

Cabinet Office Order on Prepaid Payment Instruments

(Cabinet Office Order No. 3 of March 1, 2010)

Pursuant to the provisions of and for the purpose of enforcing the Payment Services Act (Act No. 59 of 2009) and the Order for Enforcement of the Payment Services Act (Cabinet Order No. 19 of 2010), the Cabinet Office Order on Prepaid Payment Instruments is hereby established as follows.

Chapter I General Provisions (Article 1 – Article 8)

Chapter II Issuer of Prepaid Payment Instruments for Own Business (Article 9 – Article 13)

Chapter III Issuer of Prepaid Payment Instruments for Third-Party Business (Article 14 – Article 20)

Chapter IV Provision of Information, Making of Security Deposit for Issuance, and Other Obligations (Article 21 – Article 45)

Chapter V Supervision (Article 46 – Article 50)

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

Supplementary Provisions

Chapter I General Provisions

(Definition)

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

(2) The terms "Prepaid Payment Instruments," "Unused Base Date Balance," "Amount Available for Payment, etc.," "Prepaid Payment Instruments for Own Business," "Prepaid Payment Instruments for Third-Party Business," "Issuer of Prepaid Payment Instruments for Own Business," "Issuer of Prepaid Payment Instruments for Third-Party Business," and "Record Period" as used in this Cabinet Office Order mean Prepaid Payment Instruments, Unused Base Date Balance, Amount Available for Payment, etc., Prepaid Payment Instruments for Own Business, Prepaid Payment Instruments for Third-Party Business, Issuer of Prepaid Payment Instruments for Own Business, Issuer of Prepaid

Payment Instruments for Third-Party Business, and Record Period as prescribed in Article 3 of the Act, respectively.

- (3) The term "Addition-Type Prepaid Payment Instruments" as used in this Cabinet Office Order means those Prepaid Payment Instruments in which amounts (if the amounts are found to be converted to and indicated as the unit and numbers in another unit, including number in the relevant unit) or records of the quantity of goods or services are added by electronic or magnetic means (the electronic or magnetic means prescribed in Article 3, paragraph (1), item (i) of the Act; hereinafter the same applies).

(Foreign Currency Conversion)

Article 2 When a document to be submitted to the Commissioner of the Financial Services Agency (if the authority of the Commissioner of the Financial Services Agency has been delegated to the Directors-General of Local Finance Bureaus or the Director General of the Fukuoka Local Finance Branch Bureau (hereinafter referred to as the "Directors-General of Local Finance Bureaus, etc.") pursuant to the provisions of Article 28, paragraph (1) of the Order for Enforcement of the Payment Services Act (hereinafter referred to as the "Order"), the relevant Directors-General of Local Finance Bureaus, etc.; hereinafter the same applies except in Article 28, Article 35, item (v), and Article 36) pursuant to the provisions of the Act (limited to Chapter 2), the Order (limited to Chapter 2), or this Cabinet Office Order contains items indicated in a foreign currency, the equivalent amounts converted to Japanese currency and the standard used for the conversion must be included in the supplementary notes to the relevant document.

(Monetary Amount Converted from the Quantity of Goods or Services)

- Article 3 (1) The monetary amount converted from the quantity of goods or services the delivery or provision of which can be claimed by using the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act is the amount that should normally be received from the user as proceeds for the delivery or provision of goods or services in the relevant quantity to the user when the delivery or provision is made.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to if the quantity of goods or services is converted to a monetary amount under the provisions of the following Article, Article 19, Article 40, Article 41, and Article 48.

(Amount of Unused Base Date Balance)

Article 4 The amount of the Unused Base Date Balance is the amount calculated by deducting the amount collected set forth in item (ii) from the total amount

set forth in item (i):

- (i) the total of the amounts issued during the Record Period of Prepaid Payment Instruments pertaining to the Base Dates falling on or before the Base Date of the Unused Base Date Balance (hereinafter referred to as the "latest base date" in this Article) (meaning the amounts calculated, pursuant to the provisions of Article 48, paragraph (1), as the amounts issued of Prepaid Payment Instruments that have been issued during each Record Period including each of the Base Dates by deeming the latest base date to be the last day of these Record Periods); and
- (ii) the amount collected through the latest base date with regard to all Prepaid Payment Instruments that had been issued on or before the latest base date (meaning the total of the amounts specified in the following (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein):
 - (a) the amount that has been used for the payment of proceeds by using the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act (including the amount that is no longer available for the payment of proceeds due to expiration of the effective period of the relevant Prepaid Payment Instruments or for other reasons, the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for refund prescribed in Article 20, paragraph (1) of the Act (meaning the amount that is available for the payment of proceeds; the same applies in (a)), and the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for the execution of the right prescribed in Article 31, paragraph (1) of the Act; the same applies in Article 19, Article 40, Article 41, Article 46, and Article 48); and
 - (b) the monetary amount converted from the quantity of goods or services that have been claimed by using the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act as of the latest base date (including the quantity of goods or services that can no longer be claimed due to expiration of the effective period of the Prepaid Payment Instruments or for other reasons, the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for refund prescribed in Article 20, paragraph (1) of the Act (meaning the quantity of goods or services that can be claimed; the same applies in (b)), and the unused balance of Prepaid Payment Instruments that have been excluded in the procedure for the execution of the right prescribed in Article 31, paragraph (1) of the Act; the same applies in Article 19, Article 40, Article 41, Article 46, and Article 48).

(Amount Available for Payment of Prepaid Payment Instruments in Which the

Amount Is Recorded by Electronic or Magnetic Means)

Article 5 The Amount Available for Payment, etc. of the Prepaid Payment Instruments in which the amount (if the amount is found to be each time converted to and indicated as a number in another unit, including a number in the relevant unit; the same applies in this Article) or the quantity of goods or services is recorded by electronic or magnetic means is the maximum amount or quantity of the amount or quantity to be recorded.

(Prepaid Payment Instruments Pertaining to Health Care Facilities)

Article 6 Persons specified by Cabinet Office Order as prescribed in Article 4, paragraph (4), item (ii), (d) of the Order are the following persons:

- (i) Japan Health Insurance Association;
- (ii) national health insurance societies or federations of national health insurance associations;
- (iii) National Pension Funds or National Pension Fund Association;
- (iv) Coal Mining Pension Fund; and
- (v) Farmers Pension Fund.

(Prepaid Payment Instruments Issued by Schools to Students)

Article 7 (1) Prepaid Payment Instruments specified by Cabinet Office Order as prescribed in Article 4, paragraph (4), item (iii) of the Order are the following Prepaid Payment Instruments:

- (i) Prepaid Payment Instruments issued by a person that establishes a special training college prescribed in Article 124 of the School Education Act (Act No. 26 of 1947) (excluding the State or a local public entity) only to its students or employees (hereinafter referred to as "students" in this item) (limited to those that are designed to be used only by the relevant students.); and
 - (ii) Prepaid Payment Instruments issued by a person that establishes a miscellaneous school prescribed in Article 134, paragraph (1) of the School Education Act only to its students (limited to those taking a Specified Curriculum) or employees (hereinafter referred to as "students" in this item) (limited to those that are designed to be used only by the relevant students).
- (2) The term "Specified Curriculum" as used in item (ii) of the preceding paragraph means a curriculum satisfying all of the following requirements:
- (i) the period of study for the curriculum is not less than one year;
 - (ii) the annual number of class hours for the curriculum (if there are separate courses such as general course, specialist course, and others similar thereto, the number of class hours for each of these courses) is not less than 680 hours;
 - (iii) its facilities (including the number of teachers) are found to be sufficient for the number of students who take a class at the same time;

- (iv) its classes start at a certain time not exceeding twice a year and their ending time is clearly specified;
- (v) assessment of academic achievement of its students is conducted for each school year or term and the results are recorded in the tables and books or other documents concerning the assessment of academic achievement; and
- (vi) assessment of achievement of specified technical skills is conducted for its students and a diploma or certificate of completion is granted pursuant to the assessment.

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

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

Chapter II Issuer of Prepaid Payment Instruments for Own Business

(Notification of Issuance of Prepaid Payment Instruments for Own Business)

Article 9 When an Issuer of Prepaid Payment Instruments for Own Business intends to make a notification pursuant to the provisions of Article 5, paragraph (1) of the Act, it must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 1 by attaching two copies of the written notice and the document set forth in Article 5, paragraph (2) of the Act by the day on which two months have passed from the day immediately following the Base Date on which the Unused Base Date Balance of its Prepaid Payment Instruments for Own Business has exceeded the Standard Amount (meaning the Standard Amount prescribed in Article 14, paragraph (1) of the Act; the same applies in Article 24, Article 33, and Article 38) for the first time since the commencement of the issuance of Prepaid Payment Instruments for Own Business.

(Other Matters to Be Stated in Written Notice)

Article 10 Matters specified by Cabinet Office Order as prescribed in Article 5, paragraph (1), item (x) of the Act are the following matters:

- (i) name, trade name or other name and address of any Closely Related Person (meaning the Closely Related Person prescribed in Article 3, paragraph (4); the same applies in item (iii) of the following Article and Article 12, paragraph (1), item (vi)), and in the case of a corporation (including an association or foundation without juridical personality for which the representative person or administrator has been designated; hereinafter the same applies), name of its representative person or administrator and the details of the close relationship between the Closely Related Person and the issuer prescribed in Article 3, paragraph (1) of the Order;
- (ii) type of other businesses, if any; and
- (iii) name of the Certified Association for Payment Service Providers of which the person that is a member.

(Documents to Be Attached to Written Notice)

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

- (i) in the case of an individual, the following documents:
 - (a) extract of the resident record or any substitute thereof;
 - (b) in the case where the name used before marriage is stated together with the current name in a written notice pursuant to the provisions of Article 9, and when the document listed in (a) does not prove the name used before marriage, a document to prove the name used before marriage;
- (ii) in the case of a corporation, the following documents:
 - (a) the articles of incorporation or a certificate of an act of endowment and registered matters or any substitute thereof;
 - (b) extract of the resident record of the representative person or administrator (if the representative person or administrator is a foreign national, a copy of a residence card (meaning the residence card prescribed in Article 19-3 of the Immigration Control and Refugee Recognition Act (Cabinet Order No. 319 of 1951); the same applies in Article 16, item (ii)), a copy of a special permanent resident certificate (meaning the special permanent resident certificate prescribed in Article 7, paragraph (1) of the Special Act on the Immigration Control of, Inter Alia, Those Who Have Lost Japanese Nationality Pursuant to the Treaty of Peace with Japan (Act No. 71 of 1991; the same applies in Article 16, item (ii)), or extract of the

- resident record) or any substitute thereof;
- (c) if the name of the representative person or administrator used before marriage is stated together with their current name in a written notice pursuant to the provisions of Article 9, and the document listed in (b) does not prove the name used before marriage, a document to prove the name used before marriage;
 - (d) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes) or any substitute thereof (in the case of a corporation established in a business year that includes the day on which a written notice was submitted pursuant to the provisions of Article 5, paragraph (1) of the Act, the balance sheet as of the date of establishment prepared pursuant to the provisions of Article 435, paragraph (1) or Article 617, paragraph (1) of the Companies Act (Act No. 86 of 2005) or any substitute thereof); and
 - (e) in the case of a company with financial auditors, a document containing the contents of the financial audit report prepared pursuant to the provisions of Article 396, paragraph (1) of the Companies Act for the business year immediately preceding the business year that includes the day on which a written notice was submitted pursuant to the provisions of Article 5, paragraph (1) of the Act;
- (iii) if there is a Closely Related Person, a transcript of the family register, the shareholder register, the annual securities report, and any other documents proving the existence of a close relationship prescribed in Article 3, paragraph (1) of the Order; and
 - (iv) other documents containing other relevant matters.

(Notification of Changes)

Article 12 (1) When an Issuer of Prepaid Payment Instruments for Own Business that submitted a written notice under Article 9 intends to make a notification pursuant to the provisions of Article 5, paragraph (3) of the Act, it must submit to the Commissioner of the Financial Services Agency a written notice of changes prepared using appended Form 2 by attaching two copies of the written notice of changes and documents specified in the following items for the categories of cases respectively prescribed therein (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):

- (i) in the case of a change in the name, trade name, or other name: In the case of a corporation, a certificate of registered matters that contains the information related to the change;
- (ii) in the case of a change in the amount of capital or contribution: A certificate of registered matters that contains the information related to the

- change or any substitute thereof;
 - (iii) in the case of establishment or closure of a business office or office or a change in the location of a business office or office: In the case of a corporation, a certificate of registered matters that contains the information related to the change;
 - (iv) in the case of a change in the representative person or administrator: The following documents;
 - (a) documents listed in item (ii), (a) and (b) of the preceding Article that pertain to the person who newly assumed the position of the representative person or administrator;
 - (b) if the name of the person who newly assumed the position of the representative person or administrator that was used before marriage is stated together with his/her current name in the written notice of changes, and the document listed in (a) (limited to the documents listed in item (ii), (b) of the preceding Article) does not prove the name used before marriage, a document to prove the name used before marriage;
 - (v) in the case of a change in the matters listed in Article 5, paragraph (1), items (vi) through (ix) of the Act: Documents listed in item (iv) of the preceding Article that pertain to the matters that have been changed;
 - (vi) in the case of a change in the Closely Related Person or in the close relationship prescribed in Article 3, paragraph (1) of the Order with the person: Documents listed in item (iii) of the preceding Article that pertain to the relationship after the change;
 - (vii) in the case of a change in the other businesses: A certificate of registered matters that contains the information related to the change or any substitute thereof; and
 - (viii) if the Issuer of Prepaid Payment Instruments for Own Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one: A document that can demonstrate the fact that the Issuer of Prepaid Payment Instruments for Own Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one.
- (2) When the Commissioner of the Financial Services Agency accepts a notification under the Article 5, paragraph (3) of the Act, the commissioner must record the notified matters in the register of Issuers of Prepaid Payment Instruments for Own Business.

(Public Inspection of the Register of Issuers of Prepaid Payment Instruments for Own Business)

Article 13 The Commissioner of the Financial Services Agency is to keep the register of Issuers of Prepaid Payment Instruments for Own Business that the

commissioner has prepared pertaining to an Issuer of Prepaid Payment Instruments for Own Business at the Local Finance Bureau or the Fukuoka Local Finance Branch Bureau having jurisdiction over the location of the principal business office or office of the Issuer of Prepaid Payment Instruments for Own Business (in the case of a corporation established under the laws and regulations of a foreign state who issues Prepaid Payment Instruments for Own Business in Japan, its principal business office or office in Japan) and make it available for public inspection.

Chapter III Issuer of Prepaid Payment Instruments for Third-Party Business

(Application for Registration)

Article 14 A person intending to obtain a registration under Article 7 of the Act must submit to the Commissioner of the Financial Services Agency a written application for registration set forth in Article 8, paragraph (1) of the Act prepared using appended Form 3 by attaching two copies of the written application for registration and the documents set forth in paragraph (2) of the same Article.

(Other Matters to Be Stated in Written Application for Registration)

Article 15 Matters specified by Cabinet Office Order as prescribed in Article 8, paragraph (1), item (ix) of the Act are the following matters:

- (i) name, trade name, or other name of any major shareholder (meaning a person that holds shares or contributions pertaining to the Subject Voting Rights (meaning the Subject Voting Rights prescribed in Article 3, paragraph (2), item (i) of the Order) not less than 5 percent of the Voting Rights Held by All the Shareholders, etc. (meaning the Voting Rights Held by All the Shareholders, etc. prescribed in paragraph (1), item (ii) of the same Article) under its own name or that of another person; the same applies in Article 20, paragraph (1), item (vi));
- (ii) type of other businesses, if any;
- (iii) name of the Certified Association for Payment Service Providers of which the person is a member; and
- (iv) if rules prescribed by the applicant for registration contain a provision to the effect that the applicant maintains in its account under its own name a deposit or savings prescribed in Article 5, paragraph (1), item (ii), (d) of the Order, the trade name or other name and the location of the Deposit-Taking Institution with which the bank deposit or savings are deposited.

(Documents to Be Attached to Written Application for Registration)

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

- (i) a document prepared using appended Form 4 pledging to the effect that the applicant does not fall under any of the items of Article 10, paragraph (1) of the Act;
- (ii) extract of the resident record of its officers (if the officers are foreign nationals, a copy of a residence card, a copy of a special permanent resident certificate, or extract of the resident record) or any substitute therefor;
- (iii) if the name of an officer used before marriage is stated together with his/her current name in the written application for registration, and the document listed in the preceding item does not prove the name used before marriage, a document to prove the name used before marriage;
- (iv) a certificate by a public agency to the effect that its officers do not fall under Article 10, paragraph (1), item (ix), (a) or (b) of the Act (if the officers are foreign nationals, a written pledge prepared using appended Form 5) or any substitute thereof;
- (v) a curriculum vitae of officers of the applicant or a history of the applicant prepared by using appended Form 6 or Form 7;
- (vi) the register of shareholders or members prepared using appended Form 8 and the articles of incorporation, or a certificate of an act of endowment and registered matters or any substitute thereof;
- (vii) the latest balance sheet (including the related notes) and profit and loss statement (including the related notes) or any substitute thereof (in the case of a corporation established in a business year that includes the date of the application for registration, the balance sheet as of the date of establishment prepared pursuant to the provisions of Article 435, paragraph (1) or Article 617, paragraph (1) of the Companies Act or any substitute thereof);
- (viii) in the case of a company with financial auditors, a document containing the contents of the financial audit report prepared pursuant to the provisions of Article 396, paragraph (1) of the Companies Act for the business year immediately preceding the business year that includes the date of the application for registration;
- (ix) internal rules concerning the business of issuing Prepaid Payment Instruments or other documents equivalent thereto;
- (x) an organization chart concerning the business of issuing Prepaid Payment Instruments (including organizations that perform the operations pertaining to internal controls);
- (xi) a document proving the terms and conditions of the contract between the Issuer of Prepaid Payment Instruments for Third-Party Business and

- member shops;
- (xii) if rules prescribed by the applicant for registration contain a provision to the effect that the applicant maintains in its account under its own name a deposit or savings prescribed in Article 5, paragraph (1), item (ii), (d) of the Order, the trade name or other name and the location of the Deposit-Taking Institution with which the bank deposit or savings are deposited, and a document demonstrating that the bank account has been opened; and
 - (xiii) other documents containing other relevant matters.

(Notice to Applicant)

Article 17 When the Commissioner of the Financial Services Agency intends to give a notice of registration prescribed in Article 9, paragraph (2) of the Act, the commissioner is to give it by a written notice of completion of registration prepared using appended Form 9.

(Public Inspection of the Registry of Issuers of Prepaid Payment Instruments for Third-Party Business)

Article 18 The Commissioner of the Financial Services Agency is to keep the registry of Issuers of Prepaid Payment Instruments for Third-Party Business pertaining to the registered Issuer of Prepaid Payment Instruments for Third-Party Business at the Local Finance Bureau or the Fukuoka Local Finance Branch Bureau having jurisdiction over the location of the principal business office or office of the Issuer of Prepaid Payment Instruments for Third-Party Business (in the case of a corporation established under the laws and regulations of a foreign state that issues Prepaid Payment Instruments for Third-Party Business in Japan, its principal business office or office in Japan; hereinafter the same applies) and make it available for public inspection.

(Refusal of Registration)

Article 19 (1) The unused balance prescribed in Article 5, paragraph (1), item (ii), (d) of the Order is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):

- (i) the total of the amounts specified in the (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein:
 - (a) in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act, the amount that is available for the payment of proceeds at the time of issuance (including the amounts that were thereafter added to Addition-Type Prepaid Payment Instruments (if the amounts are found to be each time converted to and indicated as numbers in another unit, monetary amounts converted from the numbers in the relevant unit)); and

- (b) in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act, the monetary amount converted from the quantity of goods or services the delivery or provision of which can be claimed at the time of issuance (including the quantity of goods or services that was thereafter added to Addition-Type Prepaid Payment Instruments); and
- (ii) the total of the amounts specified in the (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein:
 - (a) the amount that has been used for the payment of proceeds by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act; and
 - (b) the monetary amount converted from the quantity of goods or services that have been claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act.
- (2) When the Commissioner of the Financial Services Agency intends to give a notice under Article 10, paragraph (2) of the Act, the commissioner is to give it by a written notice of refusal of registration prepared using appended Form 10.

(Notification of Changes)

- Article 20 (1) If an Issuer of Prepaid Payment Instruments for Third-Party Business intends to make a notification pursuant to the provisions of Article 11, paragraph (1) of the Act, it must submit to the Commissioner of the Financial Services Agency a written notice of changes prepared using appended Form 11 by attaching two copies of the written notice of changes and documents specified in the following items for the categories of cases respectively prescribed therein (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):
- (i) in the case of a change in the trade name or other name: A certificate of registered matters that contains the information related to the change or any substitute thereof and a document prepared using appended Form 4 pledging to the effect that the Issuer of Prepaid Payment Instruments for Third-Party Business does not fall under any of the items of Article 10, paragraph (1) of the Act;
 - (ii) in the case of a change in the amount of capital or contribution: A certificate of registered matters that contains the information related to the change or any substitute thereof;
 - (iii) in the case of establishment, relocation or closure of a business office or office (excluding cases as listed in item (vii)): A certificate of registered matters that contains the information related to the change;
 - (iv) in the case of a change in the officers: The following documents:
 - (a) documents listed in Article 16, items (ii), (iv) and (v) that pertain to the

- person who newly became an officer, and documents listed in item (vi) of the same Article that pertains to the change;
- (b) if the name of the person who newly became an officer that was used before marriage is stated together with their current name in the written notice of changes, and the document listed in (a) (limited to the documents listed in Article 16, item (ii)) does not prove the name used before marriage, a document to prove the name used before marriage;
 - (c) a document prepared using appended Form 4 pledging to the effect that the Issuer of Prepaid Payment Instruments for Third-Party Business does not fall under any of the items of Article 10, paragraph (1) of the Act;
 - (v) in the case of a change in the matters listed in Article 8, paragraph (1), items (v) through (viii) of the Act: Documents listed in Article 16, items (ix) through (xiii) that pertain to the matters that have been changed;
 - (vi) in the case of a change in the major shareholders: The register of shareholders or members prepared using appended Form 8;
 - (vii) if an Issuer of Prepaid Payment Instruments for Third-Party Business that has obtained the registration under Article 9, paragraph (1) of the Act from the Director-General of a Local Finance Bureau, etc. has change the location of its principal business office or office to an area over which the Directors-General of another Local Finance Bureau, etc. has jurisdiction: The document prescribed in item (iii) and a written notice of completion of registration under Article 17 that was delivered prior to the change;
 - (viii) in the case of a change in the Deposit-Taking Institution with which the deposit and savings prescribed in Article 5, paragraph (1), item (ii), (d) of the Order are deposited: the trade name or other name and the location of the new Deposit-Taking Institution after the change with which the deposit or savings are deposited and a document demonstrating that an account has been opened with the new Deposit-Taking Institution; and
 - (ix) if the Issuer of Prepaid Payment Instruments for Third-Party Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one: A document that can demonstrate the fact that the Issuer of Prepaid Payment Instruments for Third-Party Business has become a member of a Certified Association for Payment Service Providers or has withdrawn from one.
- (2) When a notification is made under the preceding paragraph in the case set forth in item (vii) of the relevant paragraph, the Director-General of a Local Finance Bureau, etc. must notify the Directors-General of the other Local Finance Bureau, etc. referred to in the item to the effect that the notification has been made.
- (3) The Director-General of a Local Finance Bureau, etc. who has received the notification under the preceding paragraph is to register the notified matters

in the registry of Issuers of Prepaid Payment Instruments for Third-Party Business and notify it to the person who made the notification by the written notice of completion of registration prescribed in Article 17.

Chapter IV Provision of Information, Making of Security Deposit for Issuance, and Other Obligations

(Methods for Provision of Information)

- Article 21 (1) If an Issuer of Prepaid Payment Instruments intends to issue Prepaid Payment Instruments (excluding when the Certificates, etc. (meaning the Certificates, etc. prescribed in Article 3, paragraph (1), item (i) of the Act; hereinafter the same applies) pertaining to the Prepaid Payment Instruments or documents or other materials that are an integral part of the Prepaid Payment Instruments are not delivered to the user), it must provide the user with the information concerning the matters listed in the items of Article 13, paragraph (1) of the Act by indicating the information on the Prepaid Payment Instruments that it issues (including documents or other materials that are an integral part of the Prepaid Payment Instruments).
- (2) If an Issuer of Prepaid Payment Instruments intends to issue Prepaid Payment Instruments (excluding when the Certificates, etc. pertaining to the Prepaid Payment Instruments or documents or other materials that are an integral part of the Prepaid Payment Instruments are not delivered to the user), it must provide the user with the information concerning the matters listed in the items of Article 13, paragraph (1) of the Act by any of the following methods:
- (i) a method in which information is transmitted through telecommunications lines connecting the electronic equipment used by an Issuer of Prepaid Payment Instruments with the electronic equipment used by the user and recorded in a file installed in the electronic equipment used by the relevant user;
 - (ii) a method in which information recorded in a file installed in the electronic equipment used by an Issuer of Prepaid Payment Instruments is made available for inspection by the user through telecommunications lines and recorded in a file installed in the electronic equipment used by the relevant user; or
 - (iii) if no file for recording information is installed in the electronic equipment used by the user, a method in which information recorded in a file (limited to one provided for the exclusive use by users; referred to as "User File" in paragraph (4), item (ii)) installed in the electronic equipment used by an Issuer of Prepaid Payment Instruments is made available for inspection by the user through telecommunications lines.

- (3) Notwithstanding the provisions of paragraph (1), when the Prepaid Payment Instruments to be issued are used by presenting electronic equipment used by the user that is connected to the electronic equipment used by the Issuer of Prepaid Payment Instruments through telecommunications lines (including the Certificates, etc. when being connected to the electronic equipment before commencing the use of the Certificates, etc. or upon the use of the Certificates, etc.), the Issuer of Prepaid Payment Instruments may provide the users with the matters listed in the items of Article 13, paragraph (1) of the Act by any of the methods listed in the items of the preceding paragraph.
- (4) The methods listed in the items of paragraph (2) must satisfy the following technical criteria:
- (i) the method listed in paragraph (2), item (i) or (ii) is one that enables the user to create a document by outputting the information recorded in the file (including outputting the relevant recorded information by transmitting it to other electronic equipment or any other method); and
 - (ii) the method listed in paragraph (2), item (iii) is one in which information recorded in the User File cannot be deleted or changed during the period of three months from the time when the information is recorded in the relevant user file.

(Information to be Provided)

- Article 22 (1) The matters listed in the items of Article 13, paragraph (1) of the Act must be provided as information accurately using terms that are easy to read and understand for persons who generally purchase or use Prepaid Payment Instruments; provided, however, that with regard to Prepaid Payment Instruments (excluding Prepaid Payment Instruments for which information is to be provided by methods listed in the items of paragraph (2) of the preceding Article) that are purchased for use only as gifts and designed not to clearly indicate the Amount Available for Payment, etc. according to the purpose of their purchases, it would be sufficient to indicate the Amount Available for Payment, etc. listed in Article 13, paragraph (1), item (ii) of the Act with signs, pictures, or any other methods.
- (2) Matters specified by Cabinet Office Order as prescribed in Article 13, paragraph (1), item (v) of the Act are the following matters:
- (i) the scope of facilities or places where the Prepaid Payment Instruments can be used;
 - (ii) necessary instructions for the use of the Prepaid Payment Instruments;
 - (iii) in the case of Prepaid Payment Instruments in which the amount (if the amount is found to be each time converted to and indicated as a number in another unit, including a number in the relevant unit; hereinafter the same applies in this item and paragraph (iv)) or the quantity of goods or services is

- recorded by electronic or magnetic means, the unused balance (meaning the amount that can be used for the payment of proceeds in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act or the quantity of goods or services the delivery or provision of which can be claimed in the case of the Prepaid Payment Instruments prescribed in item (ii) of the same paragraph) or the method by which the unused balance can be ascertained; and
- (iv) if there is a written general conditions or explanation concerning the use of the Prepaid Payment Instruments or any other documents similar thereto (hereinafter referred to as "written terms and conditions, etc." in this Article), the fact that the relevant written terms and conditions, etc. exists.
- (3) If the matters listed in the items of Article 13, paragraph (1) of the Act cannot be clearly indicated due to the insufficient surface area of the Prepaid Payment Instruments, notwithstanding the provisions of the preceding two paragraphs, with regard to the matters listed in item (i) or (ii) of the preceding paragraph, it would be sufficient to indicate only the principal ones among them, provided that all of the requirements listed in the following items are satisfied:
- (i) there is a written terms and conditions, etc. containing the indication of the matters listed in items (i) and (ii) of the preceding paragraph; and
- (ii) the relevant written terms and conditions, etc. is delivered to the purchaser of Prepaid Payment Instruments when they are generally purchased.
- (4) If an amount or the record of the quantity of goods or services is added in Addition-Type Prepaid Payment Instruments (excluding Addition-Type Prepaid Payment Instruments for which information is to be provided by any of the methods listed in the items of paragraph (2) of the preceding Article), and the information has already been provided pursuant to the provisions of Article 13, paragraph (1) of the Act regarding the Addition-Type Prepaid Payment Instruments, the relevant provision of information is deemed to be the provision of information under the same paragraph.

(Cases where Provision of Information is not Required)

Article 23 The cases specified by Cabinet Office Order as prescribed in Article 13, paragraph (2) of the Act are the cases where the Certified Association for Payment Service Providers of which the Issuer of Prepaid Payment Instruments is a member makes public to the users of Prepaid Payment Instruments the matters listed in paragraph (1), items (iv) and (v) of the same Article pertaining to the relevant Issuer of Prepaid Payment Instruments.

(Making of Security Deposit for Issuance)

Article 24 (1) The deposit prescribed in Article 14, paragraph (1) of the Act must be made within two months from the day immediately following the Base Date

on which the Unused Base Date Balance has exceeded the Standard Amount.

(2) If succession of the business of issuing Prepaid Payment Instruments occurs, until the person that has succeeded to the business makes a security deposit for issuance in an amount not less than the Required Amount of Deposit (meaning the Required Amount of Deposit prescribed in Article 14, paragraph (1) of the Act; the same applies in Article 33, paragraph (1), item (ii) and Article 38, paragraph (1), item (ii)) pursuant to the provisions of Article 14, paragraph (1) of the Act (including when that person concludes a guarantee contract of security deposit for issuance (meaning the guarantee contract of security deposit for issuance prescribed in Article 15 of the Act; hereinafter the same applies) in lieu of making of the whole or part of the security deposit for issuance pursuant to the provisions of the same Article and notifies the Commissioner of the Financial Services Agency to that effect; and when that person concludes 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; hereinafter the same applies) pursuant to the provisions of the same Article, and maintains trust property under the trust contract in lieu of making of the whole or part of the security deposit for issuance by obtaining the approval of the Commissioner of the Financial Services Agency), the security deposit for issuance, or guarantee contract of security deposit for issuance or trust contract of security deposit for issuance that has been made or concluded by the person from whom the business has been succeeded is deemed to be made or concluded on behalf of the person that has succeeded to the relevant business.

(Amount of Shortfall Requiring Additional Deposit)

Article 25 The amount calculated in accordance with the method specified by Cabinet Office Order as prescribed in Article 14, paragraph (2) of the Act is half of the amount calculated by deducting the Unused Base Date Balance as of the Base Date of the Prepaid Payment Instruments pertaining to the procedure for refund under Article 20, paragraph (1) of the Act and the procedure for the execution of the right under Article 31, paragraph (1) of the Act from the Unused Base Date Balance calculated in accordance with the method prescribed in Article 4.

(Time Limit for Depositing Additional Security Deposit for Issuance)

Article 26 (1) The deposit prescribed in Article 14, paragraph (2) must be made by the day on which two weeks have passed from the day on which the Issuer of Prepaid Payment Instruments comes to know the fact set forth in the same paragraph (hereinafter referred to as "time limit for depositing the shortfall" in this Article).

- (2) If the time limit for depositing the shortfall falls on or after the day immediately following the first Base Date falling on or after the day on which the fact set forth in Article 14, paragraph (2) of the Act occurred, and an Issuer of Prepaid Payment Instruments has submitted the written report prescribed in Article 23, paragraph (1) of the Act pertaining to the Base Date by the relevant time limit for depositing the shortfall or the Unused Base Date Balance prescribed in Article 14, paragraph (1) of the Act has decreased to ten million yen or less on the Base Date (excluding when the procedure for refund prescribed in Article 20, paragraph (1) of the Act that was commenced on or before the Base Date is not completed as of the relevant Base Date and when the procedure for the execution of the right petitioned pursuant to the provisions of Article 11, paragraph (1) of the Order has not been completed as of the Base Date), the Issuer of Prepaid Payment Instruments is not required to make the deposit under Article 14, paragraph (2) of the Act.
- (3) If an Issuer of Prepaid Payment Instruments did not, on or before the day on which the fact set forth in Article 14, paragraph (2) of the Act occurred, make a security deposit for issuance under paragraph (1) of the same Article (including when that Issuer of Prepaid Payment Instruments concludes a guarantee contract of security deposit for issuance in lieu of making of the whole or part of the security deposit for issuance pursuant to the provisions of Article 15 of the Act and notifies the Commissioner of the Financial Services Agency to that effect; and when that Issuer of Prepaid Payment Instruments concludes a trust contract of security deposit for issuance pursuant to the provisions of Article 16, paragraph (1) of the Act and maintains trust property under the trust contract in lieu of making of the whole or part of the security deposit for issuance by obtaining the approval of the Commissioner of the Financial Services Agency) pertaining to the Base Date immediately preceding the day on which the relevant fact occurred, the Issuer of Prepaid Payment Instruments is not required to make the deposit under Article 14, paragraph (2) of the Act.
- (4) If an Issuer of Prepaid Payment Instruments has, on or before the day on which the fact set forth in Article 14, paragraph (2) the Act occurred, made a security deposit for issuance under paragraph (1) of the same Article (including when that Issuer of Prepaid Payment Instruments concludes a guarantee contract of security deposit for issuance in lieu of making of the whole or part of the security deposit for issuance pursuant to the provisions of Article 15 of the Act and notifies the Commissioner of the Financial Services Agency to that effect; and when that Issuer of Prepaid Payment Instruments concludes a trust contract of security deposit for issuance pursuant to the provisions of Article 16, paragraph (1) of the Act and maintains trust property under the trust contract in lieu of making of the whole or part of the security deposit for issuance by obtaining the approval of the Commissioner of the Financial Services Agency)

pertaining to the Base Date immediately preceding the day on which the relevant fact occurred, and the time limit for depositing the shortfall pertaining to the occurrence of the fact falls within two months from the Base Date, it would be sufficient for the Issuer of Prepaid Payment Instruments to make the deposit under Article 14, paragraph (2) of the Act within two months from the day immediately following the relevant Base Date.

(Additional Security Deposit for Issuance)

Article 27 (1) An Issuer of Prepaid Payment Instruments intending to make a notification under Article 14, paragraph (2) of the Act must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended form 12.

(2) When an Issuer of Prepaid Payment Instruments makes a notification under the preceding paragraph by making a new security deposit for issuance, a copy of an authenticated copy of the deposit document pertaining to the deposit must be attached to the written notice under the same paragraph.

(3) When an Issuer of Prepaid Payment Instruments makes a notification under paragraph (1) by concluding a new guarantee contract of security deposit for issuance or amending the terms and conditions of the existing guarantee contract of security deposit for issuance (excluding the cancellation of part of the contract), a copy of the contract document pertaining to the contract or amendment must be attached to the written notice under the same paragraph.

(4) When an Issuer of Prepaid Payment Instruments makes a notification under paragraph (1) by concluding a new trust contract of security deposit for issuance or amending the terms and conditions of the existing trust contract of security deposit for issuance (excluding the cancellation of part of the contract), a copy of the new contract or the contract after the amendment must be attached to the written notice under the same paragraph.

(5) If the Commissioner of the Financial Services Agency finds it necessary, the commissioner may order an Issuer of Prepaid Payment Instruments to submit the authenticated copy of the deposit document set forth in paragraph (2) or the original of the contract document set forth in the preceding two paragraphs.

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

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

(i) national government bond certificates (including those the ownership of the right is determined based on the statement or record in the book-entry transfer account registry under the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001); the same

- applies in Article 35, item (v));
- (ii) local government bond certificates;
- (iii) government guaranteed bond certificates (meaning those securities listed in Article 2, paragraph (1), item (iii) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) for which the government guarantees payment of the principal and interest; the same applies in Article 36, paragraph (2), item (iii)); and
- (iv) corporate bond certificates or any other bond certificates specified by the Commissioner of the Financial Services Agency.

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

Article 29 (1) The appraised value of bond certificates that are deposited to fulfill the security deposit for issuance requirement pursuant to provisions of Article 14, paragraph (3) of the Act is the amount specified in the following items for the categories of bond certificates respectively prescribed therein:

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

(2) With regard to bond certificates issued on a discount basis, the provisions of the preceding paragraph apply by deeming the face value to be the amount obtained by adding the amount calculated by the following formula to the issue price:

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

(3) In the calculation by the formula set forth in the preceding paragraph, fractions below one year are omitted for the number of years from the issue date to the redemption date and the number of years from the issue date to the deposit date, and fractions below one yen are omitted for the amount obtained

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

(Notification of Guarantee Contract of Security Deposit for Issuance)

Article 30 A person that makes a notification under Article 15 of the Act must submit to the Commissioner of the Financial Services Agency a written notice of guarantee contract of security deposit for issuance prepared using appended form 13 by attaching a copy of the guarantee contract of security deposit for issuance.

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

Article 31 (1) The category for one that is determined to have sound equity capital as specified by Cabinet Office Order as prescribed in Article 8, paragraph (1) of the Order is the category specified in the following items for the type of Deposit-Taking Institutions respectively prescribed therein:

(i) Banks (excluding Branch Offices of Foreign Banks (meaning the Branch Offices of Foreign Banks prescribed in Article 47, paragraph (2) of the Banking Act (Act No. 59 of 1981); the same applies in item (vi)); the same applies in item (ii)) that have Overseas Business Locations: The Non-consolidated Capital Adequacy Ratio under the International Uniform Standard included in the latest explanatory document on the status of business and property (if there is an explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to the explanatory document, the explanatory document of pertaining to the interim business year) satisfies all requirements specified in (a) through (c) below for the categories of ratios respectively prescribed therein:

(a) Non-consolidated Common Equity Tier 1 Ratio: Not less than 4.5 percent;

(b) Non-consolidated Tier 1 Ratio: Not less than 6 percent;

(c) Non-consolidated Total Capital Adequacy Ratio: Not less than 8 percent;

(i)-2 Long-term Credit Banks, or federations of Shinkin Banks that have Overseas Business Locations: The Non-consolidated Capital Adequacy Ratio under the International Uniform Standard included in the latest explanatory document on the status of business and property (if there is an explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to the explanatory document, the relevant explanatory document pertaining to the interim business year) is not less than 8 percent;

(i)-3 federations of Shinkin Banks that have Overseas Bases: The Non-consolidated Capital Adequacy Ratio under the International Uniform

Standard included in the latest explanatory document on the status of business and property (if there is an explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to the explanatory document, the explanatory document pertaining to the interim business year) satisfies all requirements specified in (a) through (c) below for the categories of ratios respectively prescribed therein:

- (a) Non-consolidated Common Capital Contribution Tier 1 Ratio: Not less than 4.5 percent;
 - (b) Non-consolidated Tier 1 Ratio: Not less than 6 percent;
 - (c) Non-consolidated Total Capital Adequacy Ratio: Not less than 8 percent;
- (ii) Banks or Long-term Credit Banks, that do not have Overseas Business Locations or federations of Shinkin Banks or Shinkin Banks that do not have Overseas Bases: The Non-consolidated Capital Adequacy Ratio under the Domestic Standard included in the latest explanatory document on the status of business and property (if there is an explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to the explanatory document, the explanatory document pertaining to the interim business year) is not less than 4 percent;
- (iii) labor banks, federations of labor banks, credit cooperatives, federations of credit cooperatives engaging in the business prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium Sized Enterprises Cooperatives Act (Act No. 181 of 1949), agricultural cooperative or federations of agricultural cooperative engaging in the business prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947), fisheries cooperative engaging in the business prescribed in Article 11, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948), federations of fisheries cooperatives engaging in the business prescribed in Article 87, paragraph (1), item (iv) of the Act, fishery processing cooperative engaging in the business prescribed in Article 93, paragraph (1), item (ii) of the Act, or federations of fishery processing cooperatives engaging in the business prescribed in Article 97, paragraph (1), item (ii) of the Act: The Non-consolidated Capital Adequacy Ratio included in the latest explanatory document on the status of business and property is not less than 4 percent;
- (iv) Norinchukin Bank: The Non-consolidated Capital Adequacy Ratio included in the latest explanatory document on the status of business and property satisfies all requirements specified in (a) through (c) below for the categories of ratios respectively prescribed therein:
- (a) Non-consolidated Common Capital Contribution Tier 1 Ratio: Not less than 4.5 percent;

- (b) Non-consolidated Tier 1 Ratio: Not less than 6 percent;
 - (c) Non-consolidated Total Capital Adequacy Ratio: Not less than 8 percent;
 - (v) The Shoko Chukin Bank Limited: The Non-consolidated Capital Adequacy Ratio included in the latest explanatory document on the status of business and property (if there is a explanatory document pertaining to the interim business year of the business year immediately following the business year pertaining to the explanatory document, the explanatory document pertaining to the interim business year) satisfies all requirements specified in (a) through (c) below for the categories of ratios respectively prescribed therein:
 - (a) Non-consolidated Common Equity Tier 1 Ratio: Not less than 4.5 percent;
 - (b) Non-consolidated Tier 1 Ratio: Not less than 6 percent;
 - (c) Non-consolidated Total Capital Adequacy Ratio: Not less than 8 percent;
 and
 - (vi) Branch Offices of Foreign Banks: The Foreign Banks (meaning the Foreign Banks prescribed in Article 10, paragraph (2), item (viii) of the Banking Act) pertaining to the Branch Offices of Foreign Banks satisfy the criteria that are equivalent to the criteria prescribed in Article 14-2 of the same Act and that apply to the Foreign Banks in their respective foreign states.
- (2) The term "Overseas Business Locations" as used in items (i), (i)-2, and (ii) of the preceding paragraph means the Overseas Business Locations prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act (Order of the Prime Minister's Office and the Ministry of Finance No. 39 of 2000) or in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act (Order of the Prime Minister's Office and the Ministry of Finance No. 40 of 2000).
- (3) The term "Overseas Bases" as used in paragraph (1), items (i)-3 and (ii) means the Overseas Bases prescribed in Article 3, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act (Order of the Prime Minister's Office and the Ministry of Finance No. 41 of 2000).
- (4) The term "International Uniform Standard" as used in paragraph (1), items (i) through (i)-3 means the International Uniform Standard prescribed in Article 1, paragraph (4) or Article 3, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, in Article 1, paragraph (4) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act, or in

Article 3, paragraph (5) of the Order Providing for the Categories, etc.

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

- (5) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), items (i) through (ii) means the Non-consolidated Capital Adequacy Ratio prescribed in Article 1, paragraph (7) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, in Article 1, paragraph (6) of Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act, or in Article 3, paragraph (6) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act; the terms "Non-consolidated Common Equity Tier 1 Ratio," "Non-consolidated Tier 1 Ratio," and "Non-consolidated Total Capital Adequacy Ratio" as used in paragraph (1), item (i) mean the Non-consolidated Common Equity Tier 1 Ratio, Non-consolidated Tier 1 Ratio, and Non-consolidated Total Capital Adequacy Ratio respectively prescribed in Article 1, paragraph (7) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act; and the terms "Non-consolidated Common Capital Contribution Tier 1 Ratio," "Non-consolidated Tier 1 Ratio," and "Non-consolidated Total Capital Adequacy Ratio" as used in paragraph (1), item (i)-3 mean the Non-consolidated Common Capital Contribution Tier 1 Ratio, Non-consolidated Tier 1 Ratio, and Non-consolidated Total Capital Adequacy Ratio respectively prescribed in Article 3, paragraph (6) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act.
- (6) The term "Domestic Standard" as used in paragraph (1), item (ii) means the Domestic Standard prescribed in Article 1, paragraph (5) or Article 3, paragraph (4) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, in Article 1, paragraph (5) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 17 of the Long Term Credit Bank Act, or in Article 3, paragraph (4) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act as Applied Mutatis Mutandis Pursuant to Article 89, Paragraph (1) of the Shinkin Bank Act.
- (7) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), item (iii) means: for labor banks or federations of labor banks, the Non-consolidated Capital Adequacy Ratio prescribed in Article 2, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph

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

- (8) The terms "Non-consolidated Capital Adequacy Ratio," "Non-consolidated Common Capital Contribution Tier 1 Ratio," "Non-consolidated Tier 1 Ratio," and "Non-consolidated Total Capital Adequacy Ratio" as used in paragraph (1), item (iv) mean the Non-consolidated Capital Adequacy Ratio, Non-consolidated Common Capital Contribution Tier 1 Ratio, Non-consolidated Tier 1 Ratio, and Non-consolidated Total Capital Adequacy Ratio respectively prescribed in Article 1, paragraph (3) of the Order Providing for the Categories, etc. Prescribed in Article 85, Paragraph (2) of the Norinchukin Bank Act (Order of the Cabinet Office, the Ministry of Finance and the Ministry of Agriculture, Forestry and Fisheries No. 3 of 2001).

(9) The term "Non-consolidated Capital Adequacy Ratio" as used in paragraph (1), item (v) means the ratio obtained by the formula pertaining to the standard prescribed in Article 23, paragraph (1), item (i) of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007), and the terms "Non-consolidated Common Equity Tier 1 Ratio," "Non-consolidated Tier 1 Ratio," and "Non-consolidated Total Capital Adequacy Ratio" as used in paragraph (1), item (v) mean the values obtained by the formula out of the Non-consolidated Capital Adequacy Ratio.

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

Article 32 (1) The category for one that is determined to have a sound status with regard to capital adequacy to support the payment of Insurance Claims, etc. as specified by Cabinet Office Order as prescribed in Article 8, paragraph (2), item (i) of the Order is for one whose Ratio Indicating the Sound Status with Regard to Capital Adequacy to Support the Payment of Insurance Claims, etc. included in the latest explanatory documents on the status of business and property is not less than 200 percent.

(2) The term "Ratio Indicating the Sound Status with Regard to Capital Adequacy to Support the Payment of Insurance Claims, etc." as prescribed in the preceding paragraph means the ratio obtained by the formula pertaining to the standard prescribed in the following items for the categories respectively prescribed therein:

(i) Insurance Companies (meaning the Insurance Companies prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); hereinafter the same applies in this item and the following paragraph): Out of the standard prescribed in Article 130 of the same Act, the standard specified using the amount set forth in the items of the same Article pertaining to Insurance Companies;

(ii) Foreign Insurance Companies, etc. (meaning the Foreign Insurance Companies, etc. prescribed in Article 2, paragraph (7) of the Insurance Business Act; the same applies in the following paragraph): The standard prescribed in Article 202 of the same Act; and

(iii) Underwriting Members (meaning the Underwriting Members prescribed in Article 219, paragraph (1) of the Insurance Business Act; the same applies in the following paragraph): The standard prescribed in Article 228 of the same Act.

(3) Persons specified by Cabinet Office Order as prescribed in Article 8, paragraph (2), item (i) of the Order are Insurance Companies, Foreign Insurance Companies, etc., or Underwriting Members.

(Cancellation of Guarantee Contract of Security Deposit for Issuance)

- Article 33 (1) When an Issuer of Prepaid Payment Instruments that has concluded a guarantee contract of security deposit for issuance falls under any of the following items, it may cancel the whole or part of the guarantee contract of security deposit for issuance respectively prescribed therein by obtaining the approval of the Commissioner of the Financial Services Agency:
- (i) if the Unused Base Date Balance has decreased to the Standard Amount or less on a Base Date: The whole of the guarantee contract of security deposit for issuance; or
 - (ii) if the total of the amount of the security deposit for issuance on the day immediately following the date of submission of the written report under Article 23, paragraph (1) of the Act pertaining to a Base Date, the secured amount prescribed in Article 15 of the Act, and the amount of trust property prescribed in Article 16, paragraph (1) of the Act is more than the amount equivalent to the Required Amount of Deposit on the Base Date: The part of the guarantee contract of security deposit for issuance pertaining to any amount within the limit of the secured amount up to the amount that would cause the total amount to decrease to an amount equivalent to the Required Amount of Deposit on the Base Date.
- (2) If an Issuer of Prepaid Payment Instruments intends to obtain the approval prescribed in the preceding paragraph, the issuer must submit to the Commissioner of the Financial Services Agency a written application for approval of cancellation of guarantee contract of security deposit for issuance prepared using appended form 14.
- (3) If the Commissioner of the Financial Services Agency grants the approval set forth in paragraph (1), the commissioner is to notify the Issuer of Prepaid Payment Instruments to that effect by issuing a written approval of cancellation of the guarantee contract of security deposit for issuance prepared using appended form 15.
- (4) If an Issuer of Prepaid Payment Instruments cancels the whole or part of the guarantee contract of security deposit for issuance by obtaining the approval under paragraph (1), the issuer must submit to the Commissioner of the Financial Services Agency a written notice of cancellation of the guarantee contract of security deposit for issuance prepared using appended Form 16 by attaching a copy of the guarantee contract of security deposit for issuance reflecting the cancellation.

(Application for Approval of Trust Contract of Security Deposit for Issuance)

- Article 34 (1) If an Issuer of Prepaid Payment Instruments intends to obtain the approval under Article 16, paragraph (1) of the Act, the issuer must submit to

the Commissioner of the Financial Services Agency a written application for approval of trust contract of security deposit for issuance prepared using appended Form 17 by attaching two copies of the written application for approval of the trust contract of security deposit for issuance and a copy of the trust contract of security deposit for issuance.

- (2) If the Commissioner of the Financial Services Agency has granted the approval set forth in the preceding paragraph, the commissioner is to notify the Issuer of Prepaid Payment Instruments to that effect by issuing a written approval of the trust contract of security deposit for issuance prepared using appended Form 18.
- (3) If an Issuer of Prepaid Payment Instruments places property in the trust under the trust contract of security deposit for issuance for the first time after obtaining the approval under paragraph (1), the issuer must submit to the Commissioner of the Financial Services Agency a written notice of the trust contract of security deposit for issuance prepared using appended Form 19 by attaching a document proving the amount of the trust property.

(Contents of the Trust Contract of Security Deposit for Issuance)

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

- (i) the settlor, the trustee, and the beneficiaries of the principal of the trust property under the trust contract of security deposit for issuance are a trust contract prepaid payment instruments issuer (meaning an Issuer of Prepaid Payment Instruments that concludes a trust contract of security deposit for issuance; the same applies hereinafter), a Trust Company, etc., and the holders of Prepaid Payment Instruments issued by the trust contract prepaid payment instruments issuer, respectively;
- (ii) if more than one trust contract of security deposit for issuance is concluded, the same person is appointed as the agent of the beneficiaries for all of the contracts;
- (iii) if the trust contract prepaid payment instruments issuer falls under any of the following conditions, the trust contract prepaid payment instruments issuer does not give any instructions to the Trust Company, etc. regarding investment of trust property:
 - (a) if the trust contract prepaid payment instruments issuer is an Issuer of Prepaid Payment Instruments for Own Business, and is ordered to suspend the whole or part of the business of issuing Prepaid Payment Instruments under the provisions of Article 26 of the Act;
 - (b) if the trust contract prepaid payment instruments issuer is an Issuer of Prepaid Payment Instruments for Third-Party Business, and has the registration under Article 7 of the Act rescinded pursuant to the provisions

- of Article 27, paragraph (1) or (2) of the Act;
- (c) a Petition for Commencement of Bankruptcy Proceedings, etc. (meaning the Petition for Commencement of Bankruptcy Proceedings, etc. prescribed in Article 2, paragraph (18) of the Act) is filed against the Trust Contract Prepaid Payment Instruments Issuer;
 - (d) if the Trust Contract Prepaid Payment Instruments Issuer discontinues the whole of the business of issuing Prepaid Payment Instruments;
 - (e) if the Trust Contract Prepaid Payment Instruments Issuer receives an order to suspend the whole or part of the business of issuing Prepaid Payment Instruments for Third-Party Business under the provisions of Article 27, paragraph (1) of the Act (limited to cases falling under item (iii) or item (iv) of the same paragraph); or
 - (f) if the Commissioner of the Financial Services Agency issues an order to make a deposit;
- (iv) if the trust contract prepaid payment instruments issuer falls under any of the conditions listed in the preceding item, the beneficiaries and the agent of the beneficiaries may not exercise beneficial claims against the Trust Company, etc.;
- (v) if the trust property under the trust contract of security deposit for issuance (excluding those under which money is placed in the trust with a financial institution engaging in the trust business (meaning a financial institution that has obtained the authorization under Article 1, paragraph (1) of the Act on Concurrent Operation of Trust Business by a Financial Institution (Act No. 43 of 1943); hereinafter the same applies in this Article) and principal protection is provided; the same applies in the following item) is invested, the investment is made in the following manner:
- (a) holding of government bond certificates and other bond certificates specified by the Commissioner of the Financial Services Agency;
 - (b) bank deposits and savings with a Deposit-Taking Institution (if the trust contract prepaid payment instruments issuer is a Deposit-Taking Institution, excluding bank deposits and savings with oneself); or
 - (c) in any of the following manners:
 1. call money lending;
 2. due from bank accounts of a financial institution engaging in the trust business that is the trustee; or
 3. money in trust for which principal protection is provided under the terms and conditions of the contract pursuant to the provisions of Article 6 of the Act on Concurrent Operation of Trust Business by a Financial Institution;
- (vi) if the trust contract prepaid payment instruments issuer maintains the trust property in the form of bond certificates or invests the trust property

- under the trust contract of security deposit for issuance in a manner listed in (a) of the preceding item, the Trust Company, etc. or the trust contract prepaid payment instruments issuer determines the appraised value thereof in accordance with the method prescribed in Article 37;
- (vii) if the trust contract of security deposit for issuance is a money in trust contract with a financial institution engaging in the trust business under which principal protection is provided, the appraised value of the principal of the trust property is the principal amount of the money in trust contract;
 - (viii) except that if the trust contract of security deposit for issuance is canceled pursuant to the provisions of Article 38, paragraph (1), the whole or part of the trust contract of security deposit for issuance may not be cancelled;
 - (ix) the trust property pertaining to the cancellation of the whole or part of the trust contract of security deposit for issuance under the preceding item is attributed to the trust contract prepaid payment instruments issuer;
 - (x) the Trust Company, etc., in response to the order under the provisions of Article 17 of the Act, realizes the trust property and deposits the proceeds to the official depository specified by the Commissioner of the Financial Services Agency;
 - (xi) if the Trust Company, etc. makes a deposit in response to the order under the provisions of Article 17 of the Act, it may terminate the trust contract of security deposit for issuance;
 - (xii) in the case referred to in the preceding item, any residual property remaining after the termination of the whole of the trust contract of security deposit for issuance may be attributed to the trust contract prepaid payment instruments issuer; and
 - (xiii) remuneration and any other costs to be paid by the trust contract prepaid payment instruments issuer to the Trust Company, etc. or the agent of the beneficiaries and the costs required for the realization of the trust property by that Trust Company, etc. are paid out of property other than the principal of the trust property.

(Types of Bank Deposits and Savings Qualified to Be Trust Property)

- Article 36 (1) Bank deposits and savings specified by Cabinet Office Order as prescribed in Article 16, paragraph (3) of the Act are bank deposits and savings with a Deposit-Taking Institution (if the trust contract prepaid payment instruments issuer is a Deposit-Taking Institution, excluding bank deposits and savings with oneself).
- (2) Bond certificates specified by Cabinet Office Order as prescribed in Article 16, paragraph (3) of the Act are the following bond certificates (including those the ownership of the right is determined based on the statement or record in the

book-entry transfer account registry under the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares.; hereinafter the same applies):

- (i) national government bond certificates;
- (ii) local government bond certificates;
- (iii) government guaranteed bond certificates;
- (iv) bond certificates prescribed in Article 2-11 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965);
- (v) bond certificates issued by a foreign state (limited to those falling under Article 13, item (iii) of the Cabinet Office Order on the Provision or Publication of Securities Information, etc. (Cabinet Office Order No. 78 of 2008)); and
- (vi) corporate bond certificates or any other bond certificates specified by the Commissioner of the Financial Services Agency.

(Estimated Amount of Bond Certificates Qualified to Be Trust Property)

Article 37 If the trust property is maintained in the form of bond certificates pursuant to the provisions of Article 16, paragraph (3) of the Act or is invested in bond certificates pursuant to the provisions of Article 35, item (v), (a), the estimated amount of the bond certificates is an amount not exceeding the amount obtained by multiplying the market value of the bond certificates as of each Base Date of the Issuer of Prepaid Payment Instruments by the ratio specified in the following items for the categories of bond certificates respectively prescribed therein:

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

(Cancellation of Trust Contract of Security Deposit for Issuance)

Article 38 (1) If an Issuer of Prepaid Payment Instruments that has concluded a trust contract of security deposit for issuance falls under any of the following items, the issuer may cancel the whole or part of the trust contract of security

deposit for issuance respectively prescribed therein by obtaining the approval of the Commissioner of the Financial Services Agency:

- (i) if the Unused Base Date Balance decreases to the Standard Amount or less on a Base Date: The whole of the trust contract of security deposit for issuance; or
 - (ii) if the the amount of security deposit for issuance on the day immediately following the date of submission of the written report under Article 23, paragraph (1) of the Act pertaining to a Base Date, and the total amount of the secured amount prescribed in Article 15 of the Act and the amount of trust property prescribed in Article 16, paragraph (1) of the Act exceed the amount equivalent to the Required Amount of Deposit on the Base Date: The part of the trust contract of security deposit for issuance pertaining to any amount within the limit of the secured amount up to the amount that would cause the total amount to decrease to an amount equivalent to the Required Amount of Deposit on the Base Date.
- (2) If the Issuer of Prepaid Payment Instruments intends to obtain the approval prescribed in the preceding paragraph, the issuer must submit to the Commissioner of the Financial Services Agency a written application for approval of cancellation of the trust contract of security deposit for issuance prepared using appended Form 20.
 - (3) If the Commissioner of the Financial Services Agency grants the approval set forth in paragraph (1), the commissioner is to notify the Issuer of Prepaid Payment Instruments to that effect by issuing a written approval of cancellation of the trust contract of security deposit for issuance prepared using appended Form 21.
 - (4) If an Issuer of Prepaid Payment Instruments has cancels the whole or part of the trust contract of security deposit for issuance by obtaining the approval under paragraph (1), the issuer must submit to the Commissioner of the Financial Services Agency a written notice of cancellation of the trust contract of security deposit for issuance prepared using appended Form 22 by attaching a copy of the trust contract of security deposit for issuance reflecting the cancellation.

(Making of Security Deposit for Issuance Pursuant to the Order of the Commissioner of the Financial Services Agency)

- Article 39 (1) If any security deposit for issuance is required pursuant to the order under Article 17 of the Act, the deposit must be made to the official depository nearest to the principal business office or office of the Issuer of Prepaid Payment Instruments that concluded the relevant guarantee contract of security deposit for issuance or trust contract of security deposit for issuance.
- (2) The person that made the deposit set forth in the preceding paragraph must,

without delay, submit to the Commissioner of the Financial Services Agency a written notice prepared using appended form 23 by attaching the authenticated copy of the deposit document pertaining to that deposit.

(Recovery of Security Deposit for Issuance)

Article 40 (1) The unused balance as of the day on which the procedure for the execution of the right prescribed in Article 9, paragraph (1), item (iii) of the Order is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):

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

(a) the Unused Base Date Balance as of the latest Base Date falling before the day on which the procedure for the execution of the right under Article 31, paragraph (1) of the Act was completed (hereinafter referred to as the "procedure completion date" in this paragraph) (hereinafter referred to as the "latest base date" in this paragraph); and

(b) the total of the amounts issued of Prepaid Payment Instruments that were issued during the period from the day immediately following the latest base date to the procedure completion date;

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

(a) the amount that was used for the payment of proceeds by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day immediately following the latest base date to the procedure completion date; and

(b) the monetary amount converted, as of the procedure completion date, from the quantity of goods or services that were claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day immediately following the latest base date to the procedure completion date.

(2) The unused balance as of the day on which the procedure for refund prescribed in Article 9, paragraph (2), item (i) of the Order is the amount calculated by deducting the total amount set forth in item (ii) from the total amount set forth in item (i):

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

(a) the Unused Base Date Balance as of the latest Base Date falling before the day on which the procedure for refund under Article 20, paragraph (1) of the Act was completed (hereinafter referred to as the "refund completion date" in this paragraph) (hereinafter referred to as the "latest base date" in this paragraph); and

(b) the total of the amounts issued of Prepaid Payment Instruments that were issued during the period from the day immediately following the latest base date to the refund completion date;

- (ii) the total of the amounts listed in (a) and (b):
 - (a) the amount that was used for the payment of proceeds by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day immediately following the latest base date to the refund completion date; and
 - (b) the monetary amount converted, as of the refund completion date, from the quantity of goods or services that were claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day immediately following the latest base date to the refund completion date.

(Refund to the Holders of Prepaid Payment Instruments)

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

- (i) the total of the amounts listed in (a) and (b) of the Prepaid Payment Instruments pertaining to refund:
 - (a) the Unused Base Date Balance as of the latest Base Date falling before the day on which a public notice was given pursuant to the provisions of Article 20, paragraph (2) of the Act (hereinafter referred to as the "refund base date" in this paragraph) (hereinafter referred to as the "latest base date" in this paragraph); and
 - (b) the total of the amounts issued of Prepaid Payment Instruments that were issued during the period from the day immediately following the latest base date to the refund base date;
- (ii) the total of the amounts listed in (a) and (b) of the Prepaid Payment Instruments pertaining to refund:
 - (a) the amount that was used for the payment of proceeds by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act during the period from the day immediately following the latest base date to the refund base date; and
 - (b) the monetary amount converted, as of the refund base date, from the quantity of goods or services that were claimed by the use of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act during the period from the day immediately following the latest base date to the refund base date.
- (2) An Issuer of Prepaid Payment Instruments must give a public notice of the matters listed in Article 20, paragraph (2), items (i) through (iii) of the Act and the matters listed in paragraph (5), items (i) and (ii) in a daily newspaper that publishes matters on current events; provided, however, that if Certificates, etc. pertaining to Prepaid Payment Instruments or documents or other materials

that are an integral part of the Prepaid Payment Instruments are not delivered to the user or in the case prescribed in Article 21, paragraph (3), a public notice may be given by means of Electronic Public Notice prescribed in Article 2, item (xxxiv) of the Companies Act.

- (3) An Issuer of Prepaid Payment Instruments must take measures to post the matters listed in the items of Article 20, paragraph (2) of the Act in a place easily seen by the public at all of its business offices or offices and the member shops.
- (4) If an Issuer of Prepaid Payment Instruments intends to make a refund pertaining to Prepaid Payment Instruments used when the delivery or provision of goods or services is carried out through telecommunications lines connecting the computer used by the issuer or the person designated by the issuer with the computer of the users, the issuer must, in lieu of the posting prescribed in the preceding paragraph, provide the users of the Prepaid Payment Instruments pertaining to the relevant refund with information concerning the matters listed in the items of Article 20, paragraph (2) of the Act by the same method as any of those prescribed in Article 21, paragraph (2) that the relevant Issuer of Prepaid Payment Instruments employs for providing the relevant information to the users of the Prepaid Payment Instruments.
- (5) Matters specified by Cabinet Office Order as prescribed in Article 20, paragraph (2), item (iv) of the Act are the following matters:
 - (i) name, trade name or other name of the Issuer of Prepaid Payment Instruments that is to make the refund;
 - (ii) type of Prepaid Payment Instruments pertaining to the refund;
 - (iii) the contact address of the business office or office that is to respond to inquiries about the refund;
 - (iv) method for making a request under Article 20, paragraph (2), item (ii) of the Act;
 - (v) method for the refund; and
 - (vi) other matters relevant to the procedure for the refund.
- (6) If Issuer of Prepaid Payment Instruments gives a public notice pursuant to the provisions of Article 20, paragraph (2) of the Act, the Issuer of Prepaid Payment Instruments must immediately submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 24 by attaching the following documents:
 - (i) a copy of the relevant public notice;
 - (ii) a document containing information that can be used for the verification of the contents of the posting under the provisions of paragraph (3) and the provision of information under the provisions of paragraph (4); and
 - (iii) a document describing the contents of the measures taken pursuant to the provisions of paragraph (3).

- (7) Upon completion of the refund under Article 20, paragraph (1) of the Act, an Issuer of Prepaid Payment Instruments must submit to the Commissioner of the Financial Services Agency a written report prepared using appended Form 25 and containing the following matter:
- (i) the total amounts listed in items of paragraph (1) and the amounts listed in item (i), (a) and (b) and item (ii), (a) and (b) of the same paragraph;
 - (ii) when recovering a security deposit for issuance under the provisions of Article 9, paragraph (2) of the Order, the total amounts listed in items of paragraph (2) of the preceding Article and the amounts listed in item (i), (a) and (b) and item (ii), (a) and (b) of the same paragraph;
 - (iii) the period during which the information was provided pursuant to the provisions of Article 20, paragraph (2) of the Act;
 - (iv) the number of the holders of Prepaid Payment Instruments that made a request during the period specified in Article 20, paragraph 2, item (ii) of the Act and the total amount of the unused balances (meaning the amount that is available for the payment of proceeds and the monetary amount converted from the quantity of goods or services that can be claimed; the same applies in item (vi)) of the Prepaid Payment Instruments held by the relevant holders;
 - (v) the total amount of refunds made to the holders in the procedure for the refund; and
 - (vi) the total amount of the unused balances as of the refund base date of the Prepaid Payment Instruments that were excluded from the procedure for the refund.
- (8) An Issuer of Prepaid Payment Instruments that is unable to complete the refund prescribed in Article 20, paragraph (1) of the Act must promptly submit to the Commissioner of the Financial Services Agency a written notice prepared using appended form 26.

(Cases where Refund is Permitted)

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

- (i) if the total of the amounts refunded (excluding the amounts refunded pursuant to the provisions of Article 20, paragraph (1) and item (iii) of the Act; the same applies in the following item) during a Record Period including the Base Date does not exceed 20 percent of the amount of the Prepaid Payment Instruments issued during the Record Period immediately preceding the relevant Base Date;
- (ii) if the total of the amounts refunded during a Record Period including the Base Date does not exceeding 5 percent of the Unused Base Date Balance as of the Base Date immediately preceding the Record Period; and

(iii) if use of the Prepaid Payment Instruments has become extremely difficult due to unavoidable circumstances of the holders, such as that the relevant holder moves to an area where the use of the Prepaid Payment Instruments is difficult or that a non-resident (meaning the non-resident prescribed in Article 6, paragraph (1), item (vi) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949) who is a holder of the Prepaid Payment Instruments departs from Japan.

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

Article 43 An Issuer of Prepaid Payment Instruments must, in accordance with the contents and methods of its business, take measures to ensure sufficient control of the electronic data processing system pertaining to the business of issuing Prepaid Payment Instruments.

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

Article 44 An Issuer of Prepaid Payment Instruments must, with regard to information security management pertaining the personal information of users of Prepaid Payment Instruments who are individuals, supervision of its employees, and if the handling of that information is entrusted to another person, supervision of the other person, take necessary and appropriate measures for preventing leakage, loss, or damage of that information.

(Handling of Specified Non-public Information)

Article 45 In handling personal information regarding race, creed, family origin, domicile of origin, healthcare, or criminal background and other specified non-public information (meaning information learned in the course of business that has not yet been publicly disclosed) of the users of Prepaid Payment Instruments who are individuals, an Issuer of Prepaid Payment Instruments must take measures to ensure that the relevant information is not used for a purpose other than for ensuring the appropriate operation of the business and for other purposes found necessary.

Chapter V Supervision

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

Article 46 (1) The books and documents on the business of issuing Prepaid Payment Instruments as prescribed in Article 22 of the Act are the following books and documents:

(i) a control book for recording the number of issues, the issuance volume and

- the collection volume by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.;
- (ii) a daily journal for recording the normal price per unit for goods or services related to the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act; and
 - (iii) a stock control book for controlling stocks by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.
- (2) The issuance volume by type of Prepaid Payment Instruments and their Amount Available for Payment, etc. set forth in item (i) of the preceding paragraph is the numerical value obtained, for each type of these, by totaling: in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act, the amount that is available for the payment of proceeds at the time of issuance (including the amounts that were thereafter added to Addition-Type Prepaid Payment Instruments (if the amounts are found to be each time converted to and indicated as numbers in another unit, monetary amounts converted from the numbers in the relevant unit)); and in the case of the Prepaid Payment Instruments prescribed in item (ii) of the same paragraph, the quantity of goods or services the delivery or provision of which can be claimed at the time of issuance (including the quantity of goods or services that was thereafter added to Addition-Type Prepaid Payment Instruments).
- (3) The collection volume by type of Prepaid Payment Instruments and their Amount Available for Payment, etc. set forth in paragraph (1), item (i) is the numerical value obtained, for each type of these, by totaling: in the case of the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act, the amount that has been used for the payment of proceeds ; and in the case of the Prepaid Payment Instruments prescribed in item (ii) of the same paragraph, the quantity of goods or services that have been claimed by the use of the relevant Prepaid Payment Instruments.
- (4) If it is determined to be difficult to track the collection volume set forth in paragraph (1), item (i) by type of the Amount Available for Payment, etc. of Prepaid Payment Instruments, it would be sufficient to record the collection volume in the aggregate by type of Prepaid Payment Instruments.
- (5) An Issuer of Prepaid Payment Instruments must preserve the books and documents listed in paragraph (1) for at least five years from the day of the closing of the books.

(Forms of Reports)

Article 47 (1) The written report set forth in Article 23, paragraph (1) of the Act must be prepared using appended form 27 and submitted to the Commissioner of the Financial Services Agency within two months from the day immediately

following the relevant Base Date.

- (2) If an Issuer of Prepaid Payment Instruments intends to submit the written report set forth in the preceding paragraph, the issuer must submit it to the Commissioner of the Financial Services Agency by attaching two copies of the written report and the latest balance sheet (including the related notes) and profit and loss statement (including the related notes).
- (3) An Issuer of Prepaid Payment Instruments that has made the deposit under Article 14, paragraph (1) of the Act must submit to the Commissioner of the Financial Services Agency the written report set forth in paragraph (1) by attaching a copy of the authenticated copy of the deposit document pertaining to the relevant deposit.
- (4) If an Issuer of Prepaid Payment Instruments that made a notification pursuant to the provisions of Article 15 of the Act subsequently changes the terms and conditions of the guarantee contract of security deposit for issuance (excluding the cancellation of part of the relevant guarantee contract of security deposit for issuance) or renews the guarantee contract of security deposit for issuance, the issuer must submit to the Commissioner of the Financial Services Agency the written report set forth in paragraph (1) by attaching a copy of the contract or a document proving that fact.
- (5) A trust contract prepaid payment instruments issuer must submit to the Commissioner of the Financial Services Agency the written report set forth in paragraph (1) by attaching a document issued by a Trust Company, etc. proving the amount of trust property as of the relevant Base Date.
- (6) If Commissioner of the Financial Services Agency finds it necessary, the commissioner may order an Issuer of Prepaid Payment Instruments to submit the authenticated copy of the deposit document set forth in paragraph (3) or the original of the contract set forth in paragraph (4).

(Amount Issued and Amount Collected during Record Period)

Article 48 (1) The amount issued of Prepaid Payment Instruments issued during the Record Period prescribed in Article 23, paragraph (1), item (i) of the Act is the total of the following amounts:

- (i) the total amount of the value (meaning the amount specified in the following (a) and (b) for the categories of Prepaid Payment Instruments respectively prescribed therein) of all the Prepaid Payment Instruments issued during the Record Period:
 - (a) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act: the amount that is available for the payment of proceeds at the time of issuance; and
 - (b) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act: the monetary amount converted, as of the last day of

the Record Period, from the quantity of goods or services, delivery or provision of which can be claimed at the time of issuance; and

(ii) total of the amounts that were added to Addition-Type Prepaid Payment Instruments during the Record Period (if the amounts are found to be each time converted to and indicated as numbers in another unit, monetary amounts converted from the numbers in the relevant unit) and the monetary amounts converted, as of the last day of the Record Period, from the quantities of goods or services that were added to Addition-Type Prepaid Payment Instruments during the Record Period.

(2) The amount collected of Prepaid Payment Instruments during the Record Period prescribed in item (iii) of the following Article is the total amount of the value (meaning the amount specified in the following items for the categories of Prepaid Payment Instruments respectively prescribed therein) of all the Prepaid Payment Instruments for the relevant Record Period:

- (i) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (i) of the Act: the amount that has been used for the payment of proceeds; and
- (ii) the Prepaid Payment Instruments prescribed in Article 3, paragraph (1), item (ii) of the Act: The monetary amount converted, as of the last day of the Record Period, from the quantity of goods or services that have been claimed by the use of the relevant Prepaid Payment Instruments.

(Matters to Be Reported)

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

- (i) a breakdown of the amount issued set forth in Article 23, paragraph (1), item (i) of the Act by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.;
- (ii) a breakdown of the Unused Base Date Balance set forth in Article 23, paragraph (1), item (ii) of the Act by type of Prepaid Payment Instruments; and
- (iii) the amount collected of Prepaid Payment Instruments during the Record Period including the Base Date pertaining to the written report set forth in Article 23, paragraph (1) of the Act and a breakdown of the relevant amount collected by type of Prepaid Payment Instruments and their Amount Available for Payment, etc.

(Method of Public Notice)

Article 50 The public notice prescribed in Article 27, paragraph (2) and Article 29 of the Act is given in the official gazette.

Chapter VI Miscellaneous Provisions

(Notification of Intention to Seek Application of Special Provisions concerning Base Date)

Article 50-2 (1) If an Issuer of Prepaid Payment Instruments intends to make a notification under the provisions of Article 29-2, paragraph (1) of the Act, the issuer must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 28 by attaching two copies of the written notice.

(2) The written notice set forth in the preceding paragraph is to contain the following matters:

(i) name, trade name or other name;

(ii) in the case of an Issuer of Prepaid Payment Instruments for Own Business, the submission date of the written notice set forth in Article 5, paragraph (1) of the Act;

(iii) in the case of an Issuer of Prepaid Payment Instruments for Third-Party Business, the date of registration and registration number; and

(iv) when a written notice under the provisions of Article 29-2, paragraph (2) of the Act has been submitted prior to date of submitting the written notice set forth in the preceding paragraph, the submission date of the former written notice (limited to the written notice submitted immediately prior to the date of submitting the written notice set forth in the preceding paragraph).

(3) If an Issuer of Prepaid Payment Instruments intends to make a notification under the provisions of Article 29-2, paragraph (2) of the Act, the issuer must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 29 by attaching two copies of the written notice.

(4) The written notice set forth in the preceding paragraph is to contain the following matters:

(i) name, trade name or other name;

(ii) in the case of an Issuer of Prepaid Payment Instruments for Own Business, the submission date of the written notice set forth in Article 5, paragraph (1) of the Act;

(iii) in the case of an Issuer of Prepaid Payment Instruments for Third-Party Business, the date of registration and registration number; and

(iv) the submission date of the written notice under the provisions of Article 29-2, paragraph (1) of the Act with which the special provisions are already being applied.

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

Article 50-3 With regard to the application of the provisions of Articles 26, 42

and 48 to Issuers of Prepaid Payment Instruments that have submitted a written notice pursuant to the provisions of Article 29-2, paragraph (1) of the Act and to which the provisions of the same paragraph apply, the terms listed in the middle column of the following table in the provisions listed in the left-hand column of the table are replaced with the terms listed in the right-hand column of the same table.

Article 26, paragraph (3)	the Base Date	the Base Date (meaning the Base Date prescribed in Article 14, paragraph (2) of the Act as applied pursuant to Article 9-3, paragraph (1) of the Order following the deemed replacement of terms; the same applies in the following paragraph, Article 40 and Article 41, paragraph (1))
Article 42, item (i)	a Record Period including the Base Date	the Base Date (for a period from the date of submitting the written notice set forth in Article 29-2, paragraph (1) of the Act to the next ordinary Base Date (meaning the ordinary Base Date prescribed in paragraph (2) of the same Article; hereinafter the same applies in this Article), an ordinary Record Period (meaning the period from the day following the ordinary Base Date to the next ordinary Base Date; hereinafter the same applies in this Article) including the ordinary Base Date))
	the Record Period immediately preceding the Base Date	the Record Period immediately preceding the Base Date (for a period from the date of submitting the written notice set forth in Article 29-2, paragraph (1) of the Act to the next ordinary Base Date, the ordinary Record Period immediately preceding the ordinary Base Date)

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

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

Article 51 A person intending to make a notification pursuant to the provisions of Article 30, paragraph (2) of the Act must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 30 by attaching two copies of the written notice and the following documents (in the case of a document certified by a public agency, limited to one issued within three months prior to the date of notification):

- (i) documents listed in the items of Article 11 (excluding item (i), (b) and item

- (ii), (c));
- (ii) if a person that intends to make the notification is an individual and the name of the individual used before marriage is stated together with their current name in the written notice, when the document listed in the preceding item (limited to the document listed in Article 11, item (i), (a)) does not prove the name used before marriage, a document to prove the name used before marriage;
- (iii) if the person intending to make the notification is a corporation, and the name of its representative person or administrator used before marriage is stated together with their current name in the written notice, when the document listed in item (i) (limited to the document listed in Article 11, item (ii),(b)) does not prove the name used before marriage, a document to prove the name used before marriage;
- (iv) the following documents proving the fact of the succession of business:
 - (a) if the succession of business pertaining to the notification was made by means of assignment or merger, a copy of the contract document pertaining to the assignment or merger and in the case of a corporation, the certificate of registered matters;
 - (b) if the succession of business pertaining to the notification was made by means of company split, a copy of the incorporation-type company split plan or the absorption-type company split contract pertaining to the company split and in the case of a corporation, the certificate of registered matters; and
 - (c) if the succession of business pertaining to the notification was made by means of inheritance, a copy of a document proving that inheritance.

(Entrustment to Agents for Local Finance Office in the Distribution

Proceedings of Security Deposit to Holders of Prepaid Payment Instruments)

Article 52 The Commissioner of the Financial Services Agency may entrust to the Agents for Local Finance Office in the Distribution Proceedings of Security Deposit to Holders of Prepaid Payment Instruments prescribed in Article 31, paragraph (3) of the Act the whole or part of the affairs pertaining to the public notice prescribed in paragraph (2) of the same Article, the affairs pertaining to the notification prescribed in Article 11, paragraph (2) of the Order, the affairs pertaining to the investigation of the right prescribed in paragraph (4) of the same Article (including the public notice or provision of an opportunity prescribed in the same paragraph), the affairs pertaining to preparation, public notice, and notification of the distribution table prescribed in paragraph (5) of the same Article, and other affairs pertaining to the procedure for the execution of the right.

(Notification of Discontinuation of Business)

Article 53 (1) A person intending to make a notification pursuant to the provisions of Article 33, paragraph (1) of the Act must submit to the Commissioner of the Financial Services Agency a written notice prepared using appended Form 31 by attaching two copies of the written notice.

(2) The written notice set forth in the preceding paragraph is to contain the following matters:

(i) name, trade name or other name;

(ii) in the case of an Issuer of Prepaid Payment Instruments for Own Business, the submission date of the written notice set forth in Article 5, paragraph (1) of the Act;

(iii) in the case of an Issuer of Prepaid Payment Instruments for Third-Party Business, date of registration and registration number;

(iv) reason for notification;

(v) the date on which the Issuer of Prepaid Payment Instruments came to fall under any of the items of Article 33, paragraph (1) of the Act;

(vi) if the Issuer of Prepaid Payment Instruments has discontinued the whole or part of the business of issuing Prepaid Payment Instruments, the reason therefor;

(vii) if the Issuer of Prepaid Payment Instruments has discontinued part of the business of issuing Prepaid Payment Instruments, matters sufficient to identify the Prepaid Payment Instruments pertaining to the discontinuation; and

(viii) if the Issuer of Prepaid Payment Instruments has discontinued the whole or part of the business of issuing Prepaid Payment Instruments by means of assignment of business, merger or company split, or for other reasons, the method for succession of the business and the successor.

(3) If an Issuer of Prepaid Payment Instruments has discontinued the whole or part of the business of issuing Prepaid Payment Instruments by means of assignment of business, merger or company split, or for other reasons, a document containing both the terms and conditions of the contract pertaining to the succession of the business and the method for succession of the business must be attached to the written notice set forth in paragraph (1).

(Government Agency Through Which to Submit Written Notice)

Article 54 If an Issuer of Prepaid Payment Instruments intends to submit to the Director-General of a Local Finance Bureau, etc. the written notice prescribed in Article 9 and other documents prescribed in the Act and this Cabinet Office Order (hereinafter referred to as "Written Notice, etc." in this Article and the following Article), and there is an office of a Local Finance Bureau, Otaru Sub-office of Hokkaido Local Finance Bureau, or Kitami Sub-office of Hokkaido

Local Finance Bureau having jurisdiction over the location of the principal business office or office of the Issuer of Prepaid Payment Instruments, the Issuer of Prepaid Payment Instruments must submit the Written Notice, etc. through the head of the office or sub-offices.

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

Article 55 If Issuer of Prepaid Payment Instruments intends to submit a Written Notice, etc. to the Director-General of a Local Finance Bureau, etc. (including submission through the head of an office or sub-office of a Local Finance Bureau prescribed in the preceding Article), the issuer may submit it through a Certified Association for Payment Service Providers.

(Standard Processing Period)

Article 56 (1) The Commissioner of the Financial Services Agency is to endeavor to process any application for registration made pursuant to the provisions of the Act, the Order, or this Cabinet Office Order within two months from the day on which the application arrives at the office of the commissioner.

(2) The Commissioner of the Financial Services Agency is to endeavor to process an application for approval of cancellation of guarantee contract of security deposit for issuance prescribed in Article 33, paragraph (1), approval of trust contract of security deposit for issuance prescribed in Article 34, paragraph (1), or approval of cancellation of trust contract of security deposit for issuance prescribed in Article 38, paragraph (1), within twenty days.

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

(i) the period required to amend the application;

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

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