

Cabinet Office Ordinance on the Regulation of Over-the-Counter Derivatives Transactions

(Ordinance of the Cabinet Office No. 48 of July 11, 2012)

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Chapter I General Provisions

- Article 1 (1) As used in this Cabinet Office Ordinance, the terms "Financial Instruments Business," "Financial Instruments Business Operator," "Financial Instruments," "Financial Indicator," "Financial Instruments Obligation Assumption Service," "Financial Instruments Clearing Organization," and "Foreign Financial Instruments Clearing Organization" respectively mean Financial Instruments Business, Financial Instruments Business Operator, Financial Instruments, Financial Indicator, Financial Instruments Obligation Assumption Service, Financial Instruments Clearing Organization and Foreign Financial Instruments Clearing Organization as defined in Article 2 of the Financial Instruments and Exchange Act (hereinafter referred to as the "Act").
- (2) In this Cabinet Office Ordinance, the meanings of the terms set forth in the following items are as prescribed respectively in those items:
- (i) Options: Options as defined in Article 2, paragraph (1), item (xix) of the Act;
 - (ii) Registered Financial Institution: a Registered Financial Institution as defined in Article 2, paragraph (11) of the Act;
 - (iii) Type I Financial Instruments Business: Type I Financial Instruments Business as defined in Article 28, paragraph (1) of the Act;
 - (iv) Financial Instruments Business Operator, etc.: a Financial Instruments Business Operator, etc. as defined in Article 34 of the Act;
 - (v) Clearing Member: a Clearing Member as defined in Article 156-7, paragraph (2), item (iii) of the Act;
 - (vi) Collaborating Clearing Organization, etc.: an Collaborating Clearing Organization, etc. as defined in Article 156-20-16, paragraph (1) of the Act;
 - (vii) Collaborative Financial Instruments Obligation Assumption Service: Collaborative Financial Instruments Obligation Assumption Service as

- defined in Article 156-20-16, paragraph (1) of the Act;
- (viii) Financial Instruments Clearing Organization, etc.: a Financial Instruments Clearing Organization, etc. as defined in Article 156-63, paragraph (1) of the Act;
 - (ix) Data on Centrally Cleared Trades: Data on Centrally Cleared Trades as defined in Article 156-63, paragraph (1) of the Act;
 - (x) Trade Data: Trade Data as defined in Article 156-64, paragraph (1) of the Act;
 - (xi) Trade Repository: a Trade Repository as defined in Article 156-64, paragraph (3) of the Act;
 - (xii) Designated Foreign Trade Repository: a Designated Foreign Trade Repository as defined in Article 156-64, paragraph (3) of the Act;
 - (xiii) Trade Repository Business: Trade Repository Business as defined in Article 156-64, paragraph (3) of the Act; and
 - (xiv) Contract for Trade Data Collection: a Contract for Trade Data Collection as defined in Article 156-74, paragraph (1), item (i) of the Act.

Chapter II Concentration of Clearing

Article 2 (1) The transactions specified by Cabinet Office Ordinance which are provided for in Article 156-62, item (i) of the Act are the transactions set forth in Article 2, paragraph (22), item (vi) of the Act whose cause prescribed in said item is either a cause pertaining to the credit statuses of multiple domestic corporations (meaning a corporation that has its head office or principal office located in Japan; hereinafter the same applies in this paragraph) or a cause prescribed in Article 20 of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993) (limited to causes pertaining to multiple domestic corporations), and which are designated by the Commissioner of the Financial Services Agency.

(2) The transactions specified by Cabinet Office Ordinance which are provided for in Article 156-62, item (ii) of the Act are the transactions set forth in Article 2, paragraph (22), item (v) of the Act wherein the parties mutually promise that, using the amount the parties have agreed to as the principal (limited to yen-dominated principal), one of the parties will pay an amount of money (limited to the yen-dominated amount; hereinafter the same applies in this paragraph) calculated based on the interest rate agreed upon with the counterparty or the rate of change in the agreed period of the market interest rate (hereinafter referred to as the "Interest Rate, etc." in this paragraph), and the counterparty will pay the amount of money calculated based on the Interest Rate, etc. agreed upon with the former party, and which are designated by the Commissioner of

the Financial Services Agency.

- (3) Notwithstanding the provisions of the preceding two paragraphs, if a transaction prescribed in one of said paragraphs falls under any of the following items at the time the contract for said transaction is concluded, the transaction does not fall under the category of transaction specified by Cabinet Office Ordinance which is provided for in Article 156-62, item (i) or (ii) of the Act:
- (i) a transaction wherein one of the parties is an entity other than a Financial Instruments Business Operator, etc.;
 - (ii) a transaction for which the accounting is to be settled as a transaction belonging to a trust account;
 - (iii) a transaction wherein the counterparty is the Parent Company, etc. (meaning a Parent Company, etc. as provided in Article 15-16, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965); hereinafter the same applies in this Article and Article 6, paragraph (2), item (vi)) or a Subsidiary Company, etc. (meaning a Subsidiary Company, etc. as provided in Article 15-16, paragraph (3) of that Order; hereinafter the same applies in this Article and Article 6, paragraph (2), item (vi)), or a Subsidiary Company, etc. of the Parent Company, etc. (excluding the Financial Instruments Business Operator, etc. itself) of the Financial Instruments Business Operator, etc. that conducts the transaction;
 - (iv) a transaction in cases other than the case where one of the parties or its Parent Company, etc. or Subsidiary Company, etc. and the counterparty or its Parent Company, etc. or Subsidiary Company, etc. serve as Clearing Members for said transaction of the same Financial Instruments Clearing Organization, etc. that covers obligations based on said transaction in its Financial Instruments Obligation Assumption Service (if said transaction falls under the category of transaction prescribed in paragraph (1), excluding Foreign Financial Instruments Clearing Organizations; the same applies in the following item) (limited to the case where there are reasonable grounds for either or both of the parties (including their Parent Companies, etc. or Subsidiary Companies, etc.) not serving as Clearing Members for said transaction); provided, however, that if said transaction falls under the transaction prescribed in the preceding paragraph, limited to cases other than the case where one of the parties or its Parent Company, etc. or Subsidiary Companies, etc. serve as Clearing Members for said transaction of the Financial Instruments Clearing Organization that covers obligations based on said transaction in its Collaborative Financial Instruments Obligation Assumption Service, and that the counterparty or its Parent Company, etc. or Subsidiary Company, etc. serve as Clearing Members for

- said transaction of the Collaborating Clearing Organization, etc. that has concluded a contract on an Collaborative Financial Instruments Obligation Assumption Service with said Financial Instruments Clearing Organization (when the Collaborating Clearing Organization, etc. is an entity other than a Financial Instruments Clearing Organization or a Foreign Financial Instruments Clearing Organization, the counterparty to its business (limited to business pertaining to said Collaborative Financial Instruments Obligation Assumption Service); hereinafter referred to as "clearing member, etc." in this item) (limited to the case where there are reasonable grounds for one of the parties to the transaction (including its Parent Company, etc. or Subsidiary Company, etc.) not serving as a Clearing Member for said transaction or for the counterparty to the transaction (including its Parent Company, etc. or Subsidiary Company, etc.) not serving as clearing member, etc. for said transaction); or
- (v) a transaction conducted by a Financial Instruments Business Operator, etc. in cases designated by the Commissioner of the Financial Services Agency as cases where there are special circumstances wherein it is found to be inappropriate to have the Financial Instruments Clearing Organization, etc. undertake the obligation based on the transaction conducted by the Financial Instruments Business Operator, etc.

Chapter III Preservation and Reporting of Trade Data

(Transactions Subject to Preservation and Reporting as Data on Centrally Cleared Trades by the Financial Instruments Clearing Organization)

Article 3 Transactions specified by Cabinet Office Ordinance which are provided for in Article 156-63, paragraph (1) of the Act are the transactions prescribed in the items of paragraph (1) of Article 6 (except the transactions set forth in the items of Article 156-62 of the Act, in case of the transactions set forth in Article 2, paragraph (22), items (ii), (iv) and (v) of the Act, excluding the transactions pertaining to the Financial Indicator set forth in paragraph (25), items (ii), (iii) and (iv) of that Article (limited to the part related to items (ii) and (iii) of that paragraph)).

(Preservation of Data on Centrally Cleared Trades by the Financial Instruments Clearing Organization,)

Article 4 (1) The matters specified by Cabinet Office Ordinance concerning Data on Centrally Cleared Trades, which are provided for in Article 156-63, paragraph (1) of the Act, are the following matters:

- (i) if the Financial Instruments Business Operator, etc. that is a party to the transaction is a corporation, its trade name or name, and if that operator, etc.

- is an individual, an indication of this;
- (ii) whether it is a new contract, or a change in or cancellation of a contract;
 - (iii) the type of contract;
 - (iv) contract date;
 - (v) date on which the transaction enters into effect;
 - (vi) date on which the transaction is extinguished;
 - (vii) the matters provided in each of the following, according to the following categories of transactions:
 - (a) transactions set forth in Article 6, paragraph (1), item (i): the following matters:
 - 1. date of delivery;
 - 2. whether the transaction is for selling or purchasing (in the case of transactions set forth in Article 2, paragraph (22), item (ii) of the Act, whether the person will become the party that is in the position of paying the money or the party that is in the position of receiving the money if the Actual Figure (meaning the Actual Figure as defined in item (ii) of paragraph (21) of that Article) exceeds the Agreed Figure (meaning the Agreed Figure as defined in item (ii) of paragraph (21) of that Article; the same applies in 3);
 - 3. agreed price or Agreed Figure;
 - (b) transactions set forth in Article 6, paragraph (1), item (ii): the following matters:
 - 1. whether the Options are puts (meaning Options whose owner acquires the position of seller upon the exercise of the right) or calls (meaning Options whose owner acquires the position of purchaser upon the exercise of the right);
 - 2. whether the person will become the party that is in the position of granting the Options or the party that is in the position of accepting the Options; and
 - 3. the consideration for the Options;
 - (c) transactions set forth in Article 6, paragraph (1), item (iii): the following matters:
 - 1. the amount agreed upon as the principal and the type of currency;
 - 2. whether the person will become the party that is in the position of paying the money or the party that is in the position of receiving the money if the Interest Rate, etc. (meaning the Interest Rate, etc. as defined in Article 2, paragraph (21), item (iv) of the Act; the same applies in 3) of the Financial Instruments or Financial Indicator agreed upon by the parties increases during the agreed period; and
 - 3. the agreed Interest Rate, etc. of the Financial Instruments or Financial Indicator;

- (d) transactions set forth in Article 6, paragraph (1), item (iv): the following matters:
1. whether the person will become the party that is in the position of paying the money or the party that is in the position of receiving the money if a cause agreed upon by the parties in advance (meaning a cause set forth in Article 2, paragraph (22), item (vi), (a) of the Act; the same applies in 2) occurs; and
 2. the consideration for the right to receive money if a cause agreed upon by parties in advance occurs; and
- (viii) other matters that the Commissioner of the Financial Services Agency finds to be necessary.
- (2) When a Financial Instruments Clearing Organization, etc. bears the obligation under a transaction covered by Data on Centrally Cleared Trades, it must prepare a record of the matters prescribed in the preceding paragraph in connection with the Data on Centrally Cleared Trades for the relevant transaction by the time of submission provided in paragraph (1) of the following Article, and must preserve that record for five years from the day provided for in the relevant of the following items in accordance with the category of transaction set forth in that item:
- (i) transactions set forth in Article 6, paragraph (1), item (i): the date of delivery;
 - (ii) transactions set forth in Article 6, paragraph (1), items (ii) and (iv): the last day of the exercise period; and
 - (iii) transactions set forth in Article 6, paragraph (1), item (iii): the last day of the transaction period or the date of delivery, whichever comes later.
- (3) If there is any change in a matter provided for in paragraph (1) as concerns the Data on Centrally Cleared Trades that the Financial Instruments Clearing Organization, etc. preserves, it must make the record referred to in the preceding paragraph which is connected with that Data on Centrally Cleared Trades reflect the change in that matter by the time of submission provided for in paragraph (2) of the following Article (or, if the change occurs before the submission provided for in paragraph (1) of that Article, by the time of such submission).
- (4) The record referred to in paragraph (2) must be prepared as an electronic or magnetic record (meaning an electronic or magnetic record as provided in Article 13, paragraph (5) of the Act; the same applies in Article 7, paragraph (5) and Article 10, paragraph (4)).

(Reporting of Data on Centrally Cleared Trades by Financial Instruments Clearing Organizations)

Article 5 (1) A Financial Instruments Clearing Organization, etc. must submit

the record that it has prepared pursuant to the provisions of paragraph (2) of the preceding Article to the Commissioner of the Financial Services Agency within three business days from the day on which the Financial Instruments Clearing Organization, etc. bears the obligation based on the transaction covered by Data on Centrally Cleared Trades to which that record pertains (if there is any change in a matter provided for in paragraph (1) of the preceding Article in connection with the Data on Centrally Cleared Trades during said period, within three business days from the day on which that change occurs), pursuant to the provisions of Article 156-63, paragraph (2) of the Act.

- (2) If there is any change in a matter provided for in paragraph (1) of the preceding Article in connection with the Data on Centrally Cleared Trades in a submitted record after its submission pursuant to the preceding paragraph, the Financial Instruments Clearing Organization, etc. must prepare a record of the changed matter and submit it to the Commissioner of the Financial Services Agency within three business days from the day on which such change occurred.
- (3) The submissions referred to in the preceding two paragraphs must be made by electronic or magnetic means (meaning the means of using the electronic data processing system prescribed provided in Article 3, paragraph (1) of the Act on Use of Information and Communications Technology in Administrative Procedure (Act No. 151 of 2002); the same applies in Article 8, paragraph (3) and Article 11, paragraph (3)).

(Transactions Subject to the Preservation and Reporting of Trade Data by the Financial Instruments Business Operator)

Article 6 (1) The transactions specified by Cabinet Office Ordinance which are provided for in Article 156-64, paragraph (1) of the Act are the following transactions (limited to transactions wherein either or both of the parties are a Financial Instruments Business Operator that conducts Type I Financial Instruments Business or wherein either or both parties are a bank, Shoko Chukin Bank, Ltd., Development Bank of Japan Inc., a federation of Shinkin banks (the district of which comprises the entire nation) or Norinchukin Bank and constitute a Registered Financial Institution (referred to as a "Business Operator to Prepare Trade Data" in paragraph (4) of the following Article); in the case of the transactions set forth in Article 2, paragraph (22), items (ii), (iv) and (v), excluding the transactions involving the Financial Indicators set forth in item (ii), (iii) or (iv) of paragraph (25) of that Article (limited to the part related to items (ii) and (iii) of that paragraph)):

- (i) transactions set forth in Article 2, paragraph (22), items (i) and (ii) of the Act (excluding the cases where the period from the contract day to the date of delivery is two business days or less);
- (ii) transactions set forth in Article 2, paragraph (22), items (iii) and (iv) of the

- Act (excluding the cases where the exercise period is two business days or less);
- (iii) transactions set forth in item Article 2, paragraph (22), item (v); and
 - (iv) transactions set forth in Article 2, paragraph (22), item (vi) of the Act (limited to the cases where the cause provided for in that item is the cause set forth in (b) of that item).
- (2) Notwithstanding the provisions of the preceding paragraph, transactions made with the following entities do not fall under the category of transaction specified by Cabinet Office Ordinance which is provided for in Article 156-64, paragraph (1) of the Act:
- (i) the national government;
 - (ii) local governments;
 - (iii) the Bank of Japan;
 - (iv) foreign governments and persons equivalent to those set forth in the preceding three items under the laws or regulations of a foreign state;
 - (v) international organizations designated by the Commissioner of the Financial Services Agency; and
 - (vi) the Parent Company, etc. of the Financial Instruments Business Operator, etc. conducting the transaction, its Subsidiary Company, etc., or the Subsidiary Company, etc. of its Parent Company, etc. (excluding the Financial Instruments Business Operator, etc. itself).

(Preservation of Trade Data by Financial Instruments Business Operators)

- Article 7 (1) The matters specified by Cabinet Office Ordinance concerning Trade Data which are provided for in Article 156-64, paragraph (1) of the Act are the matters provided for in Article 4, paragraph (1).
- (2) A Financial Instruments Business Operator, etc. must prepare a record of the matters provided for in the preceding paragraph with respect to the Trade Data for the relevant transaction by the time of submission provided for in paragraph (1) of the following Article when it conducts a transaction covered by Trade Data (referred to as a "Transaction Subject to the Preparation of Trade Data" in paragraph (4)) and preserve such records for five years from the day of its preparation.
- (3) If there is any change in a matter provided for in paragraph (1) as concerns the Trade Data that a Financial Instruments Business Operator, etc. preserves, the operator, etc. must make the record referred to in the preceding paragraph which is connected with that Trade Data reflect the change in that matter by the time of submission provided for in paragraph (2) of the following Article (or, if the change occurs before the submission provided for in paragraph (1) of that Article, by the time of such submission).
- (4) Notwithstanding the provisions of paragraph (2), if both of the parties to a

Transaction Subject to the Preparation of Trade Data are Financial Instruments Business Operators, etc. and either of them is a Business Operator to Prepare Trade Data, the other party is not required to prepare the record provided for in that paragraph; provided, however, that this does not apply if the other party is also a Business Operator to Prepare Trade Data.

(5) The record referred to in paragraph (2) must be prepared as an electronic or magnetic record.

(Reporting of Trade Data by Financial Instruments Business Operators)

Article 8 (1) A Financial Instruments Business Operator, etc. must submit for each week (meaning the seven day period from Monday to Sunday; hereinafter the same applies in this Article) the records it prepares pursuant to the provisions of paragraph (2) of the preceding Article for the transactions covered by Trade Data which have been effected during the week, to the Commissioner of the Financial Services Agency, within three business days from the first business day that occurs from the following week onward (if, during that period, there has been any change in a matter provided for in paragraph (1) of the preceding Article in connection with the Trade Data, within three business days from the first business day that occurs from the week following that in which the day of such change falls, onward), pursuant to the provisions of Article 156-64, paragraph (2) of the Act.

- (2) If, following submission pursuant to the preceding paragraph, there is any change in a matter provided for in paragraph (1) of the preceding Article in connection with the Trade Data in a submitted record, the Financial Instruments Business Operator, etc. must prepare a record of the changed matter and submit it to the Commissioner of the Financial Services Agency within three business days from the first business day that occurs from the week following that in which the day of such change falls, onward.
- (3) The submissions referred to in the preceding two paragraphs must be made by electronic or magnetic means.
- (4) A Financial Instruments Business Operator, etc. may, if unable to submit the records provided for in paragraph (1) or (2) by the date provided for in the same paragraph due to any compelling reasons, postpone the submission, with the approval of the Commissioner of the Financial Services Agency.
- (5) If a Financial Instruments Business Operator, etc. intends to obtain approval pursuant to the provisions of the preceding paragraph, it must submit a written application for approval to the Commissioner of the Financial Services Agency, attaching a written statement of its reasons therefor.
- (6) When an application for approval under the provisions of the preceding paragraph has been filed, the Commissioner of the Financial Services Agency is to examine whether there is a reason that is found to compel the Financial

Instruments Business Operator, etc. that has filed said application to postpone the submission as under the provisions of paragraph (4).

(Provision of Trade Data to a Trade Repository or Designated Foreign Trade Repository)

Article 9 (1) A Financial Instruments Business Operator, etc. that intends to provide Trade Data to a Trade Repository or Designated Foreign Trade Repository pursuant to the provisions of Article 156-64, paragraph (3) of the Act must provide the Trade Data to the Trade Repository or Designated Foreign Trade Repository as provided for by the Trade Repository or Designated Foreign Trade Repository, within three business days from that on which the transaction covered by the Trade Data was effected (if, during that period, there is any change in a matter provided for in paragraph (1) of Article 7 in connection with the Trade Data, within three business days from the day on which such change occurred).

(2) If, after Trade Data is provided pursuant to the preceding paragraph, there is a change in a matter provided for in Article 7, paragraph (1) in connection with the provided Trade Data, the Financial Instruments Business Operator, etc. that provided the Trade Data pursuant to the provisions of that paragraph must notify the Trade Repository or Designated Foreign Trade Repository of the changed matter or provide it with Trade Data that reflects such changed matter within three business days from the day on which the change occurred, as provided for by the Trade Repository or Designated Foreign Trade Repository to which it provided that Trade Data.

(Preservation of Trade Data by a Trade Repository)

Article 10 (1) The matters specified by Cabinet Office Ordinance which are provided for in Article 156-65, paragraph (1) of the Act are the matters provided for in Article 4, paragraph (1).

(2) When a Financial Instruments Business Operator, etc. is provided with Trade Data pursuant to the provisions of the preceding Article, it must prepare a record on the matters provided for in the preceding paragraph in connection with that Trade Data by the time of submission provided for in paragraph (1) of the following Article, and must preserve that record for five years from the day provided for in the relevant of the following items in accordance with the category of transaction set forth in that items:

(i) transactions set forth in Article 6, paragraph (1), item (i): date of delivery;

(ii) transactions set forth in Article 6, paragraph (1), items (ii) and (iv): the last day of the exercise period; and

(iii) transactions set forth in item Article 6, paragraph (1), item (iii): the last day of the transaction period or the date of the delivery, whichever comes

later.

- (3) If a Trade Repository comes to know that there has been a change in a matter provided for in paragraph (1) in connection with Trade Data that it preserves, it must make the record referred to in the preceding paragraph which is connected with that Trade Data reflect the change in that matter by the time of submission provided for in paragraph (2) of the following Article (or, if it comes to know that the change occurred before the submission provided for in paragraph (1) of that Article, by the time of such submission).
- (4) The record referred to in paragraph (2) must be prepared as an electronic or magnetic record.

(Reporting of Transactional Information by a Trade Repository)

- Article 11 (1) A Trade Repository must submit the records it prepares pursuant to the provisions of paragraph (2) of the preceding Article to the Commissioner of the Financial Services Agency by the next business day after the day on which it was provided with the Trade Data pursuant to the provisions of Article 9, paragraph (1) (if, by such a business day, it comes to know that there has been a change in a matter provided for in paragraph (1) of the preceding Article in connection with the Trade Data in those records, by the next business day after the day on which it comes to know that the change occurred).
- (2) If, after submission pursuant to the preceding paragraph, a Trade Repository comes to know that there has been a change in a matter provided for in paragraph (1) of the preceding Article in connection with the Trade Data in the submitted records, it must prepare a record of the changed matter and submit it to the Commissioner of the Financial Services Agency by the next business day after the day on which it comes to know that the change occurred.
- (3) The submissions referred to in the preceding two paragraphs must be made by electronic or magnetic means.

Chapter IV Trade Repositories

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

Article 12 The documents specified by Cabinet Office Ordinance which are provided for in Article 156-68, paragraph (2), item (vi) of the Act are the following documents:

- (i) a document giving the name or trade name and address or location of the principal office or office of any person that holds voting rights amounting to ten percent or more of the number of Voting Rights Held by All the Shareholders, etc. (meaning the Voting Rights Held by All the Shareholders, etc. as defined in Article 29-4, paragraph (2) of the Act; the same applies in the following item) in the person that intends to obtain the designation

- pursuant to the provisions of Article 156-67, paragraph (1) of the Act (referred to as the "Applicant" in the following item and item (vii)), and the number of voting rights that person holds;
- (ii) a document giving the name or trade name, location of the principal office or office and the contents of the business of the parent corporation (meaning a corporation or any other organization that holds the majority of the Voting Rights Held by All the Shareholders, etc. in the Applicant) and any subsidiary corporation (meaning a corporation or any other organization in which the applicant holds the majority of Voting Rights Held by All the Shareholders, etc.) of the Applicant;
 - (iii) an extract of the certificate of residence of the officers (meaning the officers as defined in Article 156-67, paragraph (1), item (iv) of the Act; in the case of an officer that is a corporation, including the person who is to perform such duties; hereinafter the same applies in this item, items (v) and (vi), Article 17, paragraph (2), items (viii) to (x) inclusive, and Article 20, paragraph (2), item (iii), (c) and paragraph (3), item (iii)) (if an officer is a corporation, a certificate of registered matters of said officer) or any document that substitutes for these;
 - (iv) a certification issued by a public agency indicating that the officers (meaning the officers as defined in Article 156-67, paragraph (1), item (iv) of the Act; hereinafter the same applies in this item; Article 14; Article 17, paragraph (2), item (iv); and Article 18, item (iv)) do not fall under any of the provisions of Article 156-67, paragraph (1), item (iv), (a) and (b) (in the case of an officer without Japanese nationality, a document with which such officer pledges that such officer does not fall under (a) or (b) of that item);
 - (v) resumes of the officers (if an officer is a corporation, a document describing the history of the corporation);
 - (vi) a document giving the status in terms of the securement of officers and employees (hereinafter referred to as the "Officer, etc.") with knowledge of and experience in Trade Repository Business and the assignment of such Officer, etc.;
 - (vii) a document describing applicant's organizational structure and division of responsibilities for handling processes; and
 - (viii) other documents that will serve as a reference.

(Restriction on the Concurrent Holding of Positions by Officers)

Article 13 (1) The corporations specified by Cabinet Office Ordinance which are provided for in Article 156-69 of the Act are the following corporations:

- (i) a corporation that is a Financial Instruments Business Operator, etc.; and
- (ii) a corporation equivalent to the corporation set forth in the preceding item under the laws and regulations of a foreign country.

(2) The business specified by Cabinet Office Ordinance which is provided for in Article 156-69 of the Act is Financial Instruments Business.

(Application for Authorization for the Concurrent Holding of Positions by the Officer of a Trade Repository)

Article 14 (1) A person who serves as a representative or an officer who engages in the ordinary business of a Trade Repository must submit via the Commissioner of the Financial Services Agency an application for authorization with the following documents attached, if the person or the officer intends to obtain authorization to assume the position of representative at or engage in the ordinary business of a corporation as set forth in the items of paragraph (1) of the preceding Article (hereinafter referred to as an "other corporation" in this Article), or to conduct business as prescribed in paragraph (2) of the preceding Article:

(i) a statement of reasons;

(ii) a resume;

(iii) a document stating the method of processing ordinary business and the working conditions at the Trade Repository;

(iv) when the person or the officer intends to engage in the ordinary business of an other corporation, documents stating the method of processing ordinary business at said other corporation, documents stating transactions and any other relations between the Trade Repository and said other corporation and a document stating the details of the articles of incorporation or final operation report or business report of said other corporation; the balance sheet (including any related notes; the same applies hereinafter), profit and loss statements (including any related notes; the same applies hereinafter), surplus appropriation statement or deficit disposition statement, statements of changes in net assets (including any related notes), or other documents from which the status of recent activities, assets, and profit and loss of said other corporation can be ascertained;

(v) when the person or the officer intends to continue to operate business as prescribed in paragraph (2) of the preceding Article that the person or the officer is currently operating, a document stating the type and method of the business, the recent business activities in relation to that business, assets, and profit and loss of the business, and the projected transactions and income and expenditure for one year from the day of filing the application;

(vi) when the person or the officer intends to newly operate business as prescribed in paragraph (2) of the preceding Article, a document stating the type and method of the business, and the projected transactions and income and expenditure for one year after commencing business; and

(vii) a document stating any other matters that the Commissioner of the

Financial Services Agency finds to be necessary.

- (2) The Commissioner of the Financial Services Agency is to, if an application for approval pursuant to the provisions of the preceding paragraph has been filed, examine whether representing the other corporation to which the application pertains or engaging in its ordinary business, or operating its business is unlikely to interfere with the person who serves as a representative or the officer who engages in the ordinary business of the Trade Repository to which the application pertains representing or engaging in ordinary business of the Trade Repository.

(Application for Approval for Subsidiary Business)

Article 15 (1) A Trade Repository must, if it intends to obtain approval pursuant to the proviso to Article 156-72, paragraph (1) of the Act, submit a written application for approval stating the following matters to the Commissioner of the Financial Services Agency:

- (i) business for which it intends to obtain approval for subsidiary business (hereinafter referred to as a "Subsidiary Business"); and
- (ii) scheduled date for commencing the Subsidiary Business.

(2) The written application set forth in the preceding paragraph must have the following documents attached to it:

- (i) a document stating the details and the method of the Subsidiary Business;
- (ii) a document stating the organization and the deployment of the personnel in charge of the Subsidiary Business;
- (iii) the rules concerning the operation of the Subsidiary Business; and
- (iv) a document stating the projected income and expenditure of the Subsidiary Business for three years after commencing the Subsidiary Business.

(Notification of Abolishment of Subsidiary Business)

Article 16 If a Trade Repository intends to make a notification that it has abolished the business for which it had obtained the approval referred to in the proviso to Article 156-72, paragraph (1) of the Act, pursuant to the provisions of the second sentence of paragraph (2) of that Article, it is to submit a document stating the following matters to the Commissioner of the Financial Services Agency:

- (i) the details of the abolished business;
- (ii) the date of the abolition; and
- (iii) the reason for the abolition.

(Application for Approval for Partial Entrustment of Business)

Article 17 (1) A Trade Repository must, when it intends to obtain approval pursuant to the provisions of Article 156-73, paragraph (1) of the Act, submit a

written application for approval stating the following matters to the Commissioner of the Financial Services Agency:

- (i) the trade name or name and the address or location of the counterparty which it entrusts with the business (hereinafter referred to as the "Entrusted Person");
 - (ii) the details and the scope of the business with which it entrusts the Entrusted Person; and
 - (iii) the period of entrustment.
- (2) A written application as set forth in the preceding paragraph must have the following documents attached to it:
- (i) a statement of reasons;
 - (ii) a document stating the details of the business entrustment contract;
 - (iii) a document pledging that the Entrusted Person complies with the same requirements as those set forth in Article 156-67, paragraph (1), item (iii) of the Act;
 - (iv) a document pledging that all officers of the Entrusted Person comply with the same requirements as those set forth in Article 156-67, paragraph (1), item (iv) of the Act;
 - (v) the articles of incorporation of the Entrusted Person and a certificate of registered matters of that judicial person (including anything equivalent thereto);
 - (vi) a document stating the method of performing the business with which it will entrust the Entrusted Person;
 - (vii) the business report, balance sheet, and profit and loss statement for each of the most recent three fiscal years of the Entrusted Person, or any document that substitutes for these;
 - (viii) a document stating the names or trade names of the officers of the Entrusted Person;
 - (ix) an extract of the certificate of residence of the officers (if an officer is a corporation, a certificate of registered matters of said officer), or any document that substitutes for this;
 - (x) resumes of the officers of the Entrusted Person (if an officer is a corporation, a document describing the history of the corporation); and
 - (xi) other documents that will serve as a reference.

(Criteria for Approval for Partial Entrustment of Business)

Article 18 When the Commissioner of the Financial Services Agency has received a written application for approval as set forth in paragraph (1) of the preceding Article and finds that the application complies with the following criteria, the Commissioner is to approve the application:

- (i) that the entrustment of the Entrusted Person with the business will not

- hinder proper and stable execution of the Trade Repository Business;
- (ii) that the Entrusted Person is a corporation with social credibility, has a proper plan for the business with which it is entrusted, and can perform the business reliably;
 - (iii) that the Entrusted Person satisfies the same requirements as those set forth in Article 156-67, paragraph (1), item (iii) of the Act;
 - (iv) that officers of the Entrusted Person satisfies the same requirements as those set forth in Article 156-67, paragraph (1), item (iii) of the Act; and
 - (v) that the Trade Repository is capable of taking measures to ensure the proper and stable execution of the business with which it entrusts the Entrusted Person.

(Matters to Be Indicated in the Operational Rules)

Article 19 The matters specified by Cabinet Office Ordinance which are provided for in Article 156-74, paragraph (1), item (viii) of the Act are the following matters:

- (i) matters concerning the hours for engaging in Trade Repository Business and concerning non-working days;
- (ii) matters concerning the system for supervising employees;
- (iii) if the Trade Repository will provide Trade Data, matters concerning such provision;
- (iv) matters concerning the provisions of the Contract for Trade Data Collection; and
- (v) other necessary matters concerning Trade Repository Business.

(Matters of Which Notification Is to Be Filed)

Article 20 (1) A notification under the provisions of the paragraphs of Article 156-78 of the Act must be filed without delay after a reason for notification has occurred.

(2) If a Trade Repository intends to file a notification under the provisions of the paragraphs of Article 156-78 of the Act, it must submit a written notification, attaching a written statement of reasons and other documents that will serve as a reference (in a case as set forth in one of the following items, the document provided for in the relevant item) thereto, to the Commissioner of the Financial Services Agency:

- (i) the case set forth in item (i) of the following paragraph: a document stating the changed matters; and
- (ii) the case set forth in item (ii) of the following paragraph: a document stating the following matters:
 - (a) a description of the Problematic Conduct; and
 - (b) remedial measures.

- (iii) the case set forth in item (iii) of the following paragraph: the following documents:
 - (a) the document set forth in Article 156-68, paragraph (2), item (i) of the Act;
 - (b) a certificate of registered matters of the judicial person (including documents equivalent thereto); and
 - (c) the documents set forth in Article 12, items (iii) to (v) inclusive in respect of the person that has newly become an officer; and
- (iv) the case set forth in item (iv) or (v) of the following paragraph: a document stating the following matters:
 - (a) the name of the business office or office at which the act took place;
 - (b) the name or trade name and the title of the Officer, etc. that conducted the act;
 - (c) a summary of the act; and
 - (d) remedial measures.
- (3) The cases specified by Cabinet Office Ordinance which are provided for in Article 156-78, paragraph (3) of the Act are the following cases:
 - (i) when there is a change in a matter stated in a document set forth in Article 12, item (vi) or (vii);
 - (ii) when any accidents occur, in which the whole or a part of the Trade Repository Business is suspended due to a breakdown of an electronic data processing system or any other accidental circumstances;
 - (iii) if a person has newly become an officer of the Trade Repository after the submission of the written application for designation provided for in Article 156-68, paragraph (1) of the Act;
 - (iv) if the Trade Repository has come to know that an Officer, etc. of the Trade Repository or of the entity with which it has entrusted its business has violated the laws and regulations or the operational rules of said Trade Repository in conducting Trade Repository Business (in the case of an entity entrusted with its business, limited to the business with which the Trade Repository entrusted it); and
 - (v) if the Trade Repository has come to know of the fact that a person that has concluded a Contract for Trade Data Collection with the Trade Repository or the Officer, etc. of such a person has conducted an act in violation of the operational rules of the Trade Repository.

(Submission of Reports on Business and Assets)

Article 21 (1) The report on business and assets which is to be prepared by a Trade Repository pursuant to the provisions of Article 156-79, paragraph (1) of the Act must be prepared using the appended form and submitted to the Commissioner of the Financial Services Agency within three months after the

end of the business year.

- (2) The inventory of assets, balance sheet, and income and expenditure statement, or profit and loss statement, or anything equivalent thereto, and other documents that will serve as a reference must be attached to the report provided in the preceding paragraph.
- (3) A Trade Repository may, if it is unable to submit the report prescribed in paragraph (1) within the period provided in the same paragraph due to any compelling reasons, postpone the submission, with the approval of the Commissioner of the Financial Services Agency.
- (4) If a Trade Repository intends to obtain the approval under the provisions of the preceding paragraph, it must submit a written application for approval to the Commissioner of the Financial Services Agency, with the statement of reasons attached.
- (5) When an application for approval under the provisions of the preceding paragraph has been filed, the Commissioner of the Financial Services Agency is to examine whether there is a reason that is found to compel the Trade Repository that filed the application to postpone the submission as under the provisions of paragraph (3).

Chapter V Miscellaneous Provisions

Article 22 (1) When an application for designation, authorization or approval set forth in the following items has been filed, the Commissioner of the Financial Services Agency is to endeavor to render a disposition on such application within the period provided in the relevant item from the day on which the application arrived at the office:

- (i) the designation provided for in Article 156-67, paragraph (1) of the Act: two months;
 - (ii) the authorization provided for in Article 156-69, Article 156-74, paragraph (1) or Article 156-82, paragraph (1), or approval provided for in the proviso to Article 156-72, paragraph (1) or Article 156-73, paragraph (1): one month; and
 - (iii) the approval provided for in Article 8, paragraph (4) or paragraph (3) of the preceding Article: one month.
- (2) The periods of time prescribed in the preceding paragraph do not include the following periods of time:
- (i) any period of time required to amend the application;
 - (ii) any period of time required for the applicant to change the content of the application; and
 - (iii) any period of time required for the applicant to add materials that are found to be necessary for the examination of the application.