

Order Regarding Account Management Institutions

(Order of the Cabinet Office, the Ministry of Justice, and the Ministry of Finance
No. 2 of December 6, 2002)

Pursuant to the provisions of Article 44 of the Act on Book-Entry of Corporate Bonds, Shares, etc. (Act No. 75 of 2001), and to implement the same Act, the Order Regarding Account Management Institutions is established as follows:

(Persons Excluded from Definition of Account Management Institutions as Superior Institutions)

Article 1 The persons to be specified by Order of the Competent Ministry as prescribed in Article 44, paragraph (1) (limited to the non-itemized part thereof) and paragraph (2) of the Act on Book-Entry of Corporate Bonds, Shares, etc. (Act No. 75 of 2001; hereinafter referred to as the "Act") are the persons set forth in paragraph (1), item (xiii) of the same Article (excluding the case where the person who opens an account pursuant to the provision of the same paragraph falls under the same item).

(Persons Eligible to Become Account Management Institutions)

Article 2 The persons to be specified by Order of the Competent Ministry as prescribed in Article 44, paragraph (1), item (xii) of the Act are as follows:

- (i) a financial services provider as prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (limited to the scope of services that a person engaged in business pertaining to the act set forth in paragraph (8), item (vii) of the same Article in relation to a right to be indicated on a security as set forth in paragraph (8), item (vii), sub-item (a) of the same Article which is deemed as a security pursuant to the provisions of paragraph (2) of the same Article (hereinafter referred to as "beneficial interests in investment trust" in this item)) conducts a book-entry transfer business (meaning a book-entry transfer business as prescribed in Article 3, paragraph (1) of the Act) for a beneficial interest in investment trust issued by the person (limited to assets managed separately from its own properties in accordance with a method equivalent to the method prescribed in Article 43-2, paragraphs (1) and (2) of the same Act (limited to assets which are subject to an inspection on the status of management performed in an equivalent manner as prescribed in paragraph (3) of the same Article));
- (ii) a securities finance company as prescribed in Article 2, paragraph (30) of the Financial Instruments and Exchange Act;

- (iii) an insurance company as prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); and
- (iv) a person set forth in Article 1-9, item (v) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965).

(Public Notice of Designation of Foreign Account Management Institutions)

Article 3 When the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance make a designation under Article 44, paragraph (1), item (xiii) of the Act (hereinafter referred to as "designation"), they must make a public notice of the trade name or name and the location of the head office or principal office of the person who received the designation in the official gazette.

(Application for Designation of Foreign Account Management Institution)

Article 4 (1) A person who intends to receive a designation (hereinafter referred to as "designation applicant") must make an application by submitting a written application for designation containing the following matters to the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance.

(i) trade name or name, and the location of head office or principal office;

(ii) name of the representative;

(iii) The fact that the relevant person has obtained a license, registration or any other disposition similar thereto in a foreign state for the management of corporate bonds, etc. (meaning corporate bonds, etc. as prescribed in Article 2, paragraph (1) of the Act; the same applies hereinafter) or rights similar to corporate bonds, etc., of another person in a foreign state, pursuant to the laws and regulations of the foreign state where the designation applicant's head office or principal office is located; and

(iv) the trade name or name of the designated domestic superior institution (meaning the superior institution (meaning a superior institution as prescribed in Article 2, paragraph (7) of the Act; the same applies hereinafter) of the designation applicant, or a book-entry transfer institution, etc. (meaning a book-entry transfer institution, etc. as prescribed in Article 2, paragraph (5) of the Act; the same applies hereinafter) which expressed its intent under item (iii) of the following paragraph or its superior institution, which has a business office or office in Japan; the same applies hereinafter).

(2) The following documents must be attached to the written application for designation set forth in the preceding paragraph:

(i) a certificate of registered information or any other document in lieu thereof;

(ii) a document certifying that the designation applicant has obtained a license, registration or other disposition similar thereto in a foreign state for the

management of corporate bonds, etc. or rights similar to corporate bonds, etc. of another person in a foreign state, pursuant to the laws and regulations of the foreign state where the designation applicant's head office or principal office is located;

- (iii) a document certifying that the designation applicant has opened an account pursuant to the provisions of Article 44, paragraph (1) of the Act (in the case where the designation applicant has not opened an account pursuant to the provisions of the same paragraph, a document certifying that a book-entry transfer institution, etc. has expressed its intent to open an account for the designation applicant pursuant to the provisions of the same paragraph); and
 - (iv) any other document which would serve as reference in relation to the designation.
- (3) If any of the documents set forth in the items of the preceding paragraph are not prepared in the Japanese language, a translation thereof must be attached.
- (4) When a designation applicant makes an application under paragraph (1), the applicant must file the application through its designated domestic superior institution.

(Notification of Change of Trade Name)

- Article 5 (1) If there is any change in the matters set forth in the items of paragraph (1) of the preceding Article in relation to the application, a person who has obtained a designation based on the application set forth in the same paragraph (hereinafter referred to as "foreign account management institution") must notify the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance to that effect without delay; provided, however, that when a designated domestic superior institution has changed the matters set forth in item (iv) of the same paragraph due to a merger or other reason, the designated domestic superior institution may file a notification under the provisions of the main clause of this paragraph pertaining to the foreign account management institution (limited to a notification for a change in the matters set forth in the same item) in lieu of the foreign account management institution.
- (2) A document confirming the fact of the change in the matters pertaining to the notification must be attached to the notification set forth in the preceding paragraph.
- (3) If the documents set forth in the preceding paragraph are not prepared in the Japanese language, Japanese translations thereof must be attached.
- (4) When a foreign account management institution makes a notification under paragraph (1), it must file the notification through its designated domestic superior institution (in the case where it does not have a superior institution,

the former superior institution, or a book-entry transfer institution, etc. which has manifested its intention under paragraph (2), item (iii) of the preceding Article or its superior institution, which has a business office or office in Japan).

- (5) When the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance receive a notification of change in a foreign account management institution's trade name or name, or location of its head office or principal office pursuant to the provisions of paragraph (1), they must make a public notice to that effect in the official gazette.

(Rescission of Designation)

Article 6 (1) When an application as prescribed in the following Article is made, when the person who has received the designation violates any provisions of laws or orders issued based on laws, or when it is found particularly necessary, the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance may rescind the designation.

- (2) When the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance have rescinded a designation pursuant to the preceding paragraph, they must make a public notice to that effect in the official gazette.

(Application Procedures for Rescission of Designation)

Article 7 (1) When a foreign account management institution intends to seek rescission of its designation, it must make an application by submitting a written application for rescission of designation containing the following matters to the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance.

- (i) the reason for seeking rescission of the designation;
- (ii) the date on which the designation is to be rescinded; and
- (iii) the fact that the foreign account management institution has not opened an account for other persons pursuant to the provisions of Article 44, paragraph (1) of the Act.

- (2) When a foreign account management institution makes an application under the preceding paragraph, it must file the application through its designated domestic superior institution (in the case where it does not have a superior institution, its former superior institution, or the book-entry transfer institution, etc. which has expressed its intent under Article 4, paragraph (2), item (iii) or its superior institution, which has a business office or office in Japan).

(Request for Issuance of Document Certifying Matters Stated or Recorded in

Book-entry Transfer Account Registry)

Article 8 (1) When a participant or a person who has an interest as prescribed in Article 277 of the Act makes a request under the same Article with an account management institution, the person must provide the account management institution with the name and address of the requester, the purpose of the request, and any other information which would be necessary for the request, by any of the following methods:

- (i) the method set forth in paragraph (1) of the following Article; or
- (ii) the submission of a document.

(2) When a person who has an interest as prescribed in Article 277 of the Act makes a request as prescribed in the same Article, the person must submit a document which clarifies the interest in relation to the request.

(Provision of Information by Electronic or Magnetic Means)

Article 9 (1) The means specified by Order of the Competent Ministry as prescribed in Article 277 of the Act are the following means:

- (i) in a method that the data is transmitted over a telecommunications line that connects the computer used by an account management institution and the computer used by its participant, and recorded in a file on the computer used by the participant;
- (ii) in method that data content recorded in a file on the computer used by an account management institution is provided over a telecommunications line for the recipient to inspect and recorded in a file on the computer used by the participant; or
- (iii) delivering a magnetic disc, or any other device onto which a fixed set of data can be securely recorded through an equivalent means, containing a file into which the data has been recorded.

(2) The methods set forth in the items of the preceding paragraph must be those that enable the participant to create paper documents by outputting what has been recorded in the file.