragraph (1) of said Act or the proviso to paragraph (3) of said Article rescinded pursuant to the provisions of Article 52-34, paragraph (1) of said Act, or had its permission under Article 52-36, paragraph (1) of said Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of said Act, a person who had been a director (including a representative person in Japan who is deemed to be a director under Article

- 47, paragraph (2) of said Act), executive officer, accounting advisor, company auditor, or any other person equivalent thereto of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (iii) in the case where a corporation had its license under Article 4, paragraph (1) of the Long-Term Credit Bank Act (Act No. 187 of 1952) rescinded pursuant to the provisions of Article 27 or Article 28 of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, had its authorization under Article 16-2-2, paragraph (1) of the Long-Term Credit Bank Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, had its authorization under Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act or the proviso to paragraph (3) of said Article rescinded pursuant to the provisions of Article 52-34, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, or had its permission under Article 16-5, paragraph (1) of the Long-Term Credit Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, a person who had been a director, executive officer, accounting advisor, or company auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (iv) in the case where a corporation had its license under Article 4 of the Credit Association Act (Act No. 238 of 1951) rescinded pursuant to the provisions of Article 27 or Article 28 of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Credit Association Act or had its permission under Article 85-2, paragraph (1) of the Credit Association Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Credit Association Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (v) in the case where a corporation had its license under Article 6 of the Labor Credit Association Act (Act No. 227 of 1953) rescinded pursuant to the provisions of Article 95 of said Act or had its permission under Article 89-3, paragraph (1) of said Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Credit Association Act, a person who had been a director or auditor of such corporation at any time during the

- thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (vi) in the case where a corporation received a dissolution order under Article 106, paragraph (2) of the Small and Medium Sized Enterprises, etc. Cooperatives Act (Act No. 181 of 1949), had its authorization under Article 3 of the Act on Financial Business by Cooperatives (Act No. 183 of 1949) rescinded pursuant to the provisions of Article 27 or Article 28 of the Banking Act as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Act on Financial Business by Cooperatives or had its permission under Article 6-3, paragraph (1) of said Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by Cooperatives, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission (in the case of a dissolution order, the day on which said dissolution order is issued; hereinafter the same shall apply in this item through item (ix)) and for whom five years have not passed since that date;
- (vii) in the case where a corporation had its permission under Article 92-2, paragraph (1) of the Agricultural Cooperatives Act (Act No. 132 of 1947) rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act or where an agricultural cooperative or federation of agricultural cooperative received a dissolution order under Article 95-2 of said Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (viii) in the case where a corporation had its permission under Article 121-2, paragraph (1) of the Fisheries Cooperatives Act (Act No. 242 of 1948) rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fisheries Cooperatives Act or where a fisheries cooperative, federation of fisheries cooperatives, fishery processing cooperative, or federation of fishery processing cooperatives received a dissolution order under Article 124-2 of said Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (ix) in the case where a corporation had its permission under Article 95-2, paragraph (1) of the Norinchukin Bank Act (Act No. 93 of 2001) rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act

as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act or received a dissolution order under Article 86 of said Act, a person who had been a director, management committee member or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;

- (x) in the case where a corporation had its authorization under Article 8, paragraph (1) of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007) or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 13, paragraph (1) of said Act, a person who had been a director, executive officer, accounting advisor, or company auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (xi) in the case where a corporation had its license, permission, or authorization (including other administrative dispositions similar to said license, permission, or authorization; the same shall apply hereinafter in this item) rescinded that is of the same kind as the license, permission, or authorization prescribed in item (i) through the preceding item and had been granted in a foreign state pursuant to the provisions of laws and regulations of said foreign state equivalent to the Act, the Banking Act, the Long-Term Credit Bank Act, the Credit Association Act, the Labor Credit Association Act, the Small and Medium Sized Enterprises, etc. Cooperatives Act, the Act on Financial Business by Cooperatives, the Agricultural Cooperatives Act, the Fisheries Cooperatives Act, the Norinchukin Bank Act, or the Shoko Chukin Bank Limited Act, had the renewal of said license, permission, or authorization refused, or received a dissolution order, a person who had been a director, executive officer, accounting advisor, company auditor, or any other person equivalent thereto of such corporation at any time during the thirty days prior to the date of the rescission (in the case of a dissolution order, the day on which said dissolution order is issued and in the case of a refusal of renewal, the day on which he or she received said disposition; hereinafter the same shall apply in this item) and for whom five years have not passed since that date;
- (xii) a person who had his/her authorization under Article 52-9, paragraph (1) of the Banking Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of said Act, authorization under Article 16-2-2, paragraph (1) of the Long-Term Credit Bank Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act or authorization under Article 8, paragraph (1) of the Shoko

- Chukin Bank Limited Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 13, paragraph (1) of said Act and for whom five years have not passed since the date of the rescission;
- (xiii) a person who has had his or her permission under Article 52-36, paragraph (1) of the Banking Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of said Act, permission under Article 16-5, paragraph (1) of the Long-Term Credit Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, permission under Article 85-2, paragraph (1) of the Credit Association Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Credit Association Act, permission under Article 89-3, paragraph (1) of the Labor Credit Association Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Credit Association Act, permission under Article 6-3, paragraph (1) of the Act on Financial Business by Cooperatives rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by Cooperatives, permission under Article 92-2, paragraph (1) of the Agricultural Cooperatives Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act, permission under Article 121-2, paragraph (1) of the Fisheries Cooperatives Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fisheries Cooperatives Act or permission under Article 95-2, paragraph (1) of the Norinchukin Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act, and in respect of whom five years have not passed since the date of the rescission;
- (xiv) a person who has had his or her authorization or permission rescinded, such authorization or permission having been granted in a foreign state pursuant to the provisions of laws and regulations of said foreign state corresponding to the Banking Act, being the same kind as that under Article 52-9, paragraph (1) of the Banking Act, or the proviso to paragraph (2) of said Article, or Article 52-36, paragraph (1) of said Act, or has had the renewal of said authorization or permission refused, and in respect of whom five years have not passed since the date of the rescission (in the case of a

- refusal of renewal, the day on which he or she received said disposition);
- (xv) a board member, executive officer, accounting advisor or company auditor, or director or auditor who was subject to an order for dismissal pursuant to the provisions of Article 67, paragraph (3) or Article 82, paragraph (2) of the Act and for whom five years have not passed since the day on which the he or she received said disposition;
- (xvi) a board member (including a representative person in Japan who is deemed to be a director under Article 47, paragraph (2) of the Banking Act), executive officer, accounting advisor or company auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 or Article 52-34, paragraph (1) of said Act and for whom five years have not passed since the day on which he or she received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of said Act and for whom five years have not passed since the day on which the officer received said disposition;
- (xvii) a board member, executive officer, accounting advisor or company auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 or Article 52-34, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act and for whom five years have not passed since the day on which he or she received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act and for whom five years have not passed since the day on which the officer received said disposition;
- (xviii) a director or auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Credit Association Act and for whom five years have not passed since the day on which the director or auditor received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (3) of the Credit Association Act and for whom five years have not passed since the day on which the officer received said disposition;
- (xix) a director or auditor who was subject to an order for replacement pursuant to the provisions of Article 95, paragraph (1) of the Labor Credit Association Act and for whom five years have not passed since the day on which the director or auditor received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Credit Association Act and for whom

- five years have not passed since the day on which the officer received said disposition;
- (xx) a director or auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 of the Banking Act as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Act on Financial Business by Cooperatives and for whom five years have not passed since the day on which said disposition is made; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by Cooperatives and for whom five years have not passed since the day on which said disposition is made;
 - (xxi) an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act and for whom five years have not passed since the day on which the officer received said disposition; or an officer who was subject to an order for change of officers pursuant to the provisions of Article 95, paragraph (2) of said Act and for whom five years have not passed since the day on which the officer received said disposition;
 - (xxii) an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fisheries Cooperatives Act and for whom five years have not passed since the day on which the officer received said disposition; or an officer who was subject to an order for change of officers pursuant to the provisions of Article 124, paragraph (2) of said Act and for whom five years have not passed since the day on which the officer received said disposition;
 - (xxiii) an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act and for whom five years have not passed since the day on which the officer received said disposition; or a director, management committee member, or auditor who was subject to an order for dismissal pursuant to the provisions of Article 86 of said Act and for whom five years have not passed since the day on which he or she received said disposition;
 - (xxiv) a board member, executive officer, accounting advisor, or company auditor who was subject to an order for dismissal pursuant to the provisions of Article 60 of the Shoko Chukin Bank Limited Act and for whom five years have not passed since the day on which he or she received said disposition;
and
 - (xxv) a board member, executive officer, accounting advisor, company auditor,

or any other person equivalent thereto who was subject to an order for dismissal pursuant to the provisions of laws and regulations of a foreign state equivalent to the Act, the Banking Act, the Long-Term Credit Bank Act, the Credit Association Act, the Labor Credit Association Act, the Small and Medium Sized Enterprises, etc. Cooperatives Act, the Act on Financial Business by Cooperatives, the Agricultural Cooperatives Act, the Fisheries Cooperatives Act, the Norinchukin Bank Act, or the Shoko Chukin Bank Limited Act and for whom five years have not passed since the day on which the board member, executive officer, accounting advisor, company auditor, or any other person equivalent thereto received said disposition.

(Minimum Required Amount as Security for Providing Funds Transfer Services)

Article 14 The amount specified by Cabinet Order as prescribed in Article 43, paragraph (2) of the Act shall be ten million yen.

(Matters to be Included in Guarantee Contract of Security Deposit of Providing Funds Transfer Services)

Article 15 A guarantee contract of security deposit of providing Funds Transfer Services (meaning the guarantee contract of security deposit of providing Funds Transfer Services prescribed in Article 44 of the Act; hereinafter the same shall apply in this Article and Article 19, paragraph (2)) to be concluded by a Funds Transfer Service Provider who is required to make a security deposit for providing Funds Transfer Services to the Local Deposit Office under Article 43, paragraph (1) of the Act shall contain provisions prescribing the following matters:

- (i) the other party to said guarantee contract of security deposit of providing Funds Transfer Services shall promise to said Funds Transfer Service Provider that in the case where said other party comes to fall under any of the following cases, it will make a security deposit for providing Funds Transfer Services to the Local Deposit Office on behalf of said Funds Transfer Service Provider in the amount pertaining to the order of the Commissioner of the Financial Services Agency respectively prescribed therein:
 - (a) where the other party to said guarantee contract of security deposit of providing Funds Transfer Services receives an order of the Commissioner of the Financial Services Agency under Article 46 of the Act during a period from the day immediately following the date of notification under Article 44 of the Act pertaining to said guarantee contract of security deposit of providing Funds Transfer Services to a day on which one week has elapsed from the first Record Date (meaning the Record Date

- prescribed in Article 43, paragraph (1) of the Act; hereinafter the same shall apply in this item and Article 17) after said date of notification (in the case where a notification under Article 44 of the Act pertaining to said first Record Date is made before that day, the date of such notification) or;
- (b) in the case where said Funds Transfer Service Provider fails to make a security deposit for providing Funds Transfer Services to the Local Deposit Office under Article 43, paragraph (1) of the Act (including conclusion of a guarantee contract of security deposit of providing Funds Transfer Services and maintaining of trust property under a trust contract of security deposit of providing Funds Transfer Services (meaning the trust contract of security deposit of providing Funds Transfer Services prescribed in Article 45, paragraph (1) of the Act; the same shall apply in Article 19, paragraph (2)) pertaining to the first Record Date prescribed in (a) within one week from said first Record Date, when the other party to said guarantee contract of security deposit of providing Funds Transfer Services receives an order of the Commissioner of the Financial Services Agency under Article 46 of the Act; and
- (ii) except cases where the approval of the Commissioner of the Financial Services Agency is obtained, the whole or part of said guarantee contract of security deposit of providing Funds Transfer Services may not be cancelled.

(Requirements to be Satisfied by Banks, etc. for Conclusion of Guarantee Contract of Security Deposit of Providing Funds Transfer Services)

Article 16 (1) The requirements specified by Cabinet Order as prescribed in Article 44 of the Act shall be that the Deposit-taking Institution falls under the category for one that is determined to have sound equity capital as specified by Cabinet Office Ordinance in consideration of the criteria prescribed in Article 14-2 of the Banking Act and provisions of other laws and regulations similar to this.

(2) Persons specified by Cabinet Order as prescribed in Article 44 of the Act shall be an insurance company falling under the category for one that is determined to have a sound status with regard to capital adequacy to support the payment of Insurance Claims, etc. as specified by Cabinet Office Ordinance in consideration of the criteria prescribed in Article 130 of the Insurance Business Act and any other person specified by Cabinet Office Ordinance.

(Category and Amount Permitted in the Case of Qualifying Recovery of Security Deposit for Providing Funds Transfer Services)

Article 17 (1) When a person who has made a security deposit for providing Funds Transfer Services to a Local Deposit Office (including bond certificates (meaning bond certificates specified by Cabinet Office Ordinance as prescribed

in Article 43, paragraph (3) of the Act; the same shall apply in Article 19, paragraph (8)) deposited pursuant to the provisions of Article 43, paragraph (3) of the Act; hereinafter the same shall apply in this Article and Article 19, paragraph (5)) pursuant to the provisions of Article 43, paragraph (1) or Article 46 of the Act or his/her successor (hereinafter collectively referred to as "Depositor" in paragraph (3)) has come to fall under any of the following items, the Depositor may, by obtaining the approval of the Commissioner of the Financial Services Agency, recover the security deposit for providing Funds Transfer Services in the amount respectively prescribed therein by the following Record Date:

- (i) in the case where the Required Amount of Deposit (meaning the Required Amount of Deposit prescribed in Article 43, paragraph (1) of the Act) on the Record Date is less than the total of the amount of security deposit for providing Funds Transfer Services and the secured amount (meaning the secured amount prescribed in Article 44 of the Act) on the immediately preceding Record Date: any amount within the limit of the amount of said security deposit for providing Funds Transfer Services up to the amount that would cause the said total amount to decrease to said Required Amount of Deposit;
 - (ii) in the case where the procedure for the execution of the right under Article 59, paragraph (1) of the Act (hereinafter referred to as the "Right" in this item, paragraph (3), and Article 19) has been completed: The amount remaining after deducting the amount of costs required for the procedure for the execution of the Right from the amount of security deposit for providing Funds Transfer Services that has been made to a Local Deposit Office; and
 - (iii) cases prescribed in the following paragraph: The full amount of the security deposit for providing Funds Transfer Services that has been made to a Local Deposit Office.
- (2) Cases specified by Cabinet Order as prescribed in Article 47, paragraph (1), item (iii) of the Act shall be the cases where a Funds Transfer Service Provider has given public notice under Article 61, paragraph (3) of the Act (excluding cases where it has given public notice concerning the succession of said business by way of assignment of business, merger or company split, or for other reasons) and the same notification individually to known creditors and falls under either of the following items:
- (i) when the Funds Transfer Service Provider has performed the obligations borne in relation to exchange transactions that it carries out; or
 - (ii) in the case where the Funds Transfer Service Provider is unable to perform its obligations due to grounds not attributable thereto and gave a public notice of that fact pursuant to the provisions of Cabinet Office Ordinance, when no claims have been stated with regard to said obligations from

creditors after thirty days have elapsed since the date of said public notice.
(3) Notwithstanding the provisions of the paragraph (1), a Depositor may not recover any security deposit for providing Funds Transfer Services for which the procedure for the execution of the Right is ongoing.

(Person Qualified to Become Agents for Local Finance Office in the Distribution Proceedings of Security Deposit to Holders of Prepaid Payment Instruments)

Article 18 Persons specified by Cabinet Order as prescribed in Article 59, paragraph (3) of the Act shall be the following persons:

- (i) Banks, etc.;
- (ii) Trust Companies, etc.;
- (iii) in the case where a bankruptcy proceeding has been commenced against said Funds Transfer Service Provider, the bankruptcy trustee thereof;
- (iv) in the case where a reorganization proceeding has been commenced against said Funds Transfer Service Provider, the receiver thereof; the trustee thereof; and
- (v) in the case where a rehabilitation proceeding has been commenced against said Funds Transfer Service Provider, the receiver thereof; the trustee thereof (limited to cases where a trustee has been appointed for said rehabilitation proceeding).

(Procedure for the Execution of the Right pertaining to Security Deposit for Providing Funds Transfer Services)

Article 19 (1) Creditors pertaining to the obligations borne by a Funds Transfer Service Provider in relation to exchange transactions that it carries out may file a petition with the Commissioner of the Financial Services Agency for the execution of the Right with regard to the claims pertaining to said obligations (excluding those for which the procedure for the execution of the Right has already been completed).

- (2) The Commissioner of the Financial Services Agency shall, when having given a public notice pursuant to the provisions of Article 59, paragraph (2) of the Act, notify the person who filed a petition under the preceding paragraph (hereinafter referred to as "Petitioner" in this Article) and said Funds Transfer Service Provider (in the case where said Funds Transfer Service Provider has concluded a guarantee contract of security deposit of providing Funds Transfer Services or trust contract of security deposit of providing Funds Transfer Services, said Funds Transfer Service Provider and the other party to these contracts; the same shall apply in paragraphs (4) and (5)) to that effect.
- (3) After the public notice under Article 59, paragraph (2) of the Act is given, the procedure for execution of the Right shall not be obstructed even in the case

where the Petitioner has withdrawn his/her petition.

- (4) The Commissioner of the Financial Services Agency shall conduct an investigation of the Right without delay after the period set forth in Article 59, paragraph (2) of the Act has elapsed. In this case, the Commissioner of the Financial Services Agency shall give the Petitioner, the persons who stated their claims within said period, and said Funds Transfer Service Provider an opportunity to produce evidence and state opinions with regard to the presence or absence of the Right and the amount of claims secured by such Right, by giving public notice and giving notice to said Funds Transfer Service Provider of the date and the place in advance.
- (5) The Commissioner of the Financial Services Agency shall, without delay, prepare a distribution table with regard to the security deposit for providing Funds Transfer Services that has been made to a Local Deposit Office by the last day of the period set forth in Article 59, paragraph (2) of the Act based on the results of the investigation under the preceding paragraph, give public notice thereof, and give notice thereof to said Funds Transfer Service Provider.
- (6) The distribution shall be implemented in accordance with the distribution table after eighty days have elapsed from the date of the public notice under the preceding paragraph.
- (7) When the locations of business offices of a Funds Transfer Service Provider cannot be ascertained, the Commissioner of the Financial Services Agency shall not be required to give notice under paragraph (2), paragraph (4), and paragraph (5) to said Funds Transfer Service Provider.
- (8) If bonds have been deposited, and if necessary for the execution of the Right, the Commissioner of the Financial Services Agency may convert them. If converted, the costs of conversion shall be deducted from the conversion proceeds.
- (9) In the cases referred to in paragraphs (5) and (6), the Commissioner of the Financial Services Agency may prepare a distribution table with regard to the amount remaining after deducting the costs of the public notice prescribed in Article 59, paragraph (2) of the Act, remuneration for the Agents for Local Finance Office in the Distribution Proceedings of Security Deposit to Holders of Prepaid Payment Instruments prescribed in paragraph (3) of said Article, and other costs required for the procedure for the return of the security deposit for providing Funds Transfer Services (excluding the costs of conversion under the preceding paragraph) from the amount of security deposit for providing Funds Transfer Services prescribed in paragraph (5), and implement distribution in accordance with said distribution table.
- (10) If the procedure for the execution of the Right has commenced and the period prescribed in Article 59, paragraph (2) of the Act has elapsed, if the amount of security deposit for providing Funds Transfer Services prescribed in

paragraph (5) exceeds the total amount of claims prescribed in paragraph (2) of said Article that have been made pursuant to the provisions of said paragraph, the Commissioner of the Financial Services Agency may carry out provisional distribution to the creditors relating to said procedure for the execution of the Right.

- (11) When carrying out provisional distribution, the Commissioner of the Financial Services Agency shall promptly determine the following matters and give public notice of determination:
- (i) the fact that provisional distribution will be carried out;
 - (ii) the maximum amount of provisional distribution per creditor or exchange transaction;
 - (iii) the period for requesting provisional distribution;
 - (iv) the method of provisional distribution;
 - (v) documents and other articles to be submitted or presented to the Commissioner of the Financial Services Agency when a creditor requests provisional distribution; and
 - (vi) other matters determined to be necessary by the Commissioner of the Financial Services Agency.
- (12) A person who seeks provisional distribution shall, pursuant to the provisions of Cabinet Office Ordinance, make a request for provisional distribution to the Commissioner of the Financial Services Agency within the period of request stated in the public notice given pursuant to the provisions of the preceding paragraph; provided, however, that this shall not apply to the cases of a natural disaster or cases where the Commissioner of the Financial Services Agency finds compelling reason regarding its failure to make a request within the period of request.
- (13) The amount of distribution under paragraph (6) in the case where the creditors pertaining to the procedure for the execution of the Right have received provisional distribution under paragraph (10) in the course of said procedure for the execution of the Right shall be an amount equivalent to the amount remaining after deducting the amount of said provisional distribution (excluding the amount to be paid to the Treasury pursuant to the provisions of the following paragraph).
- (14) When the amount of provisional distribution under paragraph (10) received by a creditor pertaining to the procedure for the execution of the Right exceeds the amount of distribution under paragraph (6), the creditor shall pay the excess amount to the Treasury.

(Replacement of Terms of the Provisions of the Companies Act as Applied Mutatis Mutandis to Cases where A Funds Transfer Service Provider Gives Public Notice of Abolition of the Funds Transfer Service, etc. by Way of

Electronic Public Notice)

Article 20 In the case where the public notice prescribed in Article 61, paragraph (3) of the Act is given by way of Electronic Public Notice (meaning the Electronic Public Notice prescribed in Article 2, item (xxxiv) of the Companies Act; hereinafter the same shall apply), the technical replacement of terms pertaining to the provisions of the Companies Act as applied mutatis mutandis pursuant to Article 61, paragraphs (6) and (7) of the Act required by the provisions of paragraphs (6) and (7) of said Article shall be as follows:

Provisions of the Companies Act Requiring Replacement of Terms	Terms to be replaced	Terms to replace
Article 940(3) (excluding items thereof)	preceding two paragraphs	paragraph (1)
	these	of said paragraph

Chapter IV Clearing for Funds Transfer Transactions

(Persons Equivalent to Persons Who Were Directors, etc. of a Corporation Whose License for the Central Counter-party Clearing Services for Interbank Funds Transfer has been Rescinded)

Article 21 Persons specified by Cabinet Order as prescribed in Article 66, paragraph (2), item (iv), sub-item (e) of the Act shall be the following persons:

- (i) in the case where a corporation had its registration under Article 37 of the Act rescinded pursuant to the provisions of Article 56, paragraph (1) or (2) of the Act, a person who had been a director, executive officer, accounting advisor, company auditor or any other person equivalent there to, or representative person in Japan of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (ii) in the case where a corporation had its license under Article 4, paragraph (1) of the Banking Act rescinded pursuant to the provisions of Article 27 or Article 28 of said Act, had its authorization under Article 52-9, paragraph (1) of said Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of said Act, had its authorization under Article 52-17, paragraph (1) of said Act or the proviso to paragraph (3) of said Article rescinded pursuant to the provisions of Article 52-34, paragraph (1) of said Act, or had its permission under Article 52-36, paragraph (1) of said Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of said Act, a person who had been a director (including a representative person in Japan who is deemed to be a director under Article

- 47, paragraph (2) of said Act), executive officer, accounting advisor, company auditor, or any other person equivalent thereto of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (iii) in the case where a corporation had its license under Article 4, paragraph (1) of the Long-Term Credit Bank Act rescinded pursuant to the provisions of Article 27 or Article 28 of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, had its authorization under Article 16-2-2, paragraph (1) of the Long-Term Credit Bank Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, had its authorization under Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act or the proviso to paragraph (3) of said Article rescinded pursuant to the provisions of Article 52-34, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, or had its permission under Article 16-5, paragraph (1) of the Long-Term Credit Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, a person who had been a director, executive officer, accounting advisor, or company auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (iv) in the case where a corporation had its license under Article 4 of the Credit Association Act rescinded pursuant to the provisions of Article 27 or Article 28 of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Credit Association Act or had its permission under Article 85-2, paragraph (1) of the Credit Association Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Credit Association Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (v) in the case where a corporation had its license under Article 6 of the Labor Credit Association Act rescinded pursuant to the provisions of Article 95 of said Act or had its permission under Article 89-3, paragraph (1) of said Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Credit Association Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that

- date;
- (vi) in the case where a corporation received dissolution order under Article 106, paragraph (2) of the Small and Medium Sized Enterprises, etc. Cooperatives Act, had its authorization under Article 3 of the Act on Financial Business by Cooperatives rescinded pursuant to the provisions of Article 27 or Article 28 of the Banking Act as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Act on Financial Business by Cooperatives or had its permission under Article 6-3, paragraph (1) of said Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by Cooperatives, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission (in the case of a dissolution order, the day on which said dissolution order is issued; the same shall apply hereinafter in this item through item (ix)) and for whom five years have not passed since that date;
- (vii) in the case where a corporation had its permission under Article 92-2, paragraph (1) of the Agricultural Cooperatives Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act or where an agricultural cooperative or federation of agricultural cooperative received a dissolution order under Article 95-2 of said Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (viii) in the case where a corporation had its permission under Article 121-2, paragraph (1) of the Fisheries Cooperatives Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fisheries Cooperatives Act or where a fisheries cooperative, federation of fisheries cooperatives, fishery processing cooperative, or federation of fishery processing cooperatives received a dissolution order under Article 124-2 of said Act, a person who had been a director or auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (ix) in the case where a corporation had its permission under Article 95-2, paragraph (1) of the Norinchukin Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act or received a dissolution order under Article 86 of said Act, a person who had been a director, management committee member or auditor

- of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
- (x) in the case where a corporation had its authorization under Article 8, paragraph (1) of the Shoko Chukin Bank Limited Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 13, paragraph (1) of said Act, a person who had been a director, executive officer, accounting advisor, or company auditor of such corporation at any time during the thirty days prior to the date of the rescission and for whom five years have not passed since that date;
 - (xi) in the case where a corporation had its license, permission, authorization, or registration (including other administrative dispositions similar to said license, permission, authorization, or registration; hereinafter the same shall apply in this item) rescinded that is of the same kind as the license, permission, authorization, or registration prescribed in item (i) through the preceding item and had been granted in a foreign state pursuant to the provisions of laws and regulations of said foreign state equivalent to the Act, the Banking Act, the Long-Term Credit Bank Act, the Credit Association Act, the Labor Credit Association Act, the Small and Medium Sized Enterprises, etc. Cooperatives Act, the Act on Financial Business by Cooperatives, the Agricultural Cooperatives Act, the Fisheries Cooperatives Act, the Norinchukin Bank Act, or the Shoko Chukin Bank Limited Act, had the renewal of said license, permission, authorization, or registration refused, or received a dissolution order, a person who had been a director, executive officer, accounting advisor, company auditor, or any other person equivalent thereto of such corporation at any time during the thirty days prior to the date of the rescission (in the case of a dissolution order, the day on which said dissolution order is issued and in the case of a refusal of renewal, the day on which said disposition is made; hereinafter the same shall apply in this item) and for whom five years have not passed since that date;
 - (xii) a person who had his/her authorization under Article 52-9, paragraph (1) of the Banking Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of said Act, authorization under Article 16-2-2, paragraph (1) of the Long-Term Credit Bank Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 52-15, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act or authorization under Article 8, paragraph (1) of the Shoko Chukin Bank Limited Act or the proviso to paragraph (2) of said Article rescinded pursuant to the provisions of Article 13, paragraph (1) of said Act and for whom five years have not passed since the date of the rescission;
 - (xiii) a person who had his/her permission under Article 52-36, paragraph (1) of

the Banking Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of said Act, permission under Article 16-5, paragraph (1) of the Long-Term Credit Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, permission under Article 85-2, paragraph (1) of the Credit Association Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Credit Association Act, permission under Article 89-3, paragraph (1) of the Labor Credit Association Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Credit Association Act, permission under Article 6-3, paragraph (1) of the Act on Financial Business by Cooperatives rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by Cooperatives, permission under Article 92-2, paragraph (1) of the Agricultural Cooperatives Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act, permission under Article 121-2, paragraph (1) of the Fisheries Cooperatives Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fisheries Cooperatives Act or permission under Article 95-2, paragraph (1) of the Norinchukin Bank Act rescinded pursuant to the provisions of Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act and for whom five years have not passed since the date of the rescission;

- (xiv) a person who had his/her authorization or permission rescinded that is of the same kind as the authorization or permission under Article 52-9, paragraph (1) of the Banking Act or the proviso to paragraph (2) of said Article or Article 52-36, paragraph (1) of said Act and had been granted in a foreign state pursuant to the provisions of laws and regulations of said foreign state equivalent to the Banking Act or had the renewal of said authorization or permission refused and for whom five years have not passed since the date of the rescission (in the case of a refusal of renewal, the day on which he/she received said disposition);
- (xv) a board member, executive officer, accounting advisor or company auditor, or director or auditor who was subject to an order for dismissal pursuant to the provisions of Article 67, paragraph (3) or Article 82, paragraph (2) of the

- Act and for whom five years have not passed since the day on which he or she received said disposition;
- (xvi) a board member (including a representative person in Japan who is deemed to be a director under Article 47, paragraph (2) of the Banking Act), executive officer, accounting advisor or company auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 or Article 52-34, paragraph (1) of said Act and for whom five years have not passed since the day on which he or she received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of said Act and for whom five years have not passed since the day on which the officer received said disposition;
 - (xvii) a board member, executive officer, accounting advisor or company auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 or Article 52-34, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act and for whom five years have not passed since the day on which he or she received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act and for whom five years have not passed since the day on which the officer received said disposition;
 - (xviii) a director or auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Credit Association Act and for whom five years have not passed since the day on which the director or auditor received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (3) of the Credit Association Act and for whom five years have not passed since the day on which the officer received said disposition;
 - (xix) a director or auditor who was subject to an order for replacement pursuant to the provisions of Article 95, paragraph (1) of the Labor Credit Association Act and for whom five years have not passed since the day on which the director or auditor received said disposition ; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Credit Association Act and for whom five years have not passed since the day on which the officer received said disposition;
 - (xx) a director or auditor who was subject to an order for dismissal pursuant to the provisions of Article 27 of the Banking Act as applied mutatis mutandis

- pursuant to Article 6, paragraph (1) of the Act on Financial Business by Cooperatives, and in respect of whom five years have not passed since the day on which the director or auditor received said disposition; or an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by Cooperatives and in respect of whom five years have not passed since the day on which the officer received said disposition;
- (xxi) an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act and in respect of whom five years have not passed since the day on which the officer received said disposition; or an officer who was subject to an order for change of officers pursuant to the provisions of Article 95, paragraph (2) of said Act and in respect of whom five years have not passed since the day on which the officer received said disposition;
- (xxii) an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fisheries Cooperatives Act and in respect of whom five years have not passed since the day on which the officer received said disposition; or an officer who was subject to an order for change of officers pursuant to the provisions of Article 124, paragraph (2) of said Act and in respect of whom five years have not passed since the day on which the officer received said disposition;
- (xxiii) an officer who was subject to an order for dismissal pursuant to the provisions of Article 52-56, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act and in respect of whom five years have not passed since the day on which the officer received said disposition; or a director, management committee member, or auditor who was subject to an order for dismissal pursuant to the provisions of Article 86 of said Act and in respect of whom five years have not passed since the day on which the director, management committee member or auditor received said disposition;
- (xxiv) a board member, executive officer, accounting advisor, or company auditor who was subject to an order for dismissal pursuant to the provisions of Article 60 of the Shoko Chukin Bank Limited Act and for whom five years have not passed since the day on which the board member, executive officer, accounting advisor or companz auditor received said disposition; and
- (xxv) a board member, executive officer, accounting advisor, company auditor, or any other person equivalent thereto who was subject to an order for dismissal pursuant to the provisions of laws and regulations of a foreign

state equivalent to the Act, the Banking Act, the Long-Term Credit Bank Act, the Credit Association Act, the Labor Credit Association Act, the Small and Medium Sized Enterprises, etc. Cooperatives Act, the Act on Financial Business by Cooperatives, the Agricultural Cooperatives Act, the Fisheries Cooperatives Act, the Norinchukin Bank Act, or the Shoko Chukin Bank Limited Act and for whom five years have not passed since the day on which he or she received said disposition.

(Minimum Amount of Net Assets pertaining to Dividends of Surplus)

Article 22 The amount specified by Cabinet Order as prescribed in Article 458 of the Companies Act as applied by replacing certain terms pursuant to Article 68, paragraph (2) of the Act shall be two billion yen.

Chapter V Certified Association for Payment Service Providers

Article 23 (1) An application for certification under Article 87 of the Act shall be made by submitting a written application containing the following matters to the Commissioner of the Financial Services Agency:

- (i) name;
- (ii) location of the office; and
- (iii) names of officers and names of members.

(2) The articles of incorporation, a certificate of registered matters, and other documents specified by Cabinet Office Ordinance shall be attached to the written application set forth in the preceding paragraph.

Chapter VI Designated Dispute Resolution Organization

(Designation under the Provisions of Other Acts pertaining to a Business Equivalent to the Business of Dispute resolution, etc.)

Article 24 Designations specified by Cabinet Order as prescribed in Article 52-66 and Article 52-83, paragraph (3) of the Banking Act as applied mutatis mutandis by replacing certain terms pursuant to Article 99, paragraph (1), items (ii) and (iv), sub-item (d) and Article 101, paragraph (1) of the Act (hereinafter referred to as the "Banking Act as Applied Mutatis Mutandis" in this Chapter) shall be those specified in the following items:

- (i) designation under the provisions of Article 156-39, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); and
- (ii) designations listed in the items of Article 26.

(Proportion of the Number of Funds Transfer Service Providers who Stated an Objection to the Total Number of Funds Transfer Service Providers)

Article 25 A proportion specified by Cabinet Order as prescribed in Article 99, paragraph (1), item (viii) of the Act shall be one-third.

(Exclusion from Application of the Restriction on Use of Names)

Article 26 Persons specified by Cabinet Order as prescribed in Article 52-77 of the Banking Act as Applied Mutatis Mutandis shall be those who have received any of the following designations:

- (i) designation under the provisions of Article 35-2, paragraph (1) of the Mutual Loan Business Act (Act No. 42 of 1931);
- (ii) designation under the provisions of Article 12-2, paragraph (1) of the Act on Concurrent Operation of Trust Business by a Financial Institution (Act No. 43 of 1943);
- (iii) designation under the provisions of Article 92-6, paragraph (1) of the Agricultural Cooperatives Act;
- (iv) designation under the provisions of Article 121-6, paragraph (1) of the Fisheries Cooperatives Act;
- (v) designation under the provisions of Article 69-2, paragraph (1) of the Small and Medium Sized Enterprises, etc. Cooperatives Act;
- (vi) designation under the provisions of Article 85-4, paragraph (1) of the Credit Association Act;
- (vii) designation under the provisions of Article 16-8, paragraph (1) of the Long-Term Credit Bank Act;
- (viii) designation under the provisions of Article 89-5, paragraph (1) of the Labor Credit Association Act;
- (ix) designation under the provisions of Article 52-62, paragraph (1) of the Banking Act;
- (x) designation under the provisions of Article 41-39, paragraph (1) of the Money Lending Business Act (Act No. 32 of 1983);
- (xi) designation under the provisions of Article 308-2, paragraph (1) of the Insurance Business Act;
- (xii) designation under the provisions of Article 95-6, paragraph (1) of the Norinchukin Bank Act; and
- (xiii) designation under the provisions of Article 85-2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004).

Chapter VII Miscellaneous Provisions

(Authority Excluded from Delegation of Authority to the Commissioner of the Financial Services Agency)

Article 27 Authority specified by Cabinet Order as prescribed in Article 104, paragraph (1) of the Act shall be that pertaining to the following matters:

- (i) granting of a license under Article 64, paragraph (1) of the Act;
- (ii) rescission of the license under Article 64, paragraph (1) of the Act pursuant to the provisions of Article 82, paragraph (1) or (2) of the Act; and
- (iii) notification of the dispositions set forth in Article 85, item (i) or (ii) of the Act to the Minister of Finance pursuant to the provisions of said Article.

(Delegation of Authority pertaining to Prepaid Payment Instruments to the Directors-General of Local Finance Bureaus)

Article 28 (1) The authority under the provisions of Chapter II of the Act that has been delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of Article 104, paragraph (1) of the Act and the authority of the Commissioner of the Financial Services Agency under the provisions of Chapter II (collectively referred to as "Commissioner Authority" in paragraph (4)) shall be delegated to the Director-General of the Local Finance Bureau having jurisdiction over the location of the principal business office or office (hereinafter referred to as the "Principal Business Office, etc." in this Article) of an Issuer of Prepaid Payment Instruments (including a corporation intending to obtain registration under Article 7 of the Act) (or to the Director General of the Fukuoka Local Finance Branch Bureau in the case where such location is within the jurisdiction of the Fukuoka Local Finance Branch Bureau); provided, however, that this shall not preclude the Commissioner of the Financial Services Agency from exercising the authority under the provisions of Article 24, paragraph (1) or (2) of the Act (including cases where these provisions are applied pursuant to Article 6, Article 8, paragraph (2), or Article 9, paragraph (3) of the Supplementary Provisions of the Act; the same shall apply in the following paragraph) him/herself.

(2) Collection of report or material or on-site inspection or inquiries under Article 24, paragraph (1) or (2) of the Act (referred to as "Inspection, etc." in the following paragraph) pertaining to business offices or offices of an Issuer of Prepaid Payment Instruments other than its Principal Business Office, etc. (hereinafter referred to as "Secondary Business Offices, etc." in this Article) may also be conducted by the Directors-General of the Local Finance Bureaus having jurisdiction over the locations of said Secondary Business Offices, etc. (or by the Director General of the Fukuoka Local Finance Branch Bureau in the case where such location is within the jurisdiction of the Fukuoka Local Finance Branch Bureau) in addition to the Director-General of the Local Finance Bureau and the Director General of the Fukuoka Local Finance Branch Bureau prescribed in the preceding paragraph.

(3) The Director-General of a Local Finance Bureau or the Director General of the Fukuoka Local Finance Branch Bureau who conducted Inspection, etc. under the preceding paragraph for certain Secondary Business Offices, etc. of

an Issuer of Prepaid Payment Instruments may conduct Inspection, etc. for Secondary Business Offices, etc. of said Issuer of Prepaid Payment Instruments other than its Principal Business Office, etc. or said Secondary Business Offices, etc., if he/she finds it necessary.

- (4) The provisions of the preceding three paragraphs shall not apply to Commissioner Authority designated by the Commissioner of the Financial Services Agency as such.
- (5) When the Commissioner of the Financial Services Agency has made a designation under the preceding paragraph, he/she shall give public notice to that effect. The same shall apply when he/she has abolished or changed such designation.

(Delegation of Authority pertaining to the Funds Transfer Service to the Directors-General of Local Finance Bureaus)

Article 29 (1) The authority under the provisions of Chapter III of the Act that has been delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of Article 104, paragraph (1) of the Act and the authority of the Commissioner of the Financial Services Agency under the provisions of Chapter III (collectively referred to as "Commissioner Authority" in paragraph (4)) shall be delegated to the Director-General of the Local Finance Bureau having jurisdiction over the location of the head office of a Funds Transfer Service Provider (including a corporation intending to obtain registration under Article 37 of the Act) (in the case of a Funds Transfer Service Provider that is a Foreign Funds Transfer Service Provider prescribed in Article 2, paragraph (4) of the Act, the principal business office in Japan; the same shall apply in this Article) (or to the Director General of the Fukuoka Local Finance Branch Bureau in the case where such location is within the jurisdiction of the Fukuoka Local Finance Branch Bureau); provided, however, that this shall not preclude the Commissioner of the Financial Services Agency from exercising the authority under the provisions of Article 54, paragraph (1) or (2) of the Act him/herself.

- (2) Collection of report or material or on-site inspection or inquiries under Article 54, paragraph (1) or (2) of the Act (referred to as "Inspection, etc." in the following paragraph) pertaining to business offices of a Funds Transfer Service Provider other than its head office (hereinafter referred to as "Branches" in this Article) may also be conducted by the Directors-General of the Local Finance Bureaus having jurisdiction over the locations of said secondary business offices (or by the Director General of the Fukuoka Local Finance Branch Bureau in the case where such location is within the jurisdiction of the Fukuoka Local Finance Branch Bureau) in addition to the Director-General of the Local Finance Bureau and the Director General of the Fukuoka Local

Finance Branch Bureau prescribed in the preceding paragraph.

- (3) The Director-General of a Local Finance Bureau or the Director General of the Fukuoka Local Finance Branch Bureau who conducted Inspection, etc. under the preceding paragraph for certain Branches of a Funds Transfer Service Provider may conduct Inspection, etc. for Branches of said Funds Transfer Service Provider other than its head office or said Branches, if he/she finds it necessary.
- (4) The provisions of the preceding three paragraphs shall not apply to Commissioner Authority designated by the Commissioner of the Financial Services Agency as such.
- (5) When the Commissioner of the Financial Services Agency has made a designation under the preceding paragraph, he/she shall give public notice to that effect. The same shall apply when he/she has abolished or changed such designation.