

Cabinet Office Order on Financial Service Intermediaries, etc.

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

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

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Chapter I General Provisions

(Definitions)

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

(Electronic or Magnetic Means)

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

- (i) the following methods of using an electronic data processing system:
 - (a) by transmitting the information to be stated in the document (referred to below as the "information" in this Article) via a telecommunications line connecting with a computer, used by a financial service intermediary (including a party which, under a contract with a financial service intermediary providing information, stores a file in a computer it controls, and makes the file accessible to its recipient (referred to below as a "customer" in this Article and the following Article) or to the financial service intermediary; the same applies below in this paragraph) and a computer used by a customer, etc. (meaning a customer, as well as a party which, under a contract with the customer, stores customer files (meaning files solely intended for the use by customers; the same applies below in

this Article) in a computer it manages; the same applies in (a) and (b)), and to record the information in the customer file stored in the computer used by the customer, etc. (when the customer, etc. gives consent to the provision of information by the method prescribed in this paragraph or where a customer, etc. notifies their intention to refuse to receive the information by those means, the method by which the consent or notice is recorded in a file stored on the computer used by the financial service intermediary);

- (b) a method of making information, which is recorded in a file stored on a computer used by a financial service intermediary, available for inspection by a customer via a telecommunications line, and recording that information in the customer's file stored on a computer used by the customer, etc. (in cases where the customer, etc. consents to the provision of information by the method prescribed in this paragraph, or where the customer, etc. notifies their intention to refuse such provision, by recording that consent or notice in a file stored on a computer used by the financial service intermediary);
 - (c) a method of making the information recorded in a customer's file stored on a computer used by a financial service intermediary available for the customer's inspection via a telecommunications line;
 - (d) a method of making the information recorded in a viewing file (a file stored on a computer used by a financial service intermediary that records information in a manner allowing simultaneous inspection by multiple customers; the same applies in the following paragraph) available for inspection by customers via a telecommunications line; and
 - (ii) a method of delivering a file containing information, prepared using an electronic or magnetic recording medium (meaning a record used in computer data processing that is created in electronic, magnetic, or any other form not perceivable by human senses alone; the same applies below).
- (2) The method stated in the items of the preceding paragraph must conform to the following criteria:
- (i) the method enables a customer to prepare a document by printing out information recorded in the customer file or inspection file;
 - (ii) in the case of the method stated in item (i), (a), (c) or (d) of the preceding paragraph (excluding the method of recording the information into the customer file provided, stored on a computer used by a customer), the customer will be notified to the effect that the information will be or will have been recorded on a customer file or inspection file; provided, however, that this does not apply if it has been confirmed the customer has inspected that information;
 - (iii) in the case of the method stated in item (i), (c) or (d) of the preceding

paragraph, the following particulars cannot be deleted or altered for a period of five years after the date on which the transaction referred to in the information was finally conducted (in the case of the delivery of a document under the provisions stated in Article 3, paragraph (1), item (ii), or the provisions stated in item (iii) of that paragraph (limited to Article 62, paragraph (1), item (xi) (including as applied mutatis mutandis pursuant to paragraph (3) of that Article; the same applies below in this item)), meaning the day of expiration of an insurance period under an insurance policy; or, in the case of the delivery of a document under Article 3, paragraph (1), item (iii) (excluding Article 62, paragraph (1), item (xi)), the day of conclusion of an insurance policy) (if any complaint related to the information has been raised within the period before the expiration date of that period, for the period until either the expiration date of such period or the day when the complaint was settled, whichever comes later); provided, however, that the information may be deleted if the information that has been made available for inspection is delivered in writing, if that information is provided by the method stated in item (i), (a) or (b) of the preceding paragraph or in item (ii) of the preceding paragraph with the customer's consent (meaning consent given by the method specified in Article 33, paragraph (1) of the Order for Enforcement of the Act on the Development of the Environment for the Provision and Use of Financial Services (Cabinet Order No.484, 2000; referred to below as the "Order") or Article 3, paragraph (2) of this Act), or if the customer has instructed that the information should be deleted;

- (a) in the case of the method stated in item (i), (c) of the preceding paragraph, the information recorded in the inspection file;
- (b) in the case of the method stated in item (i), (d) of the preceding paragraph, the information recorded in the inspection file;
- (iv) in the case of the method stated in item (i), (d) of the preceding paragraph, that it conforms to the following requirements:
 - (a) the information necessary for a customer's inspection of the inspection file is recorded in the customer file; and
 - (b) until the period prescribed in the preceding item has passed, the customer file, recording the information necessary for the customer's inspection of the inspection file pursuant to the provisions of (a), and the inspection file must be kept accessible via a telecommunications line; provided, however, that this does not apply if the customer, who has been given access to the file, has notified that access to the file is unnecessary.

(Provision of Information by Electronic or Magnetic Means)

Article 3 (1) A financial service intermediary (in the case of the delivery of a document under item (ii) or (iii), including officers (meaning the officer

prescribed in Article 13 paragraph (1), item (ii) of the Act; the same applies below, except for Article 13, item (ii) or employees of the financial service intermediary (limited to those prescribed in Article 294, paragraph (1) of the Insurance Business Act (Act No. 105 of 1995), as applied mutatis mutandis pursuant to Article 30 of the Act (referred to as the "Insurance Business Act as applied mutatis mutandis" in the following Chapter)); the same applies below in this Article) may provide the particulars to be stated in a document by electronic or magnetic means, in lieu of delivering a document under the provisions stated below, with the customer's consent and as provided for in the following paragraph. In this case, the financial service intermediary is deemed to have delivered the document:

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

Chapter II Financial Service Intermediaries

Section 1 General Rules

(Contract for Specified Deposits, etc. Relating to Transactions in the Daily

Lives of the People)

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

(Insurance Policies Requiring Highly Specialized Explanations for Customers)

- Article 5 (1) The insurance policy specified by Cabinet Office Order, as prescribed in Article 18, item (v) of the Order, is an insurance policy concerning an insurance underwritten in connection with the implementation of an event, etc. with respect to an insured person (limited to an insurance policy covering damages, etc. arising from the implementation of an event, etc. or otherwise relevant to the implementation of such an event, etc.).
- (2) The insurance policies specified by Cabinet Office Order, as prescribed in Article 18, item (vi) of the Order, are as follows:
- (i) an insurance policy that is established by terminating an insurance policy already concluded (referred to below as the "existing policy" in this item and in Article 56, paragraph (1), item (iii), (d), and paragraph (3), item (ii)) and allocating the policy reserve, refunds, or any other amounts reserved for the insured under the existing policy to the policy reserve or insurance premiums for a new insurance policy (referred to below as the "new policy" in this item) (limited to cases where the insured under both the existing policy and the new policy are the same person);
 - (ii) an insurance policy of a third-sector insurance (meaning the insurance stated in Article 3, paragraph (4), item (ii) or paragraph (5), item (ii) of the Insurance Business Act; the same applies below in this item) that contains in its general policy conditions a provision concerning the right to modify the base rate (meaning the right to make any modification to the amount of insurance premiums or the amount of insurance proceeds by changing an assumed incidence rate (meaning the incidence rate of insured events that served as the basis for the calculation of insurance premiums at the time of the conclusion of the insurance policy; the same applies below in this item), due to the reason that the actual incidence rate of insured events deviates, or is likely to deviate, from the estimated incidence rate at the time of conclusion of the insurance policy) (excluding an insurance policy whose insurance period is one year or shorter (excluding an insurance policy with a special agreement not to revise the insurance premium rate upon the

renewal); and excluding an injury insurance policy (meaning a third-sector insurance policy relating to the events stated below) and any other insurance policy providing similar benefits);

(a) the condition of the human body resulting from an injury inflicted on a person;

(b) an individual's death directly caused by an injury (including a physical condition where a medical doctor has diagnosed the insured with limited time to live, as well as a condition where the insured suffers severe disabilities);

(c) the person has received treatment (including the following activities, which are considered similar to treatment) concerning the items specified in (a);

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

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

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

(3) The insurance policy specified by Cabinet Office Order, as prescribed in Article 18, item (vii), (a) of the Order, is the insurance policy stated in Article 56, paragraph (1), item (iii), (b).

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

Article 6 (1) The requirements specified by Cabinet Office Order, as prescribed in Article 19, paragraph (1), item (i), (a), 2. or (e), 2. of the Order, are those that satisfy all of the following conditions:

(i) the redemption date and redemption payment (limited to a fixed amount) are specified, with no conditions attached that would prevent all or part of the face value from being redeemed at the time of redemption;

(ii) no conditions are attached that indicate the redemption of principal and payment of interest will be made in a currency different from that used for the initial payment;

(iii) no conditions are attached that indicate payment before maturity is to be made based on the fluctuation of an indicator (meaning an interest rate, the value of a currency, a quotation on the financial instruments exchange market (meaning the financial instruments exchange market prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act (Act

- No. 25 of 1948); the same applies in the following Section), or other indicators; the same applies in the following item);
- (iv) no conditions are attached that indicate that the amount of interest fluctuates based on changes in an indicator (excluding interest rates and numerical values calculated based on interest rates);
 - (v) no special provisions exist stating subordinated conditions for the payment of principal and interest; and
 - (vi) the securities are not designated by the Commissioner of the Financial Services Agency.
- (2) The items specified by Cabinet Office Order, as prescribed in Article 19, paragraph (1), item (i), (b), (c), 1.ii., (d), 1.ii., (f), 1. or (h) of the Order, are securities for which delisting from the financial instruments exchange, etc. has been decided, or which have been designated—in accordance with the rules established by the financial instruments exchange, etc. stated in item (b) of that paragraph—as securities that may be subject to delisting, where those securities are listed.
- (3) The transactions specified by Cabinet Office Order, as prescribed in Article 19, paragraph (1), item (i), (c), 2. of the Order, are as follows:
- (i) the commodity derivatives transaction prescribed in Article 49, paragraph (2), item (i);
 - (ii) the transaction stated in Article 49, paragraph (2), item (ii);
 - (iii) the transaction stated in Article 49, paragraph (2), item (iii);
 - (iv) bond trading with options (meaning bond trading in which one of the parties is entitled to designate the delivery date, and the contract for bond trading with options will be canceled if that party does not exercise that right within a specified period; the same applies in paragraph (5), item (v));
 - (v) a foreign exchange future transaction; and
 - (vi) a transaction similar to those stated in the preceding items.
- (4) The purposes specified by Cabinet Office Order, as prescribed in Article 19, paragraph (1), item (i), (c), 2., (d), 2. or (f), 2. of the Order, are as follows:
- (i) to achieve gains and losses equivalent to those that would arise from holding the investment assets underlying the securities;
 - (ii) to reduce the risk from price and interest rate fluctuations relating to the underlying assets or liabilities of the securities (meaning the risk of increases or decreases in profits or losses due to fluctuations in exchange rates, changes in market interest rates, changes in the economic situation, or any other factors; the same applies in the following item); and
 - (iii) to reduce the risk arising from fluctuations in exchange rates concerning the assets or liabilities of the securities through foreign exchange futures transactions.
- (5) The transactions specified by Cabinet Office Order, as prescribed in Article 19,

paragraph (1), item (ii) of the Order, are as follows:

- (i) when-issued transactions prescribed in Cabinet Office Order on Transactions Prescribed in Article 161-2 of the Financial Instruments and Exchange Act and Security Deposits for the Transactions (Ministry of Finance Order No. 75 of 1953);
- (ii) short selling (meaning the sale of securities without holding them or by borrowing them (including cases where it is uncertain whether the securities held by the seller (excluding borrowed securities) can be provided without delay after the sale of those securities));
- (iii) the purchase and sale of bonds, etc. (meaning the securities stated in Article 2, paragraph (1), items (i) through (iii) or item (v) of the Financial Instruments and Exchange Act, as well as the securities stated in item (xvii) of that paragraph (limited to those having the characteristics of the securities stated in items (i) through (iii) and item (v) of that paragraph); the same applies in the following item) on the condition of repurchase (meaning a purchase and sale in which the repurchase price is fixed in advance, or where the repurchase date is not determined at the time of concluding the contract and the repurchase price may be determined by subsequently setting the repurchase date);
- (iv) the purchase and sale of bonds, etc. on the condition of resale (meaning a purchase and sale in which the resale price is fixed in advance, or where the resale date is not determined at the time of concluding the contract and the resale price may be determined by subsequently setting the resale date); and
- (v) trading of bonds with options.

(Application for Registration)

Article 7 A person seeking registration under Article 12 of the Act must submit a written registration application under Article 13, paragraph (1) of the Act, prepared in accordance with Appended Form 1, together with the documents required to be attached pursuant to paragraph (2) of that Article, to the Commissioner of the Financial Services Agency (if the authority of the Commissioner is entrusted to the director-general of a local finance bureau or the Fukuoka Local Finance Branch Bureau, pursuant to the provisions of Article 47, paragraphs (1) and (4), and Article 48, paragraphs (1) and (4), the application must be submitted to the director-general of the relevant local finance bureau or the Fukuoka Local Finance Branch Bureau; referred to below as the "Commissioner, etc.")

(Contact Information Stated in the Written Registration Application Form
When Conducting Loan Intermediary Business Operations)

Article 8 (1) The contact information specified by Cabinet Office Order, as

prescribed in Article 13, paragraph (1), item (v) of the Act, is as follows:

- (i) telephone numbers (limited to those specifying a location, as well as those related to incoming call billing services and integrated number services for a specified location);
 - (ii) homepage address (meaning characters, numbers, marks or any other codes, or a combination of them, which identify a part of the automatic public transmission server (meaning the automatic public transmission server prescribed in Article 2, paragraph (1), item (ix)-5, (a) of the Copyright Act (Act No. 48 of 1970)) used for that purpose on the internet, and which allow the recipient of the information to inspect the details of that information by inputting it into the computer used by that person; the same applies in Article 129, paragraph (1) and paragraph (5), item (ii)); and
 - (iii) email address (meaning the electronic mail address prescribed in Article 2, item (iii) of the Act on Regulation of Transmission of Specified Electronic Mail (Act No. 26 of 2002); the same applies in Article 129, paragraph (1), paragraph (5), item (iii), as well as Article 137, paragraph (2)).
- (2) When any particular stated in item (ii) or (iii) of the preceding paragraph is stated in the written application for registration referred to in that paragraph, any particular stated in item (i) of the preceding paragraph must also be stated in that application.

(Method of Using Information and Communications Technology)

Article 9 The method specified by Cabinet Office Order, as prescribed in Article 13, paragraph (1), item (vi) of the Act, is a method by which a financial service intermediary receives from a customer the details of the customer's order concerning a financial service contract (meaning a contract concluded by the customer through an act of financial service intermediation (meaning the intermediation stated in the items of Article 11, paragraph (2) of the Act, the intermediation prescribed in paragraph (3) of that Article, the acts stated in the items of paragraph (4) of that Article, and the intermediation prescribed in paragraph (5) of that Article, all provided in connection with financial service intermediary business operations; the same applies in the following Section), such contract being concluded by the customer using software provided by the financial service intermediary (excluding a contract concluded with a financial service intermediary; the same applies below in this Article, Article 33, and Article 34, item (i))). The method also involves transmitting the order details to the person stated below (referred to below as the "counterpart financial institution" in this Article and in Subsection 1 of the following Section), in accordance with a method specified by the counterparty financial institution (limited to a method involving communication between the software used by the financial service intermediary for its business operations and the software

used by the counterparty financial institution for the concluding the financial service contract).

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

(Particulars to Be Stated in the Written Application for Registration)

Article 10 The particulars specified by Cabinet Office Order, as prescribed in Article 13 paragraph (1), item (viii) of the Order, are as follows:

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

(Business Content and Methods)

Article 11 The business content and methods specified by Cabinet Office Order, as prescribed in Article 13, paragraph (2), item (iii) of the Act, are as follows:

- (i) business content and methods; and
- (ii) the method of allocation of business operations, if the applicant is a corporation.

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

Article 12 The documents specified by Cabinet Office Order, as prescribed in Article 13, paragraph (2), item (viii) of the Act, are as follows:

- (i) the following documents, if the registration applicant is an individual:
 - (a) the resume of the registration applicant;

- (b) an extract of the resident record of the registration applicant, or any other document serving in lieu of the resident record;
- (c) if the former surname and given name (meaning the former surname prescribed in Article 30-13 of the Order for Enforcement of the Act for Basic Register of Residents (Cabinet Order No. 292 of 1967); the same applies below) of the registration applicant are stated together with their current name in a written application for registration, prepared in accordance with Appended Form 1, and if the document stated in (b) does not certify the former surname and given name of the registration applicant, a document certifying those names;
- (d) when the registration applicant is a minor who does not have the same legal capacity to act as an adult with respect to a financial service intermediary business, an extract of the resident record of the minor's legal representative, or any other document serving in lieu of that resident record (if the legal representative is a corporation, a certificate of registered information or any other document serving in lieu of that certificate);
- (e) a certificate issued by a public agency, or a document serving in lieu of such certificate, stating that the registration applicant does not fall under Article 15, item (iii), (a) of the Act (limited to the portion concerning item (ii), (b) of that Article);
- (ii) the following documents, if the registration applicant is a corporation:
 - (a) the resumes of officers (if an officer is a corporation, including the individual who is to perform the duties; the same applies in (b)) (if an officer is a corporation, a document stating the officer's career background);
 - (b) an extract of the resident record of an officer (or, if the officer is a corporation, a certificate of registered information for the officer), or any other document serving in lieu of the extract or certificate;
 - (c) if the former surname and the given name of the officer are stated together with their current name in a written application for registration, prepared in accordance with Appended Form 1, and if the document stated in (b) does not certify the former surname and given name of the officer, a document certifying those names;
 - (d) a certificate issued by a public agency stating that the officer does not fall under Article 15, item (ii), (b) of the Act, or any other document in lieu of such certificate;
- (iii) a document stating that the registration applicant has sufficient capacity to properly perform financial service intermediary business operations;
- (iv) a document describing the details, where the registration applicant conducts any concurrent business (meaning a business other than financial

- service intermediary business operations and a business incidental to such operations; the same applies in Article 16, paragraph (1));
- (v) internal rules, etc. (meaning internal rules and any other rules of a similar nature; the same applies in Article 35) concerning the management of financial service intermediary business operations;
- (vi) a document describing the particulars stated in either (a) or (b) below, in accordance with the categories of cases listed in each item, respectively:
- (a) when a designated dispute resolution organization, according to the categories of the cases as stated in the items of Article 28, paragraph (1) of the Act, respectively, is designated (a "designated dispute resolution organization" means a designated dispute resolution organization for deposit, etc. brokerage (meaning the designated dispute resolution organization for deposit, etc. brokerage prescribed in item (i), (a) of that paragraph; the same applies in the following Section), a designated dispute resolution organization for insurance intermediary services (meaning the designated dispute resolution organization for insurance intermediary services prescribed in item (ii), (a) of that paragraph; the same applies in the following Section), a designated dispute resolution organization for securities intermediary services (meaning the designated dispute resolution organization for securities intermediary services prescribed in item (iii), (a) of that paragraph; the same applies in the following Section), and a designated dispute resolution organization for money lending business and loan brokerage services (meaning the designated dispute resolution organization for money lending business and loan brokerage services prescribed in item (iv), (a) of that paragraph; the same applies in the following Section); the same applies in (b)): the name or trade name of the designated dispute resolution organization, which is a counterparty to a basic contract for the implementation of dispute resolution procedures for which measures to conclude a basic contract for the implementation of dispute resolution procedures regarding deposit, etc. intermediary business operations, insurance intermediary business operations, securities, etc. intermediary business operations or loan intermediary business operations;
- (b) when there is no designated dispute resolution organization, according to the categories of the cases as stated in the items of Article 28, paragraph (1) of the Act, respectively: the content of complaint processing measures (meaning the complaint processing measures prescribed in item (i), (b); the same applies in the following Section) and dispute resolution measures (meaning the dispute resolution measures prescribed in item (i), (b) of that paragraph; the same applies in the following Section) regarding deposit, etc. intermediary business operations, insurance intermediary business

- operations, securities, etc. intermediary business operations or loan intermediary business operations;
- (vii) the following documents, in the case of conducting loan intermediary business operations, if the registration applicant has an employee prescribed in Article 23 of the Order (referred to as an "important employee" in this item, Article 19, paragraph (2), and Article 19, paragraph (3), item (iv)):
- (a) a document prepared in accordance with Appended Form 2, describing the names, dates of birth, etc. of important employees;
 - (b) a resume of an important employee and an extract of the resident record, or any other documents serving in lieu of the resume and the extract;
 - (c) if the former surname and given name of an important employee are stated together with their current name in a document, prepared in accordance with Appended Form 2, and if the document stated in (b) does not certify the former surname and given name of that important employee, a document certifying those names;
 - (d) a certificate issued by a public agency stating that an important employee does not fall under Article 15, item (ii), (b) of the Act, or any other document serving in lieu of such certificate; and
- (viii) when conducting electronic financial service intermediary business operations (meaning the electronic financial service intermediary business operations prescribed in Article 13 paragraph (1), item (vi) of the Act; the same applies below in this item and Article 18, paragraph (2)), a document describing the particulars of the electronic financial service intermediary business operations and the organizational structure for carrying out those operations.

(A Person Who Is Deemed to Be at Risk of Committing a Wrongful Act)

Article 13 The person specified by Cabinet Office Order, as prescribed in Article 15, item (i), (n) of the Order, is any of the following persons:

- (i) a person who falls under any of the following:
 - (a) a person who has made a notification under Article 16, paragraph (3), item (iii) of the Act, stating that they fall under that item, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act (Act No. 88 of 1993) was made regarding a disposition to revoke the registration prescribed in Article 12 of the Act, under Article 38, paragraph (1) of the Act, to the day on which that disposition is made or a decision not to make the disposition is made (excluding a person who, before the date of the notification, made a decision (if the person is a corporation, meaning a decision by the organ responsible for making decisions on the execution of its operations) to discontinue their financial service intermediary business, to have the

whole of their business relating to a financial service intermediary business succeeded to through a company split, or to transfer the whole of that business), and for whom five years have not passed since the date of the notification;

- (b) a person who has made a notification under Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (ii), (vi), or (vii) of that paragraph, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act was made regarding a disposition to revoke the registration prescribed in Article 29 of the Financial Instruments and Exchange Act under Article 52, paragraph (1), Article 53, paragraph (3), or Article 57-6, paragraph (3) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (excluding a person who, before the date of the notification, made a decision (if the person is a corporation, a decision by the organ responsible for making decisions on the execution of its operations) to discontinue their financial instruments business (meaning the financial instruments business as prescribed in Article 2, paragraph (8) of that Act; the same applies below), to have the whole of their business relating to the financial instruments business succeeded to through a company split, or to transfer the whole of that business relating to a financial instruments business), and for whom five years have not yet passed since the date of the notification;
- (c) when, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act was made regarding the revocation of the permission referred to in Article 60, paragraph (1) of the Financial Instruments and Exchange Act under Article 60-8, paragraph (1) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition, a notification has been made under Article 60-7 of that Act to the effect that the person falls under the case prescribed in that Article as a result of discontinuing its on-exchange transaction services (meaning the on-exchange transaction services prescribed in Article 60, paragraph (1) of that Act; the same applies in (c) and item (ii), (d)), as an authorized firm for on-exchange transactions (meaning the authorized firm for on-exchange transactions prescribed in Article 60-4, paragraph (1) of that Act; the same applies below in item (ii), (d)) concerning that notification (excluding a person who, before the date of the notification, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of the authorized firm for on-exchange transactions) about discontinuing its on-exchange transaction services), and for whom five years have not passed since the date of the notification;

- (d) when, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act was made regarding the revocation of the permission referred to in Article 60-14, paragraph (1) of the Financial Instruments and Exchange Act under Article 60-8, paragraph (1) of that Act as applied *mutatis mutandis* pursuant to Article 60-14, paragraph (2) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition, a notification has been made under Article 60-7 of that Act, as applied *mutatis mutandis* pursuant to Article 60-14, paragraph (2) of that Act to the effect that the person falls under the case prescribed in that Article as a result of discontinuing its business of conducting electronic over-the-counter derivatives transactions, etc. (meaning the business of conducting electronic over-the-counter derivatives transactions, etc. prescribed in Article 60-14, paragraph (1) of that Act; the same applies in (d) and item (ii), (e)), as a business operator authorized to conduct electronic over-the-counter derivatives transactions, etc. (meaning the business operator authorized to conduct electronic over-the-counter derivatives transactions, etc. prescribed in that paragraph; the same applies below in item (ii), (e)) concerning that notification (excluding a person who, before the date of the notification, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of the business operator authorized to conduct electronic over-the-counter derivatives transactions, etc.) about discontinuing its business of conducting electronic over-the-counter derivatives transactions, etc.), and for whom five years have not passed since the date of the notification;
- (e) a person who has made a notification pursuant to Article 63-2, paragraph (2) of the Financial Instruments and Exchange Act to the effect that they have succeeded to the position of a notifier of specially permitted services (meaning a person who has made a notification under Article 63, paragraph (2) of that Act; the same applies below in (e) and item (ii), (f)) pursuant to the provisions of Article 63-2, paragraph (1) of that Act, or who has made a notification under Article 63-2, paragraph (3) of that Act to the effect that a person falls under item (ii) of that paragraph, within the period from the day on which a notification was made under Article 15 of the Administrative Procedure Act regarding a disposition to discontinue specially permitted services for qualified institutional investors, etc. (meaning the specially permitted services for qualified institutional investors, etc. prescribed in Article 63, paragraph (2) of that Act; the same applies below in this Article) under Article 63-5, paragraph (3) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (in cases where a notification has been made under

- Article 63-2, paragraph (2) of that Act to the effect that they have succeeded to the position of a notifier of specially permitted services pursuant to the provisions of paragraph (1) of that Article, the person is deemed to have been the notifier of specially permitted services concerning that notification, excluding a person who, before the date of the notification, made a decision (if the person is a corporation, a decision by the organ responsible for making decisions on the execution of its operations) about transferring the whole of its business relating to specially permitted services for qualified institutional investors, etc., having the whole of such business succeeded to through a company split, or discontinuing its specially permitted services for qualified institutional investors, etc.), and for whom five years have not passed since the date of the notification;
- (f) a person who has made a notification under Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (vi) or (vii) of that paragraph, or a notification under Article 63-2, paragraph (3) of that Act as applied *mutatis mutandis* pursuant to Article 63-3, paragraph (2) of that Act to the effect that the person falls under item Article 63-2, paragraph (3), item (ii) of that Act, within the period from the day on which a notification was made under Article 15 of the Administrative Procedure Act regarding a disposition to discontinue specially permitted services for qualified institutional investors, etc. under Article 63-5, paragraph (3) of that Act as applied *mutatis mutandis* pursuant to Article 63-3, paragraph (2) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (excluding a person who, before the date of the notification, made a decision (if the person is a corporation, a decision by the organ responsible for making decisions on the execution of its operations) about having the whole of its business relating to specially permitted services for qualified institutional investors, etc. succeeded to through a company split, transferring the whole of its business relating to such services, or discontinuing its specially permitted services for qualified institutional investors, etc.), and for whom five years have not passed since the date of the notification;
- (g) a person who has made a notification pursuant to Article 63-10, paragraph (2) of the Financial Instruments and Exchange Act to the effect that they have succeeded to the position of notifier of specially permitted services for foreign investors, etc. (meaning a person who has made a notification under Article 63-9, paragraph (1) of that Act; the same applies in (g) and item (ii), (h)) pursuant to the provisions of Article 63-10, paragraph (1) of that Act, or a notification under Article 63-10, paragraph (3) of that Act to the effect that they fall under item (ii) of that paragraph,

- within the period from the day on which a notification was made under Article 15 of the Administrative Procedure Act regarding a disposition to discontinue specially permitted services for foreign investors, etc. (meaning the specially permitted services for foreign investors, etc. prescribed in Article 63-8, paragraph (1) of that Act; the same applies below in this Article) under Article 63-13, paragraph (3) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (in the case where a notification under Article 63-10, paragraph (2) of that Act was made to the effect that they succeeded to the position of notifier of specially permitted services for foreign investors, etc. pursuant to the provisions of paragraph (1) of that Article, the person is deemed to have been the notifier of specially permitted services for foreign investors, etc. concerning that notification, and excluding a person who, before the date of the notification, made a decision (if the person is a corporation, a decision by the organ responsible for making decisions on the execution of its operations) about transferring the whole of its business relating to specially permitted services for foreign investors, etc., having the whole of its business relating to such services succeeded to through a company split, or discontinuing its specially permitted services for foreign investors, etc.), and for whom five years have not passed since the date of the notification;
- (h) a person who has made a notification under Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that they fall under item (vi) or (vii) of that paragraph, or a notification under Article 63-10, paragraph (3) of that Act as applied *mutatis mutandis* pursuant to Article 63-10, paragraph (2) of that Act to the effect that they fall under Article 63-10, paragraph (3), item (ii) of that Act, within the period from the day on which a notification was made under Article 15 of the Administrative Procedure Act regarding a disposition to discontinue specially permitted services for foreign investors, etc. under Article 63-13, paragraph (3) of that Act as applied *mutatis mutandis* pursuant to Article 63-11, paragraph (2) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (excluding a person who, before the date of the notification, made a decision (if the person is a corporation, a decision by the organ responsible for making decisions on the execution of its operations) about having the whole of its business relating to specially permitted services for foreign investors, etc. succeeded to through a company split, transferring the whole of its business relating to such services, or discontinuing its specially permitted services for foreign investors, etc.), and for whom five years have not passed since the date of the notification;
- (i) a person who has made a notification under Article 66-19, paragraph (1) of

the Financial Instruments and Exchange Act to the effect that the person falls under item (i) of that paragraph, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act was made regarding a disposition to revoke the registration prescribed in Article 66 of that Act under Article 66-20, paragraph (1) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (excluding a person who, before the date of the notification, made a decision (if the person is a corporation, a decision by the organ responsible for making decisions on the execution of its operations) about discontinuing their financial instruments intermediary service (meaning the financial instruments intermediary service prescribed in Article 2, paragraph (11) of that Act; the same applies in (i), item (ii), (j), as well as Article 42, items (i) and (ii)), having the whole of their business relating to a financial instruments intermediary service succeeded through a company split, or transferring the whole of such business), and for whom five years have not passed since the date of the notification;

(j) a person who has made a notification under Article 66-40, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (i) of that paragraph, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act was made regarding a disposition to revoke the registration prescribed in Article 66-27 of the Financial Instruments and Exchange Act under Article 66-42, paragraph (1) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (excluding a person who, before the date of the notification, made a decision (meaning a decision by the organ responsible for making decisions on the execution of its operations) about discontinuing their credit rating service (meaning the credit rating service prescribed in Article 2, paragraph (35) of that Act; the same applies in (j), item (ii), (k), as well as Article 109, paragraph (2), item (iii)), having the whole of their business relating to a credit rating service succeeded to through a company split, or transferring the whole of such business), and for whom five years have not passed since the date of the notification;

(k) a person who has made a notification under Article 66-61, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the person falls under item (ii), (vi), or (vii) of that paragraph, within the period from the day on which a notification under Article 15 of the Administrative Procedure Act was made regarding a disposition to revoke the registration prescribed in Article 66-50 of that Act under Article 66-63, paragraph (1) of that Act, to the day on which the disposition is made or a decision is made not to make the disposition (excluding a person who,

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

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

- ceases to exist as a result), or dissolving), and for whom five years have not passed since the date of the notification;
- (b) a person who resigned within the period from the day on which the notification under Article 15 of the Administrative Procedure Act relating to the disposition ordering the dismissal of an officer under Article 38, paragraph (3) of the Act has been made, to the day on which the disposition is made or a decision is made not to make the disposition, and who was subject to an order for dismissal (excluding a person with reasonable grounds for the resignation), and for whom five years have not yet passed since the date of their resignation;
 - (c) a person who was an officer of a corporation that has made a notification under Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (ii) through (vii) of that paragraph, within the period referred to in (b) of the preceding item (when having made a notification under that paragraph to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is deemed to have been the financial instruments business operator (meaning the financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act; the same applies in (c) and Subsection 5 of the following Section) concerning that notification, excluding a person who had made a decision, before the day on which the notification under (b) of the preceding item was made (meaning a decision by the organ responsible for making decisions on the execution of operations of that corporation) about discontinuing its financial instruments business, effecting a merger (limited to a merger when the financial instruments business operator is dissolved as a result of the merger), dissolving, having the whole of its business relating to financial instruments business succeeded to through a company split, or transferring the whole of such business), and for whom five years have not passed since the date of the notification;
 - (d) when a notification has been made under Article 60-7 of the Financial Instruments and Exchange Act, within the period stated in (c) of the preceding item, to the effect that the person falling under the case prescribed in that Article, a person who was an officer of the authorized firm for on-exchange transactions concerning that notification (excluding a person who made the decision (meaning a decision by the organ responsible for making decisions on the execution of operations of the authorized firm for on-exchange transactions), before the day on which the notification under (c) of that item was made about dissolving or discontinuing its on-exchange transaction services), and for whom five years have not passed since the date of the notification;

- (e) when, within the period stated in (d) of the preceding item, a notification has been made under Article 60-7 of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to Article 60-14, paragraph (2) of that Act to the effect that the person falls under the case prescribed in that Article, a person who was an officer of the business operator authorized to conduct electronic over-the-counter derivatives transactions, etc. concerning that notification (excluding a person who, before the day on which the notification under (d) of that item was made, made the decision (meaning a decision by the organ responsible for making decisions on the execution of operations of the business operator authorized to conduct electronic over-the-counter derivatives transactions, etc.) about dissolving or discontinuing its business of conducting electronic over-the-counter derivatives transactions, etc.), and for whom five years have not passed since the date of the notification;
- (f) a person who was an officer of a corporation that made a notification pursuant to Article 63-2, paragraph (2) of the Financial Instruments and Exchange Act to the effect that the corporation succeeded to the position of a notifier of specially permitted services pursuant to the provisions of paragraph (1) of that Article, a notification under paragraph (3) of that Article to the effect that the corporation falls under item (ii) of that paragraph, or a notification under paragraph (4) of that Article to the effect that the corporation falls under the case referred to in that paragraph, within the period referred to in (e) of the preceding item (in the case of having made a notification under paragraph (2) of that Article to the effect that the corporation has succeeded to the position of a notifier of specially permitted services pursuant to the provisions of paragraph (1) of that Article, or a notification under paragraph (4) of that Article to the effect that the corporation falls under the case referred to in that paragraph, the corporation is deemed to have been the notifier of specially permitted services concerning that notification, excluding a person who, before the day on which the notice under (e) of the preceding item was made, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of that corporation) about transferring the whole of its business relating to specially permitted services for qualified institutional investors, etc., effecting a merger (limited to a merger in which the notifier of specially permitted services ceases to exist as a result), having the whole of its business relating to specially permitted services for qualified institutional investors, etc. succeeded to through a company split, discontinuing its specially permitted services for qualified institutional investors, etc., or dissolving), and for whom five years have not passed since the date of that notification;

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

organ responsible for making decisions on the execution of operations of that corporation) about transferring the whole of its business relating to specially permitted services for foreign investors, etc., effecting a merger (limited to a merger in which the notifier of specially permitted services for foreign investors, etc. ceases to exist as a result), having the whole of its business relating to specially permitted services for foreign investors, etc. succeeded to through a company split, or discontinuing its specially permitted services for foreign investors, etc., or dissolving), and for whom five years have not passed since the date of the notification;

- (i) a person who was an officer of a corporation that made a notification under Article 50-2, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (iii) through (vii) of that paragraph, or a notification under Article 63-10, paragraph (3) of that Act as applied *mutatis mutandis* pursuant to Article 63-11, paragraph (2) of that Act to the effect that the corporation falls under Article 63-10, paragraph (3), item (ii) of that Act, within the period referred to in (h) of the preceding item (in the case of having made a notification under Article 50-2, paragraph (1) of that Act to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is deemed to have been the notifier under Article 63-11, paragraph (1) of that Act concerning that notification, excluding a person who, before the day on which the notification under (h) of the preceding item was made, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of that corporation) about effecting a merger (limited to a merger in which the notifier under that paragraph ceases to exist as a result), dissolving, having the whole of its business relating to specially permitted services for foreign investors, etc. succeeded to through a company split, transferring the whole of its business relating to specially permitted services for foreign investors, etc., or discontinuing its specially permitted services for foreign investors, etc.), and for whom five years have not passed since the date of the notification;
- (j) a person who was an officer of a corporation that made a notification under Article 66-19, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of item (i), or items (iii) through (v) of that paragraph, within the period referred to in (i) of the preceding item in the case of having made a notification under that paragraph to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation is deemed to have been the financial instruments intermediary service provider (meaning a financial instruments intermediary service provider prescribed in Article 2,

- paragraph (12) of that Act; the same applies in (j) and Subsection 5 of the following Section) concerning that notification, excluding a person who, before the day on which the notice under (i) of the preceding item was made, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of that corporation) about discontinuing its financial instruments intermediary service, having the whole of its business relating to a financial instruments intermediary service succeeded to through a company split, transferring the whole of its business relating to a financial instruments intermediary service, effecting a merger (limited to a merger in which the financial instruments intermediary service provider ceases to exist as a result), or dissolving), and for whom five years have not passed since the date of that notification;
- (k) a person who was an officer of a corporation that made a notification under Article 66-40, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items of that paragraph, within the period referred to in (j) of the preceding item (in the case of having made a notification under that paragraph to the effect that the corporation falls under any of items (ii) through (iv) of that paragraph, the corporation is deemed to have been a credit rating agency (meaning the credit rating agency prescribed in Article 2, paragraph (36) of that Act; the same applies in (k) and Article 109, paragraph (2), items (ii) and (iv)) concerning that notification, excluding a person who, before the day on which the notification under (j) of the preceding item was made, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of the corporation) about discontinuing its credit rating services, having the whole of its business relating to credit rating services succeeded to through a company split, transferring the whole of its business relating to credit rating services, effecting a merger (limited to a merger in which the credit rating agency ceases to exist as a result), or dissolving), and for whom five years have not passed since the date of the notification;
- (l) a person who was an officer of a corporation that made a notification under Article 66-61, paragraph (1) of the Financial Instruments and Exchange Act to the effect that the corporation falls under any of items (ii) through (vii) of that paragraph, within the period referred to in (k) of the preceding item (in the case of having made a notification under that paragraph to the effect that the corporation falls under any of items (iii) through (v) of that paragraph, the corporation deemed to have been a high-speed trader (meaning the high-speed trader prescribed in Article 2, paragraph (42) of the Financial Instruments and Exchange Act; the same applies in (l)) concerning that notification, excluding a person who, before

the day on which the notification under (k) of the preceding item was made, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of that corporation) about discontinuing its high-speed trading, effecting a merger (limited to a merger in which the high-speed trader ceases to exist as a result), dissolving, having the whole of its business relating to high-speed trading succeeded to through a company split, or transferring the whole of its business relating to high-speed trading), and for whom five years have not passed since the date of the notification;

- (m) a person who was an officer of a corporation that made a notification under Article 10, paragraph (1) of the Money Lending Business Act to the effect that the corporation falls under any of items (ii) through (v) of that paragraph, within the period referred to in (l) of the preceding item (in the case of having made a notification under that paragraph to the effect that the corporation falls under any of items (ii) through (iv) of that paragraph, the corporation is deemed to have been the money lender concerning that notification, excluding a person who, before the day on which the notification under (l) of the preceding item was made, made a decision (meaning a decision by the organ responsible for making decisions on the execution of operations of that corporation) about effecting a merger (limited to a merger in which the money lender ceases to exist as a result, and in the case of an association or foundation without legal personality, an act equivalent to a merger), dissolving (in the case of an association or foundation without legal personality, an act equivalent to a dissolution), or discontinuing its money lending business), and for whom five years have not passed since the date of the notification; and
- (n) a person who resigned within the period from the day on which the notification under Article 15 of the Administrative Procedure Act, relating to the disposition ordering the dismissal of an officer under Article 24-6-4, paragraph (2) of the Money Lending Business Act, was made to the day on which the disposition is made or a decision is made not to make the disposition, and who was subject to an order for dismissal (excluding a person who had reasonable grounds for the resignation), and for whom five years have not passed since the date of their resignation.

(Persons with Control Equivalent to or Greater than That of Directors)

Article 14 (1) The person specified by Cabinet Office Order, as prescribed in Article 15, item (i), (r) of the Act (including as applied mutatis mutandis pursuant to Article 16, paragraph (2) of the Act), is as follows:

- (i) an individual who holds shares or equity (referred to as "shares, etc." in the following item, the following paragraph, and Article 45) representing voting

- rights exceeding 25 percent of the voting rights held by all shareholders, etc. (meaning the voting rights of all shareholders, etc. prescribed in Article 30, paragraph (1), item (iv) of the Order; the same applies below) of the corporation, either in the person's own name or another person's name (including a fictitious name; the same applies below in item (ii));
- (ii) an intermediary who holds shares, either in their own name or in the name of another person, representing voting rights exceeding 50 percent of the total voting rights of all shareholders, etc. of the parent company (meaning the parent company as defined in Article 2, item (iv) of the Companies Act (Act No. 86 of 2005)) of the corporation;
 - (iii) an employee of the corporation who performs its business, or an equivalent person, if that person is a corporation responsible for performing the duties of the corporation; and
 - (iv) when an officer of the corporation or any person stated in the preceding three items is a minor, their legal representative (if the legal representative is a corporation, including its officers).
- (2) In the case referred to in item (i) or (ii) of the preceding paragraph, the voting rights held by the person stated in these provisions include voting rights relating to shares, etc. which cannot be duly asserted against the issuer (meaning the issuer prescribed in Article 2, paragraph (5) of the Financial Instruments and Exchange Act; the same applies in the following Section), pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) (including when these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and Article 276 (limited to the part concerning item (ii)) of that Act).

(Persons Unable to Properly Perform Financial Service Intermediary Business Due to Mental or Physical Disorders)

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

(Cases at Risk of Causing Adverse Impact on Proper and Accurate Implementation of Deposit, etc. Intermediary Business Operations)

Article 16 (1) The cases specified by Cabinet Office Order, as prescribed in Article 15, item (iv) of the Act (including as applied mutatis mutandis pursuant to Article 16, paragraph (2) of the Act), are as follows:

- (i) when the content of a person's main concurrent business is not the lending of funds, discounting of negotiable instruments, guaranteeing obligations, accepting negotiable instruments, or any other business involving the granting of credit, that concurrent business falls under any of the following cases:
 - (a) the content of the deposit, etc. intermediary business operations involves intermediation for the conclusion of contracts for the lending of funds to be used for business purposes or the discounting of negotiable instruments (excluding services related to a contract secured by deposits, etc. or national government bonds that the counterparty financial institution (meaning the counterparty financial institution prescribed in Article 52-45, item (iv) of the Banking Act (Act No. 59 of 1981), as applied mutatis mutandis pursuant to Article 29 of the Act (referred to below as the "Banking Act as applied mutatis mutandis" in this Chapter); the same applies below in this paragraph, Subsection 2 of the following Section, and Article 139, paragraph (1), items (ii) and (v)) has received from a customer, and excluding a service that does not involve examination regarding the conclusion of a contract for standardized loan products (meaning loan products for which the availability and conditions of the loan are determined solely by the mechanical processing of financial data concerning the consumers seeking funds; the same applies in item (ii), (b), 2.) (limited to products whose loan amount does not exceed ten million yen)), it is deemed that there is a possibility of a transaction being conducted with a customer in the course of concurrent business where the interests of the counterparty financial institution and the financial service intermediary are in conflict (excluding cases where the registration applicant is an insurance company (meaning the insurance company as defined in Article 2, paragraph (2) of the Insurance Business Act; the same applies in Article 41, item (ii) and Article 62, paragraph (1), item (iii)) or other person specified by the Commissioner of the Financial Services Agency);
 - (b) it is found that there is a risk of conduct that may result in insufficient protection of customers in connection with deposit, etc. intermediary business operations, due to the wrongful improper use unfair exploitation of a superior position in a transaction based on concurrent business;
 - (c) in light of the content of deposit, etc. intermediary business operations, it is found that carrying out concurrent business may result in insufficient protection of customers or in actions that hinder the sound and appropriate payment of services by the counterparty financial institution;
- (ii) if the content of its main concurrent business involves the lending of funds, discounting of negotiable instruments, guaranteeing obligations, accepting

negotiable instruments, or any other business involving the granting of credit, a case that falls under (b) or (c) of the preceding item, or a case where the particulars and methods of an act stated in Article 11, paragraph (2), item (ii) of the Act, as provided for financial service intermediary business operations, do not fall under any of the following (when it is found that there is no possibility of transactions that could result in a conflict of interest between the counterparty financial institution and the financial service intermediary in the course of business, and the cases that fall under any of (a) through (c) of the preceding item):

- (a) the act relates to a contract secured by the deposits, etc. or Japanese government bonds of a customer of the counterparty financial institution, which have been deposited with that institution;
- (b) the act relates to intermediation in the conclusion of a contract, other than a contract for the lending of funds for business purposes or the discounting of negotiable instruments, which falls under any of the following (excluding cases falling under (a)):
 - 1. the act relates to a loan agreement secured by the goods or property to be purchased with the loan funds;
 - 2. the act relates to a contract for standardized loan products that does not involve a screening process for its conclusion; and
 - 3. when acting as an intermediary for the conclusion of a contract for the lending of funds or the discounting of negotiable instruments relating to deposit, etc. intermediary business operations, the registration applicant is required to inform the counterparty financial institution of any outstanding credit granted to the customer in the course of concurrent business, as well as any other important particulars relating to the concurrent business that may affect the counterparty financial institution's judgment on the conclusion of the contract, after obtaining prior consent from the customer in writing or via information and communications technology.

(2) "Methods using information and communication technology" as referred to in paragraph (1), item (ii), (b), 3. of this Article are the methods stated in the following items:

- (i) either of the methods of using an electronic data processing system as stated in item (a) or (b) below:
 - (a) a method of transmitting information via a telecommunications line connected between a computer used by the sender and a computer used by the recipient, and recording the information in a file stored on a computer used by the recipient;
 - (b) a method of making the details of information—which is recorded in a file stored on a computer used by the sender—available for inspection by the

- recipient of the information via a telecommunications line, and recording that information in a file stored on a computer used by the recipient; or
- (ii) a method of delivering a file that contains information prepared using an electronic or magnetic recording medium.
- (3) The methods stated in the items of the preceding paragraph must enable the recipient to produce a document by printing the information contained in the file.

(Scope of Important Employees)

Article 17 The person specified by Cabinet Office Order, as prescribed in Article 23 of the Order, is as follows:

- (i) a person who supervises the place of business or office engaged in loan intermediary business operations, regardless of whether that person holds the title of manager, head office manager, branch manager, business office manager, office manager, or any other title;
- (ii) a person who holds a position of equal or higher rank at the principal place of business or office, regardless of whether the person is a general manager, deputy general manager, section manager, or any other similar title, and who has the authority to take all extrajudicial actions relating to the loan intermediary business operations; and
- (iii) a person who is eligible to serve as an active supervisor at a secondary place of business or office (meaning a place of business or office other than a principal place of business or office) where 50 or more employees are engaged in loan intermediary business operations, regardless of whether that person holds the title of branch deputy general manager, deputy branch manager, assistant office manager, or any other similar title.

(Application for Change of Registration)

- Article 18 (1) A financial service intermediary seeking a change of registration as referred to in Article 16, paragraph (1) of the Act must submit a written application for the change of registration, prepared in accordance with Appended Form 1, to the Commissioner of the Financial Services Agency, etc.
- (2) The written application for change of registration, as stated in the preceding paragraph, must be accompanied by a document describing the particulars and reasons for the change, as well as the documents stated in the following items, which relate to the type of new business (meaning the type of business prescribed in Article 13 paragraph (1), item (iv) of the Act; the same applies in Article 34, item (i), Article 47 paragraph (1), item (v) and Article 47, paragraph (2), item (iv)) (when newly conducting electronic financial service intermediary business operations, including those relating to electronic financial service intermediary business operations).

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

(Notification Concerning Change)

Article 19 (1) A financial service intermediary that files a notification pursuant to the provisions of Article 16, paragraph (3) of the Act (limited to the part relating to item (i)) must submit to the Commissioner of the Financial Services Agency, etc., a notification form stating the content, date, and reason for the change, together with a document describing the content of the change, prepared in accordance with Appended Form 1, and, depending on the category of the case listed in the following items, the documents specified in the respective items.

- (i) in the event of any change to the particulars stated in Article 13, paragraph (1), item (i) of the Act: the following documents
 - (a) a certificate of registered information (or, in the case of an individual, an extract of the resident record) containing the particulars relating to the change, or any other document serving in lieu of the certificate or extract that indicates the same particulars;
 - (b) if the former surname and given name are stated together with their current name in a document describing the amended particulars, prepared in accordance with Appended Form 1, and if the document stated in (a) does not certify the former surname and given name, a document certifying those names;

- (ii) in the event of any change to the particulars stated in Article 13, paragraph (1), item (ii) of the Act: the following documents
- (a) a certificate of registered information containing the particulars relating to the change, or any other document serving in lieu of that certificate;
 - (b) the following documents relating to a person who assumed the position of officer:
 - 1. a resume of the officer (if the officer is a corporation, including any person who is to perform their duties; the same applies in 2.) (or, if the officer is a corporation, a document stating the officer's career background);
 - 2. an extract of the resident record of the officer (or, if the officer is a corporation, a certificate of registered information for the officer), or any other document serving in lieu of the extract or certificate;
 - 3. if the former surname and given name of the officer are stated together with their current name in a document describing the amended particulars, prepared in accordance with Appended Form 1, and if the document stated in 2. does not certify the former surname and given name of that officer, a document certifying those names;
 - 4. a document in which the registration applicant pledges that the officer does not fall under any of the categories in Article 15, items (ii), (a) and (c) through (f) of the Act;
 - 5. a certificate issued by a public agency stating that the officer does not fall under Article 15, item (ii), (b) of the Act, or any other document serving in lieu of the certificate; and
- (iii) in the event of any change to the particulars stated in Article 13, paragraph (1), item (vii) of the Act: a document describing the particulars of the new business.
- (2) A person who files a notification pursuant to the provisions of Article 16, paragraph (3) of the Act (excluding item (i)) must submit to the Commissioner, etc. a written notification containing the particulars specified in the middle column of the following table, along with the attachments specified in the right hand column, according to the categories listed in the left-hand column of that table.

Particulars to be notified	Particulars to be stated	Documents to be attached
In the case falling under Article 16, paragraph (3), item (ii) of the Act	The content, date, and reason for the change	A document describing the matters stated in the items of Article 11 (limited to those matters whose content has changed)

In the case falling under Article 16, paragraph (3), item (vi) of the Act (limited to cases where a financial service intermediary business is discontinued)	The date and reasons for discontinuing the business	(i) the most recent daily cash count sheet
		(ii) a document describing the method for settling claims and obligations relating to customers
In the case falling under Article 16, paragraph (3), item (iii) of the Act (limited to cases where an entire business relating to the financial service intermediary business has been succeeded to through a company split)	(i) the trade name or name of the successor	(i) a document describing the contents of an incorporation-type company split plan or an absorption-type company split agreement, as well as the procedures for the company split
	(ii) the date and reasons for the split	(ii) a document describing the method for transferring claims and obligations relating to customers to the successor
In the case falling under Article 16, item (iii) of the Act (limited to cases where an entire business relating to the financial service intermediary business has been transferred)	(i) the trade name or name of the transferee	(i) a document describing the contents of the business transfer contract
	(ii) the date and reasons for the transfer	(ii) a document describing the method for transferring claims and obligations relating to customers to the transferee
In the case falling under Article 16, paragraph (3), item (iv) of the Act	A statement confirming this and the date of death	
In the case falling under Article 16, paragraph (3), item (v) of the Act	(i) the trade name or name of the counterparty to the merger	(i) a document describing the contents of the merger agreement and the procedures for the merger
	(ii) the date and reasons for the merger	(ii) a document describing the method for transferring claims and obligations relating to customers to the corporation that survives the merger

	(iii) the method of the merger	
In the case falling under Article 16, paragraph (3), item (vi) of the Act	(i) the date of the filing of the petition for the commencement of bankruptcy proceedings	(i) a copy of the written judgment of the decision on the commencement of bankruptcy proceedings, or a document describing the particulars of the decision on the commencement of bankruptcy proceedings
	(ii) the date on which an order was served to initiate bankruptcy proceedings	(ii) a document describing the method for settling claims and obligations relating to customers
In the case falling under Article 16, paragraph (3), item (vii) of the Act	The date and reasons for the dissolution	a document describing the method for settling claims and obligations relating to customers
In the case falling under Article 16, paragraph (3), item (viii) of the Act	The fact that the person has come to fall under Article 16, paragraph (3), item (viii), (a) through (d) of the Act	a document certifying that the person falls under any of the persons specified in Article 16, paragraph (3), item (viii), (a) through (d) of the Act
In the case falling under item (i) of the following paragraph	The content, date, and reason for the change	amended articles of incorporation (including documents equivalent to those articles);
In the case falling under item (ii) or (iii) of the following paragraph	The content and date of the incident, etc., prescribed in item (ii) of the following paragraph, and any other information that should serve as a reference	
In the case falling under item (iv) of the following paragraph	The date of the change	(i) a document prepared in accordance with Appended Form 2, describing the name, date of birth, etc. of the new important employee;

		(ii) a resume of the newly appointed important employee and an extract of the resident record, or any other document in lieu of that record;
		(iii) if the former surname and given name of the new important employee are stated together with their current name in a document prepared in accordance with Appended Form 2, and the document stated in the preceding item does not certify the former surname and given name, a document certifying the former surname and given name; and
		(iv) a document in which the newly appointed important employee pledges that they do not fall under any of the categories in Article 15, item (ii), (a) and (c) through (f) of the Act.

(3) The cases specified by Cabinet Office Order, as prescribed in Article 16, paragraph (3), item (ix) of the Act, are the cases as stated in the following items; and the person specified by Cabinet Office Order, as prescribed in that item, are the persons listed in those items:

- (i) if a financial service intermediary amended its articles of incorporation (including documents similar to them): the financial service intermediary;
- (ii) if a person becomes aware that an officer (including, if the officer is a corporation, a person who is to perform its duties) or employee of the financial service intermediary has committed any of the acts stated below (referred to below as an "incident, etc." in this item) (excluding any incident, etc. constituting an act stated in Article 112, items (i) through (iv), if caused by negligence; the same applies in the following item): the financial service intermediary;
 - (a) an act in violation of laws and regulations, etc. (meaning laws and regulations, dispositions of government agencies based on such laws and regulations, as well as articles of incorporation and other rules) in relation

- to a financial service intermediary business;
- (b) an act which hinders or may hinder the proper and accurate execution of financial service intermediary business, and that is equivalent to the act stated in (a);
- (iii) if the details of the incident, etc. referred to in the preceding items become known: the financial service intermediary;
- (iv) when conducting loan intermediary business operations, if there is any change in an important employee: the financial service intermediary.

(Cases Where a Bank, etc. Is Permitted to Act as a Financial Service

Intermediary and to Conduct Insurance Intermediary Business Operations)

Article 20 (1) The cases specified by Cabinet Office Order, as prescribed in Article 17, paragraph (1) of the Act, are those in which a bank prescribed in that paragraph that is also a financial service intermediary (limited to one conducting insurance intermediary business operations; the same applies below in this Article) and any other person specified by Cabinet Order (referred to below as a "bank, etc." in this Article and Article 62, paragraph (1)) or their officers or employees, provide intermediary services for the conclusion of the insurance policies stated in item (i) or (iii), and the requirements stated in the items of the following paragraph are met; or, when acting as an intermediary in the conclusion of an insurance policy stated in item (ii) or items (iv) to (vii), the requirements stated in each item of that paragraph and in each item of paragraph (3), respectively, are met:

- (i) the insurance policies stated in Article 212, paragraph (1), items (i), (ii), (iv), and (v) of the Regulation for Enforcement of the Insurance Business Act (Ministry of Finance Order No. 5 of 1996) (excluding the insurance policy stated in item (iv), (a) of that paragraph);
 - (ii) the insurance policies stated in Article 212, paragraph (1), item (vi) of the Regulation for Enforcement of the Insurance Business Act;
 - (iii) the insurance policies stated in Article 212-2, paragraph (1), items (ii) through (iv) and item (v)-3 of the Regulation for Enforcement of the Insurance Business Act;
 - (iv) the insurance policies stated in Article 212-2, paragraph (1), item (vi) of the Regulation for Enforcement of the Insurance Business Act;
 - (v) the insurance policies stated in Article 212-2, paragraph (1), item (viii) of the Regulation for Enforcement of the Insurance Business Act;
 - (vi) the insurance policies stated in Article 212-4, paragraph (1), item (v) of the Regulation for Enforcement of the Insurance Business Act; and
 - (vii) the insurance policies stated in Article 212-4, paragraph (1), item (vi) of the Regulation for Enforcement of the Insurance Business Act.
- (2) When a bank, etc. that is a financial service intermediary or its officers or

employees provide intermediary services for the conclusion of the insurance policies referred to in the items of the preceding paragraph, the bank, etc. must satisfy the following requirements:

- (i) the bank, etc. has taken the following measures concerning the use of information about its customers:
 - (a) measures to ensure that undisclosed financial information (meaning information concerning customers' deposits, exchange transactions, borrowing of funds, or other undisclosed information concerning customers' financial transactions or assets that may come to the knowledge of any of the officer or employee in the course of their duties (excluding the information prescribed in Article 37 and undisclosed special information prescribed in Article 38); the same applies in Article 55, item (vii), (a) and Article 62, paragraph (1), item (xv), (a)) on its customers handled in the course of its businesses (excluding the business related to insurance intermediary business operations) is not to be used for any business concerning insurance intermediary business operations (excluding the business of confirming whether the customer falls under the category of parties for whom insurance intermediary services by a bank, etc. are restricted, as prescribed in item (i) of the following paragraph), without obtaining prior consent from the customer in writing or by other appropriate means;
 - (b) measures to ensure that undisclosed insurance information (meaning information concerning customers' lives, physical conditions, properties or other undisclosed information necessary for conducting insurance intermediary business operations, which may come to the knowledge of any of the officers or employees in the course of their duties (excluding information prescribed in Article 37 and special undisclosed information prescribed in Article 38); the same applies in Article 62, paragraph (1), item (xv), (b)) on its customers handled in the course of its insurance intermediary business operations is not to be used for any business other than insurance intermediary business operations, such as the lending of funds, without obtaining prior consent from the customers in writing or by any other appropriate means;
- (ii) the bank, etc. has established and publicized guidelines concerning the provision of information to customers on the content of insurance policies and other particulars, and has taken necessary measures to implement those guidelines, for the purpose of ensuring fairness in insurance intermediary business operations; and
- (iii) the bank, etc. has assigned a responsible person to each of its places of business or offices that carry out the business concerning insurance intermediary business operations, to ensure compliance with laws and

regulations, etc. (collectively meaning laws and regulations, dispositions of administrative agencies issued under those laws and regulations, internal rules of the bank, etc., or any other rules equivalent to those previously stated; the same applies below in this item) applicable to insurance intermediary business operations (or, if the task of ensuring compliance with any other laws and regulations is carried out by integrating two or more places of business or offices into a single unit (limited to a unit composed of places of business or offices engaged in insurance intermediary business operations), a responsible person is assigned to that unit); and that the bank, etc. has assigned to its head office or principal office a chief supervisor who provides instruction to the responsible person and oversees the business to ensure compliance with the laws and regulations, etc. applicable to insurance intermediary business operations.

- (3) When a bank, etc. that is a financial service intermediary or its officers or employees provide intermediary services for the conclusion of the insurance policies referred to in paragraph (1), item (ii) or items (iv) through (vii), the bank, etc. must satisfy the following requirements:
- (i) if a bank, etc. is a cooperative financial institution designated pursuant to the provisions of paragraph (5) (meaning a credit union, labor bank, credit cooperative, and agricultural cooperative, etc. (meaning an agricultural cooperative as defined in Article 29, paragraph (8), a fishery cooperative as defined in Article 29, paragraph (1), item (x), of that paragraph, and a fishery processing cooperative as defined in Article 29, paragraph (1), item (xii); the same applies below in this item), and if the bank, etc. has implemented measures to ensure that it refrains from providing intermediary services for the conclusion of an insurance policy (limited to the insurance policies stated in paragraph (1), item (ii) and items (iv) through (vii); excluding contracts for renewal or novation (except for novation that enhances insurance benefits, such as increasing the amount of insurance proceeds (excluding increases due to appreciation of the insured object or similar factors) or extending the insurance period) of insurance policies already in effect (limited to those for which the bank, etc. or its officers or employees prescribed intermediary services for the conclusion, and measures to ensure it is not carried out in exchange for fees or any other remunerations)), in which the policyholder or the insured is any of the following parties (if the bank, etc. falls under the category of a cooperative financial institution (collectively meaning a shinkin bank, labor bank, credit cooperatives, and agricultural cooperatives, etc. (meaning the agricultural cooperatives prescribed in Article 29, item (viii) of the Order, and fishery cooperatives prescribed in item (x) of that Article, and the fishery processing cooperatives prescribed in item (xii) of that Article; the same applies below in

this item); the same applies below in paragraph (5), and Article 62, paragraph (1), items (x) and (xiv)) which has prescribed the particulars prescribed in paragraph (5), the parties which are members or partners of the cooperative financial institution (including the representative of the corporation which is a member or partner, and, if the cooperative financial institution is an agricultural cooperative, etc., including the person who lives together with their partner; the same applies below in paragraph (5) and Article 62, paragraph (1), items (x) and (xiv)) are excluded; referred to below as "parties for whom insurance intermediary services by a bank, etc. are restricted" in the following item, paragraph (6), item (ii) and Article 62, paragraph (1), items (ix) and (xiii)), and measures are to be in place to ensure that the intermediary services are not provided in exchange for fees or any other remuneration:

- (a) a corporation (excluding the state, local governments, those specified in the items of Article 4, paragraph (13) of the Order for Enforcement of the Banking Act (Cabinet Order No. 40 of 1982), and those designated by the Commissioner of the Financial Services Agency; the same applies in (c) and the following paragraph), or its representative, when the bank, etc. provides the corporation or its representative with loans of funds required for its business or provides funds through the discounting of negotiable instruments;
- (b) an individual engaged in business, when the bank, etc. provides that individual with funds required for the individual's business or provides funds through the discounting of negotiable instruments;
- (c) full-time employees or officers (excluding a representative) of a small enterprise (meaning an entrepreneur (meaning a corporation, any other organization, and an individual person who becomes a party to a contract in the course of or for business) hiring fifty full-time employees or fewer (or twenty full-time employees or fewer, if the bank, etc. falls under the category of an exceptional local financial institution)), when the bank, etc. provides the individual person or corporation that is a small enterprise or its representative with the lending of funds or the discounting of negotiable instruments required for the business of the small enterprise;
- (ii) the bank, etc. has implemented measures to accurately confirm whether the customer falls under a party for whom insurance intermediary services by a bank, etc. are restricted, and to ensure that its insurance intermediary business operations do not interfere with the sound and appropriate conduct of the other business of the bank, etc.; and
- (iii) the bank, etc. has implemented measures to ensure that its employees who contact customers regarding monetary loans required for their business or discounting of negotiable instruments refrain from conducting insurance

intermediary business operations (limited to insurance intermediary business operations for the insurance policies referred to in paragraph (1), item (ii), and items (iv) through (vii)); provided, however, that when the bank, etc. is an exceptional local financial institution, it will be sufficient for the bank, etc. to have implemented the measures specified by the Commissioner of the Financial Services Agency as a substitute for the previously stated measures.

(4) The term "exceptional regional financial institution" as used in the preceding paragraph means a financial institution designated by the Commissioner of the Financial Services Agency as one whose area of business is limited to a specific prefecture, and in which that financial institution or its officers or employees has provided the lending of funds or the discounting of negotiable instruments necessary for that business to an individual or corporation with which the financial institution conducts business (excluding an individual or corporation with more than 50 full-time employees, in cases where the financial institution has taken the measures prescribed in the main text of item (iii) of that paragraph), or to its representative. In such a case, if the financial institution etc. or its directors or employees acts as an intermediary for the conclusion of the insurance policies stated in paragraph (1), item (ii), (v), or (vii) (including insurance riders with equivalent content; the same applies in the following paragraph), and if the insurance policy listed in the following items is involved, this means a provision under which, for the category of insurance listed in each item, the sum of the insurance proceeds and other benefits to be paid under the insurance policies for which the financial institution or its directors or employees have acted as intermediary for each policyholder does not exceed the amount prescribed in each of those items in the guidelines prescribed in paragraph (2), item (ii):

- (i) insurance that promises to pay a specified amount of insurance benefits and receives premiums in relation to the survival or death of a person (including a physical condition diagnosed by a doctor as one in which the person's life expectancy is within a specified period, and a condition corresponding to a severe disability; the same applies below in this paragraph) (excluding insurance that relates solely to death directly caused by injury): 10 million yen;
- (ii) insurance in which the insurer promises to pay a specified amount of insurance proceeds for the following incidents, or to compensate for damage suffered by a person that may arise from the following events, and under which the insurer receives insurance premiums in an amount specified by the Commissioner of the Financial Services Agency:
 - (a) a person contracts diseases;
 - (b) a person's condition resulting from disease (excluding conditions that

- constitute a serious disability);
 - (c) reasons stated in the items of Article 4 of the Regulation for Enforcement of the Insurance Business Act; and
 - (d) receiving treatment (including activities specified in Article 5, paragraph (2), item (ii), (c), 1. through 3., which are considered similar to treatment) in connection with the reasons stated in (a) through (c).
- (5) A cooperative financial institution that is a financial service intermediary must provide in its guidelines prescribed in paragraph (2), item (ii), that when the cooperative financial institution provides intermediary services for the conclusion of an insurance policy stated in paragraph (1), item (ii), (v), or (vii), in which the policyholder is its member or partner who falls under any of the persons specified in paragraph (3), item (i), (a) through (c), the total amount of insurance proceeds or any other benefits payable to a single policyholder under an insurance policy for which the cooperative financial institution or its officers or employees have provided intermediary services is not to exceed the respective amounts stated in the items of the preceding paragraph.
- (6) When a bank, etc. that is a financial service intermediary or its officers or employees provides intermediary services for the conclusion of insurance policies as specified in paragraph (1), item (i) or (iii), and any of the following conditions apply, the insurance rider to be added to the insurance policy must be closely related to the terms and conditions of the insurance policy, and the insurance premiums and insurance amount related to the insurance rider must be reasonable in comparison to the insurance premiums and insurance amount under the insurance policy:
- (i) if the bank, etc. fails to satisfy the requirements stated in the items of paragraph (3); and
 - (ii) where the policyholder or the insured under the insurance policy is a party for whom insurance intermediary services by the bank, etc. are restricted (excluding the case described in the preceding item).

(Financial Basis for Conducting Electronic Payment Services)

Article 21 The standard specified by Cabinet Office Order, as prescribed in Article 18, paragraph (1), item (i), (a) of the Act, is that the amount of net assets (meaning the amount calculated by deducting the total amount of liabilities from the total amount of assets recorded on the balance sheet prescribed in Article 24, item (i), (a) or in documents prepared in lieu of such balance sheet, or in the written statement of assets prescribed in item (ii) of that Article) is to be a non-negative value.

(Particulars to Be Stated in the Written Notification Concerning Electronic Payment Services)

Article 22 Regarding the application of the provisions of Article 34-64-2 of the Regulation for Enforcement of the Banking Act (Ministry of Finance Order No. 10 of 1982), when a financial service intermediary files a notification under Article 18, paragraph (3) of the Act, the phrase "the following particulars; provided, however, that the particulars stated in item (iv) are required to be included only if the registration applicant (meaning the registration applicant prescribed in that paragraph; the same applies below in this Article and Article 34-64-4) performs the acts stated in Article 2, paragraph (21), item (i) of the Act (excluding the acts specified in Article 1-3-3)" in paragraph (1) of that Article is deemed to be replaced with "the particulars stated in items (i) through (iii)". In addition, the terms "users of the electronic payment service provider" and "registration applicant" in item (i) of that paragraph are deemed to be replaced with "customers of the electronic payment service provider" and "a financial service intermediary that files a notification under Article 18, paragraph (3) of the Act on the Provision of Financial Services and the Improvement of the Environment for Use (referred to as a "notifier" in the following paragraph)". Furthermore, the phrases "registration applicant" and "written application for registration (meaning the written application for registration prescribed in Article 52-61-3, paragraph (1) of the Act; the same applies in Article 34-64-4)" in paragraph (2) of that Article are deemed to be replaced with "notifier" and "written notice", respectively.

(Details and Methods of Operation Related to Electronic Payment Services)

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

- (i) among the acts relating to electronic payment services (meaning the electronic payment services prescribed in Article 2, paragraph (21) of the Banking Act; the same applies below in this Article) that constitute the acts listed in the items of that paragraph (excluding those specified in Article 1-3-3 of the Regulation for Enforcement of the Banking Act), those performed by the electronic payment service provider (if the provider performs all such acts, a statement confirming this);
 - (ii) an outline of the services related to the electronic payment services to be provided; and
 - (iii) the system for providing electronic payment services.
- (2) The system for providing the electronic payment services prescribed in item (iii) of the preceding paragraph is to include the following particulars:
- (i) the system for ensuring the appropriate handling and secure management of customer information acquired by the electronic payment service provider in connection with electronic payment services;
 - (ii) the system for ensuring the appropriate execution of the business of

- electronic payment services (limited to services related to the proper handling and secure management of customer information obtained in connection with electronic settlement services, etc., in cases where only the acts stated in Article 2, Paragraph (21), Item (2) of the Banking Act are performed), if the electronic payment service provider entrusts the business to a third party; and
- (iii) the name and job title of the person responsible for the management of electronic payment services.

(Other Documents to Be Attached to a Notification for Engaging in Electronic Payment Services)

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

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

Section 2 Business

Subsection 1 General Rules

(Forms of Signs to Be Posted)

Article 25 (1) The form specified by Cabinet Office Order, as prescribed in

- Article 20, paragraph (1) of the Act, is the form specified in Appended Form 4.
- (2) The method specified by Cabinet Office Order, as prescribed in Article 20, paragraph (2) of the Act, is the use of the Internet.
- (3) The particulars specified by Cabinet Office Order, as prescribed in Article 20, paragraph (2) of the Act, are as follows:
- (i) the registration number as referred to in Article 14 paragraph (1), item (ii) of the Act; and
 - (ii) the name of the certified financial service intermediary business association to which the person belongs (or, if the person does not belong to any certified financial service intermediary business association, a statement confirming this).

(Notification Concerning the Depositing of a Security Deposit)

Article 26 (1) If any of the following applies to a financial service intermediary, the intermediary is to notify the Commissioner, etc. accordingly:

- (i) when a financial service intermediary has deposited a security deposit pursuant to the provisions of Article 22, paragraph (1), (4), or (8), or Article 23, paragraph (2) of the Act, or Article 13, paragraph (6), or Article 14, paragraph (1) of the Regulation on Security Deposits by Financial Service Intermediaries (Cabinet Office and Ministry of Justice Order No. 4 of 2021);
- (ii) when a person who has concluded a contract under Article 22, paragraph (3) of the Act (referred to below as "guarantee entrustment contract" in this Subsection) with a financial service intermediary (the person is referred to below as the "counterparty to a guarantee entrustment contract" in the following item and the following Article) has completed depositing a security deposit pursuant to the provisions of Article 22, paragraph (4) of the Act;
- (iii) when a person, a financial service intermediary, or a counterparty to a guarantee entrustment contract has recovered all or part of the security deposit pursuant to the provisions of Article 22, paragraph (10) of the Act, or Article 13, paragraphs (7) through (9), or Article 14 of the Regulation on Security Deposits of Financial Service Intermediaries;
- (iv) when a financial service intermediary has concluded a guarantee entrustment contract, has canceled the contract with the approval stated under Article 27, item (ii) of the Order, or has amended any of its terms and conditions; or
- (v) when a financial service intermediary has concluded a financial service intermediary liability insurance policy (meaning the financial service intermediary liability insurance policy prescribed in Article 23, paragraph (1) of the Act; the same applies below in this Subsection), or has canceled the policy or amended its terms and conditions with the approval stated under Article 29, paragraph (1), item (iv) of the Order.

- (2) In the case stated in the preceding paragraph, a financial service intermediary is to submit to the Commissioner, etc. the documents specified in the following items, in accordance with the category of the case stated in each item:
- (i) in the case of item (i) of the preceding paragraph: the original copy of the deposit certificate and a breakdown of the security deposit, etc.;
 - (ii) in the case of item (ii) or (iii) of the preceding paragraph: a breakdown of the security deposit, etc.; and
 - (iii) in the case of item (iv) or (v) of the preceding paragraph: a document certifying the fact, and a breakdown of the security deposit, etc.
- (3) A breakdown of the security deposit, etc. prescribed in the items of the preceding paragraph is to be prepared in accordance with Appended Form 5.
- (4) When the Commissioner, etc. receives the original copy of the deposit certificate as referred to in paragraph (2), item (i), the Commissioner, etc. must issue a custody certificate to the financial service intermediary.

Article 27 (1) When a counterparty to a guarantee entrustment contract makes a security deposit pursuant to the provisions of Article 22, paragraph (4) of the Act, the deposit is to be made with the official depository nearest to the principal place of business or office of the financial service intermediary with which the guarantee entrustment contract is concluded (if the counterparty does not have a place of business or office in Japan, the deposit is to be made with the Tokyo Legal Affairs Bureau).

- (2) When a counterparty to a guarantee entrustment contract makes the deposit under the preceding paragraph, the party is to submit the original copy of the deposit certificate to the Commissioner of the Financial Services Agency, etc.
- (3) When the Commissioner of the Financial Services Agency, etc. receives the original copy of the deposit certificate as provided in the preceding paragraph, the Commissioner, etc. must issue a custody certificate to the counterparty to guarantee entrustment contract.

Article 28 (1) When a financial service intermediary intends to obtain approval under Article 27, item (ii) of the Order, it must submit an application to the Commissioner of the Financial Services Agency, etc. along with a document stating the reasons for the application and other relevant particulars. This must be done no later than one month before the date on which the intermediary intends to cancel the guarantee entrustment contract for which approval is sought, or amend its terms and conditions.

- (2) When an application for approval under the preceding paragraph has been filed, the Commissioner, etc. is to examine whether the cancellation of the guarantee entrustment contract or any change to its contents by the financial

service intermediary that applied for the approval would pose a risk of undermining the protection of customers, etc. (meaning the customers, etc. defined in Article 22, paragraph (2) of the Act; the same applies in Article 32, paragraph (4)).

(Counterparties to Contracts Substituting for All or Part of a Security Deposit)

Article 29 The financial institutions specified by Cabinet Office Order, as prescribed in Article 27 of the Order, are as follows:

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

(Date of Commencement of Additional Security Deposit)

Article 30 The day specified by Cabinet Office Order, as prescribed in Article 22, paragraph (8) of the Act, is the day determined in accordance with the category of case stated in each of the following items, according to the reason the insufficiency of the security deposit amount:

- (i) if a financial service intermediary has received approval under Article 27,

- item (ii) of the Order to amend any of the terms and conditions of a guarantee entrustment contract (referred to as "approval" in the following item), and as a result the amount of the deposit prescribed in Article 22, paragraph (10) of the Act (including the amount required to be deposited under the guarantee entrustment contract) falls short of the amount specified in Article 26 of the Order: the date on which the guarantee entrustment contract was amended;
- (ii) if the financial service intermediary has canceled the guarantee entrustment contract with the approval: the date of cancellation of the guarantee entrustment contract;
- (iii) in cases where the procedures for the exercise of rights referred to in Article 28 of the Order have been carried out: the day on which the financial service intermediary received a copy of the payment entrustment document under Article 11, paragraph (2) of the Regulation on Deposits of Financial Service Intermediaries (or, if the Commissioner of the Financial Services Agency, etc. is unable to confirm the location of either the place of business or the office of the financial service intermediary, the date separately designated by the Commissioner of the Financial Services Agency etc.); or
- (iv) if the Commissioner of the Financial Services Agency, etc. has realized the deposited securities for the purpose of implementing procedures for the exercise of the rights referred to in Article 28 of the Order (including book-entry transfer bonds as prescribed in Article 278, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares), and has deposited the realized amount minus the costs of realization: the day on which the financial service intermediary receives a notice of deposit as prescribed in Article 15, paragraph (4) of the Regulation on Deposit of Financial Service Intermediaries.

(Types of Securities That May Be Deposited as Security Deposits)

Article 31 (1) The securities specified by Cabinet Office Order, as prescribed in Article 22, paragraph (9) of the Act, are as follows:

- (i) national government bond securities (including national government bond securities whose ownership is determined based on the statement or record contained in the book-entry transfer account book as referred to in the Act on Book-Entry Transfer of Corporate Bonds and Shares);
- (ii) local government bond securities;
- (iii) government guaranteed bond certificates (meaning the securities stated in Article 2, paragraph (1), item (iii) of the Financial Instruments and Exchange Act, for which the government guarantees the redemption of principal and the payment of interest); and
- (iv) corporate bond certificates and other bond certificates designated by the

Commissioner of the Financial Services Agency (excluding registered bond certificates, bond certificates issued through discounting, and the securities stated in the preceding item).

- (2) When securities are used as a guarantee pursuant to the provisions of Article 22, paragraph (9) of the Act, their value is to be the amount specified in each of the following items, according to the category of securities stated in each item:
- (i) securities stated in item (i) of the preceding paragraph: their par value (or, if the rights concerning the securities are to be determined in accordance with the statement or record contained in the book-entry transfer account book under the Act on Book-Entry Transfer of Corporate Bonds and Shares, the amount stated or recorded in that book; the same applies below in this Article);
 - (ii) securities stated in item (ii) of the preceding paragraph: the amount calculated by discounting the par value from 100 yen to 90 yen;
 - (iii) securities stated in item (iii) of the preceding paragraph: the amount calculated by discounting the par value from 100 yen to 95 yen; and
 - (iv) securities stated in item (iv) of the preceding paragraph: the amount calculated by discounting the par value from 100 yen to 80 yen.
- (3) For securities issued through discounting, their issue value plus the amount calculated in accordance with the following formula is deemed to be the par value of the securities, and the provisions of the preceding paragraph apply:
- $$((\text{par value} - \text{issue value}) \div \text{number of years from issue date to redemption date}) \times (\text{number of years from issue date to deposit date}).$$
- (4) For the purpose of calculation under the formula in the preceding paragraph, if a fraction of less than one year arises in 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, or if a fraction of less than one yen arises in the amount obtained by dividing the difference between the par value and the issue value by the number of years from the issue date to the redemption date, the fraction is to be truncated.

(Application for Approval of a Financial Service Intermediary Liability Insurance Policy Substituting for a Partial Security Deposit)

- Article 32 (1) When a financial service intermediary intends to obtain approval under Article 23, paragraph (1) of the Act, it must, no later than one month before the date on which it intends not to deposit a portion of the security deposit by means of a financial service intermediary liability insurance policy for which the approval is sought, submit to the Commissioner, etc. a written application for approval, along with a written statement of reasons and any other documents containing relevant particulars for reference.
- (2) When an application for the approval under the preceding paragraph has

been filed, the Commissioner, etc. is to examine whether the terms and conditions of the financial service intermediary liability insurance policy concluded by the financial service intermediary that filed the application conform to the requirements specified in the items of Article 29, paragraph (1) of the Order.

- (3) When a financial service intermediary intends to obtain approval under Article 29, paragraph (1), item (iv) of the Order, it must submit to the Commissioner, etc. a written application for approval, along with a written statement of reasons and other relevant particulars, no later than one month before the date on which it intends to cancel the financial service intermediary liability insurance policy for which the approval is sought, or to amend any of its terms and conditions.
- (4) When an application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency etc. is to examine whether the termination of the financial service intermediary's liability insurance policy or any change to its contents by the financial service intermediary that applied for that approval is likely to result in insufficient protection for customers, etc.

(Provision of Information)

Article 33 (1) A financial service intermediary must clearly state that it is not permitted to perform the following activities on behalf of any counterparty financial institution, specifically in relation to the authority of a financial service intermediary prescribed in Article 25, paragraph (1), item (iii):

- (i) to accept an offer to amend the terms and conditions or to cancel a financial services contract;
 - (ii) to issue a certificate of a financial service contract or any other similar document;
 - (iii) in the case of conducting insurance intermediary business operations, receiving announcements or notices concerning insurance policies from customers; and
 - (iv) in the case of conducting insurance intermediary business operations, to determine whether there is any liability to compensate for damages arising from an insured event, and to determine the amount of such compensation.
- (2) The particulars specified by Cabinet Office Order, as prescribed in Article 25, paragraph (1), item (vi) of the Act, are as follows:
- (i) the registration number as referred to in Article 14 paragraph (1), item (ii) of the Act;
 - (ii) the trade name or name of the counterparty financial institution relating to the financial service contract concluded by the customer;
 - (iii) the amount or maximum amount of fees payable by the customer in

- connection with the financial service contract concluded by the customer (including any consideration payable by the customer under the financial service contract as expenses equivalent to fees, irrespective of the terminology used, such as fees, remuneration, expenses, or otherwise; referred to as "fees, etc." in the following item, item (v), Subsection 5 and Article 139), the upper limit of such fees, or an outline of the method for calculating them (if these details cannot be clearly indicated, a statement confirming this and the reason);
- (iv) in cases where a service is provided in relation to a financial service contract that contains the provisions of the same types as those in a financial service contract of a counterparty financial institution (limited to contracts concluded with other counterparty financial institutions), if the fees, etc. payable by the customer to the counterparty financial institution under the financial service contract differ depending on the counterparty financial institution, a statement confirming this;
 - (v) in the case of conducting an investment advisory business (meaning the investment advisory business prescribed in Article 28, paragraph (6) of the Financial Instruments and Exchange Act; the same applies below in this item and Subsection 5), if any act of financial service intermediation (limited to the acts stated in Article 11, paragraph (4), items (i) through (iii) of the Act; the same applies below in this item) for customers of the investment advisory business (excluding cases where the amount of fees, etc. relating to financial services intermediation within a specified period is set regardless of the number of acts of financial services intermediation and where the methods and amount of fees, etc. are clearly explained to the customer in advance), the amount of fees, etc. to be obtained based on that financial services intermediation (if the amount of fees, etc. is not fixed in advance, the method for calculating the amount of those fees, etc.);
 - (vi) the capital and personal relationships between the financial service intermediary and the counterparty financial institution related to the financial service contract concluded by the customer, and whether an entrustment contract exists concerning the activities of the financial service intermediary; and
 - (vii) the particulars concerning the role of the counterparty financial institution in relation to the financial service contract concluded between the financial service intermediary and the customer, regarding the provision of information, explanations, and delivery of documents, etc. to the customer concerning the financial service intermediary's business operations.

(Particulars to Be Disclosed)

Article 34 The particulars specified by Cabinet Office Order, as prescribed in

Article 25, paragraph (2) of the Act, are as follows:

- (i) for each type of business, the trade name, title, or name of the main counterparty financial institution with which the financial service intermediary has a business relationship in connection with the financial service intermediary business; and the percentage that the amount of fees, remuneration, and other consideration (referred to below in this paragraph as "fees, etc.") received from counterparty financial institutions in relation to the financial service contract the customer intends to conclude represents out of the total amount of fees, etc. received from all counterparty financial institutions; and
- (ii) the amount of security deposits deposited by the financial service intermediary, the amount required to be deposited under a guarantee entrustment contract concluded by the financial service intermediary, or the insured amount under a financial service intermediary liability insurance policy.

(Internal Rules)

Article 35 A financial service intermediary must establish internal rules, etc. concerning measures such as providing explanations of important information to customers, taking into account the customers' knowledge, experience, asset status, and the purpose of the transaction, and other measures to ensure healthy and proper business operations (including providing explanations regarding the details and risks of instruments or transactions through document delivery or other appropriate means, as well as crime prevention measures), in accordance with the details and methods of the financial service intermediary business operations, and must develop a sufficient system to train its employees or otherwise ensure that its business is conducted based on those internal rules, etc.

(Measures for the Secure Management of Customers' Personal Information)

Article 36 If a financial service intermediary entrusts security management of information concerning individual customers that it handles, supervision of employees, and handling of the information, it must take necessary and appropriate measures for the supervision of the entrusted party, so as to prevent the leaking, destruction or loss of the information.

(Reporting Leakage of Personal Customer Information)

Article 36-2 If any leakage, loss, or destruction of information on individual customers handled by a financial service intermediary occurs, or if there is a risk of such an occurrence (limited to information that is personal data as prescribed in Article 16, paragraph (3) of the Act on the Protection of Personal

Information (Act No. 57 of 2003)), the financial service intermediary must promptly report the incident to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau and take any other appropriate measures.

(Handling of Information on Repayment Ability)

Article 37 A financial service intermediary must take measures to ensure that it does not use information provided by a credit information-related organization regarding the loan repayment capacity of a person seeking funds (meaning an organization that collects information on the repayment capacity of such individuals and provides it to the financial service intermediary) for any purpose other than assessing that person's repayment capacity.

(Handling of Undisclosed Special Information)

Article 38 A financial service intermediary must take measures to ensure that it does not handle individual customer information relating to race, creed, family origin, registered domicile, health and medical care, criminal records, or any other undisclosed special information (meaning information that has come to light in the course of business and has not been disclosed), for any purpose other than that which is considered necessary to ensure the proper operation of its business.

(Preventing Misidentification of Counterparty Financial Institutions When Using a Computer)

Article 39 When a financial service intermediary conducts its business using a computer connected via a telecommunications line, it must take appropriate measures to prevent customers from misidentifying the financial service intermediary as a counterparty financial institution or any other person.

(Measures to Ensure Proper Performance of Entrusted Business)

Article 40 When a financial service intermediary entrusts business to a third party, it must take necessary measures to ensure that the entrusted business is properly carried out, such as regularly or as necessary confirming the status of implementation and requesting improvements when needed.

(Individuals Not Considered Closely Related Persons)

Article 41 The persons specified by Cabinet Office Order, as prescribed in the main clause of Article 30, paragraph (1) of the Order, are as follows:

- (i) any person stated in the items of Article 29;
- (ii) an insurance company (including a foreign insurance company, etc.
(meaning the foreign insurance company, etc. as prescribed in Article 2,

- paragraph (7) of the Insurance Business Act; the same applies to Article 62, paragraph (1)) and a small-amount and short-term insurer (meaning the small-amount and short-term insurer as prescribed in Article 2, paragraph (18) of that Act; the same applies in Article 56, paragraph (1) and Article 62, paragraph (1), items (ii) and (iii)));
- (iii) a trust company (meaning the trust company as prescribed in Article 2, paragraph (2) of the Trust Business Act (Act No. 154 of 2004); the same applies below in this Section); and
- (iv) a fund transfer service provider (meaning the fund transfer service provider as prescribed in Article 2, paragraph (3) of the Payment Services Act (Act No. 59 of 2009); the same applies in Article 46, item (xix)).

(Persons Excluded from the Scope of Parent Corporations and Subsidiary Corporations)

Article 42 The persons specified by Cabinet Office Order, as prescribed in Article 30, paragraphs (2) and (3) of the Order, are as follows:

- (i) business solely for the implementation of the securities, etc. intermediary business operations, the financial instruments business, etc. (meaning the financial instruments business, etc. as prescribed in Article 50, paragraph (1), item (i) of the Financial Instruments and Exchange Act; the same applies in the following item), or the financial instruments intermediary service by any of the following parties:
- (a) the party itself;
- (b) the party itself, and its parent corporation, etc. (meaning the parent corporation, etc. prescribed in Article 30, paragraph (2) of the Order; the same applies below in this Section except Article 51, paragraph (1), item (ii)), or its subsidiary corporation, etc. (meaning the subsidiary corporation, etc. prescribed in Article 30, paragraph (3) of the Order; the same applies below in this Section except Article 51, paragraph (1), item (i));
- (ii) business conducted solely for the implementation of the business (excluding securities, etc. intermediary business operations, financial instruments business, etc., and financial instruments intermediary services) by any of the following parties (excluding business related to undisclosed asset information (meaning undisclosed material information concerning the management, business, or assets of an issuing company that is likely to affect the customer's investment decision (meaning the investment decision prescribed in Article 2, paragraph (8), item (xi), (b) of the Financial Instruments and Exchange Act; the same applies in Subsection 5), or information regarding the officers of the company itself (including, where the officer is a corporation, any person who is to perform the officer's duties), its employees, its parent corporation, etc., or its subsidiary corporation, etc., in the course of business

related to ordering trends (meaning the purchase, sale, or other transactions in securities, etc., as prescribed in Article 41-2, item (iv) of that Act; the same applies in Article 118, paragraph (1), item (viii) of a customer, and any other special information (excluding such information when relating to a foreign corporation (including unincorporated foreign organizations for which a representative or administrator has been designated))), in connection with the purchase, sale, or other transactions in securities, etc. (limited to those involving customers of securities, etc. intermediary business operations conducted by the issuer or the party itself)):

- (a) the party itself;
- (b) the party itself, and its parent corporation, etc. or subsidiary corporation, etc.; or
- (iii) a corporation or any other organization of a foreign state that does not have a place of business, office, or any other equivalent establishment in Japan.

(Prospective Parent Company, etc.)

Article 43 (1) The companies specified by Cabinet Office Order, as prescribed in Article 30, paragraph (4) of the Order, are the following companies, etc.

(meaning the companies, etc. prescribed in that paragraph; the same applies below in Articles 43 through 45); provided, however, that this does not apply when it is evident that a company does not have control over the decision-making body (meaning the decision-making body prescribed in that paragraph; the same applies in item (ii), (e) of another company, etc., based on their financial, operational, or business relationships:

- (i) a company, etc. that, on its own account, holds the majority of voting rights in another company, etc. (excluding any other company, etc. that is subject to an order for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings, or any equivalent company, etc. in which no effective parent-subsidiary relationship is found to exist; the same applies below in this paragraph);
- (ii) a company, etc. that, on its own account, holds not less than 40 percent but not more than 50 percent of the voting rights in another company, etc., and that falls under any of the following requirements:
 - (a) the majority of the voting rights in another company, etc. is constituted by the voting rights held by the company, etc. on its own account, together with the voting rights held by any party that has a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, or business transactions, etc., and is therefore likely to exercise its voting rights in accordance with the will of the company, etc., and by any party that has consented to exercise its voting rights in accordance with the will

- of the company, etc.;
- (b) the majority of the members of the board of directors, or any other equivalent organ, of another company, etc. involved in making decisions on its financial, operational, or business policies consists of officers or employees of the company, etc. or former officers or employees who may exert influence over that other company, etc.;
 - (c) a company, etc. and another company, etc. have entered into a contract under which the former takes control over significant decisions concerning any important financial, operational, or business policies of the latter;
 - (d) a company, etc. has financed (including the provision of a guarantee of obligations and the provision of collateral; the same applies below in (d) and Article 44, item (ii), (b)) more than half of the total loan amount procured by another company, etc. (limited to the amount recorded in the liabilities section of the balance sheet; the same applies in (d)) (including cases where more than half of the total amount of funds procured by such other company, etc. is financed by the company, etc. together with any person having a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, or business transactions, etc.);
 - (e) there are other facts indicating that the company, etc. controls the decision-making body of another company, etc.; or
 - (iii) a company, etc. that falls under any of the requirements specified in (b) through (e) of the preceding item, in cases where the majority of the voting rights in another company, etc. consists of the voting rights held by the company, etc. on its own account, together with those held by any party having a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, or business transactions, etc., and is therefore likely to exercise its voting rights in accordance with the will of the company, etc. and any party that has consented to exercise its voting rights in accordance with the will of the company, etc. (including cases where the company, etc. does not hold voting rights on its own account).
- (2) With respect to a special purpose company (meaning a specific purpose company as prescribed in Article 2, paragraph (3) of the Act on Securitization of Assets (Act No. 105 of 1998) and a business entity engaged in a similar business that is restricted from modifying its business details), if its incorporation is intended to entitle the holders of the securities it issues (including creditors in connection with a specific borrowing as prescribed in Article 2, paragraph (12) of that Act) to receive profits generated from assets transferred to the special purpose company at a fair value, and if the business is properly implemented in accordance with that purpose, then— notwithstanding the provisions of the preceding paragraph—the special

purpose company is deemed to be independent of the companies, etc. that transferred the assets to it (referred to below as the "transferor company, etc." in this paragraph), and is presumed not to fall under the category of a subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 30, paragraph (4) of the Order; the same applies below in this Section) of the transferor company, etc.

(Prospective Affiliated Companies, etc.)

Article 44 The companies, etc. specified by Cabinet Office Order, as prescribed in Article 30, paragraph (5) of the Order, are as follows; provided, however, that this does not apply when it is evident that the company, etc. (including its subsidiary companies, etc.) is unable to exert any material influence over decisions concerning the financial, operational, or business policies of another company, etc., excluding its subsidiary companies, etc., based on their financial, operational, or business relationships:

- (i) a company, etc. other than a subsidiary company, etc., where a company, etc. (including its subsidiary companies, etc.) holds, on its own account, 20 percent or more of the voting rights in that other company, etc. (excluding companies, etc. that have been subject to an order commencing bankruptcy, rehabilitation, or reorganization proceedings, or companies, etc. in equivalent circumstances where it is found that the company, etc. is unable to exert any material influence over decisions concerning that company's financial, operational, or business policies; the same applies below in this Article);
- (ii) a company, etc. other than a subsidiary company, etc. that falls under any of the following requirements, where the company, etc. (including its subsidiary companies, etc.) holds, on its own account, 15 percent or more but less than 20 percent of the voting rights in the other company, etc., excluding subsidiary companies, etc.:
 - (a) where any officer or employee of the company, etc., or any person formerly in such a position—through whom the company, etc. is able to exert influence over the financial, operational, or business policy decisions—has assumed the position of representative director, executive officer, or an equivalent position in the other company, etc.;
 - (b) where the company, etc. has been receiving a significant loan;
 - (c) where the company, etc. has been provided with important technology;
 - (d) where there are substantial sales, purchases, or other business or operational transactions with the company, etc.;
 - (e) where there are other facts indicating that the company, etc. is able to exert significant influence over decisions concerning its financial, operational, or business policies; or

(iii) another company, etc., excluding a subsidiary company, etc. that falls under any of the requirements stated in (a) through (e) of the preceding item, in cases where 20 percent or more of the voting rights in that other company, excluding a subsidiary company, etc., consist of the voting rights held by the company, etc. (including its subsidiary companies, etc.) on its own account, together with those held by any person having a close relationship with the company, etc. in terms of equity, personnel affairs, funding, technology, or business transactions, etc. and are therefore likely to be exercised in accordance with the will of the company, etc. and any person who has consented to exercise their voting rights in accordance with the will of the company, etc. (including cases where the company, etc. does not hold voting rights on its own account).

(Determination of Possession of Voting Rights)

Article 45 (1) For the purpose of determining the holding of voting rights as prescribed in Article 30, paragraph (6) of the Order, the voting rights held are to include those held under the name of another person (including a fictitious name), as well as the voting rights related to shares, etc. in the following cases:

- (i) if a person has been granted the authority to exercise voting rights in the company, etc., or to give instructions regarding the exercise of such rights, under a monetary trust agreement, another contract, or legal provisions;
- (ii) if any person in a special relationship holds voting rights in the company, etc.; or
- (iii) if, pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (including when these provisions are applied *mutatis mutandis* pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) and Article 276 (limited to the part concerning item (ii)) of that Act), a person may not assert the shares, etc. held by the person (including the shares, etc. representing voting rights which, pursuant to the provisions of this paragraph, are to be included in the voting rights held by the specified individual shareholder referred to in Article 30, paragraph (1), item (iv) of the Order) against the issuer of those shares.

(2) Notwithstanding the provisions of the preceding paragraph, the voting rights held as referred to in that paragraph are not to include the voting rights related to the following shares, etc.:

- (i) the shares, etc. held by a corporation, if a person with the authority to act as a representative of the corporation, or a manager with the authority to act as an agent for the corporation, has been granted the authority to exercise the voting rights or to give instructions as to their exercise or the authority required for making an investment, based on such representative or agency

- authority; or
- (ii) the shares, etc. owned by heirs as part of an estate (limited to shares, etc. owned before the date on which an heir (excluding cases of joint succession) made an unqualified acceptance (including cases in which such acceptance is deemed to have been made) or a qualified acceptance, or shares, etc. that have not yet been divided among the coheirs of the estate).
- (3) The term "person in special relationship" as referred to in paragraph (1), item (ii) means the relationships stated in the following items, according to the categories of persons respectively stated in each item:
- (i) a person who holds subject voting rights (meaning the subject voting rights as defined in Article 29-4, paragraph (2) of the Financial Instruments and Exchange Act, excluding subject voting rights considered to be held under Article 29-4, paragraph (5) of the Act (limited to the part involving item (ii)); the same applies below in this item) or a person whose subject voting rights are held by a controlled company: the relationship between that person and the following persons:
 - (a) a person who jointly holds subject voting rights with that person, or who has agreed to jointly exercise subject voting rights with that person (referred to as a "joint holder" in paragraph (5));
 - (b) the person's spouse;
 - (c) a company controlled by the person;
 - (d) a controlling shareholder of the person, etc.;
 - (e) another company controlled by the person's controlling shareholder, etc.;
 - or
 - (ii) a person other than those stated in the preceding item: the relationship between that person and the person stated in (a) or (b) of that item.
- (4) In this Article, the term "controlling shareholder, etc." means a person who holds voting rights constituting more than 50 percent of the voting rights held by all shareholders, etc. of a company. The term "controlled company" means a company in which voting rights constituting more than 50 percent of the voting rights held by all shareholders, etc. are held by a controlling shareholder, etc. In this case, if a controlling shareholder, etc. and its controlled company jointly hold voting rights constituting more than 50 percent of voting rights held by all shareholders, etc. of another company, that other company is deemed to be a controlled company of the controlling shareholder, etc., and the controlling shareholder, etc. is deemed to be the controlling shareholder, etc. of that other company.
- (5) If there is a person who, together with a joint holder, holds voting rights constituting more than 50 percent of the voting rights held by all shareholders, etc. of a company, each related person is deemed to be a controlling shareholder, etc. of the company, the company is deemed to be a controlled

company of that person, and the provisions of paragraph (3) apply.

- (6) If a person, together with their spouse, jointly holds voting rights constituting more than 50 percent of the voting rights held by all shareholders, etc. of a company, that person is deemed to be a controlling shareholder, etc. of the company, the company is deemed to be a controlled company of that person, and the provisions of paragraph (3) apply.
- (7) The provisions of Article 14, paragraph (2) apply *mutatis mutandis* to voting rights held by a person prescribed in these provisions in the cases stated in the preceding three paragraphs. In this case, the phrases "Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) (including when these provisions are applied *mutatis mutandis* pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and Article 276 (limited to the part concerning item (ii)) of that Act)" and "shares, etc." in paragraph (2) of that Article is deemed to be replaced with "Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001)" and "shares", respectively.

(Exemptions from the Restriction on Receiving Cash Deposits)

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

- (i) when a bank and a person listed in each item of Article 29 engage in business (excluding the cases stated in items (iii), (v), (vii), (ix), (xi), (xiii), (xv), (xvi), and (xviii));
- (ii) when the specified credit business agent prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act engages in specified credit business agency services (meaning the specified credit business agency services prescribed in paragraph (2) of the same Article; the same applies in the following item);
- (iii) when a bank, etc., as prescribed in Article 92-3, paragraph (1) of the Agricultural Cooperatives Act, which has filed a notification under the provisions of paragraph (3) of the same Article, engages in specified credit business agency services;
- (iv) when a specified credit business agent, as prescribed in Article 106, paragraph (3) of the Fishery Cooperatives Act, engages in specified credit business agency services (meaning the specified credit business agency services prescribed in paragraph (2) of the same Article; the same applies in the following item);
- (v) when a bank, etc., as prescribed in Article 107, paragraph (1) of the Fishery Cooperatives Act, which has filed a notification under the provisions of

- paragraph (3) of the same Article, engages in specified credit business agency services;
- (vi) when a credit cooperative agent (meaning the credit cooperative agent prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperative (Act No. 183 of 1949); the same applies in Article 62, paragraph (1), item (xv)) engages in credit cooperative agency services (meaning the credit cooperative agency services prescribed in Article 6-3, paragraph (2) of the same Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
 - (vii) when a credit cooperative, etc., as prescribed in Article 6-4 of the Act on Financial Business by Cooperatives, which has filed a notification under the provisions of Article 52-60-2, paragraph (3) of the Banking Act, as applied mutatis mutandis pursuant to Article 6-4-2, paragraph (1) of the Act on Financial Business by Cooperatives, engages in credit cooperative agency services;
 - (viii) when a shinkin bank agent (meaning the shinkin bank agent prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act (Act No. 238 of 1951); the same applies in Article 62, paragraph (1), item (xv)) engages in shinkin bank agency services (meaning the shinkin bank agency services prescribed in Article 85-2, paragraph (2) of the same Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
 - (ix) when a shinkin bank, etc., as prescribed in Article 85-2-2 of the Shinkin Bank Act, which has filed a notification under the provisions of Article 52-60-2, paragraph (3) of the Banking Act, as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Shinkin Bank Act, engages in shinkin bank agency services;
 - (x) when a long-term credit bank agent (meaning the long-term credit bank agent prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act; the same applies in Article 62, paragraph (1), item (xv)) engages in long-term credit bank agency services (meaning the long-term credit bank agency services prescribed in Article 16-5, paragraph (2) of the same Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
 - (xi) when a long-term credit bank, etc., as prescribed in Article 16-7 of the Long-Term Credit Bank Act, which has filed a notification under Article 52-60-2, paragraph (3) of the Banking Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, engages in long-term credit bank agency services;
 - (xii) when a labor bank agent (meaning the labor bank agent prescribed in Article 89-3, paragraph (3) of the Labor Bank Act (Act No. 227 of 1953); the same applies in Article 62, paragraph (1), item (xv)) engages in labor bank agency services (meaning the labor bank agency services prescribed in

- Article 89-3, paragraph (2) of the Labor Bank Act; the same applies in the following item and Article 62, paragraph (1), item (xv), (a));
- (xiii) when a labor bank, etc., as prescribed in Article 89-4 of the Labor Bank Act, which has filed a notification under the provisions of Article 52-60-2, paragraph (3) of the Banking Act, as applied mutatis mutandis pursuant to Article 94, paragraph 3 of the Labor Bank Act, engages in labor bank agency services;
 - (xiv) when a bank agent (meaning the bank agent prescribed in Article 2, paragraph (15) of the Banking Act; the same applies in Article 62, paragraph (1), item (xv)) engages in bank agency services (meaning the bank agency services prescribed in Article 2, paragraph (14) of the same Act; the same applies in the following item and in Article 62, paragraph (1), item (xv), (a));
 - (xv) when a bank, etc., as prescribed in Article 52-60-2, paragraph (1) of the Banking Act, which has filed a notification under paragraph (3) of that Article, engages in bank agency services;
 - (xvi) when an agricultural cooperative, a fishery cooperative, and a fishery processing cooperative that provide agency services for businesses related to the authorization under Article 42, paragraph (3) of the Act on the Enhancement and Restructuring of Credit Business Conducted by the Norinchukin Bank and Specified Agricultural and Fishery Cooperatives (Act No. 118 of 1996) (referred to below as "agency services under the Enhancement and Restructuring Act" in this Section), engage in agency services under the Enhancement and Restructuring Act;
 - (xvii) when a Norinchukin Bank agent (meaning the Norinchukin Bank agent prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act (Act No. 93 of 2001); the same applies in Article 62, paragraph (1), item (xv) engages in Norinchukin Bank agency services (meaning the Norinchukin Bank agency services prescribed in Article 95-2, paragraph (2) of that Act; the same applies in the following item and in Article 62, paragraph (1), item 15(a));
 - (xviii) when a bank, etc., as prescribed in Article 95-3, paragraph (1) of the Norinchukin Bank Act, which has filed a notification under paragraph (3) of that Article, engages in Norinchukin Bank agency services; and
 - (xix) when a funds transfer service provider engages in funds transfer services as prescribed in Article 2, paragraph (2) of the Payment Services Act.

(Complaint Processing Measures and Dispute Resolution Measures)

Article 47 (1) The complaint processing measures specified by Cabinet Office Order, as prescribed in Article 28 paragraph (1), item (i), (b) of the Act, are any of the following:

- (i) to take all measures stated below:

- (a) to develop a business operation system sufficient to fairly and appropriately perform the business concerning the processing of complaints related to financial service intermediary business operations (meaning the complaints related to the financial service intermediary business operations prescribed in Article 11, paragraph (10) of the Act; the same applies below in this Article and in Chapter IV, Section 2);
- (b) to establish internal rules for the fair and appropriate execution of business concerning the processing of complaints related to financial service intermediary business operations (limited to rules that include provisions clarifying the division of responsibilities with respect to the business within the company);
- (c) to inform customers, etc. (meaning the customers, etc. prescribed in Article 28, paragraph (2) of the Act; the same applies in Chapter IV, Section 2) of the contact information for submitting complaints related to financial service intermediary business operations, and to make public the business operation system referred to in (a) and the internal rules referred to in (b);
- (ii) to handle complaints related to financial service intermediary business operations through complaint resolution conducted by a certified financial service intermediary business association, pursuant to the provisions of Article 43, paragraph (1) of the Act;
- (iii) to take the measures specified in either (a) or (b) below, in accordance with the categories of cases listed in each:
 - (a) when conducting financial service intermediary business operations, other than loan intermediary business operations: to handle complaints related to financial service intermediary business operations through complaint resolution conducted by a financial instruments firms association (meaning the authorized financial instruments firms association prescribed in Article 2, paragraph (13) of the Financial Instruments and Exchange Act, or the certified financial instruments business association prescribed in Article 78, paragraph (2) of that Act; the same applies in item (i) of the following paragraph and Article 113, paragraph (1), item (iv)) or a certified investor protection organization (meaning the certified investor protection organization prescribed in Article 79-10, paragraph (1) of that Act; the same applies in item (i) of the following paragraph and Subsection 5), pursuant to the provisions of Article 77, paragraph (1) of that Act (including as applied mutatis mutandis pursuant to Articles 78-6 and 79-12 of that Act);
 - (b) when conducting loan intermediary business operations: to handle complaints related to financial service intermediary business operations through complaint resolution conducted by a money lenders association

- prescribed in Article 2, paragraph (10) of the Money Lending Business Act, pursuant to the provisions of Article 41-7, paragraph (1) of that Act;
- (iv) to handle complaints related to financial service intermediary business operations through mediation as prescribed in Article 19, paragraph (1), or Article 25 of the Consumer Basic Act (Act No. 78 of 1968);
 - (v) to handle complaints related to financial service intermediary business operations through complaint processing procedures to be implemented by a person specified below, or by a designated person as stated in the items of Article 40 of the Order, depending on the types of business operations listed below:
 - (a) deposit, etc. intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for deposit, etc. brokerage s;
 - (b) insurance intermediary business operations: a designated dispute resolution organization other than one designated for insurance intermediary services;
 - (c) securities, etc. intermediary business operations: a designated dispute resolution organization other than one designated for securities intermediary services;
 - (d) loan intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for money lending business and loan brokerage services; and
 - (vi) complaints related to financial service intermediary business operations are to be handled through complaint processing procedures implemented by a corporation (meaning the corporation prescribed in Article 51, paragraph (1), item (i) of the Act; the same applies in item (v) of the following paragraph), which has the accounting basis and personnel structure necessary to fairly and appropriately conduct the business concerning the processing of complaints related to financial service intermediary business operations.
- (2) The dispute resolution measures specified by Cabinet Office Order, as prescribed in Article 28 paragraph (1), item (i), (b) of the Act, are any of the following:
- (i) where a financial service intermediary conducts financial service intermediary business operations other than loan intermediary business operations, to handle disputes related to financial service intermediary business operations (meaning disputes related to financial service intermediary business operations as prescribed in Article 11, paragraph (11) of the Act; the same applies below in this Article and in Chapter IV, Section 2), through mediation (meaning the mediation prescribed in Article 77-2, paragraph (1) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 78-6 and Article 79-13 of that

- Act); the same applies in Article 113, paragraph (1), item (iv)) conducted by a financial instruments firms association or a certified investor protection organization;
- (ii) to seek resolution of disputes related to financial service intermediary business operations through mediation by an organization under the articles of association prescribed in Article 33, paragraph (1) of the Attorney Act (Act No. 205 of 1949), or under rules established pursuant to the provisions of those articles of association, or through arbitration procedures at the organization;
 - (iii) to seek resolution of disputes related to financial service intermediary business operations through mediation as prescribed in Article 19, paragraph (1), or Article 25 of the Consumer Basic Act, or through resolution by agreement as prescribed in Article 25 of that Act;
 - (iv) to seek resolution of disputes related to financial service intermediary business operations, through dispute resolution procedures to be implemented by a person specified below, or by a designated person as stated in the items of Article 40 of the Order, depending on the types of business operations listed below:
 - (a) deposit, etc. intermediary business operations: a designated dispute resolution organization other than a designated dispute resolution organization for deposit, etc.brokerage;
 - (b) insurance intermediary business operations: a designated dispute resolution organization other than one designated for insurance intermediary services;
 - (c) securities, etc. intermediary business operations: a designated dispute resolution organization other than one designated for securities intermediary services;
 - (d) loan intermediary business operations: a designated dispute resolution organization other than one designated for money lending business and loan brokerage services; and
 - (v) to resolve disputes related to financial service intermediary business operations through dispute resolution procedures implemented by a corporation having the financial basis and personnel necessary to fairly and appropriately conduct the business concerning the resolution of such disputes.
- (3) Notwithstanding the provisions of the preceding two paragraphs (limited to the portions relating to paragraph (1), item (vi) and paragraph (2) item (v)), a financial service intermediary must not attempt to handle complaints related to financial service intermediary business operations or resolve disputes related to financial service intermediary business operations through procedures implemented by a corporation falling under any of the categories:

- (i) a corporation that has been sentenced to a fine under the Act or the Attorneys Act, and five years have not yet passed since the date on which the execution of the sentence was completed or the corporation ceased to be subject to its execution;
- (ii) a corporation whose designation under Article 51, paragraph (1) of the Act was revoked pursuant to the provisions of Article 73, paragraph (1) of the Act, and for which five years have not passed since the date of the revocation, or a corporation whose designation as stated in the items of Article 40 of the Order was revoked, and for which five years have not passed since the date of the revocation;
- (iii) a corporation, any of whose officers in charge of its business (if an officer is a corporation, including any member responsible for performing its duties; the same applies in (b)), falls under any of the following conditions:
 - (a) a person who has been sentenced to imprisonment without work or a more severe punishment, or who has been sentenced pursuant to the provisions of the Act or the Attorney Act, provided that five years have not yet passed since the day on which the person served out the sentence or ceased to be subject to its execution; or
 - (b) a person who was an officer of a corporation whose designation under Article 51, paragraph (1) of the Act was revoked pursuant to the provisions of Article 73, paragraph (1) of the Act, if the person was an officer of the corporation within one month before the revocation and five years have not yet passed since the date of the revocation; or a person who was an officer of a corporation whose designation, as stated in the items of Article 40 of the Order, was revoked, if the person was an officer of the corporation within one month before the revocation and five years have not yet passed since the date of the revocation.

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

(Specified Deposits)

Article 48 The deposits, etc. specified by Cabinet Office Order, as prescribed in Article 52-44, paragraph (2) of the Banking Act, as applied mutatis mutandis, are as follows:

- (i) a deposit, etc. that requires the depositor, etc. (meaning the depositor, etc. prescribed in Article 52-44, paragraph (2) of the Banking Act as applied mutatis mutandis; the same applies in the following Article) to pay a penalty or an equivalent amount (referred to below as a "penalty, etc." in this item) if the depositor, etc. cancels the deposit during the deposit period, and where there is a risk that the amount of the penalty, etc. deducted from the balance

of the deposit, etc. at the time of cancellation may fall below the deposited amount due to fluctuations in interest rates, currency prices, quotations on a financial instruments market, and other indicators;

- (ii) a deposit, etc. that is denominated in a foreign currency; or
- (iii) a deposit, etc. accompanied by a transaction (limited to transactions involving the purchase and sale of currencies) upon acceptance of the deposit, etc., as prescribed in Article 2, paragraph (22), item (iii) (excluding (b)) of the Financial Instruments and Exchange Act.

(Provision of Information to Depositors, etc.)

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

- (i) by clearly indicating the interest rate on the principal deposit, etc.;
- (ii) by clearly indicating the fee related to the deposit, etc. handled by the intermediary;
- (iii) by clearly indicating the deposit, etc. handled by the intermediary that is subject to the payment of insurance proceeds prescribed in Article 53 of the Deposit Insurance Act (Act No. 34 of 1971) or Article 55 of the Agricultural and Fishery Cooperatives Savings Insurance Act (Act No. 53 of 1973);
- (iv) by using a document containing the following particulars as part of the information concerning the contents of a product to provide an explanation (if the particulars to be stated in the document are recorded in an electronic or magnetic record (meaning the electronic or magnetic record prescribed in Article 62, paragraph (8) of the Act; the same applies below in this Chapter and in Article 146, paragraph (4)), including an explanation using the recorded particulars displayed on a computer screen) at the request of depositors, etc., and by delivering that document containing the following particulars:
 - (a) their names (including their aliases);
 - (b) the scope of persons subject to acceptance;
 - (c) the deposit period (including whether it is subject to automatic renewal);
 - (d) the minimum deposit amount, deposit unit, and other particulars concerning deposits;
 - (e) the method of refunding;
 - (f) the method of setting interest, method of payment, method of calculation, and other particulars regarding interest;
 - (g) fees;
 - (h) the particulars related to any special provisions that may be added;

- (i) the processing of cancellations during the deposit period (including the method for calculating interest and fees);
- (j) the particulars prescribed for each of the categories of cases stated below:
 - 1. when a designated dispute resolution organization for deposit, etc. brokerages is designated: the trade name or name of the designated dispute resolution organization for deposit, etc. brokerage that is the counterparty to the basic contract for the implementation of dispute resolution procedures, and with which the financial service intermediary takes measures to conclude such a contract;
 - 2. when there is no designated dispute resolution organization for deposit, etc. brokerage: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary;
- (k) other particulars deemed relevant to deposits, etc.;
- (v) when dealing in products that involve a combination of the following with deposits, etc., and that do not guarantee the full return of the amount paid at the time of deposit at maturity, the following facts and other detailed explanations regarding the product will be provided:
 - (a) a market derivative transaction or a foreign-market derivative transaction, other than those that fall under securities-related derivatives transactions (meaning the securities-related derivatives transactions prescribed in Article 28, paragraph (8), item (vi) of the Financial Instruments and Exchange Act; the same applies in (d) and Article 93, item (xii));
 - (b) a financial derivative transaction;
 - (c) a foreign exchange futures transaction;
 - (d) a securities-related derivative transaction (excluding the transaction stated in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act, or a transaction in a foreign financial instruments market (meaning the foreign financial instruments market prescribed in paragraph (8), item (iii), (b) of that Article; the same applies in (e) and Subsection 5), which is similar to the transaction stated in paragraph (21), item (i) of that Article);
 - (e) a transaction stated in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act, or a similar transaction in a foreign financial instruments market to that stated in that item (limited to the securities stated in paragraph (1), item (i) and item (ii) of that Article, and those stated in item (iii) and item (v) of that paragraph (limited to securities for which the national government guarantees the redemption of principal and interest payments), as well as securities stated in Article 2, paragraph (1), item (xvii) of that Act, concerning those that have the characteristics prescribed in item (i) of that paragraph); or

(vi) when the benchmark for setting interest rates on floating-rate deposits and the method for setting those rates have been established, the appropriate provision of information regarding those benchmarks, methods, and interest rates.

(2) The term "financial derivative transaction" as stated in item (v), (b) of the preceding paragraph means transactions in which the parties agree to pay or receive money based on the difference between a numerical value agreed in advance by the parties as the value of an interest rate, currency prices, commodity prices, the price of carbon dioxide equivalent quotas (meaning the carbon dioxide equivalent quotas prescribed in Article 2, paragraph (7) of the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998), and any similar value; the same applies in item (ii)), or any other indicators, and the actual figure of the indicator at a specified time in the future, or transactions specified below:

(i) commodity derivative transactions (meaning transactions in which the parties mutually agree to pay each other money based on a commodity price agreed upon by them, for a commodity whose quantity is determined by the parties based on the agreed commodity market price, or other similar transactions (limited to the following transactions)):

(a) a transaction settled by payment of the difference;

(b) a sales transaction involving the delivery and receipt of goods and their consideration, which satisfies all of the following requirements:

1. the product related to the transaction will not be held after settlement is completed;
2. the sales transaction does not result in the bearing of any risk that may arise in relation to the custody or transportation of the commodity associated with that transaction;

(ii) a transaction in which the parties mutually agree to make payments based on the market price of carbon dioxide equivalent quotas, the quantities of which the parties have determined, or other similar transactions (limited to the following transactions):

(a) a transaction settled by payment of the difference;

(b) a purchase and sale transaction in which the parties agree to transfer a carbon dioxide equivalent quota and its consideration between them, and which does not result in the holding of the carbon dioxide equivalent quota in relation to that transaction after the completion of the settlement; and

(iii) a transaction in which one party grants the counterparty the right to consummate a transaction, as stated in the preceding two items, between the parties, by one party manifesting the intention, and the counterparty promises to pay the consideration for the granting of the right, and any other similar transaction.

- (3) If a counterparty financial institution has provided information concerning the conclusion of a contract relating to a deposit, etc. to a depositor, etc. by a method stated in the items of paragraph (1), the financial service intermediary is not required to provide such information to the depositor, etc. by the methods stated in the items of paragraph (1), notwithstanding the provisions of that paragraph.

(Prevention of Misidentification as Deposits, etc.)

- Article 50 (1) When a financial service intermediary sells financial instruments (meaning the sale of financial instruments prescribed in Article 3, paragraph (1) of the Act, excluding the acts related to items (i) and (ii) of that paragraph) or acts as an agent or intermediary for the sale, the intermediary must provide an explanation in writing or through other appropriate means to the customer, in order to prevent the customer from misidentifying those financial instruments as deposits, etc., in accordance with the method of business and take into account the customer's knowledge, experience, asset status, and the purpose of the transaction:
- (2) If a financial service intermediary provides the explanation prescribed in the preceding paragraph, the intermediary is to explain the following particulars (excluding those stated in items (iii) and (iv), in the case of corporate bonds (excluding short-term bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares) issued by that intermediary):
- (i) the product is not a deposit, etc.;
 - (ii) the product is not subject to payment of insurance proceeds prescribed in Article 53 of the Deposit Insurance Act or Article 55 of the Agricultural and Fishery Cooperatives Savings Insurance Act;
 - (iii) repayment of the principal is not guaranteed;
 - (iv) parties to the contract; and
 - (v) other particulars deemed relevant to the prevention of misidentification of deposits, etc.
- (3) When a financial service intermediary concludes a trust agreement without an agreement for the compensation of the principal, or acts as an agent or intermediary for the conclusion of such an agreement, it must display, in a place easily seen by customers at its places of business or offices, that the trust agreement does not include an agreement for the compensation of the principal; and, if it concludes a trust agreement concerning a monetary trust without an agreement for the compensation of the principal, or acts as an agent or intermediary for the conclusion of such an agreement (excluding cases stated in each item of Article 78 of the Order for Enforcement of Trust Business Act (Cabinet Office Order No. 107 of 2004)), it must explain the

particulars stated in each item of the preceding paragraph.

(A Person Closely Related to a Financial Service Intermediary)

Article 51 (1) A person closely related to a financial service intermediary, as specified by Cabinet Office Order, which is prescribed in Article 52-45, item (iii) of the Banking Act, as applied mutatis mutandis, is as follows (excluding subsidiary companies of the financial service intermediary):

- (i) a subsidiary corporation, etc. (meaning any person stated in the items of Article 30, paragraph (3) of the Order) of the financial service intermediary;
 - (ii) the parent corporation, etc. of the financial service intermediary (meaning any person stated in Article 30, paragraph (2), items (i) through (iii) of the Order, excluding those stated in the preceding item);
 - (iii) the following company, partnership, or other business entity equivalent to them relating to the financial service intermediary (limited to an individual person; referred to below as an "individual financial service intermediary" in this item) (including equivalent entities in foreign states, but excluding any person stated in the preceding two items; referred to below as a "company, etc." in this item):
 - (a) a company, etc. (including its subsidiary company, etc. and its affiliated company, etc. of that company, etc., as prescribed in Article 30, paragraph (5) of the Order) in which the individual financial service intermediary holds voting rights exceeding 50 percent of the voting rights of all shareholders; or
 - (b) a company, etc. in which the individual financial service intermediary holds voting rights accounting for no less than 20 percent and no more than 50 percent of the voting rights of all shareholders.
- (2) The term "subsidiary company" as used in this Article means any other company in which the company holds a majority of all shareholders' voting rights. In this case, the company itself and one or more of its subsidiary companies, or any other company in which one or more of its subsidiaries hold a majority of the voting rights held by all shareholders, etc., is deemed subsidiary companies of the company.

(Act Unlikely to Lead to Insufficient Customer Protection)

Article 52 The acts provided by Cabinet Office Order as those without risk of lacking the protection of customers as prescribed in Article 52-45, item (iii) of the Banking Act as applied mutatis mutandis, are acts that are not an act as an intermediary for the conclusion of a contract for a loan of funds or discounting of bills and notes arranged on the condition that a financial service intermediary conducts transactions unfairly.

(Specified Related Parties of a Counterparty Financial Institution)

Article 53 A person with a unique relationship to a counterparty financial institution, as specified by Cabinet Office Order, which is prescribed in Article 52-45, item (iv) of the Banking Act, as applied mutatis mutandis, is as follows:

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

(Acts Unlikely to Impair the Sound and Proper Performance of a Counterparty Financial Institution's Services)

Article 54 The acts that are unlikely to impair the sound and proper performance of the services of the counterparty financial institutions, as specified by Cabinet Office Order, which is referred to in Article 52-45, item (iv) of the Banking Act, as applied mutatis mutandis, are acts relating to transactions or actions for which the counterparty financial institution has obtained approval under the proviso to Article 13-2 of the Banking Act (including as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, Article 89, paragraph (1) of the Shinkin Bank Act, Article 94, paragraph (1) of the Labor Bank Act, and Article 6, paragraph (1) of the Act on Financial Businesses by Cooperative), the proviso to Article 11-9 of the Agricultural Cooperatives Act, the proviso to Article 11-15 of the Fishery Cooperatives Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1) of that Act), or Article 59 of the Norinchukin Bank Act.

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

Article 55 The acts specified by Cabinet Office Order, as prescribed in Article 52-45, item (v) of the Banking Act, as applied mutatis mutandis, are as follows:

- (i) an act of failing to convey to a customer, in accordance with the content of its deposit, etc. intermediary business operations, important information in light of that customer's knowledge, experience, asset status, and purpose of

- the transaction, or of disclosing particulars to the customer that may cause misunderstanding;
- (ii) the act of unfairly acting as an intermediary in the conclusion of a contract, as prescribed in any of the items of Article 11, paragraph (2) of the Act, on the condition that the customer conducts a transaction with the company or a business operator designated by that company (excluding those listed in Article 52-45, item (iii) of the Banking Act, as applied *mutatis mutandis*);
 - (iii) an act of unfairly exploiting a superior position in a transaction, as a financial service intermediary, to place a customer at a disadvantage with respect to the conditions or implementation of a transaction;
 - (iv) an act of unfairly causing the customer to conduct a transaction by themselves or through a business operator they designate, on the condition that the business operator acts as an intermediary for the conclusion of a contract prescribed in the items of Article 11, paragraph (2) of the Act;
 - (v) an act of unfairly exploiting a superior position in a transaction regarding concurrent business (meaning business other than services related to deposit, etc. intermediary business operations; the same applies in item (vii)) to place a customer at a disadvantage with respect to the conditions or implementation of a transaction related to deposit, etc. intermediary business operations;
 - (vi) an act of failing to convey important particulars to the counterparty financial institution that may affect its judgment regarding the conclusion of a contract related to deposit, etc. intermediary business operations, or of disclosing false information;
 - (vii) failure to take the following measures:
 - (a) measures to ensure that undisclosed financial information concerning a customer, handled in the course of deposit, etc. intermediary business operations, will not be used for concurrent business (excluding insurance intermediary business operations and business related to insurance solicitation prescribed in Article 2, paragraph (26) of the Insurance Business Act; the same applies in (b)) without obtaining the customer's prior consent in writing or by other appropriate means;
 - (b) measures to ensure that undisclosed information (meaning information obtained in the course of its concurrent business and not publicly disclosed (excluding information prescribed in Article 37 and undisclosed special information prescribed in Article 38; the same applies in (c))) concerning a customer and handled in connection with the concurrent business is not used for deposit, etc. intermediary business operations without obtaining the customer's prior consent in writing or by other appropriate means; and
 - (c) measures to ensure that undisclosed information concerning a customer, handled in the course of the concurrent business, is not provided to a

counterparty financial institution without obtaining the customer's prior consent in writing or by other appropriate means.

Subsection 3 Special Provisions Regarding Insurance Intermediary Business Operations

(Provision of Information to Policyholders and Insured Persons)

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

- (i) providing an explanation through a document that states the following particulars concerning the terms and conditions of, and other information related to, the insurance policy (where the particulars to be stated in a document are recorded in electronic or magnetic form, including providing an explanation by displaying the recorded particulars on a computer screen; the same applies below in this paragraph) and delivering a document that states the following particulars:
 - (a) the structure of the instrument
 - (b) the particulars relating to insurance benefits (including the main grounds for the payment of insurance proceeds, refunds, and other benefits (referred to as "insurance proceeds, etc." in (b)), as well as particulars concerning cases where insurance proceeds, etc. may not be paid);
 - (c) the particulars related to the main special provisions that may be added;
 - (d) the particulars related to the insurance period;
 - (e) the amount of insurance proceeds and other terms related to the underwriting of the insurance policy;
 - (f) the particulars related to the insurance premiums;
 - (g) the particulars related to the payment of insurance premiums;
 - (h) the particulars related to policy dividends;
 - (i) the particulars relating to the cancellation and cancellation refund of the insurance policy;

- (j) the particulars related to the revocation of an offer, etc. for the insurance policy (meaning the revocation of an offer, etc. prescribed in Article 309, paragraph (1) of the Insurance Business Act);
- (k) the particulars related to the announcement to be made by the policyholder or the insured;
- (l) the particulars related to the commencement of insurance liability;
- (m) the particulars related to the grace period for the payment of insurance premiums;
- (n) the particulars related to the expiration or restoration of the insurance policy after its expiration;
- (o) the particulars related to special measures, etc. for the protection of policyholders, etc., such as financial assistance, etc. provided by the Insurance Policyholders Protection Corporation of Japan (meaning the Insurance Policyholders Protection Corporation of Japan prescribed in Article 259 of the Insurance Business Act; the same applies in item (ix));
- (p) the particulars specified in accordance with the categories of cases listed below:
 1. when a designated dispute resolution organization for insurance intermediary services exists: the trade name or name of that organization, which is the counterparty to a basic contract for the implementation of dispute resolution procedures for which the financial service intermediary has taken measures to conclude the basic contract for the implementation of the dispute resolution procedures;
 2. when there is no designated dispute resolution organization for insurance intermediary services: details of the measures for complaint processing procedures and dispute resolution procedures to be taken by the financial service intermediary;
- (q) in addition to the particulars stated in (a) through (p), the particulars necessary for the policyholder or the insured to understand the details of the instruments and the particulars that would serve as reference information for the policyholder or the insured as the particulars that should be noted by the policyholder or the insured, which particularly requires an explanation;
- (ii) an explanation of the particulars that should be referred to when deciding whether to conclude an insurance policy or enroll in an insurance policy, with respect to acts of soliciting a person to enroll in group insurance (meaning group insurance prescribed in Article 294, paragraph (1) of the Insurance Business Act, as applied mutatis mutandis; the same applies to item (c) below and the following paragraph), where the person has acted as an intermediary in concluding the insurance policy, or for other acts

- encouraging a person to enroll in such insurance policy (including acts carried out by persons other than those who have acted as intermediaries in the conclusion of an insurance policy for that group insurance);
- (iii) in the case of acting as an intermediary for the conclusion of the following insurance policies, when there is a method that would contribute to the understanding of the policyholder or the insured concerning the insurance policy, without using the methods stated in the preceding two items, and in light of the characteristics of the insurance policy, such as a method based on the agreement between the policyholder and the insured, the alternative method (in the case of acting as an intermediary for the conclusion of the insurance policy specified in (c), limited to the portion concerning the provision of information to the policyholder related to that insurance policy):
- (a) an insurance policy concerning the insurance stated in Article 3, paragraph (5), item (i) of the Insurance Business Act, which has highly individualized or unusual contents;
 - (b) an insurance policy in which the amount of insurance premiums to be paid each year (or, in the case of an insurance policy with a term of less than one year but renewable, the amount converted to an annual equivalent) does not exceed 5,000 yen;
 - (c) an insurance policy concerning group insurance;
 - (d) an insurance policy that partially amends a previously concluded insurance policy (limited to the portion concerning the amendment);
- (iv) in the case of a financial service intermediary dealing with an insurance policy related to insurance to be underwritten by two or more counterparty financial institutions (meaning the counterparty financial institutions prescribed in Article 300, paragraph (1), item (viii) of the Insurance Business Act, as applied mutatis mutandis; the same applies below in this Subsection and in Article 139, paragraph (2), item (ii)), or their officers or employees, an explanation of the particulars stated in (a) through (c) for the respective cases listed below:
- (a) when the counterparty financial institution intends to provide information comparing the policy contents of one insurance policy related to insurance underwritten by the counterparty financial institution with the policy contents of another insurance contract related to that insurance: the particulars concerning the comparison;
 - (b) in the case of proposing one or more insurance policies for which the conclusion of an insurance contract or subscription to an insurance policy is to be made (referred to below as a "suggested contract" in (c), Article 63 and Article 64, paragraph (2)), the policies are to be suggested by selecting insurance policies that align with the customer's intention from among two or more comparable insurance policies of the same type, concerning the

- insurance underwritten by two or more counterparty financial institutions: an outline of comparable insurance policies of the same type that are in line with the customer's intentions, selected from among the insurance policies handled by the financial service intermediary responsible for the insurance to be underwritten by two or more counterparty financial institutions, and the reasons for the proposal;
- (c) when proposed policies are to be suggested without being selected in accordance with the provisions of (b) from among two or more comparable insurance policies of the same type, concerning the insurance underwritten by two or more counterparty financial institutions: the reasons for the proposal;
- (v) in the case where an explanation is provided regarding the fact that, when an insured event related to the insurance policy has occurred, the person entitled to receive the insurance proceeds may, at their option, receive either the payment of insurance proceeds or the direct payment service (meaning, when the person entitled to receive the insurance proceeds decides to purchase or accept products, rights, or services (referred to below in this item as "products, etc.") handled by a business operator partnered with the counterparty financial institution (referred to below in this item as a "partnered business operator") in exchange for all or part of the insurance proceeds related to the insurance policy, the counterparty financial institution makes a payment of all or part of the insurance proceeds to the partnered business operator instead of the person entitled to receive the insurance proceeds, in consideration of all or part of the products, etc.), and regarding the details or level of products, etc. handled by the partnered business operator, the following applies (limited to cases where the contents or level of the goods, etc., related to the explanation have a material influence on the decision to conclude or subscribe to an insurance policy): the provision of an explanation using a document stating the details or level of the products, etc., or any other necessary particulars, and the delivery of the document;
- (vi) in the case of acting as an intermediary for the conclusion of an insurance policy that promises to use a projected cancellation rate for calculating insurance premiums and promises not to pay any refund for the cancellation of the insurance policy: the provision of an explanation using a document stating that there is no refund for the cancellation of the insurance policy, and the delivery of that document;
- (vii) when acting as an intermediary for the conclusion of an underlying insurance policy (meaning an insurance policy other than a reinsurance policy; the same applies in this item) in Japan (excluding the case of acting as an intermediary for the conclusion of an insurance policy where the

insurer is a small amount or short-term insurance provider), the insurer provides the policyholder with an explanation of the particulars specified in (a) or (b), or a document stating the particulars specified in (a) or (b), in accordance with the categories of the insurance policies (limited to an underlying insurance policy in Japan; the same applies below in this item) in question, or by any other appropriate means:

- (a) insurance policies other than those stated in (b): whether the insurance policy for which the financial service intermediary provides intermediary services for the conclusion falls under the category of a covered insurance policy (meaning the covered insurance policy prescribed in Article 270-3, paragraph (2), item (i) of the Insurance Business Act; the same applies in (a) and item (ix)), or the scope of insurance policies falling under the category of covered insurance policies;
- (b) Underlying life insurance policies, etc. prescribed in Article 1-6, paragraph (2) of the Order on Special Measures for the Protection of Policyholders (Ministry of Finance Order No. 124 of 1998; referred to as the "Protection Order" in (b)), where the insurance period (for an insurance policy where the insurance period is renewable or extendable pursuant to the provisions of an already concluded insurance policy, the total insurance period including the renewed or extended period) exceeds five years (limited to insurance policies for which the projected interest rate is used as the basis for calculating the insurance premiums or the policy reserve (including those for which the projected interest rate prescribed in parentheses in Article 50-5, paragraph (3) of the Protection Order is used)): the particulars stated in 1. and 2. below:
 - 1. the particulars specified in (a);
 - 2. an insurance policy that falls under the category of contracts with a high assumed interest rate, as prescribed in Article 50-5, paragraph (3) of the Protection Order, and an insurance policy related to bankrupt insurance companies, as prescribed in Article 260, paragraph (2) of the Insurance Business Act, are subject to the provisions of Article 50-5, paragraph (2) of the Protection Order (including cases where it is applied mutatis mutandis pursuant to Article 50-11 of the Protection Order), and Article 1-6, paragraph (2) of the Protection Order, or Article 50-14, paragraph (2) of the Protection Order;
- (viii) in the case of providing intermediary services for the conclusion of an insurance policy, which is renewed unless the policyholder expresses otherwise before the expiry date of the insurance period, and in which a small-amount and short-term insurer is the insurer: the provision of an explanation using a document stating that the method of calculating the premium, the amount of insurance, and other matters specified by the

- Commissioner of the Financial Services Agency may be revised for the renewed insurance contract, and the delivery of the document;
- (ix) in the case of acting as an intermediary for the conclusion of an insurance policy in which the insurance company is a small-amount and short-term insurer: the provision of an explanation using a document stating that measures such as financial assistance from the Insurance Policyholders Protection Corporation of Japan are not applicable, and that the contract does not fall under the category of a covered insurance policy, and the delivery of the document;
- (x) in the case of acting as an intermediary for the conclusion of an insurance policy in which the insurer is a small-amount and short-term insurer: the provision of an explanation using a document stating the following particulars, and the delivery of the document:
- (a) the counterparty financial institution is a person that underwrites only insurance for which the insurance period falls within the period specified in Article 1-5 of the Order for Enforcement of the Insurance Business Act (Cabinet Order No. 425 of 1995), and for which the insurance amount is equal to or less than the amount specified in Article 1-6 of that Cabinet Order;
- (b) the total amount of the insured amounts of all insurance policies to be underwritten by the counterparty financial institution for a single insured person must not exceed twenty million yen (or ten million yen with respect to the total insured amounts of each category of insurance stated in Article 1-6, items (i) through (vi) of the Order for Enforcement of the Insurance Business Act); and
- (c) the total insured amount (meaning the total insured amounts for each category of insurance stated in the items of Article 1-6 of the Order for Enforcement of the Insurance Business Act, which are to be underwritten by the counterparty financial institution for a single policyholder) must not exceed the maximum total insured amount (meaning the amount obtained by multiplying the amount stated in the items of that Article for the insurance stated in each item by one hundred (in the case of insurance stated in item (v) of that Article, for insurance other than accidental death insurance subject to adjustment provisions (meaning accidental death insurance subject to the adjustment provisions prescribed in the same item; the same applies below in (c))), 300 million yen; and for accidental death insurance subject to adjustment provisions, the amount calculated by deducting the total of the insured amounts for insurance other than accidental death insurance subject to adjustment provisions from 600 million yen; the same applies in (c))) (this includes ensuring that the total insured amount does not exceed the special maximum total insured

amount (meaning an amount obtained by multiplying the maximum total insured amount by 110 percent (in the case of insurance stated in that item, for insurance other than accidental death insurance subject to adjustment provisions, this means 330 million yen, and for accidental death insurance subject to adjustment provisions, this means 660 million yen, which is the amount calculated by deducting the total of the insured amounts of insurance other than accidental death insurance subject to the adjustment provisions))).

- (2) Notwithstanding the provisions of the preceding paragraph, if a counterparty financial institution or its officer or employee (limited to an insurance agent as prescribed in Article 2, paragraph (23) of the Insurance Business Act) has provided information concerning the conclusion of an insurance policy or the subscription to a group insurance policy to the policyholder or the insured by the method stated in the items of that paragraph (excluding item (iv)), the financial service intermediary or its officer or employee is not required to provide the same information to the policyholder or the insured by the method stated in those items (excluding item (iv)).
- (3) The cases specified by Cabinet Office Order, as prescribed in the proviso to Article 294, paragraph (1) of the Insurance Business Act, as applied *mutatis mutandis*, are as follows:
 - (i) when acting as an intermediary for the conclusion of the following insurance policies (limited to cases relating to the provision of information about the insurance policy to a person other than the policyholder):
 - (a) an insurance policy for which the amount of insurance premiums to be borne by the insured (limited to a person other than the policyholder; the same applies in (b)) is zero;
 - (b) an insurance policy under which the insurance period does not exceed one month and the amount of insurance premiums to be borne by the insured does not exceed 1,000 yen;
 - (c) an insurance policy concerning insurance underwritten incidental to the implementation of events, etc. with respect to the insured (limited to those that do not require the insured (limited to those other than the policyholder) to make a decision concerning the subscription to the insurance policy, and that cover damages, etc. arising from the implementation of events, etc. or are otherwise related to the implementation of such events, etc.);
 - (ii) when acting as an intermediary in the conclusion of an insurance policy that involves making partial changes to an existing policy, and when any of the following applies:
 - (a) when the change does not alter the content of the information provided under paragraph (1) for the existing policy; or

- (b) when the information regarding the amendments has been provided, in accordance with the method stated in paragraph (1), item (iii) (excluding the part concerning the amendments).

(Cases Where Understanding of Intention Is Not Required)

Article 57 The cases specified by Cabinet Office Order, as prescribed in Article 294-2 of the Insurance Business Act, as applied mutatis mutandis, are as follows:

- (i) the cases stated in the items of paragraph (3) of the preceding Article; and
- (ii) when acting as an intermediary for the conclusion of an insurance policy that is required to be concluded by the customer, or to which the customer is required to subscribe pursuant to the provisions of other laws.

(Prohibition of Self-Contract)

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

(Total Amount of Insurance Premiums Related to Self-Contracts)

Article 59 (1) The amount calculated as the total insurance premiums under self-contracts subject to insurance intermediary business operations, as prescribed in Article 295, paragraph (2) of the Insurance Business Act, as applied mutatis mutandis (referred to below as "insurance premiums under a self-contract subject to insurance intermediary business operations" in this paragraph), pursuant to the provisions of Cabinet Office Order, is the amount equivalent to the average annual insurance premiums under self-contract subject to insurance intermediary business operations provided by the financial service intermediary over the most recent two business years (excluding insurance premiums under insurance policies that satisfy all of the following requirements, in cases where the financial intermediary business is the policyholder itself or any of its employees):

- (i) the policyholder has no insurable interest (meaning an economic interest held by the insured in the non-occurrence of the insured event);
- (ii) the insurance premiums are borne by the insured; and
- (iii) there are unavoidable circumstances in designating itself or its employer as the policyholder.

(2) The amount calculated as the total amount of insurance premiums under an insurance policy subject to insurance intermediary business operations, as

prescribed in Article 295, paragraph (2) of the Insurance Business Act, as applied *mutatis mutandis*, pursuant to the provisions of Cabinet Office Order, is the amount equivalent to the average annual insurance premiums under the insurance policy, as provided by the financial service intermediary over the most recent two business years.

- (3) For the purpose of calculating the insurance premiums prescribed in the preceding two paragraphs, if a financial service intermediary provides intermediary services for the conclusion of insurance policies of two or more counterparty financial institutions, the insurance premiums concerning all such counterparty financial institutions are to be totaled.
- (4) The insurance premiums prescribed in paragraphs (1) and (2) are to be calculated based on the amount actually received, and in the case of an insurance policy with an installment payment option, or an insurance policy in which the insurance period exceeds one year, the insurance proceeds are to be based on the annualized amount of insurance premiums.

(Particulars to Be Included in the Written Agreement)

Article 60 The particulars specified by Cabinet Office Order, as prescribed in Article 546, paragraph (1) of the Commercial Code (Act No. 48 of 1899), as applied pursuant to Article 298 of the Insurance Business Act, as applied *mutatis mutandis* (including as applied *mutatis mutandis* pursuant to Article 293 of the Insurance Business Act, as applied *mutatis mutandis*), are as follows:

- (i) the trade name or name and the address of the financial service intermediary;
- (ii) the registration number as referred to in Article 14 paragraph (1), item (ii) of the Act;
- (iii) trade name, business name, or name of the insured person or the person entitled to receive the insurance proceeds;
- (iv) the type of insurance policy and its details;
- (v) the purpose and value of the insurance;
- (vi) the insured amount;
- (vii) the start and end of the insurance period; and
- (viii) the insurance premiums and the methods of their payment.

(Particulars Involving Contingent Amounts)

Article 61 The particulars specified by Cabinet Office Order, as prescribed in Article 300, paragraph (1), item (vii) of the Insurance Business Act, as applied *mutatis mutandis*, are insurance premiums, refunds or any other benefits, or insurance proceeds, the amounts of which depend on the investment performance of assets or other factors.

(Prohibited Acts in Insurance Intermediary Business Operations)

Article 62 (1) The acts specified by Cabinet Office Order, as prescribed in Article 300, paragraph (1), item (ix) of the Insurance Business Act, as applied *mutatis mutandis*, are as follows:

- (i) any act that evades the prohibitions prescribed in Article 300, paragraph (1) of the Insurance Business Act, as applied *mutatis mutandis*, with respect to the activities specified in item (v) of that paragraph, regardless of the name under which the act is carried out;
- (ii) any act by a financial service intermediary that is a corporation to cause, in connection with any insurance other than those designated by the Commissioner of the Financial Services Agency, any of its officers, employees, or any counterparty designated by the Commissioner and having a close relationship with the intermediary, to apply for an insurance policy where the insurer is a life insurance company prescribed in Article 2, paragraph (3) of the Insurance Business Act, a foreign life insurance company, etc. as prescribed in paragraph (8) of that Article, or a small-amount and short-term insurer; or any act of intimidation or unfair use of business status, etc. against other policyholders or insured persons, in order to induce them to apply for insurance policies or to terminate insurance policies already in effect;
- (iii) an act of causing a policyholder to apply for an insurance policy, knowing that any person in a specified relationship (meaning a person in the specified relationship prescribed in Article 100-3 of the Insurance Business Act (including cases applied *mutatis mutandis* pursuant to Article 272-13, paragraph (2) of that Act) and a person in the specified relationship prescribed in Article 194 of that Act) of the insurance company, etc. (meaning the insurance company and a small-amount and short-term insurer; the same applies in items (v) and (vi)) or a foreign insurance company, etc. has extended or has promised to extend credit to the policyholder or insured under that policy on the condition that the policyholder or insured will conclude the insurance policy with that insurance company, etc. or foreign insurance company, etc.;
- (iv) an act of notifying or presenting the policyholder, insured, or an unspecified person with misleading information as to important particulars relating to insurance policies, etc. (meaning the insurance policy as well as contracts under which intermediary service for the conclusion of an insurance policy are provided on behalf of a customer (including a policyholder, etc. other than a customer)) which may affect their respective judgment;
- (v) an act of providing the policyholder with misleading information that may

- create confusion regarding the type of insurance related to the insurance policy, or the trade name or name of the insurance company, etc. or foreign insurance company, etc.;
- (vi) when acting as an intermediary for the conclusion of an insurance policy that involves an option for a lump-sum payment of insurance premiums, in cases where the customer's application for the contract falls under circumstances in which revocation, etc. of the application, as prescribed in Article 309, paragraph (1) of the Insurance Business Act, is not permitted (excluding the cases specified in items (i) through (v) of the same paragraph, the case specified in Article 45, item (vii) of the Order for Enforcement of the Insurance Business Act, and cases where the insurance company, etc. or foreign insurance company, etc. underwriting the insurance policy accepts the revocation, etc. of the application), an act of causing the customer to make an application for the insurance policy without providing an explanation indicating delivery of documents, or without obtaining a signature or seal from the customer, or without taking any other similar measures acknowledging receipt of the documents;
 - (vii) the act of a bank, etc. that is a financial service intermediary, or of its officer or employee (limited to those prescribed in Article 294, paragraph (1) of the Insurance Business Act, as applied *mutatis mutandis*; the same applies below in this Article), acting as an intermediary in the conclusion of an insurance policy as a condition for the provision of credit by that bank, etc., or providing any other intermediary service for the conclusion of an insurance policy while unjustly exploiting the superior position of that bank, etc. in the transaction;
 - (viii) the act of a bank, etc. that is a financial service intermediary, or of its officer or employee, acting as an intermediary in the conclusion of an insurance policy without delivering, in advance, to the customer a document explaining that the transaction concerning such intermediary services will not have any impact on the customer's business;
 - (ix) the act of a bank, etc. that is a financial service intermediary, or of its officer or employee, acting as an intermediary in the conclusion of an insurance policy as stated in Article 20, paragraph (1), item (ii) or items (iv) through (vii), without delivering, in advance, to the customer a document, with an explanation confirming whether the customer falls under a party for whom insurance intermediary services by a bank, etc. are restricted;
 - (x) the act of a bank, etc. that is a financial service intermediary, or of its officer or employee, knowing that a customer has applied to the bank, etc. for the lending of funds or the discounting of negotiable instruments (limited to a loan or discounting of negotiable instruments required for the business of the customer or a closely related person (meaning the representative of a

- corporation when the customer is a corporation (excluding the state, local governments, those specified in the items of Article 4, paragraph (13) of the Order for Enforcement of the Banking Act, and those designated by the Commissioner of the Financial Services Agency; the same applies below in this item) or a corporation when the customer is the representative of the corporation; the same applies in this item and item (xiv)); the same applies in item (xiv)) to the bank, etc., to provide the customer or its closely related person (if the bank, etc. is a cooperative financial institution, excluding customers who are members or partners of the cooperative financial institution or a closely related person) with intermediary services for the conclusion of the insurance policies as stated in Article 20, paragraph (1), item (ii) or items (iv) through (vii) (excluding an insurance policy for the purpose of securing payment of obligations under a monetary loan contract, lease contract, or any other contract (excluding contracts related to funds required for business); and excluding an insurance policy for renewal or novation (a novation excludes any novation for the improvement of insurance benefits such as increase in the amount of insurance proceeds (excluding improvements due to increase in value of the object of the insurance policy or other similar factors) or extension of the insurance period) of an insurance policy already in effect (limited to contracts for which an officer or employee of the bank, etc. has prescribed intermediary services in return for fees or other remuneration));
- (xi) the act of a bank, etc. that is a financial service intermediary, or of its officer or employee, acting as an intermediary in the conclusion of an insurance policy as specified in Article 20, paragraph (1), item (1) (limited to an insurance policy referred to in Article 212, paragraph (1), item (i) of the Regulation for Enforcement of the Insurance Business Act), without delivering a document explaining the contact point within the bank, etc. or another section to be consulted when the policyholder becomes unable to repay the obligation to be covered by the insurance proceeds under the policy;
 - (xii) the act of a specified related party of a bank, etc. that is a financial service intermediary (limited to one conducting insurance intermediary business operations), or of its officers or employees, acting as an intermediary in the conclusion of an insurance policy despite knowing that the bank, etc. has extended or has promised to extend credit to the policyholder or the insured under that insurance policy on the condition that the intermediary services be provided by the specified related party or its officers or employees, or that the bank, etc. is unjustly exploiting its superior position in the transaction;
 - (xiii) the act of a specified related party of a bank, etc. that is a financial service intermediary, or any officer or employee of that party, to providing

- intermediary services for the conclusion of an insurance policy (excluding the insurance policies specified in Article 20, paragraph (1), items (i) and (iii) (in cases where an insurance rider is added to the insurance policy, limited to cases in which the rider is closely related to the terms and conditions of the insurance policy and the amount of insurance premiums and the insurance amount payable under the rider are reasonable in comparison to those payable under the insurance policy); the same applies in the following item), despite knowing that the policyholder or the insured falls under a party for whom insurance intermediary services by the bank, etc. are restricted;
- (xiv) the act of a specified related party of a bank, etc. that is a financial service intermediary, or of its officers or employees, providing the customer or a closely related person (excluding, in the case of a cooperative financial institution, customers who are members or partners of that institution) with intermediary services for the conclusion of an insurance policy, despite knowing that the customer has applied to the bank, etc. for the lending of funds or for the discounting of negotiable instruments;
- (xv) when a financial service intermediary conducts deposit, etc. intermediary business operations, or acts as a financial institution agent (meaning a bank agent, long-term credit bank agent, shinkin bank agent, labor bank agent, credit cooperative agent, specific credit business agent as prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act, specific credit business agent as prescribed in Article 106, paragraph (3) of the Fishery Cooperatives Act, Norinchukin Bank agent, or an agricultural cooperative, fishery cooperative, or fishery processing cooperative conducting agency services under the Enhancement and Restructuring Act; the same applies below in this Article and in Article 118, item (viii)), and fails to take the following measures:
- (a) measures to ensure that undisclosed financial information on a customer, handled in the course of financial institution agency services (meaning deposit, etc. intermediary business operations, bank agency services, long-term credit bank agency services, shinkin bank agency services, labor bank agency services, credit cooperative agency services, specific credit business agency services prescribed in Article 92-2, paragraph (2) of the Agricultural Cooperatives Act, specific credit business agency services prescribed in Article 106, paragraph (2) of the Fishery Cooperatives Act, or Norinchukin Bank agency services; the same applies in (b), as well as Article 111, paragraphs (1) and (2)) (including businesses relating to an agency service under the Enhancement and Restructuring Act (limited to agency services for the receipt of deposits, savings and installment savings, the lending of funds, the discounting of negotiable instruments, or the conclusion of contracts for exchange transactions); the same applies in (b))

- will not be used for insurance intermediary business operations without obtaining prior consent from the customer in writing or by any other appropriate means;
- (b) measures to ensure that undisclosed insurance information on a customer, which it handles in the course of its insurance intermediary business operations, will not be used for any business relating to financial institution agency services without obtaining prior consent from the customer in writing or by any other appropriate means; and
- (xvi) when a financial service intermediary engages in deposit, etc. intermediary business operations or acts as a financial institution agent, failing to take the necessary and appropriate measures to appoint a responsible person to oversee operations and ensure compliance with laws and regulations, etc. relating to the business concerning insurance intermediary business operations (meaning the laws and regulations, dispositions of administrative agencies issued under those laws and regulations, internal rules of the financial service intermediary, or any other rules equivalent to those previously stated; the same applies below in this item) applicable to such operations (or, when the task of ensuring compliance with other laws and regulations is carried out by integrating multiple places of business or offices into a single unit (limited to a unit comprising only those places of business or offices that carry out insurance intermediary business operations), failing to assign a responsible person to each such unit), and failing to take appropriate measures to assign a chief supervisor to the principal place of business or office to supervise the responsible person and to oversee operations to ensure compliance with the laws and regulations, etc. applicable to insurance intermediary business operations.
- (2) The term "specified related party" in items (xii) through (xiv) of the preceding paragraph means a person prescribed in Article 4-2, paragraph (1), items (i) through (x) of the Order for Enforcement of the Banking Act (including as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Order for Enforcement of the Long-Term Credit Bank Act (Cabinet Order No. 42 of 1982); Article 11-2, paragraph (1), item (i) of the Order for Enforcement of the Shinkin Bank Act (Cabinet Order No. 142 of 1968); Article 5-2, paragraph (1), item (i) of the Order for Enforcement of the Labor Bank Act (Cabinet Order No. 46 of 1982); Article 3-2, paragraph (1), item (i) of the Order for Enforcement of the Act on Financial Businesses by Cooperative (Cabinet Order No. 44 of 1982); and the items of Article 55 of the Order for Enforcement of the Agricultural Cooperatives Act (Cabinet Order No. 271 of 1962)) (with respect to item (iii), this is limited to persons stated in Article 10, paragraph (1), item (i) of the Order for Credit Business of Agricultural Cooperatives and Federation of Agricultural Cooperatives (Order of the Ministry of Finance and the Ministry

of Agriculture, Forestry and Fisheries No. 1 of 1993), Article 9, paragraph (1), item (i) of the Order for Enforcement of the Fishery Cooperatives Act (Cabinet Order No. 328 of 1993), Article 8, paragraph (1), item (i) of the Order for Enforcement of the Norinchukin Bank Act (Cabinet Order No. 285 of 2001), and Article 7 paragraph (1), items (i) and (ii) of the Order for Enforcement of the Shoko Chukin Bank Limited Act (Cabinet Order No. 367 of 2007)).

- (3) The provisions of paragraph (1) (limited to the part relating to items (vii) and (xi)) are to apply mutatis mutandis to a financial service intermediary (limited to a person who is a financial institution agent or who conducts deposit, etc. intermediary business operations) or their officers or employees. In this case, the terms "the bank, etc." and "extending credit" in item (vii) of that paragraph are to be replaced with "the financial service intermediary" and "providing agency or intermediary services for the conclusion of a contract for the lending of funds or the discounting of negotiable instruments", respectively; and the term "the bank, etc." in item (xi) of that paragraph is to be replaced with "the financial service intermediary and its principal bank, etc. (meaning the principal bank prescribed in Article 2, paragraph (16) of the Banking Act; a principal long-term credit bank prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act; a principal shinkin bank prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act; a principal labor bank prescribed in Article 89-3, paragraph (3) of the Labor Bank Act; a principal credit cooperative prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperatives; a principal cooperative prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act; a principal cooperative prescribed in Article 106, paragraph (3) of the Fishery Cooperatives Act; the Norinchukin Bank prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act (excluding banks authorized under Article 42, paragraph (3) of the Act on the Enhancement and Restructuring of Credit Business Conducted by the Norinchukin Bank and Specified Agricultural and Fishery Cooperatives (referred to below as the "Enhancement and Restructuring Act" in this paragraph); and the Norinchukin Bank authorized under Article 42, paragraph (3) of the Enhancement and Restructuring Act or a federation of agricultural and fishery cooperative savings credit cooperation prescribed in Article 2, paragraph (2) of the Enhancement and Restructuring Act)), or a counterparty to a contract for the lending of funds or the discounting of negotiable instruments to be concluded by the policyholder through the deposit, etc. intermediary business operations provided by the financial service intermediary".
- (4) The provisions of paragraph (1) (limited to the part relating to item (xii)) are to apply mutatis mutandis to a financial service intermediary (limited to one conducting insurance intermediary business operations) (limited to one that is

a specified related party (meaning a person prescribed in Article 4-2, paragraph (1), items (xi) through (xiii) of the Order for Enforcement of the Banking Act (in the case of a party stated in item (xi), excluding a bank agent prescribed in the same item; and including the cases where these provisions are applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Order for Enforcement of the Long-Term Credit Bank Act); a person prescribed in Article 11-2, paragraph (1), items (ii) through (iv) of the Order for Enforcement of the Shinkin Bank Act (excluding, in the case of item (ii), a Shinkin Bank agent); a person prescribed in Article 5-2, paragraph (1), items (ii) through (iv) of the Order for Enforcement of the Labor Bank Act (excluding, in the case of item (ii), a labor bank agent); a person prescribed in Article 3-2, paragraph (1), items (ii) through (iv) of the Order for Enforcement of the Act on Financial Businesses by Cooperative (excluding, in the case of item (ii), a credit cooperative agent); a person prescribed in Article 10, paragraph (1), items (ii) through (v) of the Order for Credit Business of Agricultural Cooperatives and Federation of Agricultural Cooperatives (excluding, in the case of item (ii), a specified credit service agent; or in the case of item (v), an agricultural cooperative); a person prescribed in Article 9, paragraph (1), items (ii) through (v) of the Order for Enforcement of the Fishery Cooperatives Act (excluding, in the case of item (ii), a specified credit service agent; or in the case of item (v), a fishery cooperative and fishery processing cooperative); a person prescribed in Article 8, paragraph (1), items (ii) through (v) of the Order for Enforcement of the Norinchukin Bank Act (excluding, in the case of item (ii), a Norinchukin Bank agent; or in the case of item (v), an agricultural cooperative, fishery cooperative and fishery processing cooperative); a person prescribed in Article 7, paragraph (1), item (iii) (excluding a cooperative agent, etc. prescribed in that item) and item (iv) of the Order for Enforcement of the Shoko Chukin Bank Act) of a financial institution agent or a specified related party (meaning a person stated in the items of Article 51, paragraph (1)) of a financial service intermediary conducting deposit, etc. intermediary business operations) or their officers and employees. In this case, the phrase "that the bank, etc. has extended or promises to grant credit to the policyholder or insured under an insurance policy" in paragraph (1), item (xii) is deemed to be replaced with "that the financial institution agent or the financial service intermediary that conducts deposit, etc. intermediary business operations has provided, or has undertaken, to provide the policyholder or the insured under the insurance policy, agency or intermediary services for the conclusion of a contract for the or the discounting of negotiable instruments to be implemented by the counterparty to the contract for the lending of funds or the discounting of negotiable instruments, to be concluded by the policyholder or the insured, through the deposit, etc. intermediary business operations provided by its

principal bank, etc. (meaning the principal bank, etc. prescribed in the preceding item, as applied mutatis mutandis in paragraph 3))), or the deposit, etc. intermediation business conducted by the financial service intermediary".

(Prevention of Misunderstanding Relating to Insurance Intermediary Business Operations)

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

(Measures to Ensure the Appropriate Provision of Information for Comparing Contract Terms and Conditions)

Article 64 (1) When a financial service intermediary provides information regarding the terms and conditions of a single insurance policy underwritten by a counterparty financial institution, in comparison with other insurance policies concerning the same type of insurance, it must take appropriate measures to avoid representing or conveying to the policyholder, the insured, or any other unspecified person any message about the comparison that is likely to cause misunderstanding among related persons.

(2) When presenting a proposed contract selected from among two or more comparable insurance policies of the same type underwritten by two or more counterparty financial institutions, a financial service intermediary must take measures to ensure that any necessary explanation regarding the recommendation is provided.

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

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

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

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

- financial institution, the contract stipulates that, once the issue number and number of the securities purchased by the customer are specified, the customer is deemed to have sole ownership of those securities;
- (d) as a method of managing securities, the deposited securities (limited to those jointly held by the counterparty financial institution and the customer) are managed separately from other securities; and
 - (e) the contract will be canceled upon the customer's request.

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

(Contract Types)

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

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

(Particulars to Be Stated in a Document Delivered to a Specific Investor Who Has Made an Application)

Article 67 The particular specified by Cabinet Office Order, as prescribed in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, is that the applicant (meaning the applicant prescribed in the same paragraph) will be treated as a customer, rather than as a professional investor (meaning a professional investor as prescribed in Article 2, paragraph (31) of the Financial Instruments and Exchange Act; the same applies below in this Subsection), with respect to the subject contract (meaning the subject contract prescribed in Article 34-2,

paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis; the same applies in Article 70), only by the financial service intermediary (limited to a person engaging in financial service intermediary business operations related to a specified financial service contract; the same applies below in this Subsection except for Article 69, item (i)) who has approved the request under the same paragraph.

(Provision Using Information and Communications Technology)

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

(Types and Details of Electronic or Magnetic Means)

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

- (i) the methods stated in the items of Article 2, paragraph (1), or the items of Article 71, paragraph (1), to be used by a financial service intermediary;
- (ii) the method of recording information in a file.

(Particulars to Be Stated in the Written Consent of a Person Applying for Reinstatement as a Professional Investor)

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

- (i) the date on which acceptance is to be given under Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis (referred to below as the "date of acceptance" in items (iv) and (v));
- (ii) the type of contract to which the subject contract belongs (meaning the type of contract prescribed in Article 34 of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies below in this Subsection);
- (iii) a statement that the applicant for reinstatement (meaning the applicant for reinstatement prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis; the same applies below in this Article) understands the following particulars:
 - (a) the provisions stated in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act, as applied mutatis

- mutandis, do not apply when the person applying for reinstatement is any person specified in those items, with respect to the subject contract (excluding cases prescribed in the proviso to the same Article);
- (b) when a person who is deemed inappropriate to be treated as a professional investor with regard to the subject contract, in light of the person's knowledge, experience, and asset status, is treated as a professional investor in relation to the subject contract, the protection of the person may be impaired;
 - (iv) the applicant for reinstatement will again be treated as a professional investor in the case of soliciting or acting as an intermediary in the conclusion of the subject contract on or after the date of acceptance;
 - (v) the fact that the applicant for reinstatement may make an application under Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, at any time on or after the date of acceptance.

(Obtaining Consent Using Information and Communications Technology)

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

- (i) the following methods of using an electronic data processing system:
 - (a) transmitting the information via a telecommunications line connecting a computer used by the financial service intermediary and a computer used by the party from whom consent is to be obtained under Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as applied mutatis mutandis (the party is referred to below as the "customer" in (b)), and recording the information in a file stored on a computer used by the recipient;
 - (b) a method of making the particulars concerning the customer's consent—which are recorded in a file stored on a computer used by the financial service intermediary—available for the customer's inspection via a telecommunications line, and recording those particulars in a file stored on a computer used by the financial service intermediary;
- (ii) a method of obtaining a file—prepared using an electronic or magnetic recording medium—that records the particulars concerning the customer's consent.

- (2) The methods stated in the items of the preceding paragraph must enable a financial service intermediary to produce a document by printing the information recorded in a file.

(Expiration Date for Deeming a Corporate Customer Other Than a Professional Investor as a Professional Investor)

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

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

(Particulars to Be Stated in a Document Indicating Consent by a Corporate Customer Other Than a Professional Investor Who Has Made an Application)

Article 73 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 34-3, paragraph (2), item (iv), (a) of the Financial Instruments and Exchange Act as applied mutatis mutandis, are the facts that the provisions stated in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis do not apply when the applicant (meaning the applicant prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in the following paragraph) falls under any of the persons specified in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act as applied mutatis mutandis with respect to the subject contract (meaning the subject contract prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as applied mutatis mutandis; the same applies in the following

paragraph and in Article 75) (excluding the cases prescribed in the proviso to Article 45 of the same Act as applied mutatis mutandis).

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

- (i) With respect to any act related to the subject contract (excluding an investment advisory contract and a discretionary investment contract) for which the financial service intermediary provided intermediary services for its conclusion before the expiration date, the applicant will be treated as a professional investor, even if the act is performed after the expiration date, provided that the act is carried out pursuant to the provisions of laws and regulations or the terms of the contract;
- (ii) when the type of contract related to the request prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, falls under any of the cases stated in Article 66, items (iii) and (iv), and the act relates to the subject contract (limited to an investment advisory contract and a discretionary investment contract), the applicant is treated as a professional investor, only with respect to acts performed pursuant to the provisions of laws and regulations or the provisions of the contract, and only if such acts are conducted before the expiration date;
- (iii) the applicant will be treated as a professional investor with respect to the subject contract, only by the financial service intermediary that has approved the request pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis;
- (iv) the applicant may make a request under Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, at any time on or after the date of acceptance.

(Period Required for Renewal Application by a Corporate Customer Other Than a Professional Investor Who Has Made an Application)

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

- (i) when the period between the date of acceptance and the expiration date is less than one year (excluding the case stated in the following item): the period obtained by subtracting one month from that period;
 - (ii) when the period between the date of acceptance and the expiration date does not exceed one month: a period of one day.
- (2) With respect to the application of the provisions of the preceding paragraph

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

(Particulars to Be Stated in a Document to Be Delivered to a Corporation Requesting Reinstatement as a Customer Other Than a Professional Investor)

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

- (i) the date on which acceptance is given under Article 34-3, paragraph (10) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (referred to below as the "date of acceptance" in item (iii));
- (ii) the contract type to which the subject contract belongs;
- (iii) when a solicitation or intermediation for the conclusion of a subject contract is conducted after the date of consent, a corporation that has made an application pursuant to the provisions of Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, will once again be treated as a customer other than a specified investor.

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

Article 76 (1) An individual specified by Cabinet Office Order, as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, is one who meets any of the following requirements:

- (i) the individual has not obtained consent of all silent partners to make a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis;
 - (ii) the total amount of the equity investment under the silent partnership contract (meaning the silent partnership contract prescribed in Article 535 of the Commercial Code) concluded by the individual is less than 300 million yen.
- (2) The individuals specified by Cabinet Office Order, as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are as follows:
- (i) an individual who has concluded a partnership contract (meaning the partnership contract prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896)) and has become a partner entrusted with managing the business operations of the partnership (limited to an

individual who meets both of the following requirements):

- (a) the individual has obtained the consent of all other partners to make a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis;
 - (b) the total amount of equity investment under the partnership contract is 300 million yen or more;
- (ii) an individual who is a member of a limited liability partnership agreement (meaning a limited liability partnership agreement as prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005)), who is involved in decision-regarding the execution of important business operations of the partnership, and who also personally executes those business operations (limited to an individual who satisfies both of the following requirements):
- (a) the individual has obtained consent of all other partners to make a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis;
 - (b) the total amount of equity investment under the limited liability partnership agreement is 300 million yen or more.

(Individuals Eligible to Request Treatment as a Professional Investor)

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

- (i) based on a reasonable judgement in light of the circumstances of the transactions or any other relevant factors, the amount obtained by deducting the total liabilities of the applicant (meaning the applicant prescribed in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis; the same applies below in this Article and Article 79) from the total assets of the applicant as of the date of acceptance (meaning the date of acceptance prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, and is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis; the same applies below in this Article through Article 80) is expected to be 300 million yen or more;
- (ii) based on a reasonable judgement in light of the circumstances of the transactions or any other relevant factors, the total amount of the assets (limited to the assets stated as follows) of the applicant as of the date of acceptance is expected to be 300 million yen or more:
 - (a) securities (excluding those listed in (e) and (f) (limited to those under

- contracts concluded with a special enterprise as prescribed in Article 2, paragraph (9) of the Real Estate Specified Joint Enterprise Act (Act No. 77 of 1994)) and those falling under (h));
- (b) rights related to derivatives transactions as prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act;
 - (c) specified deposits, etc. prescribed in Article 13-4 of the Banking Act; specified deposits, etc. prescribed in Article 17-2 of the Long-Term Credit Bank Act; specified deposits, etc. prescribed in Article 89-2, paragraph (1) of the Shinkin Bank Act; specified deposits, etc. prescribed in Article 94-2 of the Labor Bank Act; specified deposits, etc. prescribed in Article 6-5-11, paragraph (1) of the Act on Financial Businesses by Cooperatives; specified deposits, etc. prescribed in Article 11-5 of the Agricultural Cooperatives Act; specified deposits, etc. prescribed in Article 11-11 of the Fishery Cooperatives Act; specified deposits, etc. prescribed in Article 59-3 of the Norinchukin Bank Act; and specified deposits, etc. prescribed in Article 29 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007) (collectively referred to as "specified deposits, etc." in Article 93, items (xii) and (xviii));
 - (d) rights related to benefits such as insurance proceeds, mutual aid benefits, and refunds payable under a specified insurance contract (meaning the specified insurance contract prescribed in Article 300-2 of the Insurance Business Act; the same applies below in this Subsection), a specified mutual aid contract prescribed in Article 11-27 of the Agricultural Cooperatives Act, a specified mutual aid contract prescribed in Article 12-3, paragraph (1) of the Consumer Cooperatives Act (Act No. 200 of 1948), a specified mutual aid contract prescribed in Article 15-12 of the Fishery Cooperatives Act, and a specified mutual aid contract prescribed in Article 9-7-5, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act;
 - (e) a beneficial interest in a trust relating to a specific trust agreement as prescribed in Article 24-2 of the Trust Business Act (excluding those falling under (h));
 - (f) rights under a real estate specified joint enterprise contract, as prescribed in Article 2, paragraph (3) of the Real Estate Specified Joint Enterprise Act;
 - (g) rights related to transactions in a commodity market as prescribed in Article 2, paragraph (10) of the Commodity Derivatives Transaction Act (Act No. 239 of 1950)), foreign commodity market transactions as prescribed in paragraph (13) of the same Article, and over-the-counter commodity derivatives transactions as prescribed in paragraph (14) of the same Article;
 - (h) those stated in each item of Article 43 of the Cabinet Office Order on

Electronic Payment Instruments Service Providers (Cabinet Office Order No. 48 of 2023);

- (iii) one year has passed since the day on which the applicant first concluded a specified financial service contract of the same type as the contract relating to the request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, through a financial service intermediary.

(Expiration Date When an Individual Who Is a Customer Other Than a Professional Investor Is Deemed to Be a Professional Investor)

Article 78 (1) The case specified by Cabinet Office Order, as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, is the case in which a financial service intermediary designates a specified date and provides the following particulars, either by posting them in a location easily visible to the public at its place of business or office, or by other appropriate means:

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

(Particulars to Be Stated in the Written Consent of an Individual Customer Other Than a Professional Investor Who Has Made an Application)

Article 79 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 34-3, paragraph (2), item (iv), (a) of the Financial Instruments and Exchange Act, as applied mutatis mutandis to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, mean that the provisions stated in each item of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis (excluding items

3 and 4), do not apply in cases where the applicant is a person specified in the relevant item regarding a subject contract (meaning the subject contract as prescribed in item (2) of that paragraph; the same applies in the following paragraph and Article 81) (except in the cases prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*).

(2) The particulars specified by Cabinet Office Order, as prescribed in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, are as follows:

- (i) with respect to any act related to the subject contract (excluding an investment advisory contract and a discretionary investment contract) for which the financial service intermediary provided an intermediary services for the conclusion before the expiration date, and which is conducted in accordance with the provisions of applicable laws and regulations or the provisions of the contract, the applicant is treated as a professional investor, even if that act is conducted after the expiration date;
- (ii) when the type of contract relating to the request prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* pursuant to Article 34-4, paragraph (6) of the same Act, as applied *mutatis mutandis*, falls under any of the cases stated in Article 66, items (iii) and (iv), and regarding any act relating to the subject contract (limited to an investment advisory contract and a discretionary investment contract), the applicant will be treated as a specified investor only for actions taken on or before the expiration date, in accordance with the provisions of applicable laws and regulations or the provisions of the contract;
- (iii) the applicant will be treated as a professional investor regarding the subject contract only by the financial service intermediary that has approved the request under Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* pursuant to Article 34-4, paragraph (6) of the same Act, as applied *mutatis mutandis*;
- (iv) the applicant may make a request under Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, at any time on or after the date of acceptance.

(Period Required for Renewal Application by an Individual Customer Other Than a Professional Investor Who Has Made an Application)

Article 80 (1) The period specified by Cabinet Office Order, as prescribed in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, which is, in turn, applied *mutatis mutandis*

pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis, is to be eleven months (in the cases stated in the following items, the period is to be as specified in each respective item):

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

(Matters to Be Stated in Documents to Be Delivered to an Individual Who Made a Request for Reinstatement as a Customer Other Than a Professional Investor)

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

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

(Acts Similar to Advertising)

Article 82 The acts specified by Cabinet Office Order, as prescribed in the paragraphs of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are to be the provision of identical information to multiple persons by any of the following means: postal mail; correspondence delivery (meaning the correspondence delivery prescribed in Article 2,

paragraph (2) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002). provided by a general correspondence delivery operator prescribed in paragraph (6) of the same Article or a specified correspondence delivery operator prescribed in paragraph (9) of the same Article); transmission by facsimile devices; electronic mail transmission (meaning electronic mail as prescribed in Article 2, item (i) of the Act on Regulation of Transmission of Specified Electronic Mail); distribution of leaflets or pamphlets; or any other means (excluding those stated below):

- (i) distribution of documents prepared based on laws and regulations, or dispositions rendered by administrative agencies under laws and regulations;
- (ii) distribution of materials concerning the analysis and appraisal of individual companies that are not used for soliciting the conclusion of a specified financial service contract;

(iii) a method of providing a premium or other goods that only indicate all of the particulars specified in (a) or (b) below, in accordance with the category of the specified financial service contract as specified in the following items (a) or (b), respectively (limited to premiums or other goods clearly and accurately indicating the particulars stated in (a), 2. through 4., or (b), 2. through 4.) (when any of the following particulars is not indicated on the premiums or other goods, including cases where those premiums or other goods are provided together with another item on which the particulars are displayed as a single item):

(a) a contract for a specified deposit, etc.: the following particulars:

1. the name of the financial instrument (including an alias);
2. the trade name, name, or alias of the financial service intermediary that provides identical information to multiple persons by the methods prescribed in this item;
3. the particulars stated in Article 35, paragraph (2), item (i) of the Order (limited to cases where the letters or numerical characters representing those particulars are displayed in a size that does not differ substantially from the size of the largest letters or numerical characters representing other particulars; the same applies in (b), 3.);
4. a notice that the details of any of the following documents should be read thoroughly:
 - i. the document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (referred to below as the " document to be delivered prior to conclusion of contract " in this Subsection);
 - ii. the document related to a foreign currency deposit, etc., as prescribed in Article 90, paragraph (1), item (i);
 - iii. the explanatory document concerning changes to contract information,

- as prescribed in Article 90, paragraph (1), item (iii), (b);
- (b) a specified financial service contract (excluding a contract for a specified deposit, etc. and a specified insurance contract; the same applies in 1., i.): the following particulars:
1. the name, issue name, or alias of any of the following:
 - i. the specified financial service contract or its type;
 - ii. securities or their types;
 - iii. the particulars equivalent to those stated in i. and ii.;
 2. the trade name, name, or alias of the financial service intermediary that provides identical information to multiple persons by the methods prescribed in this item;
 3. the particulars stated in Article 35, paragraph (2), item (i) of the Order;
 4. a notice that the details of any of the following documents should be read thoroughly:
 - i. the document to be delivered prior to conclusion of contract ;
 - ii. the explanatory document on listed securities, etc. prescribed in Article 91, paragraph (1), item (i);
 - iii. the prospectus prescribed in Article 91, paragraph (1), item (iii) (when there is any document to be delivered as an integral part of the prospectus under the same item, both the prospectus and such document);
 - iv. the explanatory document concerning changes to contract information prescribed in Article 91, paragraph (1), item (iv), (b).

(Method of Indicating the Details of the Financial Service Intermediary Business Operations in Advertisements Related to a Specified Financial Service Contract)

- Article 83 (1) When engaging in advertising or any acts prescribed in the preceding Article (referred to below as "advertising, etc." in this Subsection) regarding the details of its financial service intermediary business operations related to a specified financial service contract, a financial service intermediary must clearly and accurately indicate the particulars stated in the items of Article 37, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis.
- (2) When engaging in advertising, etc. regarding the details of its financial service intermediary business operations related to a specified financial service contract, a financial service intermediary is to indicate the particulars stated in Article 35, paragraph (1), item (ii) of the Order, using letters or numerical characters in a size that is not significantly different from the size of the largest letters or numerical characters representing other particulars.
- (3) When a financial service intermediary intends to advertise the details of its

financial service intermediary business operations related to a specified financial service contract by having it broadcast via the broadcasting facilities of a basic broadcaster (meaning the basic broadcaster prescribed in Article 2, item (xxiii) of the Broadcast Act (Act No. 132 of 1950), excluding the Japan Broadcasting Corporation and the Open University of Japan (meaning the Open University of Japan prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002)); the same applies in Article 86, paragraph (1), item (ii)), or by any of the methods stated in the items of the same paragraph (excluding the method of sound broadcasting), notwithstanding the provisions of the preceding paragraph, the financial service intermediary is to indicate the particulars stated in Article 35, paragraph (2), item (i) of the Order, using letters or numerical characters in a size that is not significantly different from the size of the largest letters or numerical characters representing other particulars.

(Particulars Concerning Consideration Payable by Customers)

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

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

relating to those target investment trust beneficial interests, etc.

- (3) When the property relating to the target investment trust beneficial interests, etc. stated in the preceding paragraph is to be invested or contributed in other investment trust beneficial interests, etc., those other investment trust beneficial interests, etc. are considered target investment trust beneficial interests, etc., and the provisions of the preceding two paragraphs are applied to them.
- (4) The provisions of the preceding paragraph apply *mutatis mutandis* when the property relating to investment trust beneficial interests, etc. that were considered target investment trust beneficial interests, etc. pursuant to the provisions of the same paragraph (including as applied *mutatis mutandis* pursuant to this paragraph) is to be invested in or contributed to other investment trust beneficial interests, etc.

(Material Particulars That Impact Customers' Judgment)

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

- (i) facts disadvantageous to a customer concerning important particulars related to the specified financial service contract; and
- (ii) when the financial service intermediary is a member of a certified financial service intermediary business association, a statement confirming this and the name of the association.

(Methods Equivalent to Broadcasting via the Broadcasting Facilities of a Basic Broadcaster)

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

- (i) a method of broadcasting using broadcasting facilities of a general broadcaster, as prescribed in Article 2, item (xxv) of the Broadcast Act;
- (ii) the method of allowing customers to inspect the details of the information recorded in a file stored on a computer used by the financial service intermediary or by a person entrusted with business operations related to advertising, etc. to be engaged in by that financial service intermediary (limited to information identical to that provided through broadcasting using the facilities of a basic broadcaster or by the method stated in the preceding item), via a telecommunications line;
- (iii) the method of displaying an indoor or outdoor advertisement to the public regularly or continuously for a specified period of time, by posting or displaying it on signboards, standing signboards, bills, notices, advertising towers, billboards, buildings, or any other structures, or by any other similar methods.

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

(Particulars for Which Exaggerated Advertisement is Prohibited)

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

- (i) the particulars concerning the cancellation of a specified financial service contract (in the case of a specified financial service contract (excluding a contract for a specified deposit, etc. and a specified insurance contract; the same applies in item (v), (a)), including particulars concerning the provisions of Article 37-6, paragraphs (1) through (4) of the Financial Instruments and Exchange Act (including cases where Article 31, paragraph (2) of the Act applies *mutatis mutandis* in the case of paragraphs (3) and (4));
- (ii) the particulars concerning the bearing of all or part of the losses or the guarantee of profits relating to a specified financial service contract;
- (iii) the particulars concerning the amount of liquidated damages (including penalties) relating to a specified financial service contract;
- (iv) the particulars concerning the amount of fees, etc. payable by customers in connection with a specified financial service contract, or the method of calculation of such fees, as well as the method and timing of the payment of the fees, etc. and the payee of the fees, etc.;
- (v) when engaging in advertising, etc. concerning the securities, etc. intermediary business operations, the following particulars:
 - (a) the particulars concerning a financial instruments market related to a specified financial service contract, or any other similar market located in a foreign state;
 - (b) the particulars concerning a counterparty financial institution (meaning the counterparty financial institution prescribed in Article 37-3, paragraph (1), item (i) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*; the same applies below in this Subsection, and in Article 139, paragraph (3), items (i) and (ii), and paragraph (4), item (ii)), as well as the particulars concerning the financial resources or credit of a financial service intermediary;
 - (c) the particulars concerning the track record of a counterparty financial institution's financial instruments business (in the case of a registered financial institution (meaning the registered financial institution business operations prescribed in Article 2, paragraph (11) of the Financial Instruments and Exchange Act; the same applies in Article 98, paragraph (2) and Article 104, paragraph (2)), the performance of the registered

- financial institution, and the track record of the financial service intermediary's securities, etc. intermediary business operations;
- (d) when engaging in advertising, etc. for an investment advisory contract, the particulars concerning the details and methods of the advisory services;
- (e) when engaging in advertising, etc. for a discretionary investment contract, the particulars concerning the details and methods of investment decisions;
- (f) when engaging in advertising, etc. for the securities, etc. intermediary business operations regarding electronically recorded transferable rights to be indicated on securities, etc. (meaning the rights prescribed in Article 29-2, paragraph (1), item (viii) of the Financial Instruments and Exchange Act; the same applies in (f) and in Article 95, paragraph (1), item (ii)), the following particulars are included:
1. the nature of the electronically recorded transferable rights to be indicated on securities, etc.;
 2. the particulars concerning the mechanism for holding or transferring electronically recorded transferable rights to be indicated on securities, etc.

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

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

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified in the following items, in accordance with the category of specified financial service contracts stated in each item, are to be clearly and accurately stated—within the frame of document to be delivered prior to conclusion of contract, and after the particulars prescribed in the following paragraph—using letters and numerical characters larger than 12-point, as prescribed in Z8305 of the Japanese Industrial Standards:

- (i) a contract for a specified deposit, etc.: an outline of the particulars stated in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, as well as the particulars stated in item (v) of the same paragraph and in Article 93, item (xi);

- (ii) a contract for specified deposit, etc. (excluding a contract for a specified deposit, etc. and a specified insurance contract): an outline of the particulars stated in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, as well as the particulars stated in item (v) of the same paragraph and in Article 94, items (ii), (iii), and (vi).
- (3) When preparing a document to be delivered prior to conclusion of contract, a financial service intermediary is to indicate, in plain language, especially important particulars that may affect a customer's decisions, using letters and numerical characters of 12-point or larger, as prescribed in Z8305 of the Japanese Industrial Standards. This applies mutatis mutandis to the particulars stated in Article 93, item (i) or Article 94, item (i), as well as the particulars stated in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act.

(Method of Providing Information)

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

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

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

- (i) when, within one year before the conclusion of the contract for a specified deposit, etc. relating to a foreign currency deposit, etc., the financial service intermediary has delivered to the customer a document in which the particulars stated in Article 37-3, paragraph (1), items (i) through (v) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, and the particulars stated in Article 93, items (i), (xi), (xvi) and (xvii) are stated with respect to that contract for a specified deposit, etc. by a method equivalent to that prescribed in Article 88 (referred to below as a "document related to foreign currency deposit, etc." in this Subsection) (limited to cases where the customer has expressed the intent not to require delivery of the document to be delivered prior to conclusion of contract);
- (ii) when a financial service intermediary has delivered to the customer a document to be delivered prior to conclusion of contract relating to another

- specified contract for deposit, etc. within one year before the conclusion of the contract for a specified deposit, etc., which is identical to that contract for a specified deposit, etc. (including situations where the financial service intermediary has not delivered a document to be delivered prior to conclusion of contract relating to that other contract for a specified deposit, etc., pursuant to the provisions of the preceding item);
- (iii) when acting as an intermediary for the conclusion of a contract for a specified deposit, etc. for the purpose of partially amending an already concluded contract for a specified deposit, etc., and the following conditions are met:
- (a) when no change is required to the particulars stated in the document to be delivered prior to conclusion of contract for a specified deposit, etc. that has already been entered into, as a result of that change;
- (b) when, due to the change, there is a need to amend the particulars stated in the document to be delivered prior to conclusion of contract for a specified deposit, etc. that has already been entered into, and a document stating the particulars subject to the change (referred to below as an "explanatory document concerning changes to contract information" in item (v) and Article 110, item (ii)) has been delivered to the customer;
- (iv) regarding the conclusion of a contract for a specified deposit, etc., if the counterparty financial institution to the contract for a specified deposit, etc. has delivered the document prescribed in the main clause of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act to the customer, as applied mutatis mutandis in accordance with Article 13-4 of the Banking Act, Article 17-2 of the Long-Term Credit Bank Act, Article 89-2 of the Shinkin Bank Act, Article 94-2 of the Labor Bank Act, Article 6-5-11 of the Act on Financial Businesses by Cooperatives, Article 11-5 of the Agricultural Cooperatives Act, Article 11-11 of the Fishery Cooperatives Act (including as applied mutatis mutandis in accordance with Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1) of that Act), or Article 59-3 of the Norinchukin Bank Act (limited to a document in which the particulars stated in Article 37-3, paragraph (1), items (i) and (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, and in Article 93, items (xv) through (xvii) are also stated), pursuant to the provisions of the main clause of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis;
- (v) when the financial service intermediary has provided important information in a simple manner and has also given the customer with an explanation regarding the particulars stated in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (in the case prescribed in item

- (iii), (b), limited to the particulars relating to the change stated in the same item), in a manner and to the extent necessary to ensure that the customer understands, in light of the customer's knowledge, experience, asset status, and the purpose of concluding the contract for a specified deposit, etc. (when the financial service intermediary has provided the customer with the particulars to be stated in a document to be delivered prior to conclusion of contract (in the case of acting as an intermediary for the conclusion of a contract for a specified deposit, etc. relating to a foreign currency deposit, etc., in document to be delivered prior to conclusion of contract or a document related to foreign currency deposit, etc., and in the case prescribed in item (iii), (b), in a document to be delivered prior to conclusion of contract or an explanatory document concerning changes to contract information; the same applies below in this item and in paragraph (4), items (ii) and (iii)) by making them available for customer inspection using an electronic data processing system, and the customer has not requested the delivery of a document to be delivered prior to conclusion of contract, only when all of the following requirements are satisfied):
- (a) the particulars to be stated in the document to be delivered prior to conclusion of contract have been displayed in a location easily visible to the customer on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88 (excluding cases where the method of making them available for customer inspection conforms to the criteria stated in Article 2, paragraph (2), item (i));
 - (b) measures have been taken to ensure that the customer can easily inspect the particulars to be included in the document to be delivered prior to conclusion of contract at all times for five years from the date on which the last transaction was conducted (or, if a complaint concerning those particulars is filed before the end of that period, until either the last day of that period or the day on which the complaint is resolved, whichever is later).
- (2) When, within one year from the date of delivery of a document related to a foreign currency deposit, etc. (including the date on which such a document is deemed to have been delivered under this paragraph), a financial service intermediary has provided intermediary services for the conclusion of a contract for a specified deposit, etc. relating to a foreign currency deposit, etc. (limited to cases where the customer has expressed the intent not to require delivery of the document to be delivered prior to conclusion of contract), the document related to the foreign currency deposit, etc. is deemed to have been delivered on the date of the conclusion of that contract for a specified deposit, etc., and the provisions of item (i) of the preceding paragraph apply.
- (3) When, within one year from the date of delivery of a document to be delivered

prior to conclusion of contract (including the date on which a contract for a specified deposit, etc. was concluded, in cases where a document to be delivered prior to conclusion of contract is not delivered for the contract for a specified deposit, etc. under paragraph (1), item (i), and the date on which document to be delivered prior to conclusion of contract is deemed to have been delivered under this paragraph), a financial service intermediary has provided intermediary services for the conclusion of another contract for a specified deposit, etc. with the same content as the contract for a specified deposit, etc. relating to the document to be delivered prior to conclusion of contract, that document is deemed to have been delivered on the date of the conclusion of that other contract, and the provisions of paragraph (1), item (ii) apply.

- (4) The "provision, etc. of important information in a simple manner" stated in paragraph (1), item (v) means either delivering a document that states the following particulars in a simple manner, or providing the particulars to be stated in such a document by electronic or magnetic means, and giving explanations of these particulars (including responding to customers' questions based on the examples of questions stated in item (i)):
- (i) an outline of the major particulars stated in the items (excluding item (vi)) of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (in the case prescribed in paragraph (1), item (iii), (b), limited to the particulars related to the change stated in the same item) that contribute to customers' decisions regarding the conclusion of a contract for a specified deposit, etc., as well as examples of related questions;
 - (ii) the information necessary to receive the particulars to be stated in the document to be delivered prior to conclusion of contract of a contract, as well as the details of the particulars to be provided, should be read thoroughly;
 - (iii) a document to be delivered prior to conclusion of contract will be delivered upon the customer's request.

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

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

- (i) in cases where a document containing the particulars stated in Article 37-3, paragraph (1), items (i) through (v), and Article 94, items (i) through (iii),

- items (viii), (xi), and (xii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, in relation to a specified financial services contract, has been prepared using methods equivalent to those prescribed in Article 88 (referred to below in this Article and Article 111, paragraph (1), item (i), (b) as "document concerning listed securities, etc."), and has been delivered concerning the following securities: securities listed on a financial instruments exchange (as defined in Article 2, paragraph (16) of the Financial Instruments and Exchange Act; the same applies below in this Section), over-the-counter traded securities (as defined in Article 8, paragraph (10), (c) of the same Act; the same applies in Article 111, paragraph (1), item (xv) and Article 118, item (iv) (excluding securities designated by the Commissioner of the Financial Services Agency); securities listed on an exchange similar to a financial instruments exchange located in a foreign country; or securities listed on a market similar to an over-the-counter traded securities market (as defined in Article 67, paragraph (2) of the same Act; the same applies in Article 111, paragraph (1), item (xv) and paragraph (3)) located in a foreign country; when, within one year before the conclusion of a specified financial services contract related to the purchase, sale, or other transactions in securities (excluding securities designated by the Commissioner of the Financial Services Agency) (referred to below in this Article as "purchase and sale of listed securities, etc.");
- (ii) when, within one year before the conclusion of the specified financial service contract involving the purchase, sale, or other transactions in securities, the financial service intermediary has delivered to the customer a document to be delivered prior to conclusion of contract relating to another specified financial service contract with the same content as the specified financial service contract;
 - (iii) when the financial service intermediary has delivered a prospectus to the customer (meaning the prospectus prescribed in Article 2, paragraph (10) of the Financial Instruments and Exchange Act; the same applies below in this Article) (limited to a prospectus in which all of the particulars to be stated in the document to be delivered prior to conclusion of contract are included by a method equivalent to that prescribed in Article 88) (including cases where, if not all of the particulars are included in the prospectus, a document containing all the remaining particulars has been delivered together with the prospectus), or in the case stated in Article 15, paragraph (2), item (ii) of that Act;
 - (iv) when acting as an intermediary for the conclusion of a specified financial service contract for the purpose of partially amending an already concluded specified financial service contract, and the following conditions are met:
 - (a) when the change does not involve any modification of the particulars to be

- stated in the document to be delivered prior to the conclusion of a specified financial service contract that has already been entered into;
- (b) when it is necessary to change the particulars stated in the document to be delivered prior to the conclusion of a specified financial service contract that has already been entered into, and the financial service intermediary has delivered to the customer a document stating the particulars subject to the change (referred to below as a "explanatory document concerning changes to contract information" in item (vii) and Article 111, paragraph (1), item (i));
 - (v) when acting as an intermediary for the conclusion of a specified financial service contract involving the purchase and sale, etc. of listed securities, etc., and the financial service intermediary has provided the customer (limited to a person who has received an explanatory document on listed securities, etc. from the financial service intermediary) with the particulars to be stated in such an explanatory document by making them available for inspection by the customer using an electronic data processing system (only when all of the following requirements are satisfied, and excluding cases where the customer requests the provision of a document on the listed securities, etc.):
 - (a) the financial service intermediary has, in advance, provided the customer with an explanation that the particulars will be made available for the customer's inspection and that an explanatory document on listed securities, etc. will be delivered upon the customer's request;
 - (b) the financial service intermediary has provided the customer with the information necessary to access the particulars, either by delivering a document or by other appropriate means, within one year before the conclusion of a specified financial service contract for the purchase and sale, etc. of listed securities, etc.;
 - (c) the particulars have been displayed in a location easily visible to the customer on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88;
 - (d) measures have been taken to ensure that the particulars are easily available for the customer to inspect for five years from the date on which the intermediary service for the purchase and sale, etc. of listed securities, etc. was carried out (or, if a complaint concerning those particulars is filed before the last day of that period, until either the last day of that period or the day on which the complaint is resolved, whichever is later);
 - (vi) when the financial service intermediary provides intermediary services for the conclusion of a specified financial service contract involving the purchase, sale, or other transactions in the securities stated in Article 2, paragraph (1), items (i) through (iii) or item (v) of the Financial Instruments and Exchange Act (excluding corporate bond certificates with share options; the same

applies below in this item), or the securities stated in item (xvii) of the same paragraph that have the characteristics of the securities in items (i) through (iii) or item (v) of the same paragraph (limited to securities for which the due date (limited to the fixed a date; the same applies below in this item) and the redemption amount (limited to a fixed amount; the same applies below in this item) are specified, that are not subject to any condition under which all or part of the redemption amount as of the due date may be unpaid, and excluding securities designated by the Commissioner of the Financial Services Agency) (referred to as "purchase and sale, etc. of claims" in (b) and (d)), and where the financial service intermediary has provided the customer (limited to a person who has received document to be delivered prior to conclusion of contract, relating to another specified financial service contract with the same content from the financial service intermediary) with the particulars to be stated in document to be delivered prior to conclusion of contract by the method of making it available for the customer's inspection via an electronic data processing system (provided that all of the following requirements are satisfied and except where the customer requests the delivery of a document to be delivered prior to conclusion of contract):

- (a) the customer has been provided in advance with an explanation that the particulars will be made available for the customer's inspection and that the document to be delivered prior to conclusion of contract will be delivered upon the customer's request, either by delivering a document or by other appropriate means;
- (b) the customer has been provided with the necessary information for receiving the particulars, either by delivering a document or through any other appropriate means, within one year before the conclusion of the specified financial service contract for the purchase and sale, etc. of the claims;
- (c) the particulars have been displayed in a location easily visible to the customer on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88;
- (d) measures have been taken to ensure that the particulars are easily available for the customer to inspect at all times for five years from the date on which the intermediary service for the purchase and sale, etc. of the claims was carried out (or, if a complaint concerning those particulars is filed before the end of that period, until either the last day of that period or the day on which the complaint is resolved, whichever is later);

(vii) when the financial service intermediary has provided important information in a simple manner and has also explained to the customer the particulars stated in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act, as applied mutatis

mutandis (in the case prescribed in item (iv), (b), limited to particulars related to the change referred to in that item), in a manner and to the extent necessary to ensure that the customer understands them, taking into account the customer's knowledge, experience, asset status, and the purpose of concluding the specified financial service contract (provided that the financial service intermediary has provided the customer with the particulars to be stated in a document to be delivered prior to conclusion of contract (in the case of acting as an intermediary for the conclusion of a specified financial service contract involving the purchase and sale, etc. of listed securities, etc., by means of document to be delivered prior to conclusion of contract or an explanatory document on listed securities, etc., and in the case prescribed in item (iv), (b), by means of document to be delivered prior to conclusion of contract or an explanatory document concerning changes to contract information; the same applies below in this item and in paragraph (6), items (ii) and (iii)) by the method of making them available for the customer's inspection via an electronic data processing system, and excluding cases where the customer requests the delivery of document to be delivered prior to conclusion of contract, only when all of the following requirements are satisfied):

- (a) the particulars to be stated in the document to be delivered prior to conclusion of contract have been displayed in a location easily visible to the customer on the screen of a computer used by the customer, in accordance with the method prescribed in Article 88 (excluding cases where the method of making them available for customer inspection conforms to the criteria stated in Article 2, paragraph (2), item (i));
- (b) measures have been taken to ensure that the particulars to be stated in the document to be delivered prior to conclusion of contract are easily available for the customer to inspect at all times for five years from the date on which the transaction referred to in those particulars was conducted (or, if a complaint concerning those particulars is filed before the last day of that period, until either the last day of that period or the day on which the complaint is resolved, whichever is later);
- (viii) when the specified financial service contract relates to the following acts:
 - (a) the sale of securities (limited to cases where a specified financial service contract for the purchase of securities has been concluded with a counterparty financial institution);
 - (b) an intermediary service for the purchase of securities (limited to cases where the financial service intermediary provides an intermediary service for the purchase of securities in connection with a tender offer (meaning the tender offer prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis

- pursuant to Article 27-22-2, paragraph (2) of that Act); the same applies in Article 107, paragraph (1), item (ii), (b)) for a tender offeror (meaning the tender offeror prescribed in Article 27-3, paragraph (2) of that Act (including as applied *mutatis mutandis* pursuant to Article 27-22-2, paragraph (2) of that Act); the same applies in Article 107, paragraph (1), item (ii), (b)) acting as a counterparty);
- (c) a reversing trade (in the case of the sale of securities, meaning the purchase of securities, and in the case of the purchase of securities, meaning the sale of securities; the same applies in Article 111, paragraph (1));
- (d) the purchase of securities under a contract for cumulative investment (meaning a contract under which a counterparty financial institution receives a money deposit from a customer and continuously sells securities to that customer on predetermined dates, while receiving consideration out of that deposit; the same applies in (d) and in Article 107, paragraph (1), item (i), (a)), or the periodic sale of securities based on a contract for cumulative investment;
- (e) acquiring an issue identical to the securities stated in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act, using the earnings generated from those securities owned by the customer;
- (f) the purchase and sale (excluding the initial purchase) of the securities stated in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act (limited to beneficiary certificates of bond investment trusts (meaning the bond investment trust prescribed in Article 25, item (ii) of the Regulation for Enforcement of the Act on Investment Trust and Investment Corporations (Order of the Prime Minister's Office No. 129 of 2000) (limited to bond investment trusts whose accounting period is one day); the same applies in Article 107, paragraph (1), item (i), (c) and Article 114));
- (g) the handling of a public offering of securities (meaning the public offering of securities prescribed in Article 2, paragraph (3) of the Financial Instruments and Exchange Act; the same applies below in this Subsection) or the secondary distribution of securities (meaning the secondary distribution of securities prescribed in paragraph (4) of the same Article; the same applies below in this Subsection) (limited to cases where the customer for the specified financial service contract is the issuer or owner of such securities).
- (2) The provisions of Article 27-30-9, paragraph (1) of the Financial Instruments and Exchange Act, Article 23-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Ministry of Finance Order No. 5 of 1973), Article 18-2 of the Cabinet Office Order on the Disclosure of Information, etc. on Issuers of

Foreign Government Bonds, etc. (Ministry of Finance Order No. 26 of 1972), and Article 32-2 of the Cabinet Office Order on Disclosure of Information on Regulated Securities (Ministry of Finance Order No. 22 of 1993) apply *mutatis mutandis* to the delivery of the documents under item (iii) of the preceding paragraph.

- (3) When a financial service intermediary has provided intermediary services for the conclusion of a specified financial service contract for the purchase and sale, etc. of listed securities, etc., within one year from the day on which a document on listed securities, etc. is delivered (including the day on which the document on listed securities, etc. is deemed to have been delivered under this paragraph), the document on listed securities, etc. is deemed to have been delivered on the date of the conclusion of that specified financial service contract, and the provisions of paragraph (1), item (i) apply.
- (4) When, within one year from the day on which a document to be delivered prior to conclusion of contract is delivered (including the day on which the document is deemed to have been delivered under this paragraph), a financial service intermediary has provided intermediary services for the conclusion of another specified financial service contract that is in substance identical to the specified financial service contract relating to the document to be delivered prior to conclusion of contract, the document to be delivered is deemed to have been delivered on the date of the conclusion of that other contract, and the provisions of paragraph (1), item (ii) apply.
- (5) Regarding the application of the provisions of paragraph (1), item (iii) to a prospectus concerning the securities stated in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act (when there is a document to be delivered as an integral part of a prospectus under paragraph (1), item (iii), the prospectus and the document), the phrase "by a method equivalent to that prescribed in Article 88" in the same item is deemed to be read as "in the case".
- (6) The "provision, etc. of important information in a concise manner" stated in paragraph (1), item (vii) means delivering a document that states the following particulars or providing the particulars to be stated in the document by electronic or magnetic means, along with an explanation of these particulars (including responding to customers' questions based on the example questions stated in item (i)):
 - (i) the outline of the major particulars stated in each item (excluding item (vi)) of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* (in the case prescribed in paragraph (1), item (iv), (b), limited to the particulars related to the change referred to in the same item), that contribute to customers' decisions on the conclusion of a specified financial service contract, along with example questions relating to those particulars;

- (ii) the information necessary to receive the particulars to be stated in the document to be delivered prior to conclusion of contract, as well as the details of the particulars to be provided, should be read thoroughly;
- (iii) a document to be delivered prior to conclusion of contract will be delivered upon the customer's request.

(Particulars Concerning Consideration Payable by a Customer)

Article 92 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* are: the amount of fees, etc.

payable by a customer in relation to a specified financial service contract, the upper limit of those fees, or the method of calculating them (in the case of a contract for a specified deposit, etc., including the ratio to the principal amount, and in the case of a specified financial service contract other than a contract for a specified deposit, etc. and a specified insurance contract, including the ratio to the price of securities or the amount of investment property related to the contract, or the ratio to the profit generated by the conclusion of the contract; the same applies below in this paragraph); the total amount by type or its upper limit; or the method of calculating the total; provided, however, if these details cannot be stated, a statement confirming this, along with the reasons, are to be provided.

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

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

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

- (i) the details of the document to be delivered prior to conclusion of contract should be read thoroughly;
- (ii) the name of the financial instrument (including its alias);
- (iii) whether the insured is entitled to payment of insurance proceeds as prescribed in Article 53 of the Deposit Insurance Act or Article 55 of the Agricultural and Fishery Cooperatives Savings Insurance Act;

- (iv) the scope of persons subject to acceptance;
- (v) the deposit period (including whether the deposit will be automatically renewed);
- (vi) the minimum deposit amount, deposit unit, and any other particulars concerning deposits;
- (vii) the method of refunding;
- (viii) the method of establishing interest, the payment method of interest, the calculation method of interest, and any other particulars concerning interest;
- (ix) the particulars related to any special provisions that may be added;
- (x) the handling of cancellations during the deposit period (including the method for calculating interest and fees);
- (xi) when the conclusion of a contract for a specified deposit, etc. by the customer bears a risk of losses caused directly by fluctuations in interest rates, currency prices, quotations on the financial instruments market, or any other indicators, the following particulars:
 - (a) relevant indicators;
 - (b) the reasons why losses may be caused by fluctuations in those indicators;
- (xii) when handling a financial instrument in which the full amount paid at the time of deposit for the combination of the specified deposit, etc. with the following transactions is not guaranteed to be repaid at its maturity, a detailed explanation stating that the full amount is not guaranteed to be repaid at maturity, along with any other relevant details concerning the financial instrument:
 - (a) market derivatives transactions or foreign market derivatives transactions (excluding those that fall under transactions of securities-related derivatives);
 - (b) financial derivatives transactions prescribed in Article 49, paragraph (2);
 - (c) foreign exchange future transactions;
 - (d) transactions of securities-related derivatives (excluding those stated in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and transactions similar to those stated in the same item on a foreign financial instruments market);
 - (e) transactions stated in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and transactions similar to those stated in the same item on a foreign financial instruments market (limited to transactions relating to the securities stated in paragraph (1), items (i) and (ii) of the same Article, the securities stated in items (iii) and (v) of the same paragraph (limited to those for which redemption of the principal and payment of interest are guaranteed by the government), and the securities stated in item (xvii) of the same paragraph that have the characteristics of the securities stated in item (i) of the same paragraph);

- (xiii) when an indicator, which serves as the benchmark for establishing the money rate of a floating rate deposit, etc., and the method of establishing the money rate are specified, the particulars concerning that benchmark, the method, and the money rate;
- (xiv) the outline of taxation concerning the contract for a specified deposit, etc.;
- (xv) the method by which the customer contacts the financial service intermediary and the counterparty financial institution regarding the contract for a specified deposit, etc.;
- (xvi) whether the financial service intermediary is a member of any certified financial service intermediary business association, and, if it is, the name of the association; whether the financial service intermediary is a covered operator (meaning the covered operator prescribed in Article 79-11, paragraph (1) of the Financial Instrument and Exchange Act; the same applies below in this item and item (xi) of the following Article) of any certified investor protection organization (limited to a certified investor protection organization whose certified business operations (meaning the certified business operations prescribed in Article 79-10, paragraph (1) of that Act) cover that specified financial service contract; the same applies in the same item), and, if it is a covered operator, the name of the organization;
- (xvii) the particulars specified in (a) or (b) below in accordance with the category of cases respectively stated in (a) or (b):
 - (a) when there is a designated dispute resolution organization for deposit, etc. brokerage intermediary business operations: the name or trade name of the designated dispute resolution organization for deposit, etc. brokerage intermediary business operations, which is the counterparty to the basic contract for the implementation of procedures under which the financial service intermediary takes measures to conclude the basic contract for the implementation of the procedures;
 - (b) when there are no designated dispute resolution organizations for deposit, etc. brokerage intermediary business operations: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary;
- (xviii) other particulars deemed relevant to the deposit of a specified deposit, etc.

(Particulars to Be Stated in All Documents to Be Delivered Prior to the Conclusion of a Specified Financial Service Contract)

Article 94 When a specified financial service contract, for which a financial service intermediary provides an intermediary service for its conclusion, constitutes a specified financial service contract other than a contract for a specified deposit, etc. or a specified insurance contract (simply referred to

below as a "specified financial service contract" in this Article), the particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, are as follows:

- (i) the details of the document to be delivered prior to conclusion of contract should be read thoroughly;
- (ii) when the conclusion of a specified financial service contract by the customer carries a risk of any loss caused directly by fluctuations in interest rates, currency prices, quotations on the financial instruments market, or any other indicators, the following particulars:
 - (a) the indicators;
 - (b) the reasons for any risk of loss that may be caused by fluctuations in those indicators;
- (iii) when the conclusion of a specified financial service contract by the customer carries a risk of any loss caused directly by a change in the business operations status or the asset status of the counterparty financial institution or any other person, the following particulars:
 - (a) the person;
 - (b) a statement that there is a risk of loss caused by a change in the business operations status or the asset status of the person, and the reasons for such risk;
- (iv) an outline of taxation concerning the specified financial service contract;
- (v) when there is any ground for the cancellation of the specified financial service contract, the details of the cancellation;
- (vi) whether the provisions of Article 37-6 of the Financial Instruments and Exchange Act are applicable to the specified financial service contract;
- (vii) when the provisions of Article 37-6 of the Financial Instruments and Exchange Act are applicable to the specified financial service contract, the particulars concerning the provisions of paragraphs (1) through (4) of the same Article (regarding paragraphs (3) and (4), including as applied *mutatis mutandis* pursuant to Article 31, paragraph (2) of the Act);
- (viii) an outline of the financial service intermediary;
- (ix) the outline of the details and method of the financial service intermediary business operations related to a specified financial service contract conducted by the financial service intermediary;
- (x) the method by which the customer contacts the financial service intermediary and the counterparty financial institution;
- (xi) whether the financial service intermediary is a member of any certified financial service intermediary business association, and, if it is, the name of the association; whether the financial service intermediary is a covered operator of any certified investor protection organization, and, if it is, the

name of the operator;

(xii) the particulars specified in (a) or (b) below in accordance with the category of cases respectively stated in (a) or (b):

- (a) when there is a designated dispute resolution organization for securities intermediary services : the name or trade name of the designated dispute resolution organization for securities intermediary services, which is the counterparty to the basic contract for the implementation of procedures, under which the financial service intermediary takes measures to conclude the basic contract for the implementation of the procedures;
- (b) when there is no designated designated dispute resolution organization for securities intermediary services : the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.

(Particulars to Be Stated in All Documents to Be Delivered Prior to the Conclusion of a Contract Involving the Purchase, Sale, or Other Transactions in Securities)

Article 95 (1) In addition to the particulars stated in the items of the preceding Article, when a specified financial service contract, for which a financial service intermediary provides an intermediary service for its conclusion (excluding a contract for a specified deposit, etc. and a specified insurance contract; the same applies in paragraph (3)), involving the purchase, sale, or other transactions in securities, the particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, are as follows:

- (i) when the transfer of the securities is subject to any restriction, a statement confirming this and the details of the restriction;
- (ii) when the securities fall under the category of electronically recorded transferable rights to be indicated on securities, etc., the outline of these electronically recorded transferable rights to be indicated on securities and other particulars requiring the attention of customers regarding the nature of the electronically recorded transferable rights to be indicated on securities, etc.

(2) Notwithstanding the provisions of the same paragraph, when a counterparty financial institution is required to deliver a document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act to a customer under the same paragraph concerning a single purchase, sale, or other transactions in securities, and the counterparty financial institution has delivered that document containing the particulars stated in the items of the preceding paragraph, a financial service intermediary is not required to state those particulars again in a document to be delivered prior to the conclusion of

a contract.

- (3) Notwithstanding the provisions of the same paragraph, when a specified financial service contract, for the conclusion of which a financial service intermediary provides an intermediary service relating to the sale of securities, and the customer for the specified financial service contract is the issuer or owner of those securities, the financial service intermediary is not required to state the particulars stated in the items of paragraph (1) in a document to be delivered prior to conclusion of contract.

(Special Provisions on Particulars to Be Stated in a Document to Be Delivered Prior to Conclusion of a Contract Involving the Purchase, Sale, or Other Transactions in Beneficial Interests in Trust, etc.)

- Article 96 (1) In addition to the particulars prescribed in paragraph (1) of the preceding Article, when a specified financial service contract (excluding a contract for a specified deposit, etc. and a specified insurance contract), for which a financial service intermediary provides an intermediary service for its conclusion, involving the purchase, sale, or other transactions in the securities stated in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act or the securities stated in item (xvii) of the same paragraph (limited to those that have the characteristics of the securities stated in item (xiv) of the same paragraph) (referred to below as "beneficial interests in trust, etc." in this Article), the particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are as follows:
- (i) the particulars concerning the type of trust property, the term of the trust, the method of management or disposition of the trust property, and the delivery of the trust property;
 - (ii) the particulars concerning the person granted the authority to manage or dispose of the trust property, along with the details of the authority (when the person is a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act as engaging in the investment management business for qualified investors (meaning the investment management business for qualified investors prescribed in Article 29-5, paragraph (1) of that Act; the same applies in Article 99, paragraph (1), items (iv) and (v), and Article 105, paragraph (1), items (i) and (ix)), including confirmation of this);
 - (iii) whether the trust property was appraised by any third party at the time of the creation of the trust, or any other particulars concerning the appraisal of the trust property;
 - (iv) the type of transaction;
 - (v) the particulars concerning the seller or purchaser, in the case of an

- intermediary service for the sale, public offering, or handling of secondary distribution;
- (vi) the purpose of the trust;
 - (vii) the following particulars concerning beneficiaries' rights and obligations:
 - (a) when there are any provisions requiring the trustee and the beneficiary to enter into an agreement prescribed in Article 48, paragraph (5) of the Trust Act (Act No. 108 of 2006) (including as applied *mutatis mutandis* pursuant to Article 54, paragraph (4) of that Act) (excluding cases where the trust company provides an explanation under Article 29-3 of the Trust Business Act), a statement confirming this and the details of the agreement;
 - (b) when there are special provisions regarding the decision-making of beneficiaries, a statement confirming this and the details of those provisions;
 - (c) when there are special provisions regarding the change, consolidation, or split of the trust, a statement confirming this and the details of those provisions;
 - (d) when there are special provisions regarding the grounds for termination of the trust, a statement confirming this and the details of those provisions;
 - (e) when there are special provisions regarding the termination of the trust by agreement, a statement confirming this and the details of those provisions;
 - (f) when there are special provisions regarding the resignation of a trustee and the appointment of a new trustee, a statement confirming this and the details of those provisions;
 - (viii) the following particulars concerning the risk of loss of the beneficial interests in a trust, etc.:
 - (a) in the case where there is any obligation related to the right stated in Article 21, paragraph (1), item (iii) of the Trust Act, the particulars concerning the details of the obligation, such as the total amount of the obligation and the amount of obligation for each contract (in cases where the obligation is a borrowing, this includes the total amount of the borrowing, as well as particulars concerning the characteristics of the lender, borrowed amount, due date, outstanding balance for the preceding accounting period, interest rates for the accounting and borrowing periods, method of repayment, and creation of security, as itemized by contract, and the purpose and use of the borrowing);
 - (b) in addition to the items stated in (a), if there is any obligation that may result in a loss related to the beneficial interest in the trust, a statement confirming this, the total amount of the obligation, and the status of other

- obligations;
- (c) when there is any trust claim, security interest created on the trust property, or any other rights having priority over the beneficial interest in the trust, the details of those rights;
- (d) when a credit enhancement has been provided in relation to the beneficial interest in the trust, a statement confirming this and the details of the credit enhancement;
- (e) when there are special provisions promising to compensate for a loss or supplement profit based on the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943), a statement confirming this and the details of those provisions;
- (ix) the particulars concerning taxes and any other expenses related to the trust property;
- (x) the particulars concerning the accounting period for the trust property;
- (xi) the particulars concerning reports on the status of the management or disposition of the trust property;
- (xii) the name of the trustee and the method of giving public notice;
- (xiii) when the money comprising the trust property is to be invested jointly with the money comprising the trustee's own property, or with the money comprising any other trust property, a statement confirming this and the criteria for allocating profit and loss between the trust property and the trustee's own property, or the other trust property;
- (xiv) when the specified financial service contract involves the purchase, sale, or other transactions in beneficial interests in a trust, etc. established by the methods stated in Article 3, item (iii) of the Trust Act, the following particulars:
 - (a) the details of the particulars stated or recorded in the notarized deed, or any other document or electronic or magnetic record referred to in Article 3, item (iii) of the Trust Act;
 - (b) whether the trustee has been registered as referred to in Article 50-2, paragraph (1) of the Trust Business Act, and whether the inspection referred to in paragraph (10) of the same Article has been conducted;
 - (c) when the inspection referred to in Article 50-2, paragraph (10) of the Trust Business Act has been conducted, the results of the inspection;
 - (d) when the inspection referred to in Article 50-2, paragraph (10) of the Trust Business Act has not been conducted, and the person carrying out the purchase, sale, or other transactions in beneficial interests in a trust, etc. is the trustee of that trust, the particulars stated in the items of Article 51-7, paragraph (1) of the Regulation for Enforcement of the Trust Business Act;
- (xv) when the specified financial service contract concerns the purchase, sale,

or other transactions in beneficial interests in a trust, etc. involving a limited liability trust (meaning a limited liability trust as prescribed in Article 2, paragraph (12) of the Trust Act; the same applies in (a) and (b)), the following particulars, in addition to those stated in items (i) through (xiii):

- (a) the name of the limited liability trust;
- (b) the place where the affairs of the limited liability trust are processed;
- (c) the amount available for benefits, and the fact that the benefits to beneficiaries regarding the trust property cannot exceed the amount available for benefits.

(2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the purchase, sale, or other transactions in beneficial interests in trust, etc. In this case, the term "the items of the preceding paragraph" in that paragraph is deemed to be replaced with "the items of paragraph (1) of the following Article".

(3) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to beneficial interests in trust, etc. In this case, the term "paragraph (1)" in that paragraph is deemed to be replaced with "paragraph (1) of the following Article".

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

Article 97 (1) In addition to the particulars prescribed in Article 95, paragraph (1), and notwithstanding the provisions of the preceding Article, paragraph (1), when a specified financial service contract (excluding a contract for a specified deposit, etc. and a specified insurance contract), for which a financial service intermediary provides an intermediary service for its conclusion, involves the purchase, sale, or other transactions in a beneficial interest in a commodity fund (referred to as a "commodity fund-related transaction" in item (xxx), the following paragraph, and Article 103), the particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are as follows:

- (i) the trade names, names, and addresses of the persons making an investment (referred to below as the "investment manager" in this paragraph) in the commodity fund (meaning the money or other property invested or contributed by the person entitled to the beneficial interest in the commodity fund; the same applies below in this paragraph and in Article 103, paragraph (1), item (iv)), as well as the major parties listed below, from among those having a close business relationship with the commodity fund

(referred to below as the "related operators" in items (xiii) and (xiv)); and, when any of the previously mentioned persons is a representative, the name of that representative:

- (a) a commodity trading advisor involved in the investment of the commodity fund (meaning the commodity trading advisor prescribed in Article 2, paragraph (4) of the Act on Regulation of Commodity Investment (Act No. 66 of 1991); the same applies in item (ix) and item (xiii), (c)), and a person who has been granted the same type of permission as a commodity investment advisory business permission referred to in Article 3 of that Act, or any other disposition equivalent to that Act (referred to as a "permission, etc." in (c) of the same item) in a foreign state under laws and regulations of the foreign state corresponding to that Act;
- (b) a person who accepts an investment or contribution from the commodity fund (excluding the investment manager);
- (c) the investment manager and the person entrusted with the management of the commodity fund by the individual stated in (b);
- (ii) the amount of stated capital or the total contribution of the counterparty financial institution and the investment manager, the trade names or names of the major shareholders (meaning persons who hold 10 percent or more of the voting rights held by all shareholders, etc., either in their own name or in the name of another person; the same applies in paragraph (1), item (i) of the following Article), and, if the counterparty financial institution or the investment manager engages in any additional business, the type of that business;
- (iii) the balance sheet and profit and loss statement for the business year preceding the business year in which the investment manager commenced the investment of property, or any substitute documents;
- (iv) the names of the officers of the investment manager and the important employees engaged in the investment of the commodity fund (meaning persons responsible for the investment, such as the general manager, vice-chief, section manager, or any other person, regardless of their job title). If any officer is involved in the ordinary affairs of another corporation, the name of that officer, the trade name or name of the other corporation, and the type of business conducted by that corporation;
- (v) the following particulars concerning the type of specified financial service contract and the scope of the customers' rights and liabilities:
 - (a) the type of specified financial service contract;
 - (b) whether customers have the right to monitor the property invested or contributed by the customer, or the trust property relating to the beneficial interest in a commodity fund, and, if so, the details of that right;
 - (c) the ownership of the property invested or contributed by customers, or of

- the trust property related to the beneficial interest in a commodity fund;
- (d) the scope of the customers' liability to third parties;
- (e) the particulars concerning the allocation of losses to be borne by customers, in the event of any loss to the property invested or contributed by customers, or to the trust property relating to the beneficial interest in a commodity fund due to any loss;
- (f) the right to receive profit and redemption money in relation to the property invested or contributed by customers, or to the trust property related to the beneficial interest in a commodity fund;
- (vi) the outline of the laws and regulations applicable to the specified financial service contract or to the trust agreement related to the beneficial interest in a commodity fund;
- (vii) the following particulars concerning the investment form for the property invested or contributed by customers, or the trust property relating to the beneficial interest in a commodity fund:
 - (a) whether the investment is of a principal-protected type or an aggressive type;
 - (b) when the investment is of a principal-protected type, the method of principal protection and the amount of principal that may be protected;
 - (c) when the investment is of an aggressive type, the scope of estimated losses;
 - (d) whether any additional offering will be made;
- (viii) the following particulars concerning the details and policies of the investment of the property invested or contributed by customers, or the trust property relating to the beneficial interest in a commodity fund:
 - (a) when the scheduled ratio, classified into categories of investment targets such as ratio per region or ratio per type, has been made clear, the ratio and any other particulars concerning relevant details and the criteria for other major investment targets;
 - (b) when any restriction on investment is imposed by laws and regulations or any other rules, the details and basis of that restriction;
 - (c) whether any borrowing, concentrated investment, investment in other commodity funds, or investment in any investment target lacking liquidity is made, and when any restriction on investment is imposed, the details and basis of that restriction;
 - (d) whether an advance redemption can be made;
 - (e) the scheduled date for the commencement of investment;
 - (f) the scheduled date for the termination of investment;
 - (g) the accounting period for the investment of the commodity fund, which does not exceed one year (referred to below as the "accounting period" in this paragraph);

- (ix) the speculative nature of the transaction stated in Article 2, paragraph (1), item (i) of the Act on Regulation of Commodity Investment (referred to below as the "commodity futures transaction" in this item and item (xxx), (a), 1.), the efficiency of capital management, liquidity, the creditworthiness of the commodity trading advisor stated in Article 2, paragraph (23) of the Commodity Derivatives Transaction Act, the investment methods of commodity investment advisory businesses, and other factors that are expected to cause losses from managing commodity funds in commodity futures transactions;
- (x) the method, frequency, and timing of reporting the investment status to customers;
- (xi) when a contract stated in Article 2, paragraph (5), item (iii) of the Act on Regulation of Commodity Investment is concluded, the details of the right to demand a report to be granted to the customer under that contract;
- (xii) the following particulars concerning the investment manager:
 - (a) the purpose of the business as stated in its articles of incorporation;
 - (b) the history of incorporation ;
 - (c) a change of the trade name;
 - (d) whether any change in the officers of the investment manager requires the approval of supervisory government agencies or shareholders, etc., and, when such approval is required, the basis and procedures for obtaining it;
 - (e) changes to the articles of incorporation, consolidation, business transfers and business acquisitions;
 - (f) the status of the major investment or contribution;
 - (g) lawsuits and other material particulars;
- (xiii) the following particulars concerning major related business operators:
 - (a) when a related business operator is to receive investment or contribution from commodity funds, the amount of its stated capital or total contributions;
 - (b) when a corporation that will become a related business operator is to be incorporated based on an investment or contribution to be newly made by the commodity fund, the scheduled amount of such investment or contribution;
 - (c) regarding a commodity trading advisor and a person who has been granted the same type of permission, etc. as the permission referred to in Article 3 of the Act on Regulation of Commodity Investment in a foreign state under laws and regulations of the foreign state corresponding to that Act, the serial number of the permission, etc., the name of the agency that granted the permission, etc., the name of the state to which the agency belongs, the year of its establishment, and the year in which the permission, etc. was granted;

- (d) the details of the business operations related to the investment management of the commodity fund;
- (xiv) the capital relationship with major investment managers and major related business operators;
- (xv) the following particulars concerning the public offering or secondary distribution of beneficial interest in a commodity fund:
 - (a) the name of the beneficial interest in a commodity fund;
 - (b) the scheduled total amount and the total amount of the public offering or secondary distribution;
 - (c) the unit of the public offering or secondary distribution;
 - (d) the period, method, and place of handling applications;
 - (e) the payment date and the payment method;
- (xvi) the particulars concerning the contract period related to the beneficial interest in a commodity fund;
- (xvii) the particulars concerning amendments to the specified financial service contract, including the procedures for the amendment, the method for announcing the change, and any other relevant particulars;
- (xviii) the following particulars concerning the cancellation of the specified financial service contract:
 - (a) whether the specified financial service contract can be canceled;
 - (b) when the specified financial service contract can be canceled, the following particulars:
 1. the conditions and method of cancellation;
 2. the period for applying for cancellation;
 3. the method of calculation and the payment method for the amount to be redeemed upon cancellation;
 4. the scheduled date for the payment of the amount to be redeemed upon cancellation;
 5. the cancellation fee;
 6. a statement that frequent cancellations may result in the inability to carry out operations as originally planned, or at all;
- (xix) whether the counterparty financial institution purchases the property, and, if so, the conditions and methods of that purchase, the method of calculation of the buy-back price, and the method and timing of the payment for that purchase;
- (xx) when there is an agreement on the amount of liquidated damages (including penalties), the details of this agreement;
- (xxi) the method by which the counterparty financial institution collects fees, etc. from the customer;
- (xxii) the payee, the calculation method, the amount to be paid, the payment method, and the timing of the payment of the fees, etc. related to the

- management of the commodity fund, payable from the commodity fund; and, when the payment amount has not been set, a statement confirming this;
- (xxiii) the following particulars concerning asset appraisal, etc. related to the commodity fund:
- (a) the method of calculation of the net asset per unit, and the method of appraisal of the assets per unit;
 - (b) the accounting period;
 - (c) the method of notifying customers;
- (xxiv) whether there is a plan to receive an audit by a certified public account (including the foreign certified public accountant prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies in item (xxx), (f), and in Article 111, paragraph (1), item (xii), (d), 2.), or by an audit corporation regarding the balance sheet, profit and loss statement, or any documents in lieu of them, or any other documents related to the financial calculations of the commodity fund for the accounting period, and, when there is a plan, the scope of the auditing;
- (xxv) the method and policy for the distribution of any profits from the commodity fund;
- (xxvi) the calculation method, payment method, and timing of payment for the redemption amount upon maturity;
- (xxvii) the particulars concerning the taxation applicable to dividends and redemption;
- (xxviii) when the investment manager is a foreign corporation, whether it has a person domiciled in Japan who has been granted the authority to act as the investment manager's agent, both in and out of court. If such a person exists, the trade name or name and the address of that person, as well as the details of the authority granted to them;
- (xxix) when a contract or any other juridical act regarding the beneficial interest in the commodity fund specifies the court that has jurisdiction over actions related to the beneficial interest in the commodity fund, the name and location of that court;
- (xxx) when acting as an intermediary for the conclusion of a specified financial service contract relating to commodity fund-related transactions, for the purpose of making an additional investment in a commodity fund in which the principal may be further invested, the following particulars:
- (a) the status of the distribution of assets of the commodity fund for each of the following particulars, as of the end of the month two months before the commencement of solicitation for the conclusion of the contract:
 1. commodity futures transactions (including a breakdown by category of major goods, such as precious metals, agricultural products, energy resources, etc. related to those commodity futures transactions);

2. commodity investment prescribed in Article 2, paragraph (1), item (ii) of the Act on Regulation of Commodity Investment (including a breakdown by category of major goods, such as precious metals, agricultural products, energy resources, etc. related to that commodity investment);
 3. commodity investment prescribed in Article 2, paragraph (1), item (iii) of the Act on Regulation of Commodity Investment (including a breakdown by category of major goods, such as precious metals, agricultural products, energy resources, etc. related to that commodity investment);
 4. acquisition (including production), by transfer or use, of the goods stated in Article 37, paragraph (1), item (ii), (a) through (e) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965), or by having those goods used (including a breakdown by category of the goods stated in (a) through (e) of the same item, relating to that acquisition);
 5. other methods of investment (including a breakdown by category of major investment methods, such as investments in securities, negotiable deposits, and other major financial instruments (meaning the financial instruments prescribed in Article 2, paragraph (24) of the Financial Instruments and Exchange Act; the same applies below in this Chapter), transactions stated in the items of paragraph (21) of the same Article, transactions stated in the items of paragraph (22) of the same Article, and transactions prescribed in paragraph (23) of the same Article, or other methods);
- (b) the amount of net assets and the dividend as of the last day of each of the latest ten accounting periods, ending on the last day of the month two months before the month in which the solicitation commencement day falls;
 - (c) the amount, the cancellation payment amount, and the redemption t related to a public offering, private placement (meaning the private placement of securities prescribed in Article 2, paragraph (3) of the Financial Instruments and Exchange Act), secondary distribution, or solicitation for selling, etc. exclusively for professional investors (meaning the solicitation for selling, etc. exclusively for professional investors prescribed in paragraph (6) of the same Article), for each of the latest ten accounting periods, which ended on the last day of the month two months before the month in which the solicitation commencement day falls;
 - (d) the balance sheet and the profit and loss statement of the commodity fund for the accounting period immediately preceding the accounting period containing the day of the commencement of the solicitation, or any

- documents in lieu of them;
- (e) when there is any person who has accepted an investment or contribution from the commodity fund referred to in (d), the consolidated balance sheet and the consolidated profit and loss statement relating to the commodity fund and that person, or any documents in lieu of them, presented in such a way that customers may understand the net assets of the commodity fund or that person;
 - (f) when the document stated in (d) or (e), or any other documents related to financial calculations, have been audited by a certified public accountant or an audit corporation, the scope of the auditing (excluding cases where a document related to the audit by a certified public accountant or an audit corporation is attached to the document to be delivered prior to conclusion of contract, and the scope of the auditing is clearly indicated in the document).
- (2) The provisions of Article 95, paragraph (2) apply mutatis mutandis to a commodity fund-related transaction. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 97, paragraph (1)".
 - (3) The provisions of Article 95, paragraph (3) apply mutatis mutandis to beneficial interests in a commodity fund. In this case, the term "paragraph (1)" in the same paragraph is deemed to be replaced with "Article 97, paragraph (1)".
 - (4) The term "beneficial interest in a commodity fund" referred to in paragraph (1) and the preceding paragraph means the right to be indicated on the securities stated in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act, or on the securities stated in item (xvii) of the same paragraph (limited to those have the characteristics of the securities stated in item (xiv) of the same paragraph), which is a right to receive distributions of profits and refunds of the principal from a trust that is primarily intended to invest its trust property through the following acts:
 - (i) commodity investment prescribed in Article 2, paragraph (1) of the Act on Regulation of Commodity Investment;
 - (ii) the acquisition (including production), transfer, or use of any of the goods stated in Article 37, paragraph (1), item (ii), (a) through (e) of the Order for Enforcement of the Financial Instruments and Exchange Act, or the allowance of the use of those goods.

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

Article 98 (1) In addition to the particulars stated in the items of Article 94, when a specified financial service contract (excluding a contract for a specified

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

- (i) when the counterparty financial institution is a corporation, the amount of stated capital or the total amount of the contributions of the counterparty financial institution, and the trade names or names of its officers and major shareholders;
- (ii) the name of a person who conducts the analysis of the values, etc. of the financial instruments prescribed in Article 2, paragraph (8), item (xi), (b) of the Financial Instruments and Exchange Act, for the purpose of making it available for advisory services to a customer under the investment advisory contract, or who makes investment decisions based on that analysis (referred to as the "analyst, etc." in Article 104, paragraph (1), item (vi));
- (iii) the details and method of the advisory services;
- (iv) the name of the person providing advisory services to a customer under the investment advisory contract;
- (v) when the provisions of Article 37-6 of the Financial Instruments and Exchange Act apply to the specified financial service contract, the customer may cancel that specified financial service contract in writing or by electronic or magnetic record within ten days from the date on which the customer receives the document prescribed in Article 37-4, paragraph (1) of that Act, which is to be prepared when the specified financial service contract is entered into (referred to below as the "document to be delivered upon conclusion of contract") (when, in lieu of receiving the document to be delivered upon the conclusion of a contract, the required particulars are provided by electronic or magnetic means prescribed in Article 56, paragraph (1) of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007), the ten-day period is to be counted from the date specified in (a) or (b) below in accordance with the category of the case listed in (a) or (b) below):
 - (a) in the case of provision by the method stated in Article 56, paragraph (1), item (i) of the Cabinet Office Order on Financial Instruments Business, etc., the day on which the particulars to be stated in the document to be delivered upon the conclusion of a contract are recorded in a file stored on a computer used by the customer;
 - (b) in the case of provision by the method stated in Article 56, paragraph (1), item (ii) of the Cabinet Office Order on Financial Instruments Business, etc., the day on which the file stated in the same item is received;
- (vi) the cancellation of the specified financial service contract by either of the

- following means under Article 37-6, paragraph (1) of the Financial Instruments and Exchange Act, which comes into effect at the time respectively specified in (a) or (b) below:
- (a) in writing: when the document is issued;
 - (b) in an electronic or magnetic record stored on a recording medium: when the recording medium is sent;
- (vii) the counterparty financial institution must not engage in any of the acts stated in Article 2, paragraph (8), items (i) through (iv) of the Financial Instruments and Exchange Act concerning customers as counterparties, or for those customers, in connection with its investment advisory services;
 - (viii) the counterparty financial institution must not receive any deposit of money or securities from customers, nor allow any person with a close relationship to the counterparty financial institution to receive money or securities from customers, in connection with its investment advisory services, regardless of the grounds for such deposits;
 - (ix) the counterparty financial institution must not loan money or securities to customers, nor provide any intermediary, brokerage, or agency services for the lending of money or securities to customers by a third party, in connection with its investment advisory services.
- (2) The provisions stated in the following items do not apply to the cases specified in each item:
- (i) the provisions of item (vii) of the preceding paragraph: when the counterparty financial institution falls under the following persons:
 - (a) a person engaged in a type-I financial instruments business (meaning the type-I financial instruments business prescribed in Article 28, paragraph (1) of the Financial Instruments and Exchange Act; the same applies below in this Subsection) (excluding a type-I small amount electronic public offering service provider (meaning the type-I small amount electronic public offering service provider prescribed in Article 29-4-2, paragraph (9) of that Act; the same applies in Article 104, paragraph (2), item (i)(a)));
 - (b) a person engaged in a type-II financial instruments business (meaning the type-II financial instruments business prescribed in Article 28, paragraph (2) of the Financial Instruments and Exchange Act; the same applies in Article 104, paragraph (2), item (i), (b)) (excluding a type-II small amount electronic public offering service provider (meaning the type-II small amount electronic public offering service provider prescribed in Article 29-4-3, paragraph (2) of that Act; the same applies in (b) of the same item));
 - (c) a registered financial institution;
 - (d) a financial instruments intermediary service provider;
 - (e) a financial service intermediary (limited to a person engaged in securities,

- etc. intermediary business operations);
- (ii) the provisions of item (viii) of the preceding paragraph: when the counterparty financial institution falls under the following persons:
 - (a) a person engaged in the securities, etc. management business operations;
 - (b) a registered financial institution (limited to a financial institution engaged in the trust business (meaning a financial institution that has obtained the authorization referred to in Article 1, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions; the same applies in (b) of the following item and Article 104, paragraph (2), item (ii), (b) and item (iii), (b)), or a financial institution accepting deposits, savings, or installment savings, etc. (meaning the installment savings, etc. prescribed in Article 2, paragraph (4) of the Banking Act; the same applies in Article 104, paragraph (2), item (ii), (b));
- (iii) the provisions of item (ix) of the preceding paragraph: when the counterparty financial institution falls under the following persons:
 - (a) a person engaged in a type-I financial instruments business;
 - (b) a registered financial institution (limited to a financial institution engaged in trust business);
 - (c) a financial instruments intermediary service provider;
 - (d) a financial service intermediary (limited to a person engaged in securities, etc. intermediary business operations).
- (3) The provisions of Article 95, paragraph (2) apply mutatis mutandis to an investment advisory contract. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 98, paragraph (1)".

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

- Article 99 (1) In addition to the particulars stated in the items of Article 94, when a specified financial service contract (excluding a contract for a specified deposit, etc. and a specified insurance contract), for which a financial service intermediary provides an intermediary service for its conclusion, constitutes a discretionary investment contract, the particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are as follows:
- (i) the basic investment policy;
 - (ii) the method of investment for the customer's assets to be made for the customer under the discretionary investment contract, and the type of transaction;
 - (iii) the name of the person who makes investment decisions, or who both makes investment decisions and executes investments based on those

- decisions, for the customer under the discretionary investment contract;
- (iv) the particulars concerning the scope of discretionary investment decisions and the implementation of investments (when all or part of the authority to make investments for a right holder (meaning the right holder prescribed in Article 42, paragraph (1) of the Financial Instruments and Exchange Act; the same applies below in this Subsection) is entrusted to a person prescribed in Article 42-3, paragraph (1) of that Act (including when part of the authority is re-entrusted), including the trade name or name of the person (if the person is a financial instruments business operator registered under Article 29 of that Act as engaging in the investment management business for qualified investors, including a statement confirming this), and the outline of the entrustment);
 - (v) when a person making investments for a right holder under the discretionary investment contract is a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act as engaging in the investment management business for qualified investors, a statement confirming this;
 - (vi) whether an external audit has been conducted for the counterparty financial institution's finances or the business operations related to the discretionary investment contract, and, if an external audit has been conducted, the name of the person who conducted the audit, as well as the target and an outline of the results of the audit.
- (2) In addition to the particulars prescribed in the preceding paragraph, when a specified financial service contract, for which a financial service intermediary provides an intermediary service for its conclusion, constitutes a discretionary investment contract, and where, under the relevant policy, the subject securities of a specific issue are to be designated as the subject of investment after the discretionary investment contract is concluded, the particulars specified by Cabinet Office Order, as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, are as follows:
- (i) the name of the subject securities, the method of calculating the price of the subject securities, and the particulars concerning the frequency and method of reporting the price to a person holding the rights relating to those securities;
 - (ii) the trade name or name and the address or residence of the issuer of the subject securities; a person engaged in important business operations for the investment of assets invested or contributed by a person holding rights relating to the subject securities (these assets are referred to below as the "fund assets" in this item and item (iv)); a person engaged in important business operations for the preservation of the fund assets; and a person

- engaged in important business operations concerning the particulars stated in the preceding item, other than those relating to the investment and preservation of the fund assets (limited to the particulars concerning the calculation method of the price prescribed in the same item or the method of reporting the price) (referred to as the "persons related to the fund" in the following item); and the particulars concerning the role-sharing of these persons;
- (iii) the capital and personal relationships between the counterparty financial institutions and the persons related to the fund;
 - (iv) whether an external audit is conducted for the fund assets, and, if an external audit is conducted, the name of the person who conducts the audit.
- (3) The provisions of Article 95, paragraph (2) apply mutatis mutandis to a discretionary investment contract. In this case, in the same paragraph, the term "the items of the preceding paragraph" is deemed to be replaced with "the items of paragraph (1) and paragraph (2) of Article 99"; the term "the provisions of the same paragraph" is deemed to be replaced with "these provisions"; and the term "the items of the same paragraph" is deemed to be replaced with "the items of paragraph (1) and paragraph (2) of the same Article".
- (4) The term "subject securities" referred to in paragraph (2) means the following securities (excluding those securities for which the disclosure prescribed in Article 4, paragraph (7) of the Financial Instruments and Exchange Act has been made):
- (i) the securities stated in Article 2, paragraph (1), item (x) or (xi) of the Financial Instruments and Exchange Act;
 - (ii) the securities similar to beneficiary certificates of an investment trust (meaning the investment trust prescribed in Article 2, paragraph (3) of the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951); the same applies below in this Chapter) among the securities stated in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act;
 - (iii) the securities stated in Article 2, paragraph (1), item (xvii) of the Financial Instruments and Exchange Act that have the characteristics of the securities stated in the preceding item;
 - (iv) the securities stated in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act that indicate the rights related to the securities stated in the preceding three items;
 - (v) the right to be indicated on the securities stated in the preceding items, which are considered to be securities under Article 2, paragraph (2) of the Financial Instruments and Exchange Act.

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

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

- (i) the trade name or name of the financial service intermediary and the counterparty financial institution;
- (ii) the amount of deposit (if the principal amount is indicated in a foreign currency, the amount in that foreign currency);
- (iii) whether the insured is entitled to payment of insurance proceeds as prescribed in Article 53 of the Deposit Insurance Act or Article 55 of the Agricultural and Fishery Cooperatives Savings Insurance Act;
- (iv) the date of deposit and the date of maturity (including whether the deposit will be automatically renewed);
- (v) the method of making repayment;
- (vi) the method of establishing interest, the payment method of interest, the calculation method of interest, and other particulars concerning interest;
- (vii) the handling of cancellations before the maturity of the deposit period (including the method for calculating interest and fees);
- (viii) the date on which the contract for a specified deposit, etc. is effected ;
- (ix) the particulars concerning fees, etc. in relation to the contract for a specified deposit, etc.;
- (x) the name of the customer; and
- (xi) the method by which the customer contacts the financial service intermediary and the counterparty financial institution.

(Particulars to Be Stated in All Documents to Be Delivered Upon the Conclusion of a Specified Financial Service Contract)

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

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

- service contract;
- (vi) the name of the customer;
- (vii) the method by which the customer contacts the financial service intermediary and the counterparty financial institution.

(Particulars to Be Stated in All Documents to Be Delivered Upon the Conclusion of a Contract Involving the Purchase, Sale, or Other Transactions in Securities)

Article 102 (1) In addition to the particulars prescribed in the items of the preceding Article, the following particulars must be stated in a document to be delivered upon the conclusion of a contract that is to be prepared when a specified financial service contract involving the purchase, sale, or other transactions in securities is concluded:

- (i) whether it is a transaction for the counterparty financial institution itself or conducted based on entrustment;
 - (ii) whether it is a sale, etc. (meaning a sale or any other manner of transfer for value) or a purchase, etc. (meaning a purchase or any other manner of acquisition for value);
 - (iii) the issues (including financial instruments, financial indicators (meaning the financial indicators prescribed in Article 2, paragraph (25) of the Financial Instruments and Exchange Act; the same applies in Article 111, paragraph (1), item (xv), and Article 139, paragraph (3)), which are to be the subject of the transaction, or any others equivalent to those issues);
 - (iv) the agreed volume;
 - (v) the unit price, amount of consideration, agreed figure (meaning the agreed figure prescribed in Article 2, paragraph (21), item (ii) of the Financial Instruments and Exchange Act), or any other amount or figure per transaction unit;
 - (vi) the amount of money payable by a customer and the method of calculating it;
 - (vii) the type of transaction;
 - (viii) whether the transaction is a cash transaction or a margin transaction (meaning the margin transaction prescribed in Article 156-24, paragraph (1) of the Financial Instruments and Exchange Act);
 - (ix) In addition to the particulars stated in the preceding items, any other particulars necessary for properly indicating the details of the transaction.
- (2) Notwithstanding the provisions of the same paragraph, when a counterparty financial institution is required to deliver a document prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act to a customer under the same paragraph concerning a single purchase, sale, or other transactions in securities, and the counterparty financial institution has

delivered that document containing the particulars stated in the items of the preceding paragraph, a financial service intermediary is not required to state those particulars again in a document to be delivered upon the conclusion of a contract.

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

Article 103 (1) In addition to the particulars stated in paragraph (1) of the preceding Article, the document to be provided at the time of the conclusion of a specified financial services contract for commodity fund-related transactions must include the following particulars:

- (i) the particulars stated in Article 37-3, paragraph (1), item (v) of the Financial Instruments and Exchange Act, as applied mutatis mutandis;
- (ii) the particulars stated in Article 95, paragraph (1), item (i), and Article 97, paragraph (1), items (i), (v), and (xvi), and item (xviii), (b), 2., and 4. through 6., and item (xx);
- (iii) the details of the investment through any of the actions stated in the items of Article 97, paragraph (4), in relation to the beneficial interest in a commodity fund;
- (iv) the method of distributing any profits of the commodity fund;
- (v) the method of payment for the redemption amount payable upon maturity, and when advance redemption may be made, the method of payment for the redemption amount; and
- (vi) the method and rate of taxation for both the dividend and the redemption.

(2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to commodity fund-related transactions. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of paragraph (1) of the following Article".

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

Article 104 (1) In addition to the particulars stated in each item of Article 101, the document to be delivered at the time of the conclusion of an investment advisory contract must include the following particulars:

- (i) the details and method of the advisory services;
- (ii) the amount and timing of the payment of remuneration;
- (iii) the particulars concerning the cancellation of the contract (including the particulars concerning the provisions of Article 37-6, paragraphs (1) through (4) of the Financial Instruments and Exchange Act (with respect to paragraphs (3) and (4), including as applied mutatis mutandis pursuant to

- Article 31, paragraph (2) of the Act));
- (iv) when there is an agreement on the amount of liquidated damages (including penalties), the details of this agreement;
 - (v) the contract period;
 - (vi) the name of the analyst, etc.;
 - (vii) the name of the person providing advisory services to a customer under the investment advisory contract;
 - (viii) regarding claims arising from the investment advisory contract, a customer is entitled to receive payment from the business security deposit related to the counterparty financial institution, in preference to other creditors;
 - (ix) the particulars stated in Article 98, paragraph (1), item (vii);
 - (x) the particulars stated in Article 98, paragraph (1), item (viii);
 - (xi) the particulars stated in Article 98, paragraph (1), item (ix).
- (2) The provisions stated in the following items do not apply to the cases specified in each item:
- (i) the provisions of item (ix) of the preceding paragraph: when the counterparty financial institution falls under the following persons:
 - (a) a person engaged in type-I financial instruments business (excluding a type-I small amount electronic public offering service provider);
 - (b) a person engaged in type-II financial instruments business (excluding a type-II small amount electronic public offering service provider);
 - (c) a registered financial institution;
 - (d) a financial instruments intermediary service provider;
 - (e) a financial service intermediary (limited to a person engaged in securities, etc. intermediary business operations);
 - (ii) the provisions of item (x) of the preceding paragraph: when the counterparty financial institution falls under the following persons:
 - (a) a person engaged in securities, etc. management business operations;
 - (b) a registered financial institution (limited to a financial institution engaged in trust business, or a financial institution accepting deposits, savings, or fixed-term installment deposits, etc.);
 - (iii) the provisions of item (xi) of the preceding paragraph: when the counterparty financial institution falls under the following persons:
 - (a) a person engaged in type-I financial instruments business;
 - (b) a registered financial institution (limited to a financial institution engaged in trust business);
 - (c) a financial instruments intermediary service provider;
 - (d) a financial service intermediary (limited to a person engaged in securities, etc. intermediary business operations).
- (3) The provisions of Article 102, paragraph (2) apply mutatis mutandis to an

investment advisory contract. In this case, the term "the items of the preceding paragraph" in the same paragraph is deemed to be replaced with "the items of Article 104, paragraph (1)".

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

Article 105 (1) In addition to the particulars stated in the items of Article 101, the document to be delivered upon the conclusion of a contract must include the following particulars when a discretionary investment contract is effected:

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

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

Article 106 (1) The cases specified by Cabinet Office Order, as prescribed in the proviso to Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis to the document delivered at the time of the conclusion of a contract for a specified deposit, etc., are as follows:

- (i) when, within one year before the conclusion of the contract for a specified deposit, etc. relating to a foreign currency deposit, etc., the financial service intermediary has delivered to the customer a document related to the foreign currency deposit, etc. (limited to cases where the customer has expressed the intent not to require delivery of the document upon the conclusion of the contract);
- (ii) when, within one year before the conclusion of the contract for a specified deposit, etc., the financial service intermediary has delivered to the customer a document to be delivered upon the conclusion of a contract relating to another contract for a specified deposit, etc. which contains the same content as that contract for a specified deposit, etc. (including cases where the intermediary has not delivered such a document for that other contract for deposit, etc. provided that the two contracts are substantively identical pursuant to the provisions of the preceding item);
- (iii) when a new contract for a specified deposit, etc. is concluded for the purpose of partially amending a contract for an already concluded specified deposit, etc., and the following conditions are met:
 - (a) when the partial change does not affect the particulars to be stated in the document to be delivered at the time of concluding a s contract for specified deposit, etc. that has already been effected;
 - (b) when the partial change results in a change to the particulars to be stated in the document to be delivered at the time of concluding a contract for specified deposit, etc. that has already been effected, provided that the financial service intermediary has delivered to the customer a document stating the particulars subject to the change;
- (iv) with regard to the conclusion of a contract for a specified deposit, etc., the counterparty financial institution to the contract for a specified deposit, etc. has delivered to the customer a document prescribed in the main clause of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Banking Act; Article 17-2 of the Long-Term Credit Bank Act; Article 89-2 of the Shinkin Bank Act; Article 94-2 of the Labor Bank Act; Article 6-5-11 of the Act on Financial Businesses by Cooperatives; Article 11-5 of the Agricultural

Cooperatives Act; Article 11-11 of the Fishery Cooperatives Act (including when applied mutatis mutandis pursuant to Article 92, paragraph (1); Article 96, paragraph (1); and Article 100, paragraph (1) of that Act); or Article 59-3 of the Norinchukin Bank Act (limited to a document in which the particulars stated in Article 100, items (i) and (xi) are also stated), pursuant to the provisions of the main clause of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to these provisions.

- (2) When, within one year from the date of delivery of a document related to a foreign currency deposit, etc. (including the date on which such a document on foreign currency deposit, etc. is deemed to have been delivered under this paragraph), a financial service intermediary has provided intermediary services for the conclusion of a contract for a specified deposit, etc. relating to a foreign currency deposit, etc. (limited to cases where the customer has expressed the intent not to require delivery of the document upon the conclusion of the contract), the document related to the foreign currency deposit, etc. is deemed to have been delivered on the date of the conclusion of that contract for a specified deposit, etc., and the provisions of item (i) of the preceding paragraph apply.
- (3) When, within one year from the date delivery of a document to be delivered upon the conclusion of a contract (including the date on which a contract for a specified deposit, etc. was concluded where such a document was not delivered for that contract for specified deposit, etc. under paragraph (1), item (i); and the date on which such a document is deemed to have been delivered under this paragraph), a financial service intermediary has provided intermediary services for the conclusion of another contract for a specified deposit, etc. with the same content as the contract for a specified deposit, etc. related to the document to be delivered upon the conclusion of a contract, the document is deemed to have been delivered on the date of the conclusion of that other contract, and the provisions of paragraph (1), item (ii) apply.

(Exemption from the Requirement to Deliver Documents to Be Delivered Upon the Conclusion of a Specified Financial Service Contract)

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

- (i) when the specified financial service contract falls under the following, and the financial service intermediary has established a system to enable it to

- periodically deliver documents containing the details of the specified financial service contract to customers, and to promptly respond to customers' inquiries regarding individual transactions:
- (a) a contract for the purchase of securities under a contract for cumulative investment, or a contract for the sale of securities conducted on a regular basis under a contract for cumulative investment;
 - (b) acquiring the same securities as those stated in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act, using the proceeds from securities held by the customer;
 - (c) purchasing and selling the securities stated in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act (limited to beneficiary certificates of bond investment trusts);
- (ii) when a specified financial service contract for the following transactions is concluded, and the counterparty financial institution is to deliver a written contract to the customer pursuant to Article 110, paragraph (1), item (ii) of the Cabinet Office Order on Financial Instruments Business:
- (a) an intermediary service for the sale of securities (limited to cases where the customer for the specified financial service contract is the issuer or owner of those securities);
 - (b) an intermediary service for the purchase of securities (limited to cases where the service involves acting as an intermediary for the purchase of securities in connection with a tender offer, with the tender offeror being the counterparty);
 - (c) the handling of a public offering or secondary distribution of securities (limited to cases where the customer for the specified financial service contract is the issuer or owner of those securities);
- (iii) when handling problematic conduct (meaning a transaction carried out with the customer's consent, in cases where any of the acts stated in Article 118, item (i), (a) through (e) of the Cabinet Office Order on Financial Instruments Business has been committed, for the purpose of cancelling the transaction related to that act and executing the customer's order in accordance with its intended purpose);
- (iv) when a customer has concluded a discretionary investment contract with the counterparty financial institution (limited to a counterparty financial institution engaged in the investment management business (meaning the investment management business prescribed in Article 28, paragraph (4) of the Financial Instruments and Exchange Act; the same applies in Article 111, paragraph (1), item (xix)), and when the purchase, sale, or other transactions in securities conducted under that discretionary investment contract satisfy all of the following requirements:
- (a) the financial service intermediary obtains the customer's prior consent, in

- writing or by a method utilizing information and communications technology, that the delivery of a document to be delivered upon the conclusion of a contract is not required;
- (b) the financial service intermediary delivers to the customer, without delay, a document stating the particulars equivalent to those stated in the items of Article 102, paragraph (1), and other details of the purchase, sale, or other transactions in securities to be conducted under the discretionary investment contract (excluding cases where the customer's prior consent for not requiring the delivery of a document stating those particulars is obtained in writing, or by a method utilizing information and communications technology);
 - (c) the financial service intermediary has established a system to enable it to promptly respond to customers' inquiries regarding individual transactions;
 - (v) when a new specified financial service contract is concluded for the purpose of partially amending an already concluded specified financial service contract, and the following conditions are met:
 - (a) when the partial change does not affect the particulars to be stated in the document to be delivered at the time of concluding a specified financial service contract that has already been effected;
 - (b) when the change results in a change to the particulars to be stated in the document to be delivered at the time of concluding a specified financial service contract that has already been effected, provided that the financial service intermediary has delivered to the customer a document stating the particulars subject to that change.
- (2) In lieu of delivering a document pursuant to the provisions of item (i) of the preceding paragraph, a financial service intermediary may provide the particulars to be stated in the document (referred to as the "particulars to be stated" in the following paragraph) by electronic or magnetic means (excluding the method stated in Article 2, paragraph (1), item (i), (d); the same applies in the following paragraph) with the customer's consent. In such a case, the financial service intermediary is deemed to have delivered the document.
- (3) The provisions of Article 3, paragraphs (2) and (3) apply mutatis mutandis to cases where a financial service intermediary intends to provide the particulars to be stated by electronic or magnetic means under the preceding paragraph. In such cases, the terms "the preceding paragraph" and "the items of paragraph (1) of the preceding Article" in paragraph (2) of the same Article are deemed to be replaced with "Article 107, paragraph (2)" and "paragraph (1), item (i), (a) through (c) or item (ii) of the preceding Article", respectively.
- (4) In the case referred to in paragraph (2), with regard to the application of the provisions of Article 2, paragraph (2) (excluding item (iii), (b) and item (iv)),

the phrase "the transaction stated in the particulars to be stated was finally conducted" in item (iii) of the same paragraph is deemed to be replaced with "the particulars to be stated were recorded".

(5) "A method utilizing information and communications technology," as referred to in paragraph (1), item (iv), (a) and (b), means the following methods; provided, however, that the method must enable a financial service intermediary to prepare a document by printing out the information recorded in the files:

- (i) the following methods of using an electronic data processing system:
 - (a) a method of transmitting the information to be stated via a telecommunications line connecting a computer used by the financial service intermediary and computers used by customers, and recording that information in a file stored on a computer used by the recipient;
 - (b) a method of making the particulars concerning the customer's consent—which are recorded in a file stored on a computer used by the financial service intermediary—available for the customer's inspection via a telecommunications line, and recording those particulars in a file stored on a computer used by the financial service intermediary;
- (ii) a method of obtaining a file—prepared using an electronic or magnetic recording medium—that records the particulars concerning the customer's consent.

(Credit Ratings Found Unlikely to Result in Insufficient Protection of Investors)

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

- (i) a credit rating for assessing the credit status of the underlying assets (meaning the underlying assets prescribed in Article 295, paragraph (3), item (ii) of the Cabinet Office Order on Financial Instruments Business) of the asset securitization products (meaning the asset securitization products prescribed in item (i) of the same paragraph) for which the specified financial service contract was concluded (excluding any credit rating that is substantially regarded as a credit rating for assessing the credit status of the asset securitization product itself);
- (ii) in addition to what is stated in the preceding item, a credit rating whose primary purpose is the assessment of the credit status of securities other than those related to the specified financial service contract, or the credit status of any party other than the issuer of those securities (excluding any

credit rating that is substantially regarded as a credit rating for assessing the credit status of securities related to the specified financial service contract, or the credit status of the issuer of those securities).

(Significance of Registration of Credit Rating Agencies and Other Related Matters)

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

- (i) the significance of registration in accordance with Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) the following particulars regarding the person who determined the credit rating:
 - (a) the trade name or name;
 - (b) when the person is a corporation (including an organization without legal personality for which a representative or administrator has been designated), the names of its officers (or, in the case of an organization without legal personality, the name of the designated representative or administrator);
 - (c) the name and location of the head office, or any other principal place of business or office;
- (iii) the outline of the policies and methods used by the person who determined the credit rating to assign that rating;
- (iv) the assumptions, significance, and limitations of the credit rating.

(2) Notwithstanding the provisions of the preceding paragraph, with respect to credit ratings determined by a specified associated corporation (meaning the specified associated corporation prescribed in Article 116-3, paragraph (2) of the Cabinet Office Order on Financial Instruments Business; the same applies below in this paragraph), the particulars specified by Cabinet Office Order, as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are as follows:

- (i) the significance of the registration referred to in Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) the trade name or name and the registration number of the credit rating agency, whose associated corporation (meaning the associated corporation prescribed in Article 295, paragraph (3), item (x) of the Cabinet Office Order on Financial Instruments Business) was designated by the Commissioner of the Financial Services Agency as a specified associated corporation, based on the provisions of Article 116-3, paragraph (2) of that Cabinet Office Order;
- (iii) the name used by the specified associated corporation to represent its credit rating business;

- (iv) the outline of the policies and methods used by the specified associated corporation that determined the credit rating, or the means to obtain information on that outline from the credit rating agency prescribed in item (ii); and
- (v) the assumptions, significance, and limitations of a credit rating.

(Prohibited Acts Involving Intermediary Services for the Conclusion of a Contract for a Specified Deposit, etc.)

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

- (i) the acts stated in the items of Article 55;
- (ii) the act of providing intermediary services for the conclusion of a contract for a specified deposit, etc., without having provided the customer (excluding a professional investor (excluding a person deemed to be a customer other than a professional investor under Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, but including a person deemed to be a professional investor under Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (including as applied *mutatis mutandis* pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*)); the same applies below in this item, and paragraph (1), items (i) and (xvi) of the following Article, as well as in Article 118, items (iv) and (v))—with a prior explanation of the particulars stated in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* (when an explanatory document concerning changes to contract information is to be delivered, a prior explanation of the particulars stated in items (iii) through (v) and item (vii) of the same paragraph, as stated in the document)—upon the delivery of the following documents, in a manner and to the extent necessary to ensure that the customer understands them, in light of the customer's knowledge, experience, asset status, and the purpose of concluding a contract for a specified deposit, etc.:
 - (a) a document to be delivered prior to conclusion of contract;
 - (b) a document related to a foreign currency deposit, etc.;
 - (c) an explanatory document concerning changes to contract information;
- (iii) an act of making any false representation, or making any representation that could lead to a material particular being misunderstood, while soliciting or acting as an intermediary for the conclusion of a contract for a specified

deposit, etc.;

- (iv) an act of promising a customer or the customer's designee to provide any special benefit, or providing any special benefit to a customer or a third party (including an act of having any third party promise to provide, or providing, any special benefit), in relation to a contract for a specified deposit, etc.;
- (v) in connection with the conclusion or cancellation of a contract for a specified deposit, etc., an act of soliciting a customer (limited to an individual) by phone calls or visits at times when the customer may be inconvenienced.

(Prohibited Acts Related to Securities, etc. Intermediary Business Operations)

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

- (i) conducting intermediation for financial services (limited to the acts stated in the items of Article 11, paragraph (4) of the Act; the same applies in the following item through item (vi)), without having provided the customer with a prior explanation of the particulars stated in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis (when an explanatory document concerning changes to contract information is to be delivered, a prior explanation of the particulars stated in items (iii) through (v) and item (vii) of the same paragraph as stated in the document), upon the delivery of the following documents, in a manner and to the extent necessary to ensure that the customer understands them, in light of the customer's knowledge, experience, asset status, and the purpose of concluding a specified financial service contract, relating to the delivery of the documents stated as follows:
 - (a) a document to be delivered prior to conclusion of contract;
 - (b) an explanatory document on listed securities, etc.;
 - (c) in the case stated in Article 91, paragraph (1), item (iii), the prospectus prescribed in the same item (when there is any document to be delivered as an integral part of the prospectus under the same item, the prospectus along with that document);
 - (d) an explanatory document concerning changes to contract information;
- (ii) an act of making any false representation, or making any representation that could lead to any material particular being misunderstood, in relation to the intermediation for financial services;
- (iii) an act of promising a customer or a person designated by the customer to

- provide any special benefit, or providing any special benefit to a customer or a third party (including an act of having any third party promise to provide, or providing, a special benefit), in relation to the intermediation for financial services;
- (iv) an act of using fraudulent means, or committing assault or intimidation, in relation to the intermediation for financial services;
 - (v) an act of refusing or unreasonably delaying the performance of all or part of the intermediation of financial services, under a contract for providing intermediation for financial services;
 - (vi) in relation to the intermediation of financial services, an act of soliciting a customer (in the casewhere the intermediation of financial services relates to any transactions other than the purchase, sale, or other transactions in a beneficial interest in a commodity fund prescribed in Article 97, paragraph (4), limited to an individual) by phone calls or visits at times when the customer may be inconvenienced;
 - (vii) an act of conducting the purchase, sale, or other transactions in securities, or market derivatives transactions or foreign market derivatives transactions on the customer's account, without obtaining the customer's prior consent;
 - (viii) an act of conducting the purchase, sale, or other transactions in securities solely in pursuit of speculative profit by a financial service intermediary who is an individual, or by any officer (including the executive members, if the officer is a corporation) or employee (limited to an employee engaged in the securities, etc. intermediary business operations) of a financial service intermediary;
 - (ix) an act of accepting a customer's application for an intermediary service for the purchase, sale, or other transactions in securities, or for an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market (meaning the financial instruments exchange market prescribed in Article 2, paragraph (17) of the Financial Instruments and Exchange Act; the same applies below in this paragraph and paragraph (3), and in Article 118, items (i) and (ii)) or on a foreign financial instruments market, while knowing that the customer's purchase, sale, or other transactions in securities violate or may violate the provisions of Article 166, paragraph (1) or (3), or Article 167, paragraph (1) or (3) of that Act;
 - (x) an act of soliciting a customer regarding an intermediary service for the purchase, sale, or other transactions in securities, or an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market or on a foreign financial instruments market, by furnishing undisclosed information from the issuer of those securities

- regarding decisions on the launch or suspension (excluding those corresponding to the standards prescribed in the proviso to Article 167, paragraph (2) of the Financial Instruments and Exchange Act; the same applies in the following item) of a tender offer prescribed in Article 27-2, paragraph (1) of that Act (limited to when the provisions of the main clause of the same paragraph are applicable; the same applies in the following item), an equivalent buy-up of share certificates, etc. (meaning the share certificates, etc. prescribed in Article 27-2, paragraph (1) of that Act; the same applies in the following item and in Article 118, item (iii)), and a tender offer prescribed in Article 27-22-2, paragraph (1) of that Act (limited to when the provisions of the main clause of the same paragraph are applicable; the same applies in the following item);
- (xi) an act of soliciting a customer to conduct the purchase and sale, etc. regarding an intermediary service for the purchase, sale, or other transactions in securities, or an intermediary service for the entrustment of the purchase and sale of securities on a financial instruments exchange market or a foreign financial instruments market (the purchase and sale of securities, or the purchase and sale of securities on a financial instruments exchange market or a foreign financial instruments market, are collectively referred to below as the "purchase and sale, etc." in this item), before the publication of the information from the issuer of those securities regarding decisions on the implementation or suspension of the tender offer prescribed in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act, an equivalent buy-up of share certificates, etc., and a tender offer prescribed in Article 27-22-2, paragraph (1) of that Act, for the purpose of having the customer gain a profit or avoid incurring a loss (excluding the act stated in the preceding item);
- (xii) an act of a financial service intermediary or any of its officers (when the officer is a corporation, this includes employees who are to perform the duties of the corporation) or employees, receiving from or providing to its parent corporation, etc. or subsidiary corporation, etc., order trends relating to the buying and selling of customers' securities, market derivatives transactions or foreign market derivatives transactions, or soliciting the purchase, sale, or other transactions in securities or using special information (excluding information relating to foreign corporations (including unincorporated foreign organizations that have a designated representative or administrator)) that the directors or employees of the financial service intermediary or its parent corporation, etc. or subsidiary corporation, etc. have learned in the course of their duties, or special information obtained from a parent corporation, etc. or subsidiary corporation, etc. (excluding special information where the parent corporation,

etc. or subsidiary corporation, etc. has decided to suspend the provision of such information to the financial service intermediary or its officers or employees at the request of the customer (limited to a person falling under any of (d), 1. through 4.), and where that fact is made readily available to the customer (excluding cases in which the customer has made such a request), and excluding special information provided by the parent corporation, etc. or subsidiary corporation, etc. with the customer's prior consent in writing or in electronic or magnetic record):

- (a) when the customer has given prior consent in writing or in an electronic or magnetic record for the provision of special information by the financial service intermediary, or by its officers, employees, parent corporation, etc., or subsidiary corporation, etc.;
- (b) when the parent corporation, etc. or subsidiary corporation, etc. is the counterparty financial institution, and where the information stated in Article 123, paragraph (1), item (xviii), (a) through (c) of the Cabinet Office Order on Financial Instruments Business is received, or the information stated in Article 118, item (ix), (a) or (b) is provided;
- (c) when financial institution agency services are provided based on entrustment by the counterparty to a contract for the lending of funds or the discounting of negotiable instruments concluded by a customer through deposit, etc. intermediary business operations conducted by a principal bank, etc. (meaning the principal bank prescribed in Article 2, paragraph (16) of the Banking Act; the principal long-term credit bank prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act; the principal shinkin bank prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act; the principal labor bank prescribed in Article 89-3, paragraph (3) of the Labor Bank Act; the principal credit cooperative prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperatives; the principal cooperative prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act; the principal cooperative prescribed in Article 106, paragraph (3) of the Fishery Cooperatives Act; and the Norinchukin Bank prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act; the same applies in the following paragraph), which is either the financial service intermediary's parent bank, etc. (meaning a parent corporation, etc. that is a bank or cooperative financial institution (meaning a cooperative financial institution prescribed in Article 2, paragraph (1) of the Act on Preferred Equity Investment by Cooperative Financial Institutions (Act No. 44 of 1993); the same applies in (c)); the same applies in the following paragraph) or the financial service intermediary's subsidiary bank, etc. (meaning a subsidiary corporation, etc. that is a bank or cooperative

- financial institution; the same applies in the same paragraph), or by the financial service intermediary itself, and where the information stated in item (i) or (ii) of the same paragraph is received, or the information stated in item (iii) or (iv) of the same paragraph is provided;
- (d) when the financial service intermediary or the parent corporation, etc. or subsidiary corporation, etc. has decided to suspend the provision of special information to the financial service intermediary or its officers or employees at the request of the customer (limited to persons falling under any of the following), and when that fact has been made readily available to the customer in advance (excluding cases where the customer has made such a request):
1. a listed company, etc. prescribed in Article 163, paragraph (1) of the Financial Instruments and Exchange Act and its subsidiary company, etc.;
 2. a stock company that intends to list the shares it issues on a financial instruments exchange (limited to a stock company that has concluded a contract to receive advice necessary to conform to the listing criteria, or a contract to receive an audit by a certified public accountant or an audit corporation pursuant to the provisions of Article 193-2 of the Financial Instruments and Exchange Act), and its subsidiaries, etc.;
 3. a person who has submitted an annual securities report, as prescribed in Article 24, paragraph (1) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to paragraph (5) of the same Article (including as applied mutatis mutandis pursuant to Article 27 of that Act) and Article 27 of that Act), and their subsidiary company, etc.;
 4. a qualified institutional investor prescribed in Article 2, paragraph (3), item (i) of the Financial Instruments and Exchange Act (excluding those stated in Article 10, paragraph (1), item (xxiii) (limited to the portion relating to (a)) and item (xxiv) of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993), and its subsidiary company, etc.;
- (xiii) an act of soliciting a large number of unspecified customers in a simultaneous and excessive manner for a specified period of time to apply for intermediation for the purchase or sale of a small number of specific securities, or for intermediation for entrustment, in a way that may undermine the formation of a fair price;
- (xiv) the act of soliciting an unspecified number of customers for a specified period of time in a simultaneous and excessive manner to apply for intermediation for the purchase or sale of securities or intermediation for

- entrustment, for the purpose of benefiting oneself or other customers by taking advantage of fluctuations in prices, indexes, figures, or amounts of consideration based on the transactions of the customer;
- (xv) an act of providing an intermediary service for, or an intermediary service for the entrustment of, the purchase or sale of listed financial instruments, etc. (meaning financial instruments, financial indicators or options (meaning the options prescribed in Article 2, paragraph (1), item (xix) of the Financial Instruments and Exchange Act) that are listed by a financial instruments exchange, and excluding crypto-and other assets, etc. (meaning the crypto-and other assets, etc. prescribed in Article 185-23, paragraph (1) of that Act) or over-the-counter traded securities, with the knowledge that it will result in artificial figures not reflecting the actual market conditions, through causing fluctuations in, or pegging, setting or stabilizing quotations or figures calculated based on quotations or transaction volumes of listed financial instruments, etc. on a financial instruments exchange market, or over-the-counter traded securities;
- (xvi) an act of providing an intermediary service for the purchase, or an intermediary service for the entrustment of the purchase of securities on a financial instruments exchange market or a foreign financial instruments market, without explaining to the customer that the following documents relating to the securities are prepared in English or without delivering a document stating this (including the provision of the particulars to be stated in that document by a method equivalent to the method of making them available for the customer to inspect, as prescribed in Article 91, paragraph (1), item (v) or (vi); the same applies below in this item) (except when, within one year before the date of that act, an explanation has been provided and the document has been delivered to the customer):
- (a) a foreign company statement prescribed in Article 5, paragraph (8) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of that Act);
 - (b) a foreign company report prescribed in Article 24, paragraph (8) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of that Act);
 - (c) a foreign company semiannual securities report prescribed in Article 24-5, paragraph (7) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of that Act);
 - (d) a foreign company confirmation letter prescribed in Article 1, item (xviii)-4 of the Cabinet Office Order on Disclosure of Corporate Affairs;
 - (e) a foreign company internal control report prescribed in Article 2, item (iii)-2 of the Cabinet Office Order on the System for Ensuring the Appropriateness of Documents on Financial Calculation and Other

- Information (Cabinet Office Order No. 62 of 2007);
- (f) a foreign company extraordinary report prescribed in Article 24-5, paragraph (15) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27 of that Act);
 - (g) a document correcting the documents stated in (a) through (f), which was written in English;
 - (h) a report on the status of a foreign parent company, etc., as prescribed in Article 19-4, paragraph (2) of the Cabinet Office Order on Disclosure of Corporate Affairs;
- (xvii) to commit any of the acts stated in the items of Article 11, paragraph (4) of the Act, on the condition that the financial service intermediary acts as an agent or intermediary in the conclusion of a contract for the lending of funds or the discounting of negotiable instruments and notes (excluding the act stated in item (iii));
 - (xviii) the act, in the course of providing investment advisory services, of soliciting a customer to engage in the purchase, sale, or any other transactions in securities, for the purpose of completing a transaction that the customer conducted based on advice provided in those services, or conducting a reversing trade;
 - (xix) the act, in the course of conducting the investment management business, of soliciting a customer—other than the right holders of the investment property related to that business—to engage in the purchase, sale, or any other transactions in securities, for the purpose of completing a transaction that the customer conducted as part of the investment of that property, or conducting a reversing trade;
 - (xx) the act, in the course of conducting defined contribution pension operational management business (meaning the defined contribution pension operational management business prescribed in Article 2, paragraph (7) of the Defined Contribution Pension Act (Act No. 88 of 2001); the same applies in the following item), of using information on investment instructions (limited to instructions regarding the purchase and sale of securities; the same applies in the following item) of subscribers, etc. (meaning the subscribers, etc. prescribed in Article 2, paragraph (7), item (i), (a) of that Act; the same applies in the following item), and, through such use, soliciting any customer other than those subscribers, etc. to engage in the purchase, sale, or other transactions in securities;
 - (xxi) the act, in the course of conducting defined contribution pension operational management business, of soliciting a customer—other than the subscribers, etc. of that business—to engage in the purchase, sale, or other transactions in securities, for the purpose of completing a transaction previously conducted by the customer based on the investment instructions

- of those subscribers, etc.;
- (xxii) in the case of conducting trust business, etc. (meaning the trust business prescribed in Article 2, paragraph (1) of the Trust Business Act, the trust agreement agency services prescribed in paragraph (8) of the same Article, the property management services prescribed in Article 21, paragraph (1) of that Act, or business operations conducted based on the entrustment of the trust business by a trust company under Article 22, paragraph (1) of that Act; the same applies in the following item), an act of using information on the purchase, sale, or other transactions in securities, market derivatives transactions, or foreign market derivatives transactions in connection with the management or disposition of trust property based on the trust business, etc., to solicit a customer other than those related to the trust property to make an entrustment, etc. of the purchase, sale, or other transactions in securities (meaning the entrustment, etc. prescribed in Article 44, item (i) of the Financial Instruments and Exchange Act; the same applies in Article 118, item (iv));
- (xxiii) the act, in the course of conducting a trust business, etc., of soliciting a customer—other than those related to the trust agreement executed in the course of the trust business, etc.—to engage in the purchase, sale, or other transactions in securities, for the purpose of completing a transaction that the customer conducted based on that trust agreement or on a settlor's instructions given in connection with the trust business, etc., or conducting a reversing trade;
- (xxiv) when providing financial institution agency services (including agency service operations under the Enhancement and Restructuring Act; the same applies in the following item), a financial service intermediary engaged in the securities, etc. intermediary business operations, or any of its officers (when the officer is a corporation, including employees who are to perform the duties of that corporation), or a financial service intermediary engaged in financial institution agency service operations, or its officers or employees, undisclosed loan information, etc. of a customer who is the issuer of securities (excluding the securities stated in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act and the securities stated in Article 2, paragraph (1), item (xvii) of that Act that have the nature referred to in items (i) and (ii) of the same paragraph; the same applies below in this item) (where undisclosed loan information, etc. means undisclosed information on the business of a customer or any other special information that has come to be known by a financial service intermediary engaged in financial institution agency service operations (meaning business operations relating to the agency or intermediary services for the conclusion of contracts for the lending of funds or the discounting of negotiable instruments and

notes, from the financial institution agency service operations, including such services under the Enhancement and Restructuring Act; the same applies below in this item, the following item, and in Article 118, item (vii)) or its officers or employees, and which is found to affect the customer's investment decisions in relation to securities solicited by a financial service intermediary engaged in securities, etc. intermediary business operations or its officers or employees, or any information on ordering trends in a customer's purchase and sale of securities, market derivatives transactions, or foreign market derivatives transactions, or any other special information that has come to be known by a financial service intermediary engaged in securities, etc. intermediary business operations or its officers or employees in the course of their duties and which is found to have a material impact on the financial institution agency service operations relating to the issuer of the securities (excluding information relating to a foreign corporation (including a foreign organization without legal personality for which a representative or administrator has been designated)); the same applies below in this item and Article 118, item (vii)) (excluding the cases specified as follows):

- (a) when the undisclosed loan information, etc. is to be provided with the customer's prior consent obtained in writing or in an electronic or magnetic record;
- (b) when it is found necessary to receive any undisclosed loan information, etc. from the financial service intermediary engaged in financial institution agency service operations, or from its officers or employees, to ensure compliance with the laws and regulations applicable to the securities, etc. intermediary business operations;
- (c) when the undisclosed loan information, etc. is to be provided to the financial service intermediary supervising the business operations of the section responsible for implementing the securities, etc. intermediary business operations (limited to a section that is also responsible for implementing the financial institution agency service operations), or to its officers or employees;
- (d) when the financial service intermediary has decided to suspend the provision of the undisclosed loan information, etc. to a financial service intermediary engaged in securities, etc. intermediary business operations or its officers or employees, or to a financial service intermediary engaged in financial institution agency service operations or its officers or employees, at the request of the customer (limited to a person falling under any of item (xii), (d), 1. through 4.), and when that fact is made readily available to the customer (excluding cases where the customer has made such a request);

- (xxv) the act of a financial service intermediary, when providing financial institution agency services, engaged in financial institution agency service operations, or of its officers or employees, engaging in the purchase, sale, or other transactions in securities, market derivatives transactions, or foreign market derivatives transactions (excluding brokerage for clearing of securities, etc., as prescribed in Article 2, paragraph (27) of the Financial Instruments and Exchange Act), based on any undisclosed information that has come to their knowledge in the course of their duties and is found to have an impact on investment decisions regarding securities, without informing their customers of the situation;
- (xxvi) when an entrusting financial instruments business operator (meaning a financial instruments business operator engaged in type-I financial instruments business that entrusts securities, etc. intermediary business operations to a financial service intermediary) is to become an underwriter (meaning the underwriter as prescribed in Article 2, paragraph (6) of the Financial Instruments and Exchange Act; the same applies below in this item) of securities issued by a person who owes an obligation relating to a borrowing to the entrusting financial instruments business operator's parent corporation, etc. or subsidiary corporation, etc. (excluding the securities stated in Article 33, paragraph (2), item (i) of that Act and the securities stated in Article 2, paragraph (1), item (xvii) of that Act that have the nature referred to in items (i) and (ii) of the same paragraph), or an underwriter of treasury shares to be disposed of, the act of a financial service intermediary of committing any of the acts stated in Article 11, paragraph (4), item (i) of the Act (limited to cases where such acts relate to securities to be sold within a period ending six months from the date on which the entrusting financial instruments business operator becomes an underwriter), or the acts stated in item (iii) of the same paragraph in relation to such securities, while knowing that the proceeds from the sale of those securities will be appropriated for the payment of the borrowing-related obligation.
- (2) The information to be received from or provided to the counterparty to a contract for the lending of funds or the discounting of negotiable instruments concluded by a customer through deposit, etc. intermediary business operations conducted by a principal bank, etc., which is the financial service intermediary's parent bank, etc. or subsidiary bank, etc., as referred to in item (xii), (c) of the preceding paragraph, or by the financial service intermediary itself, is as follows:
- (i) information on the financial institution agency services to be provided by the financial service intermediary based on entrustment by the counterparty to a contract for the lending of funds or the discounting of negotiable instruments concluded by a customer through deposit, etc. intermediary

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

(Problematic Conduct)

Article 112 The problematic conduct specified by the Cabinet Office Order, as prescribed in Article 39, paragraph (3) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, refers to the following acts committed by a financial service intermediary or its representative, agent, employee, or other staff member (referred to as the "representative, etc." in

paragraph (1), items (x) and (xi) of the following Article and in Article 116, item (iii), (a)), in connection with the financial service intermediary's business operations, in relation to the conclusion of a specified financial service contract (excluding a contract for a specified deposit, etc. and a specified insurance contract; the same applies below in this Article), that causes any kind of loss to a customer:

- (i) an act of providing intermediary services for the conclusion of a specified financial service contract on the customer's account, without confirming the details of the customer's order;
- (ii) an act of soliciting a customer in a manner that could lead the customer to misunderstand the following:
 - (a) the characteristics of the securities relating to the intermediation for financial services (limited to the acts stated in the items of Article 11, paragraph (4) of the Act);
 - (b) the conditions of the transaction;
 - (c) any rise or decline in the price of the financial instruments;
- (iii) an act of erroneously handling affairs due to negligence, in the course of acting as an intermediary for the conclusion of a specified financial service contract on a customer's account;
- (iv) an act of erroneously providing intermediary services for the conclusion of a specified financial service contract on a customer's account, due to any malfunction in the electronic data processing system;
- (v) any other act that violates laws and regulations.

(Exemption from the Requirement to Confirm Problematic Conduct)

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

- (i) when a final and binding judgment has been issued by the court;
- (ii) when a judicial settlement (excluding the settlement specified in Article 275, paragraph (1) of the Code of Civil Procedures (Act No. 109 of 1996)) has been reached;
- (iii) when conciliation prescribed in Article 16 of the Civil Conciliation Act (Act No. 222 of 1951) has been reached, or when a court decision has been made pursuant to the provisions of Article 17 of that Act and no objection has been filed against that decision within the period prescribed in Article 18, paragraph (1) of that Act;
- (iv) when a settlement has been reached through mediation by a financial instruments firms association or a certified investor protection organization, or through dispute resolution procedures conducted by a designated dispute resolution organization (including those designated under any of the items of

- Article 40 of the Order);
- (v) when a settlement has been reached through mediation at an organization prescribed in the bar association rules under Article 33, paragraph (1) the Attorney Act, or under any other rules established pursuant to those bar association rules, or when an arbitral award has been made under arbitration procedures at that organization;
 - (vi) when a settlement has been reached through mediation as prescribed in Article 19, paragraph (1), or Article 25 of the Consumer Basic Act, or when a resolution has been reached based on an agreement prescribed in the same Article;
 - (vii) when a settlement has been reached through the certified dispute resolution procedures prescribed in Article 2, item (iii) of the Act on Promotion of the Use of Alternative Dispute Resolution (Act No. 151 of 2004), conducted by a certified dispute resolution business operator (meaning the certified dispute resolution business operator prescribed in Article 2, item (iv) of that Act, and limited to when disputes relating to the intermediation for financial services (limited to the acts stated in the items of Article 11, paragraph (4) of the Act) fall within the scope of the disputes prescribed in Article 6, item (i) of that Act);
 - (viii) when a settlement has been reached and all of the following requirements are satisfied:
 - (a) an attorney or a judicial scrivener (limited to a judicial scrivener who performs the affairs stated in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act (Act No. 197 of 1950); the same applies in the following item) has represented the customer in connection with the settlement procedures;
 - (b) the amount payable by the financial service intermediary to the customer as a result of the realization of the settlement does not exceed ten million yen (or, when the judicial scrivener referred to in (a) represents the customer, the amount prescribed in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act);
 - (c) a document or an electronic or magnetic record stating that the attorney or judicial scrivener referred to in (a) has verified and confirmed that the payment referred to in (b) is to be made for the purpose of compensating all or part of any losses arising from problematic conduct (meaning the problematic conduct prescribed in Article 39, paragraph (3) of the Financial Instruments and Exchange Act, as applied mutatis mutandis; the same applies below in this Article and Article 116), and that it has been delivered or provided to the financial service intermediary.
 - (ix) when the amount payable to a customer for losses arising from problematic conduct has been specified between the financial service intermediary and

- the customer, and where the following requirements are both satisfied (excluding the cases stated in the preceding items):
- (a) the amount payable by the financial service intermediary to the customer does not exceed ten million yen (or, when a committee prescribed in (b) consists solely of members who are judicial scriveners, the amount prescribed in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act);
 - (b) the payment referred to in (a) is to be made for the purpose of compensating for losses arising from problematic conduct, and has been verified and confirmed by a committee set up within a certified financial service intermediary business association (meaning a committee that consists of multiple members appointed by the certified financial service intermediary business association (limited to persons who are attorneys or judicial scriveners and who have no special interest in the financial service intermediary and the customer relating to that problematic conduct));
 - (x) when the financial service intermediary or its representative, etc. has caused any loss to a customer due to any of the acts stated in the items of the preceding Article, and when the amount of the property benefit offered, promised, or provided to the customer in relation to a loss suffered by the customer in daily trading does not exceed an amount equivalent to 1,000,000 yen (excluding the cases stated in the preceding items);
 - (xi) when the financial service intermediary or its representative, etc. has caused any loss to a customer due to any of the acts stated in item (iii) or (iv) of the preceding Article (excluding the cases stated in items (i) through (ix), but only when it is evident from the descriptions in the books and documents stated in Article 138, item (iii), or the records of the details of the customer's orders that the act falls under problematic conduct).
- (2) The benefit referred to in item (x) of the preceding paragraph is to be calculated for each category of the acts stated in the items of the preceding Article. In this case, the amount of the financial benefit offered, promised, or provided in the case listed in item (xi) of the same paragraph is to be deducted from the profit amount for the categories of acts listed in items (iii) and (iv) of the same Article.
- (3) When a financial service intermediary has offered or promised to provide, or has provided, any property benefit to a customer in the cases stated in paragraph (1), items (ix) through (xi), without obtaining the confirmation referred to in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, it must report the particulars stated in the items of Article 116 to the Director-General of a Local Finance Bureau having jurisdiction over the location of the place of business or office where the problematic conduct relating to that offer, promise,

or provision occurred (to the Director-General of the Fukuoka Local Finance Branch Bureau if that location falls within its jurisdiction, or to the Director-General of the Kanto Local Finance Bureau if the financial service intermediary has no place of business or office in Japan), no later than the last day of the month immediately following the month in which the offer, promise, or provision occurred.

(Exemption from the Prohibition of Compensation for Losses)

Article 114 The investment trust specified by Cabinet Office Order, as prescribed in Article 39, paragraph (4) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, refers to a bond investment trust, the beneficial interest of which is acquired or held for the purpose of being used in payments or receipts of money in connection with the purchase, sale, or other transactions in securities between a customer and a counterparty financial institution.

(Application for Confirmation of Problematic Conduct)

Article 115 Any person intending to obtain the confirmation stated in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, must submit a written application, along with the accompanying documents referred to in paragraph (7) of the same Article, to the Commissioner of the Financial Services Agency, etc.

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

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

- (i) the trade name or name, and the registration number of the financial service intermediary;
- (ii) the name and location of the place of business or office at which the problematic conduct occurred;
- (iii) the following particulars relating to the facts for which confirmation is to be sought:
 - (a) the name of the representative, etc. or the section that was involved in an act constituting problematic conduct;
 - (b) the name and address of the customer (if the customer is a corporation, its trade name or name, the location of its principal place of business or office, and the name of its representative);
 - (c) an outline of problematic conduct;
 - (d) the reasons why the customer's losses, related to compensation, were caused by problematic conduct;

- (e) the amount of property benefit offered, promised, or provided;
- (iv) any other particulars that may be of useful reference.

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

Article 117 (1) The documents specified by Cabinet Office Order, as prescribed in Article 39, paragraph (7) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, are those that confirm the customer has acknowledged the details of the particulars stated in the items of the preceding Article, along with any other materials that are useful for reference.

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

(Business Operations Contrary to the Public Interest or Potentially Compromising Investor Protection)

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

- (i) circumstances in which the financial service intermediary frequently acts as an intermediary in the purchase and sale of securities, or in the entrustment of the purchase and sale of securities on a financial instruments exchange market or a foreign financial instruments market, on the customer's account, without confirming the details of the customer's order in advance;
- (ii) circumstances in which a person, having solicited a large number of unspecified investors and been entrusted with the purchase and sale of securities (excluding any person who engages in financial instruments transactions as prescribed in Article 34 of the Financial Instruments and Exchange Act in compliance with applicable laws and regulations), acts as an intermediary in the purchase and sale of securities, or in the entrustment of the purchase and sale of securities on a financial instruments exchange market or a foreign financial instruments market, while knowing that the transactions are to be conducted on those investors' accounts, and without confirming their intentions in advance;
- (iii) regarding the management of corporate information (meaning undisclosed material information about the operations, business, or assets of a listed company, etc., as prescribed in Article 163, paragraph (1) of the Financial Instruments and Exchange Act, which is found to impact customers' investment decisions, as well as undisclosed information regarding decisions on the launch or suspension (excluding those corresponding to the standards prescribed in the proviso to Article 167, paragraph (2) of that Act) of a tender

- offer prescribed in Article 27-2, paragraph (1) of that Act (limited to when the provisions of the main clause of the same paragraph are applicable), an equivalent buy-up of share certificates, etc., and a tender offer prescribed in Article 27-22-2, paragraph (1) of that Act (limited to when the provisions of the main clause of the same paragraph are applicable), the same applies below in this item and item (vii)) that the financial service intermediary handles, or the management of customers' purchase, sale, or other transactions in securities, in circumstances in which it is found that the financial service intermediary has not taken necessary and appropriate measures to prevent unfair transactions based on corporate information;
- (iv) circumstances in which, in connection with the solicitation for a rollover (meaning the acquisition or purchase of investment trust beneficiary certificates, etc. or the entrustment, etc. of it, which involves a partial cancellation or refund of investment equity (meaning the investment equity prescribed in Article 2, paragraph (14) of the Act on Investment Trust and Investment Corporations) under an investment trust agreement (meaning the investment trust agreement prescribed in Article 3 or Article 47, paragraph (1) of that Act) for the investment trust beneficiary certificates, etc. currently held, or which involves the sale of investment trust beneficiary certificates, etc. currently held or the entrustment, etc. of it), involving investment trust beneficiary certificates, etc. (meaning beneficiary certificates of an investment trust or foreign investment trust (meaning the foreign investment trust prescribed in Article 2, paragraph (24) of that Act; the same applies in Article 139, paragraph (3)) (excluding the beneficiary certificates stated in Article 65, item (ii), (a) through (c) of the Cabinet Office Order on Financial Instruments Business and those of a similar nature), investment securities (meaning the investment securities prescribed in Article 2, paragraph (15) of that Act; the same applies below in this item and in Article 139, paragraph (3)), or foreign investment securities (meaning the foreign investment securities prescribed in Article 220, paragraph (1) of that Act; the same applies in Article 139, paragraph (3)), which are similar to investment securities, and excluding those listed on a financial instruments exchange and those classified as over-the-counter traded securities; the same applies below in this item), the financial service intermediary has not provided the customer with an explanation of the important particulars regarding the rollover;
- (v) circumstances in which the financial service intermediary intends to have a customer acquire or sell the securities stated in Article 2, paragraph (1), item (v) of the Financial Instruments and Exchange Act, or the securities stated in item (xvii) of the same paragraph (limited to those possessing the characteristics of the securities stated in any of items (i) through (iii) and

- item (v) of the same paragraph) through the act stated in Article 11, paragraph (4), item (iii) of the Act, in a situation where an explanation is not provided to an individual customer regarding important events that may affect investment decisions, which occurred during the period of the application to acquire or purchase those securities;
- (vi) circumstances in which the management of the electronic data processing system used for securities, etc. intermediary business operations is found to be insufficient;
- (vii) circumstances in which the financial service intermediary supervising the business operations of the section responsible for executing the securities, etc. intermediary business operations (limited to a section that is also responsible for implementing the financial institution agency service operations), or any of its officers (including executive members when the officer is a corporation) or an employee has acquired undisclosed loan information, etc. of a customer who is an issuer of securities (excluding the securities stated in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act, and the securities stated in Article 2, paragraph (1), item (xvii) of that Act that possesses the characteristics stated in items (i) and (ii) of the same paragraph), or has received such information from a financial service intermediary engaged in the financial institution agency service operations or its officers or employees, and conducts any of the acts stated in the items of Article 11, paragraph (4) regarding those securities (including circumstances in which, with respect to the provision of undisclosed loan information, etc. (excluding corporate information), the supervising financial service intermediary or any of its officers or employees provides a financial service intermediary engaged in the securities, etc. intermediary business operations, or its officers or employees, with a customer's undisclosed loan information, etc. (in cases where the financial service intermediary has decided to suspend the provision of such undisclosed loan information, etc. at the request of the customer (limited to a person falling under any of Article 111, paragraph (1), item (xii), (d), 1. through 4.), and where such information is made readily available to the customer (excluding cases where the customer has made such a request), thereby excluding such undisclosed loan information, etc.), without obtaining the customer's prior consent in writing or in an electronic or magnetic record);
- (viii) circumstances in which the financial service intermediary (limited to a person engaged in securities, etc. intermediary business operations; the same applies in the following item) establishes a place of business or office in the same building as the head office, other place of business or office, or agency office of a financial institution (meaning a bank, trust company, or any other

financial institution listed in the items (excluding item (iv)) of Article 22 of the Order) (including the place of business or office of a financial institution agent, but excluding a life insurance agent as prescribed in Article 2, paragraph (19) of the Insurance Business Act and a non-life insurance representative as prescribed in paragraph (21) of the same Article), and it is found that the financial service intermediary has not taken appropriate measures to prevent customers from confusing it with such financial institution;

- (ix) circumstances in which the financial service intermediary, without obtaining the customer's prior consent in writing or in an electronic or magnetic record, provides information regarding the customer's assets or other special information it has obtained (excluding the information described below) to a counterparty financial institution; or circumstances in which the financial service intermediary solicits the purchase, sale, or other transactions in securities using information regarding a customer's assets or other special information obtained from a counterparty financial institution (limited to information other than that stated in (c) and (d) which the counterparty provided without obtaining the customer's prior consent in writing or in an electronic or magnetic record):
 - (a) information that is deemed necessary for the financial service intermediary to provide to the counterparty financial institution in order to conduct intermediation for financial services (limited to the acts stated in the items of Article 11, paragraph (4) of the Act);
 - (b) information obtained in the course of the securities, etc. intermediary business operations entrusted by the counterparty financial institution, which is deemed necessary for the financial service intermediary to provide to the counterparty financial institution in order to ensure compliance with the laws and regulations applicable to those operations;
 - (c) where the financial service intermediary is the counterparty financial institution's parent corporation, etc. or subsidiary corporation, etc., or where the counterparty financial institution is the financial service intermediary's parent corporation, etc. or subsidiary corporation, etc., information relating to a foreign corporation (including a foreign organization without legal personality for which a representative or administrator has been designated);
 - (d) when the financial service intermediary is the counterparty financial institution's parent corporation, etc. or subsidiary corporation, etc., or when the counterparty financial institution is the financial service intermediary's parent corporation, etc. or subsidiary corporation, etc., and when the financial service intermediary or the counterparty financial institution has decided to suspend the provision of that special information

at the request of the customer (limited to a person falling under any of Article 111, paragraph (1), item (xii), (d), 1. through 4.), and when that information is made readily available to the customer (excluding cases where the customer has made such a request), that special information.

(Exceptions to the Exemption of Conduct Regulations)

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

Subsection 6 Special Provisions on Loan Intermediary Business Operations

(Certificate Form)

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

- (i) the trade name or name, address, and registration number of the financial service intermediary (limited to a person engaged in loan intermediary business operations; the same applies below in this Subsection);
 - (ii) the employee's name;
 - (iii) the certificate number.
- (2) Business operations relating to the loan intermediary business operations prescribed in Article 12-4, paragraph (1) of the Money Lending Business Act, as applied mutatis mutandis, do not include business operations conducted solely for advertisement without solicitation, or business operations conducted without meeting persons seeking funds, etc. (meaning the persons seeking funds, etc. prescribed in Article 28, paragraph (2) of the Act) face-to-face at a place of business or office.
- (3) When engaging in business operations relating to the loan intermediary business operations, an employee must present the certificate referred to in paragraph (1) upon the request of a counterparty.

(Particulars to Be Stated in a Roster of Employees)

Article 121 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 12-4, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis, are as follows with respect to each employee engaged in business operations relating to loan intermediary business operations:

- (i) date of birth;
 - (ii) main duties;
 - (iii) the date on which the person became an employee of the place of business or office; and
 - (iv) when the person ceases to be an employee of the place of business or office, the date of cessation of their employment.
- (2) The roster of employees form prescribed in Article 12-4, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis, is to be prepared in accordance with Appended Form 6.
- (3) A financial service intermediary must preserve the roster of employees prescribed in Article 12-4, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis, for 10 years from the date on which the most recent entry was made.

(Restrictions on the Conclusion of Life Insurance Policies)

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

- (i) a contract for the lending of funds (meaning the loan prescribed in Article 2, paragraph (1) of the Money Lending Business Act, and limited to loans relating to loan intermediary business operations; the same applies below in this Subsection and in Article 139, paragraph (5), item (vi)), for funds necessary for building or purchasing housing (meaning buildings for residential purposes (including those partly used for business purposes); the same applies below in this item) (including funds necessary for the acquisition of land for housing or for the acquisition of land leasehold rights), or for funds necessary for the improvement of housing;
- (ii) a loan contract to be made as a stopgap when the loan referred to in the preceding item is planned but has not yet been made, until that loan is executed.

(Security Measures for Performance of Obligations That Must Not Be Required as a Condition for Concluding a Loan Contract)

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

(Retention of Preservation of Related to Guarantee Charge Confirmation)

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

(Contract for Guarantee Charges That Must Not Be Made a Condition for Concluding a Loan Contract)

Article 125 The contract specified by Cabinet Office Order, as prescribed in Article 12-8, paragraph (8) of the Money Lending Business Act, as applied *mutatis mutandis*, is a contract for a guarantee charge, in which the guarantee business operator prescribed in Article 35, paragraph (2) of the Act provides a guarantee for an obligation under a loan contract (limited to a loan contract in which the amount of interest is not fixed (excluding cases where the interest payable on the principal obligation is determined by a variable interest rate after the interest contract has been concluded)) as the principal obligation.

(Contract for a Revolving Guarantee Whose Conclusion Must Not Be Intermediated)

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

- (i) a contract for a revolving guarantee that provides a maximum principal (meaning the maximum amount of principal of the principal obligation for

which the guarantor is to assume responsibility) exceeding the total of the actual principal of the obligation at the time of acting as an intermediary for concluding the contract and the principal amount of the obligation expected to arise after acting as an intermediary for concluding the contract (limited to the amount of principal deemed reasonable in light of the principal obligor's borrowing status at the time of acting as an intermediary for concluding the contract, or the assets held by the principal obligor at that time);

- (ii) a contract for a revolving guarantee that sets a date later than three years after the date of conclusion of the contract as the principal determination date, or a contract for a revolving guarantee that does not specify a principal determination date.

(Juridical Acts Deemed Not to Involve the Provision of New Intermediary Services)

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

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

(Posting of Loan Conditions)

Article 128 (1) The methods specified by Cabinet Office Order, as prescribed in Article 14, paragraph (1), item (i) of the Money Lending Business Act, as applied *mutatis mutandis*, are the methods specified in the following items, according to the category stated in each item:

- (i) loan intermediary services (excluding what is stated in the following item):
Formula 1 in the Appended Table;

- (ii) intermediation for the discount of negotiable instruments: either Formula 1 or Formula 2 in the Appended Table (in the case of using Formula 2, the discount rate is to be clearly indicated).
- (2) What is specified by Cabinet Office Order as being equivalent to the loan interest rate prescribed in Article 14, paragraph (1), item (1) of the Money Lending Business Act, as applied *mutatis mutandis*, is the name of the base market interest rate and the interest rate to be added to it when calculating the loan interest rate (meaning the loan interest rate prescribed in the same item; the same applies below in this section), using interest calculated by adding a specified interest rate to the market interest rate.
- (3) The particular specified by Cabinet Office Order, as prescribed in Article 14, paragraph (1), item (v) of the Money Lending Business Act, as applied *mutatis mutandis*, is the method of calculating the intermediary fee (meaning the money that the financial service intermediary receives for its loan intermediary services, regardless of the name under which the intermediary services are provided; the same applies below in this Subsection) (including the intermediary rate (meaning the ratio of the intermediary fee to the total amount of money lent and borrowed through the intermediary services (limited to the rate expressed as a percentage, at least to the first decimal place)); the same applies below in this Subsection).
- (4) When posting a loan interest rate pursuant to the provisions of Article 14, paragraph (1) of the Money Lending Business Act, as applied *mutatis mutandis*, a financial service intermediary is to indicate the annual rate—calculated using the principal amount derived from Formula 1 or Formula 2 in the Appended Table, or by a method designated by the Commissioner of the Financial Services Agency as equivalent to these formulae—as a percentage, to at least the first decimal place.
- (5) The posting under Article 14, paragraph (1) of the Money Lending Business Act, as applied *mutatis mutandis*, must be made in a readily visible manner for each type of loan offered at the place of business or office.

(Advertisement of Loan Conditions)

- Article 129 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 15, paragraph (1), item (iii) of the Money Lending Business Act, as applied *mutatis mutandis*, are the method of calculating the intermediary fee and the telephone number registered in the register of financial service intermediaries prescribed in Article 14, paragraph (1) of the Act (limited to cases where the website URL or email address registered in the register of financial service intermediaries is indicated or explained).
- (2) The provisions of paragraph (4) of the preceding Article apply *mutatis mutandis* to cases where a financial service intermediary makes an indication

or provides an explanation under Article 15, paragraph (1) of the Money Lending Business Act, as applied mutatis mutandis. In such cases, where the type of loan is to be clearly indicated, interest rates other than the loan interest rate may also be indicated.

- (3) When a financial service intermediary advertises loan conditions or indicates or explains loan conditions in the course of soliciting the conclusion of a loan contract (meaning the loan contract prescribed in Article 2, paragraph (3) of the Money Lending Business Act, and limited to loan contracts relating to loan intermediary business operations; the same applies below in this Chapter), the financial service intermediary must clearly and accurately indicate or explain the particulars stated in the items of Article 15, paragraph (1) of the Money Lending Business Act, as applied mutatis mutandis.
- (4) What is specified by Cabinet Office Order as being equivalent to an advertisement as prescribed in Article 15, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis, is a solicitation of similar content made to multiple persons.
- (5) The points of contact, etc. specified by Cabinet Office Order as prescribed in Article 15, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis, are as follows:
 - (i) a telephone number;
 - (ii) a website URL;
 - (iii) an email address.
- (6) When advertising loan conditions, a financial service intermediary must not make any advertisement that violates the Act against Unjustifiable Premiums and Misleading Representations (Act No. 134 of 1962), a Prefectural Order issued based on Article 3, paragraph (1) of the Outdoor Advertisement Act (Act No. 189 of 1949), or any other applicable laws and regulations.

(Delivery of Documents Before Concluding a Contract)

- Article 130 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 16-2, paragraph (1), item (vii) of the Money Lending Business Act, as applied mutatis mutandis, are as follows:
- (i) the registration numbers of the financial service intermediary and the money lender (the registration number of the money lender may be omitted if placed in parentheses);
 - (ii) the method of establishment of each repayment due date and repayment amount;
 - (iii) whether the contract permits repayment before the due date, and if so, the details of such repayment;
 - (iv) when there are provisions on acceleration, a statement confirming this and the details of those provisions;

- (v) the method of calculating the intermediary fee and the amount of the fee;
- (vi) the particulars specified in (a) or (b) below in accordance with the category of cases stated in each item, respectively :
 - (a) when there is a designated dispute resolution organization for money lending business and loan brokerage services: the name or trade name of the designated dispute resolution organization for money lending business and loan brokerage services that is the counterparty to the basic contract for implementation of procedures under which the financial service intermediary is to take measures to conclude the basic contract for implementation of procedures;
 - (b) when there is no designated dispute resolution organization for money lending business and loan brokerage services : the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (2) The particulars specified by Cabinet Office Order, as prescribed in Article 16-2, paragraph (2), item (vi) of the Money Lending Business Act, as applied *mutatis mutandis*, are the particulars stated in the preceding paragraph.
- (3) When, in relation to the conclusion of a loan contract, a money lender has delivered a document that includes the particulars stated in the items of paragraph (1) or the particulars prescribed in the preceding paragraph to a person intending to become the counterparty to that loan contract, pursuant to Article 16-2, paragraph (1) or (2) of the Money Lending Business Act, the financial service intermediary is not required to state those particulars again in the document prescribed in Article 16-2, paragraph (1) or (2) of the Money Lending Business Act as applied *mutatis mutandis*, notwithstanding the provisions of the preceding two paragraphs.
- (4) The particulars specified by Cabinet Office Order, as prescribed in Article 16-2, paragraph (3), item (iv) of the Money Lending Business Act, as applied *mutatis mutandis*, are as follows:
 - (i) the type and effect of the guarantee contract (including an explanation of the maximum amount);
 - (ii) the total outstanding balance of the obligation under the loan contract to be covered by the guarantee;
 - (iii) the maximum amount of the guarantee obligation and the scope of that obligation to be borne by the guarantor;
 - (iv) the date of the conclusion of the loan contract;
 - (v) the amount of the loan under the loan contract;
 - (vi) the loan interest rate under the loan contract;
 - (vii) the method of repayment of the obligation under the loan contract;
 - (viii) the repayment period and number of repayment installments under the loan contract (in the case of a contract for a revolving guarantee (meaning

- the contract for a revolving guarantee prescribed in Article 2, paragraph (9) of the Money Lending Business Act, and limited to contracts relating to loan intermediary business operations; the same applies in item (x)), entry of these particulars is not required);
- (ix) when the loan contract contains an agreement on the planned amount of damages (including penalty charges), the details of the agreement;
 - (x) the repayment due date and repayment amount for the obligation under the loan contract (in the case of a contract for a revolving guarantee, the method of establishment of each repayment due date and repayment amount related to the obligation under the loan contract);
 - (xi) whether early repayment of the obligation under the loan contract is permitted before the repayment due date, and if so, the details of such repayment;
 - (xii) when the loan contract contains provisions on acceleration, a statement confirming this and the details of those provisions;
 - (xiii) the outstanding balance of the obligation under the loan contract and its breakdown (meaning information on the composition of the outstanding balance, such as the principal, interest, and damages due to any default under the loan contract);
 - (xiv) when a guarantee period, as stated in Article 16-2, paragraph (3), item (ii) of the Money Lending Business Act, as applied *mutatis mutandis*, is not provided, a statement confirming this;
 - (xv) the method of calculating the intermediary fee and the amount of the fee.
- (5) What is specified by Cabinet Office Order, as prescribed in Article 16-2, paragraph (3), item (v) of the Money Lending Business Act, as applied *mutatis mutandis*, is the intent of the provisions of Article 454 of the Civil Code.
- (6) The particulars specified by Cabinet Office Order, as prescribed in Article 16-2, paragraph (3), item (vi) of the Money Lending Business Act, as applied *mutatis mutandis*, are as follows:
- (i) the method of performance payment of the obligation under the guarantee contract;
 - (ii) when the guarantee contract contains an agreement on the planned amount of damages (including penalties), the details of such agreement;
 - (iii) the registration number of the financial service intermediary;
 - (iv) the trade names or names and the addresses of the principal obligor and the guarantor;
 - (v) the details of the documents to be received by the financial service intermediary in relation to the loan contract;
 - (vi) the particulars concerning money, other than the guarantee obligation, to be borne by the guarantor;
 - (vii) the method of performance of the obligation under the guarantee contract

- and the place to receive that payment;
 - (viii) when the guarantee contract contains provisions on acceleration, a statement confirming this and the details of those provisions;
 - (ix) when the provision of physical collateral for the claim under the loan contract is required, the details of the collateral;
 - (x) when part of the claim under the loan contract has been extinguished upon payment or on any other grounds, the grounds, amount, and date of the extinguishment of the claim;
 - (xi) when the guarantor can cancel the guarantee contract under the guarantee contract, the grounds for the cancellation, and if not, a statement confirming this;
 - (xii) the particulars specified in (a) or (b) below in accordance with the category of cases stated in each item, respectively:
 - (a) when there is a designated dispute resolution organization for money lending business and loan brokerage services : the trade name or name of the designated dispute resolution organization for money lending business and loan brokerage services , which is the counterparty to the basic contract for the implementation of procedures under which the financial service intermediary is to take measures to conclude the basic contract for the implementation of the procedures;
 - (b) when there are no designated dispute resolution organizations for money lending business and loan brokerage services : the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (7) When a financial service intermediary delivers documents explaining the details of a guarantee contract to a person who is to become a guarantor under Article 16-2, paragraph (3) of the Money Lending Business Act, as applied *mutatis mutandis*, the intermediary must simultaneously deliver two types of documents stating the particulars specified in the following items in accordance with the category of documents stated in each item:
- (i) a document stating the outline of the guarantee contract: the particulars stated in Article 16-2, paragraph (3), items (i) through (iii) of the Money Lending Business Act, as applied *mutatis mutandis*, and the particulars stated in paragraph (4), items (i) through (iii), and in items (iii) and (iv) of the preceding paragraph;
 - (ii) a document stating the details of the guarantee contract (when there are two or more loan contracts to be covered by the guarantee, statements must be made for each contract): the particulars stated in Article 16-2, paragraph (3), items (i) through (iii), and item (v) of the Money Lending Business Act, as applied *mutatis mutandis*, and the particulars stated in the items of paragraph (4) (excluding items (i) and (ii)), and in each item of the preceding

paragraph.

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

(Delivery of Documents Before Obtaining Consent for a Life Insurance Policy)

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

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

(Delivery of Documents upon Conclusion of a Contract)

Article 132 (1) The particulars specified by Cabinet Office Order, as prescribed in Article 17, paragraph (1), item (viii) of the Money Lending Business Act, as applied *mutatis mutandis*, are as follows:

- (i) the registration numbers of the financial service intermediary and the money lender (the entry of the registration number of the money lender in parentheses may be omitted, and in the case of a contract for a revolving

- credit loan, the entry of the registration number may be omitted);
- (ii) the trade name or name and the address of the counterparty to the contract (in the case of a contract for a revolving credit loan, these may be substituted with the contract number or other identifying information);
 - (iii) the details of the documents to be received by the money lender in relation to the loan (in the case of a contract for a revolving credit loan, limited to documents to be received by the money lender in relation to the revolving credit loan, and excluding documents related to a basic contract for that loan);
 - (iv) the due date for each repayment and repayment amount (in the case of a contract for a revolving credit loan, these may be substituted with the next repayment due date and repayment amount) (when there remains an obligation under a contract for a revolving credit loan, other than that contract, which is based on the same basic contract for a revolving credit loan and has the same repayment conditions, the statement of each repayment due date and repayment amount under the concluded contract may be substituted with the due dates and amounts of future repayments for the remaining obligations, and the next due date and amount under the credit facility loan contract may be substituted with those under the credit facility loan contract);
 - (v) whether repayment before the repayment due date is possible under the contract, and if so, details of that repayment (in the case of a contract for a revolving credit loan, the entry of the details may be omitted if they are stated in the document to be delivered under Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, or if the details are more favorable to the counterparty to the contract than those stated in that document);
 - (vi) when there are provisions on acceleration, a statement confirming this and the details of those provisions (in the case of a contract for a revolving credit loan, entry of those details may be omitted if they are stated in the document to be delivered under Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, or if the details are more favorable to the counterparty to the contract than those stated in that document);
 - (vii) when physical collateral for claims under the loan contract is provided, the details of the collateral (in the case of a contract for a revolving credit loan, the entry of the details of the physical collateral stated in the document to be delivered pursuant to the provisions of Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, may be omitted);
 - (viii) when a guarantee contract is to be concluded for the loan contract, the trade name or name and the address of the guarantor (in the case of a

- contract for a revolving credit loan, the entry of the guarantor's information may be omitted if it is stated in the document to be delivered pursuant to the provisions of Article 17, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis);
- (ix) the method of calculating the intermediary fee (in the case of a contract for a revolving credit loan, the description of the method of calculating the intermediary fee may be omitted if it is stated in the document to be delivered pursuant to the provisions of Article 17, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis, or if the method is more favorable to the counterparty to the contract than the method stated in the document) and its amount;
 - (x) the particulars specified in (a) or (b) below in accordance with the category of cases stated in each item, respectively:
 - (a) when there is a designated dispute resolution organization for money lending business and loan brokerage services : the name or trade name of the designated dispute resolution organization for money lending business and loan brokerage services , which is the counterparty to the basic contract for the implementation of procedures under which the financial service intermediary is to take measures to conclude the basic contract for the implementation of procedures;
 - (b) when there are no designated dispute resolution organizations for money lending business and loan brokerage services : the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (2) The particulars specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (1) of the Money Lending Business Act, as applied mutatis mutandis are as follows (excluding those particulars when the details of changes to the particulars are stated in the document to be delivered pursuant to the second sentence of paragraph (2) of the same Article.):
- (i) the particulars stated in Article 17, paragraph (1), item (iv) or (vii) of the Money Lending Business Act, as applied mutatis mutandis, or the particulars stated in item (v) or (vi) of the preceding paragraph (excluding those particulars where the loan interest rate is reduced in relation to these particulars or where other changes advantageous to the counterparty to the contract are made);
 - (ii) the particulars stated in Article 17, paragraph (1), item (v) of the Money Lending Business Act, as applied mutatis mutandis, or the particulars stated in item (iv) of the preceding paragraph (excluding those in the case of a contract for a revolving credit loan), in item (vii) of the same paragraph, or in item (viii) of the same paragraph (limited to the particulars when a guarantee contract is newly concluded);

- (iii) the method of calculating the intermediary fee (excluding the method of calculating the fee when a change advantageous to the counterparty to the contract is added).
- (3) The particulars specified by Cabinet Office Order, as prescribed in Article 17, paragraph (2), item (vii) of the Money Lending Business Act, as applied *mutatis mutandis*, are as follows:
 - (i) the registration numbers of the financial service intermediary and the money lender (the entry of the registration number of the money lender in parentheses may be omitted);
 - (ii) the trade name or name and the address of the counterparty to the contract;
 - (iii) the details of the documents to be received by the money lender in relation to a basic contract for a revolving credit loan;
 - (iv) the method of establishment of each repayment due date and repayment amount;
 - (v) whether repayment before the due date is possible under the contract, and if so, the details of that repayment;
 - (vi) when there are provisions on acceleration, a statement confirming this and the details of those provisions;
 - (vii) when physical collateral for claims under the loan contract is provided, the details of the collateral;
 - (viii) when a guarantee contract is concluded for a loan contract, the trade name or name and the address of the guarantor;
 - (ix) when the repayment period, number of repayment installments, repayment due date, or repayment amount, which are stated in the document to be delivered pursuant to Article 17, paragraph (1) of the Money Lending Business Act, as applied *mutatis mutandis* (in the case of delivering the document to the guarantor pursuant to paragraph (5) of the same Article, the document to be delivered pursuant to paragraph (4) of that Article), or in the documents specified by Cabinet Office Order, as prescribed in paragraph (6) of the same Article, may change due to a loan made after the loan stated in those documents or for any other reason, a statement confirming this;
 - (x) the method of calculating the intermediary fee and the amount of the fee;
 - (xi) the particulars specified in (a) or (b) below in accordance with the category of cases stated in each item, respectively :
 - (a) when there is a designated dispute resolution organization for money lending business and loan brokerage services : the name or trade name of the designated dispute resolution organization for money lending business and loan brokerage services, which is the counterparty to the basic contract for the implementation of procedures under which the financial service intermediary takes measures to conclude the basic contract for the

- implementation of the procedures;
- (b) when there are no designated dispute resolution organizations for money lending business and loan brokerage services : the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (4) The particulars specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, are as follows:
- (i) the particulars stated in Article 17, paragraph (2), item (iv) or (vi) of the Money Lending Business Act as applied *mutatis mutandis* or the particulars stated in item (v) or (vi) of the preceding paragraph (excluding those particulars, where the loan interest rate is reduced in relation to these particulars or where other changes advantageous to the counterparty to the contract are made);
 - (ii) the particulars stated in Article 17, paragraph (2), item (iii) or (v) of the Money Lending Business Act, as applied *mutatis mutandis*, or the particulars stated in item (iv), (vii), or (viii) of the preceding paragraph (limited to those stated in the same item when a guarantee contract is newly concluded);
 - (iii) the method of calculating the intermediary fee (excluding the method of calculating the fee when changes advantageous to the counterparty to the contract are added).
- (5) The time specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, is any of the following:
- (i) when the maximum amount (if the money lender presents to the counterparty to the basic contract for a revolving credit loan, an amount smaller than the maximum amount as the upper limit on the outstanding balance of the principal of the revolving credit loan, that smaller amount or the maximum amount; the same applies in the following item) has been decreased;
 - (ii) when the maximum amount, which was previously decreased, has been increased to an amount not exceeding the original amount.
- (6) The particulars specified by Cabinet Office Order, as prescribed in the first sentence of Article 17, paragraph (3) of the Money Lending Business Act, as applied *mutatis mutandis*, are as follows:
- (i) the particulars stated in the items of Article 16-2, paragraph (3) of the Money Lending Business Act, as applied *mutatis mutandis*; and
 - (ii) the date of the conclusion of the guarantee contract.
- (7) The particulars specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (3) of the Money Lending Business Act, as

applied mutatis mutandis, are as follows:

- (i) the particulars stated in Article 16-2, paragraph (3), item (ii), (iii), or (v) of the Money Lending Business Act, as applied mutatis mutandis, or the particulars stated in Article 130, paragraph (4), item (iii) or (xiv), or paragraph (6), item (ii), (vi), (viii), or (xi) (excluding those particulars where changes advantageous to the counterparty to the contract are made);
 - (ii) the particulars stated in Article 130, paragraph (6), item (i), (vii), or (ix) (in the case of these items, limited to the time when the provision of physical collateral is required due to a claim under a guarantee contract).
- (8) When a financial service intermediary delivers to the guarantor a document disclosing the details of the loan contract concerning the particulars stated in the items of paragraph (1) of the same Article, and when two or more loan contracts are covered by the guarantee, statements must be made for each contract, pursuant to the first sentence of Article 17, paragraph (4) of the Money Lending Business Act, as applied mutatis mutandis.
- (9) When a financial service intermediary delivers to the guarantor a document disclosing the details of the loan contract concerning the particulars stated in the items of paragraph (1) of the same Article, that document must be delivered without delay each time a loan contract covered by the guarantee is concluded, pursuant to the first sentence of Article 17, paragraph (4) of the Money Lending Business Act, as applied mutatis mutandis.
- (10) The particulars specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (4) of the Money Lending Business Act, as applied mutatis mutandis, are those specified in paragraph (2) (excluding those particulars where details of the changes to the particulars are stated in the document to be delivered pursuant to the second sentence of paragraph (5) of that Article).
- (11) When a financial service intermediary delivers to the guarantor a document disclosing the details of the basic contract for a revolving credit loan concerning the particulars stated in the items of paragraph (2) of the same Article, and when two or more basic contracts for revolving credit loans are covered by the guarantee, statements must be made for each contract, pursuant to the first sentence of Article 17, paragraph (5) of the Money Lending Business Act, as applied mutatis mutandis.
- (12) The particulars specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (5) of the Money Lending Business Act, as applied mutatis mutandis, are those specified in paragraph (4).
- (13) The time specified by Cabinet Office Order, as prescribed in the second sentence of Article 17, paragraph (5) of the Money Lending Business Act, as applied mutatis mutandis, is that specified in paragraph (5).
- (14) The provisions of Article 128, paragraph (4) apply mutatis mutandis when a

financial service intermediary prepares the document to be delivered pursuant to Article 17, paragraphs (1) through (5) of the Money Lending Business Act, as applied *mutatis mutandis*.

- (15) In the document prescribed in Article 17, paragraphs (1) through (5) of the Money Lending Business Act as applied *mutatis mutandis*, the particulars prescribed in them must be clearly and accurately stated using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.
- (16) When a money lender has delivered documents stating the particulars listed in the items of paragraph (1) or paragraph (3) to the counterparty to a loan contract pursuant to Article 17, paragraph (1), (2), or (5) of the Money Lending Business Act, as applied *mutatis mutandis*, a financial service intermediary is not required to restate those particulars in a document prescribed in Article 17, paragraph (1), (2), or (5) of the Money Lending Business Act, as applied *mutatis mutandis*, notwithstanding the provisions of paragraph (1) and paragraph (3).
- (17) The document specified by Cabinet Office Order, as prescribed in Article 17, paragraph (6) of the Money Lending Business Act, as applied *mutatis mutandis*, is a document in which the following particulars are clearly and accurately stated, using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards, regarding a loan, payment, and any other transactions made during a period specified by a financial service intermediary within one month (when the financial service intermediary has not provided intermediary services for loan contracts during the specified period, the particulars stated in items (iii) through (ix), (xi) through (xvi), and (xx) are excluded, and when the financial service intermediary has not received payment during the specified period, the particulars stated in items (xvii) through (xix) are excluded):
- (i) the trade names or names and the addresses of the financial service intermediary and the money lender;
 - (ii) the date of conclusion of the basic contract for a revolving credit loan;
 - (iii) the maximum amount under the basic contract for a revolving credit loan (if the money lender presents to the counterparty a smaller amount than the maximum amount as the upper limit on the outstanding balance of the principal of the revolving credit loan, that smaller amount or the maximum amount);
 - (iv) the date of the conclusion of each contract for a revolving credit loan that the financial service intermediary either concluded or acted as an intermediary in concluding during a specified period;
 - (v) the loan amount for each contract for a revolving credit loan that the financial service intermediary either concluded or acted as an intermediary

- in concluding during a specified period (in the case of a guarantee contract, the loan amount related to that guarantee);
- (vi) the loan interest rate;
 - (vii) the method of repayment;
 - (viii) the repayment period and number of repayment installments for each contract for a revolving credit loan that the financial service intermediary either concluded or acted as an intermediary in concluding during a specified period (in lieu of the statement of repayment period and number of repayment installments for each contract for a revolving credit loan, the future repayment period and number of repayment installments for the remaining obligation under the same basic contract for a revolving credit loan (when two or more obligations remain under a contract for a revolving credit loan that is based on the same basic contract for a revolving credit loan and has the same conditions, the combined obligation) as of the last day of that specified period may be stated);
 - (ix) when there is an agreement on the planned amount of damages (including penalties), the details of the agreement;
 - (x) the trade name or name and the address of the counterparty to the contract (these may be substituted with the contract number of that contract or other identifying information);
 - (xi) the details of the documents to be received by the money lender in relation to the revolving credit loan (excluding those received by the money lender in relation to the basic contract for the revolving credit loan);
 - (xii) the due date of each repayment and the repayment amount, or the next repayment due date and the repayment amount, for each contract for a revolving credit loan that the financial service intermediary either concluded or acted as an intermediary in concluding during a specified period (when an obligation remains under another contract for a revolving credit that is based on the same basic contract for a revolving credit loan and has the same conditions of repayment as the contract, then, in lieu of the statement of each repayment due date and repayment amount under the contract for a revolving credit loan that the financial service intermediary either concluded or acted as an intermediary in concluding, each repayment due date and repayment amount in the future for the obligations including the remaining obligation may be stated; and in lieu of the statement of the next repayment due date and repayment amount under the contract, the next repayment due date and repayment amount for the obligations including the remaining obligation may be stated) (in lieu of the statement of each repayment due date and repayment amount or the next repayment due date and repayment amount for each contract for a revolving credit loan, each repayment due date and repayment amount, or next repayment due date and repayment

- amount in the future, under the remaining obligation (when there remain two or more obligations under a contract for a revolving credit loan that is based on the same basic contract for a revolving credit loan and has the same conditions of repayment, such obligations combined with the remaining obligation) as of the last day of the specified period, may be stated);
- (xiii) whether repayment before the repayment due date is possible under the contract, and if so, the details of that repayment (the entry of such details may be omitted if they are stated in the document to be delivered pursuant to Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, or if the details are more favorable to the counterparty to the contract than those stated in the document);
- (xiv) when there are provisions on acceleration, a statement confirming this and the details of those provisions (the entry of the details may be omitted if they are stated in the document to be delivered pursuant to Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*, or if the details are more favorable to the counterparty to the contract than those stated in the document);
- (xv) when physical collateral for claims under the loan contract is provided, the details of the collateral (the entry of the details of the physical collateral stated in the document to be delivered pursuant to Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis*, may be omitted);
- (xvi) when a guarantee contract is concluded for the loan contract, the trade name or name and the address of the guarantor (the entry of the guarantor's information may be omitted if it is stated in the document to be delivered pursuant to Article 17, paragraph (2) of the Money Lending Business Act, as applied *mutatis mutandis*);
- (xvii) the loan amount for each payment received during a specified period (in the case of a guarantee contract, the loan amount related to the guarantee) (when there are two or more loans related to the payment, in lieu of the loan amount related to the payment, the total loan amount under the most recent loan and the obligation under a revolving credit loan based on the same basic contract for a revolving credit loan, with the same repayment conditions as the remaining loan at that time, may be stated);
- (xviii) the amount received for each payment made during a certain period (when a person other than the recipient of the documents has made the performance of the obligation, the amount received and a statement confirming this), as well as the interest, and the amount of damages based on the planned amount of damages (including penalties), or the amount applied to the principal;
- (xix) the date of receipt for each payment made during a specified period;

- (xx) the method of calculating the intermediary fee (the entry of the method may be omitted if it is stated in the document to be delivered pursuant to Article 17, paragraph (2) of the Money Lending Business Act as applied mutatis mutandis, or if the method is more favorable to the counterparty to the contract than the one stated in the documents) and its amount;
- (xxi) the particulars specified in (a) or (b) below in accordance with the category of cases stated in each item, respectively:
 - (a) when there is a designated dispute resolution organization for money lending business and loan brokerage services: the name or trade name of the designated dispute resolution organization for money lending business and loan brokerage services, which is the counterparty to the basic contract for the implementation of procedures under which the financial service intermediary is to take measures to conclude the basic contract for the implementation of the procedures;
 - (b) when there are no designated dispute resolution organizations for money lending business and loan brokerage services: the details of the complaint processing measures and dispute resolution measures of the financial service intermediary.
- (18) When a financial service intermediary has concluded, or has provided intermediary services for the conclusion of a loan contract, or has received payment during a specified period, the financial service intermediary is to deliver the documents stated in the preceding paragraph (in the case of providing the documents by electronic or magnetic means, they are to be sent, offered for inspection, or delivered) for that specified period within one month from the last day of that period.
- (19) The provisions of Article 128, paragraph (4) apply mutatis mutandis when a financial service intermediary prepares the documents referred to in paragraph (17).

(Delivery of Receipt)

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

- (i) characters or letters indicating the receipt of payment;
 - (ii) the registration number of the financial service intermediary;
 - (iii) the trade name or name and the address of the obligor;
 - (iv) when a person other than the obligor (or, in the case where a guarantee contract for a loan contract has been concluded, the principal obligor) has made the performance of an obligation, the trade name or name of that person.
- (2) Regarding the particulars stated in items (ii) and (iii) of the preceding

paragraph, these particulars may be substituted by clearly indicating the loan contract related to the claim for which payment was made, along with its contract number or other identifying information.

- (3) In the document prescribed in Article 18, paragraph (1) of the Money Lending Business Act as applied *mutatis mutandis*, the particulars prescribed in the items of the same paragraph must be clearly and accurately stated using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards.
- (4) The document specified by Cabinet Office Order, as prescribed in Article 18, paragraph (3) of the Money Lending Business Act, as applied *mutatis mutandis*, is a document in which the particulars stated in the items of paragraph (17) of the preceding Article are clearly and accurately stated, using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards, regarding a loan, payment, and any other transactions made during a period specified by a financial service intermediary within one month (the particulars are limited to those relating to loan intermediary business operations, and when the financial service intermediary has not concluded a loan contract during the specified period, the particulars stated in items (iii) through (ix), (xi) through (xvi), and (xx) of the same paragraph are excluded, and when the financial service intermediary has not received payment during the specified period, the particulars stated in items (xvii) through (xix) of the same paragraph are excluded).
- (5) When a financial service intermediary has concluded or has provided intermediary services for the conclusion of a loan contract, or has received payment during a specified period, the financial service intermediary is to deliver the documents stated in the preceding paragraph (in the case of providing the documents by electronic or magnetic means, they are to be sent, offered for inspection, or delivered) for that specified period within one month from the last day of that period.
- (6) The provisions of Article 128, paragraph (4) apply *mutatis mutandis* when a financial service intermediary prepares the document referred to in paragraph (3).

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

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

- (i) a legal representative, guardian's supervisor, curator, curator's supervisor, assistant, or assistant's supervisor of the obligor, etc. (meaning the obligor, etc. as prescribed in Article 28, paragraph (2) of the Act; the same applies below in this Subsection and in Article 139, paragraph (5), item (viii)), or a

- person who was formerly an obligor, etc.;
- (ii) an heir of the obligor, etc. or a person who was formerly an obligor, etc.;
 - (iii) a person who has made payment on behalf of or in lieu of the obligor, etc.
or a person who was formerly an obligor, etc.;
 - (iv) a person who has been granted the right of representation for a request
stated in Article 19-2 of the Money Lending Business Act, as applied *mutatis
mutandis*, by the obligor, etc., or a person who was formerly an obligor, etc.,
or any of the persons stated in the preceding three items.

(Method of Inspection of Books and Documents)

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

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

Article 136 (1) Cabinet Office Order, as prescribed in Article 20, paragraph (3), item (ii) of the Money Lending Business Act, as applied *mutatis mutandis*, specifies that in the case of a default stated in a specified notarized deed (meaning the specified notarized deed prescribed in paragraph (1) of the same Article; the same applies below in this paragraph), a financial service intermediary may carry out compulsory execution against the assets of the obligor, etc., based on the specified notarized deed, without filing a lawsuit.

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

(Restriction of Acts of Collection)

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

(2) When sending documents demanding payment or electronic or magnetic records in lieu of the documents to the obligor, etc., a financial service intermediary, or a person entrusted by the financial service intermediary, or any other person involved in the collection of claims under the financial service intermediary's loan contract, must use a method that ensures the

confidentiality of the obligor's borrowing details. These methods include sealing the documents in an envelope, sending an email to an email address that is evidently used only by the obligor, etc., or any other method that would prevent the disclosure of the obligor's borrowing details to anyone other than the obligor, etc. pursuant to Article 21, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis*.

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

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

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

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

- (i) facts serving as the basis for the authority of the person conducting the collection to receive payment;
- (ii) the particulars stated in the items (excluding item (i)) of Article 17, paragraph (1) of the Money Lending Business Act, as applied *mutatis mutandis*, relating to the claim to be collected (when the claim to be collected is under a contract for a revolving credit loan, excluding the particulars that are the same as those stated in the following item);
- (iii) when the claim to be collected is under a contract for a revolving credit loan, the particulars stated in the items (excluding item (i)) of Article 17, paragraph (2) of the Money Lending Business Act as applied *mutatis mutandis*, relating to the basic contract for the revolving credit loan that forms the basis of the contract;
- (iv) when collecting claims from the obligor, etc., the following particulars:
 - (a) the particulars stated in Article 21, paragraph (2), items (vi) and (vii) of the Money Lending Business Act, as applied *mutatis mutandis*;
 - (b) the particulars stated in paragraph (3), items (i) and (ii);

- (v) when collecting claims from the guarantor, the particulars prescribed in Article 17, paragraph (3) of the Money Lending Business Act, as applied *mutatis mutandis*.
- (6) The method specified by Cabinet Office Order, as prescribed in Article 21, paragraph (3) of the Money Lending Business Act, as applied *mutatis mutandis*, is the method of delivering or sending documents in which the particulars stated in the items of the preceding paragraph are clearly and accurately stated, using letters and numerical characters larger than 8-point as prescribed in Z8305 of the Japanese Industrial Standards; provided, however, that when an employee of a financial service intermediary, or a person entrusted by the financial service intermediary or any other person with the collection of claims under the financial service intermediary's loan contract, is requested by the counterparty to disclose the trade name or name of the financial service intermediary or the name of the employee, the employee may disclose such information by presenting the certificate prescribed in Article 12-4, paragraph (1) of the Money Lending Business Act, as applied *mutatis mutandis*.

Section 3 Accounting

(Books and Documents Related to Business Operations)

Article 138 A financial service intermediary must prepare the books and documents stated in the following items and preserve them for the period specified in each item, pursuant to Article 33 of the Act:

- (i) records relating to the intermediary service stated in the items of Article 11, paragraph (2) of the Act: for five years from the day on which they are prepared;
- (ii) records relating to the intermediary service prescribed in Article 11, paragraph (3) of the Act: for five years from the day on which the insurance policy is extinguished;
- (iii) records relating to the acts stated in Article 11, paragraph (4), items (i) through (iii) of the Act: for seven years from the day on which they are prepared;
- (iv) records relating to the intermediary service stated in Article 11, paragraph (4), item (iv) of the Act: for ten years from the day on which they are prepared;
- (v) records relating to the intermediary service prescribed in Article 11, paragraph (5) of the Act: for at least ten years from the final repayment due date specified in the loan contract (or, if the claim under the loan contract has been extinguished upon repayment or on any other grounds, from the day the claim is extinguished) (if a basic contract for a revolving credit loan

has been concluded, for at least ten years from the day the basic contract is canceled, or from the last of the final repayment due dates specified in all the contracts for revolving credit loans under the basic contract, whichever comes later (if all claims under these contracts have been extinguished upon payment or on any other grounds, the ten-year period begins from the day the claims are extinguished)).

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

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

- (i) the date on which the intermediary service was provided;
- (ii) the names or trade names of the customer and the counterparty financial institution;
- (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
- (iv) the account number of the customer;
- (v) the names of the counterpart financial institution and its relevant branch where the customer's account has been opened;
- (vi) when acting as an intermediary for the conclusion of a contract prescribed in Article 11, paragraph (2), item (i) of the Act, the following particulars:
 - (a) the type of deposit, etc.;
 - (b) the deposit amount, the date of the deposit, etc., the interest rate, and when applicable, the due date for a refund;
- (vii) when acting as an intermediary for the conclusion of a contract prescribed in Article 11, paragraph (2), item (ii) of the Act, the following particulars:
 - (a) the loan amount;
 - (b) the loan interest rate;
 - (c) the method of repayment;
 - (d) the repayment period and number of repayment installments;
 - (e) when there is an agreement on the planned amount of damages (including penalties), the details of such an agreement;
- (viii) when acting as an intermediary for the conclusion of a contract prescribed in Article 11, paragraph (2), item (iii) of the Act, the following particulars:
 - (a) the name of the person to whom the transfer is to be made;
 - (b) the account number to which the transfer is to be made;
 - (c) the names of the bank or other financial institution and its relevant branch where the account to which the transfer is to be made is held;
 - (d) the transaction amount.

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

- (i) the date on which the intermediary service was provided;
 - (ii) the names or trade names of the customer and the counterparty financial institution;
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
 - (iv) the trade names or names of the insured and the beneficiaries of the insurance proceeds;
 - (v) the type of insurance policy and its details;
 - (vi) the purpose and value of the insurance;
 - (vii) the insured amount;
 - (viii) the start and end of the insurance period;
 - (ix) the insurance premiums relating to the insurance policy;
 - (x) when the insurance policy is a self-contract (meaning the self-contract prescribed in Article 295, paragraph (1) of the Money Lending Business Act, as applied *mutatis mutandis*), a statement confirming this;
 - (xi) the details of the intermediary service provided to the policyholder for the conclusion of the insurance policy.
- (3) The following particulars must be stated in the books and documents referred to in item (iii) of the preceding Article; provided, however, that with regard to investment trust beneficiary certificates, etc. (meaning the beneficiary certificates of an investment trust or a foreign investment trust, investment securities or foreign investment securities similar to investment securities) with no price fluctuation on the same day, the following particulars may be stated in lieu of those specified below: the customer's name, the issues (including financial instruments or financial indicators that are the subject of transactions, or any information that identifies transaction subjects, including contract numbers stated in a written contract in which transaction conditions are stated; the same applies in item (v)), whether it is a sale or purchase transaction, the volume of the order received, the agreed volume, the date of receipt of the order, and the contract date:
- (i) whether the transaction is with the counterparty financial institution itself or based on the customer's entrustment;
 - (ii) the names or trade names of the customer and the counterparty financial institution;
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with any of the acts stated in Article 11, paragraph (4), items (i) through (iii) of the Act;
 - (iv) the type of transaction;
 - (v) the issues;
 - (vi) whether the transaction is a sale or a purchase;
 - (vii) the volume of the order received;

- (viii) the agreed volume;
 - (ix) whether it is a limit order or a market order (in the case of a limit order, including the price and valid period of the order (excluding any order where the valid period is the same day as the order));
 - (x) the date and time of the receipt of the application;
 - (xi) the contract date and time;
 - (xii) the contract price.
- (4) The following particulars must be stated in the books and documents referred to in item (iv) of the preceding Article:
- (i) the date on which the intermediary service was provided;
 - (ii) the names or trade names of the customer and the counterparty financial institution;
 - (iii) the amount of the fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
 - (iv) the details of the intermediary service.
- (5) The following particulars must be stated in the books and documents referred to in item (v) of the preceding Article:
- (i) the date on which the intermediary service was provided;
 - (ii) the trade names or names and the addresses of the customer and the money lender (or, in the case of a guarantee contract, the principal obligor and guarantor) (for a contract for a revolving credit loan, these may be substituted by the contract number of that contract or other identifying information);
 - (iii) the amount of fees, etc. payable by the customer to the financial service intermediary in connection with the intermediary service;
 - (iv) the particulars stated in Article 17, paragraph (1), items (iii) through (viii) of the Money Lending Business Act, as applied mutatis mutandis (excluding the particulars stated in Article 132, paragraph (1), items (i), (ii), (ix), and (x), and, in the case of a contract for a revolving credit loan, excluding the particulars that are the same as those stated in the following item);
 - (v) the particulars stated in Article 17, paragraph (2), items (ii) through (vii) of the Money Lending Business Act, as applied mutatis mutandis (excluding the particulars stated in Article 132, paragraph (3), items (i), (ii), and (ix) through (xi));
 - (vi) when a guarantee contract for a loan contract has been concluded, the particulars stated in Article 17, paragraph (3) of the Money Lending Business Act, as applied mutatis mutandis (excluding the particulars stated in Article 130, paragraph (4), item (xv), and paragraph (6), items (iv), (vii), and (xii));
 - (vii) when payment has been received for all or part of the claims under the loan contract, the amount received for each payment and the date of receipt;

- (viii) a record of the course of negotiation with the obligor, etc. or any other person regarding the claim under the loan contract.
- (6) The books and documents referred to in the items of the preceding Article must be prepared in accordance with the following:
 - (i) they are to be prepared upon receipt of an order from a customer, in principle;
 - (ii) they are to be prepared for each counterparty financial institution (meaning the counterparty financial institution prescribed in Article 52-45, item (iv) of the Banking Act, as applied mutatis mutandis; the counterparty financial institution prescribed in Article 300, paragraph (1), item (viii) of the Insurance Business Act, as applied mutatis mutandis; the counterparty financial institution prescribed in Article 37-3, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis; or the money lender);
 - (iii) they are to be prepared and preserved in chronological order;
 - (iv) any portion of the statements that refer to transactions not contracted is also to be preserved;
 - (v) in the portion relating to the details of the transaction, information is to be provided regarding the particulars that have come to the knowledge of the financial service intermediary;
 - (vi) when the books and documents referred to in item (iii) of the preceding Article are prepared through electronic or magnetic records, they are to be prepared in accordance with the following, in addition to what is stated in the preceding items:
 - (a) the particulars stated in the items of paragraph (3) (excluding items (viii), (xi), and (xii)) are to be entered into a computer upon receipt of an application;
 - (b) the date and time at which the details of the customer's application are entered into a computer are to be automatically recorded;
- (7) Notwithstanding the provisions of the preceding paragraph, with regard to the particulars prepared through electronic or magnetic records pursuant to item (vi) of the same paragraph, the statement of those particulars may be substituted by displaying them on a computer screen or, when printed on paper, by displaying or printing them in the form of a list.
- (8) The provisions of Article 128, paragraph (4) apply mutatis mutandis when a financial service intermediary (limited to persons engaged in loan intermediary business operations) prepares the books and documents referred to in item (v) of the preceding Article.
- (9) When a financial service intermediary prepares the books and documents referred to in item (v) of the preceding Article, the statements of the particulars specified in the following items may be substituted by preserving

copies of the documents respectively stated in each item:

- (i) the document to be delivered pursuant to Article 17, paragraph (1) of the Money Lending Business Act, as applied mutatis mutandis: the particulars stated in paragraph (5), item (iv);
- (ii) the document to be delivered pursuant to Article 17, paragraph (2) of the Money Lending Business Act, as applied mutatis mutandis: the particulars stated in paragraph (5), item (v);
- (iii) the document to be delivered pursuant to Article 17, paragraph (3) of the Money Lending Business Act, as applied mutatis mutandis: the particulars stated in paragraph (5), item (vi);
- (iv) the documents specified by Cabinet Office Order, as prescribed in Article 17, paragraph (6) of the Money Lending Business Act, as applied mutatis mutandis: the particulars stated in paragraph (5), item (iv) (limited to the portions of the statements in the documents relating to contracts for revolving credit loans that the financial service intermediary has either concluded or acted as an intermediary in concluding during a specified period).

(Business Report Form)

Article 140 (1) The report submitted by a financial service intermediary pursuant to Article 34, paragraph (1) of the Act must be prepared in accordance with Appended Form 7.

- (2) Pursuant to Article 34, paragraph (2) of the Act, a financial service intermediary must make public the documents referred to in the same paragraph in a manner that allows customers easy access at any time, by making those documents available for public inspection—either by keeping a copy or a record in electronic or magnetic form of the report stated in the preceding paragraph at all of its places of business or offices used for its financial service intermediary business or other means, or by using the internet or other means—for one year from the day on which four months have passed from the end of each business year.
- (3) The particulars specified by Cabinet Office Order, as prescribed in Article 34, paragraph (2) of the Act, are those stated in the report referred to in paragraph (1).

(Public Notice of Registration Revocation)

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

Chapter III Certified Financial Service Intermediary Business Associations

(Documents to Attach to a Written Application for Certification)

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

- (i) a document stating the method of implementing the certified business (meaning the certified business prescribed in Article 40 of the Act; the same applies in the following item);
- (ii) a document demonstrating that the applicant possesses sufficient knowledge and ability to carry out the certified business properly and reliably;
- (iii) an inventory of assets for the most recent business year (or, in the case of a corporation established during the business year that includes the date of the application, as of the date of its establishment) or another document demonstrating that the corporation has a financial basis;
- (iv) resumes of the officers (if an officer is a corporation, including a person performing their duties; the same applies in the following item) (if an officer is a corporation, a document stating the officer's career background);
- (v) an extract of the resident record of the officer (or, if the officer is a corporation, a certificate of registered information for the officer), or any other document serving in lieu of the extract or certificate;
- (vi) if the former surname and given name of an officer are stated together with their current full name in a written application referred to in Article 39, paragraph (1) of the Order, and if the document referred to in the preceding item does not certify the former surname and given name, a document certifying those names;
- (vii) a document stating any other particulars that may be of useful reference.

(Information on Members Necessary for Customer Protection)

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

- (i) upon becoming aware of a person who has engaged in the financial service intermediary business without obtaining the registration referred to in Article 12 of the Act, the name, address, and telephone number of that person (or, in the case of a corporation, its trade name or name, address, telephone number, and the name of its representative) and other relevant information about that person, as well as information on the business operations related to the financial service intermediary business being conducted by that person;
- (ii) other information that a certified financial service intermediary business association deems necessary to protect customers.

Chapter IV Designated Dispute Resolution Organizations

Section 1 General Rules

(Persons Unable to Properly Perform Duties Related to Dispute Resolution Services Due to Mental or Physical Disorders)

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

(Calculation of the Proportion)

Article 145 The calculation of the portion referred to in Article 51, paragraph (1), item (viii) of the Act is made by dividing the number of financial service intermediaries that have raised objections (limited to objections based on reasonable grounds) regarding the particulars concerning the cancellation of the basic contract for the implementation of procedures, other details of that contract (excluding those particulars stated in the items of Article 56, paragraph (2) of the Act), or other details of the operational rules (meaning the operational rules prescribed in Article 51, paragraph (1), item (vii) of the Act; the same applies below in this Chapter) (excluding the particulars that must be contained in the operational rules pursuant to Article 56, paragraph (3) of the Act, as well as the particulars necessary for compliance with the standards stated in the items of paragraph (4) and item (i) of paragraph (5) of the same Article). This is done by submitting to the person intending to file an application referred to in Article 51, paragraph (1) of the Act, documents stating whether they have any objections regarding the details of the operational rules, and if objections exist, the details of those objections and the reasons for them (these documents are referred to as "written opinions" in the following Article) (the financial service intermediaries raising objections are limited to those relating to the category of dispute resolution services, etc., for which the person seeks to obtain designation under Article 51, paragraph (1) of the Act by the application). The resulting calculation is then divided by the number of financial service intermediaries publicly disclosed by the Commissioner of the Financial Services Agency, etc. (referred to as "all financial service intermediaries" in paragraphs (1) and (2) of the following Article, and in Article 148, paragraph (2), items (i) and (ii)), as of the day on which the person intending to file the application delivered or sent the operational rules, etc. prescribed in paragraph (1), item (ii) of the following Article (or, in the case of delivery or sending over two or more days, as of the latest day).

(Hearing Opinions from Financial Service Intermediaries)

Article 146 (1) A person who intends to file the application prescribed in Article 51, paragraph (1) of the Act must explain the details of the operational rules to the financial service intermediaries pursuant to the provisions of paragraph (2) of that Article. If the person wishes to seek opinions regarding any objections to those details (including the grounds for such objections), an explanatory meeting must be held with the financial service intermediaries as specified below:

- (i) the date and place of the explanatory meeting is to be decided, taking into consideration the convenience of all financial service intermediaries in attending;
 - (ii) the person seeking to file the application is to deliver or send a document to all financial service intermediaries containing the following particulars and the operational rules (collectively referred to as the "operational rules, etc." in paragraph (4), the following Article, and Article 148, paragraph (2)) at least two weeks before the date of the explanatory meeting (or, in the case of multiple explanatory meetings, the date of the first meeting):
 - (a) the name or trade name, the location of the principal place of business or office, and the telephone number or other contact information of the person seeking to file the application;
 - (b) the date, time, and venue of the explanatory meeting;
 - (c) the requirement that financial service intermediaries submit a written opinion to the person seeking to file the application within a specified period from the date of the explanatory meeting (or, in the case of multiple explanatory meetings, from the date of the last meeting);
 - (iii) the specified period referred to in (c) of the preceding item must be no shorter than two weeks.
- (2) All of the following particulars must be stated in the document outlining the results prescribed in Article 51, paragraph (2) of the Act:
- (i) the dates, times, and venues of all explanatory meetings;
 - (ii) the status of attendance of all financial service intermediaries at the explanatory meeting;
 - (iii) the status of the submission of written opinions by all financial service intermediaries;
 - (iv) whether objections are stated in the submitted written opinions;
 - (v) when an objection not falling under those prescribed in Article 51, paragraph (1), item (viii) of the Act is stated in a submitted written opinion, a statement confirming this, along with the reasons why the objection was judged not to fall under the same item.
- (3) All written opinions submitted by financial service intermediaries are to be attached to the document referred to in the preceding paragraph.

- (4) When the operational rules, etc. or written opinions are prepared in the form of an electronic or magnetic record, any of the methods of using an electronic data processing system or of using other information and communications technology as listed below, may be employed for delivering or sending the operational rules, etc., or submitting the written opinions:
- (i) either of the methods of using an electronic data processing system as stated in (a) or (b) below:
 - (a) the method of transmitting information via a telecommunications line connecting a computer used by the sender and a computer used by the recipient, and recording the information in a file stored on a computer used by the recipient;
 - (b) a method of making the details of the information—which is recorded in a file stored on a computer used by the sender—available for inspection by the recipient of the information via a telecommunications line, and recording that information in a file stored on a computer used by the recipient;
 - (ii) a method of delivering a file containing the information, prepared using an electronic or magnetic recording medium.
- (5) The methods stated in the items of the preceding paragraph must enable the recipient to prepare a document by printing the information recorded in the files.

(Submission of Written Applications for Designation)

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

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

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

- (i) the balance sheet (including related notes), and income and expenditure statement or profit and loss statement (including related notes) for the business year preceding the business year that includes the date of the application referred to in Article 51, paragraph (1) of the Act, and an inventory of property as of the end of that business year or documents equivalent to that property (when the person seeking designation under the same paragraph (referred to as the "applicant" in paragraph (3), items (i) and (ii)) is a corporation (meaning the corporation prescribed in Article 51, paragraph (1), item (i) of the Act; the same applies in Article 154, paragraph (3), item (iii)) established in the business year that includes the application

- date, the inventory of property as of the time of its establishment or documents equivalent to that property);
- (ii) a document stating the expected income and expenditures following the designation under Article 51, paragraph (1) of the Act.
- (2) The documents specified by Cabinet Office Order, as prescribed in Article 52, paragraph (2), item (vi) of the Act, are as follows:
- (i) the operational rules, etc. delivered or sent to all financial service intermediaries pursuant to Article 146, paragraph (1), item (ii);
- (ii) a document certifying the date and method by which the business regulations, etc. were issued or sent to all financial service intermediaries;
- (iii) where the applicant has sent the operational rules, etc. to a financial service intermediary, a document certifying the particulars specified in (a) or (b) below, according to the category of cases stated in each item, as information concerning whether the operational rules, etc. have reached the financial service intermediary and the facts relating to their receipt:
- (a) when the operational rules, etc. have arrived: the date of arrival;
- (b) when the operational rules, etc. have not arrived: the cause of the failure of arrival by ordinary methods of sending.
- (3) The documents specified by Cabinet Office Order, as prescribed in Article 52, paragraph (2), item (vii) of the Act, are as follows:
- (i) a document stating the trade names or names and the locations of the principal places of business or offices of a person holding 5 percent or more of the voting rights held by all shareholders, etc. of the applicant, as well as the number of voting rights held by that person;
- (ii) a document stating the trade names or names and the locations of the principal places of business or offices, and the details of the businesses of the applicant's parent corporation (meaning a corporation or other organization that holds the majority of the voting rights of all shareholders, etc. of the applicant) and subsidiary corporations (meaning corporations or other organizations in which the applicant holds the majority of the voting rights of all shareholders, etc.);
- (iii) an extract of the resident record of an officer (or, if the officer is a corporation, including its executive members, a certificate of registered information for the officer), or any other document serving in lieu of the extract or certificate;
- (iv) if the former surname and given name of an officer are stated together with their current full name in a written application for designation referred to in Article 52, paragraph (1) of the Act, and if the document stated in the preceding item does not certify the former surname and given name of that officer, a document certifying those names;
- (v) a certificate issued by a public agency confirming that an officer does not

- fall under the category of persons referred to in Article 51, paragraph (1), item (iv), (b) of the Act (if the officer does not have Japanese nationality, a document in which the officer pledges that they do not fall under the category described in (b) of the same item);
- (vi) resumes of the officers (if the officer is a corporation, a document stating the officer's career background);
- (vii) a document stating the status of securing candidates for dispute resolution mediators (meaning the dispute resolution mediator prescribed in Article 53, paragraph (1) of the Act; the same applies in Article 155, paragraph (3), item (iii)), as well as officers and employees (collectively referred to below as "officers, etc." in this item, the following item, and in Article 157, paragraphs (1) and (2)) who possess knowledge and experience in dispute resolution services, and the allocation status of those officers, etc.;
- (viii) a document in which the officers, etc. pledge that they are not members, etc. of an organized crime group (meaning an organized crime group member (meaning the organized crime group member prescribed in Article 2, item (vi) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991); the same applies below in this item) or a person for whom five years have not yet passed since the day on which that person ceased to be a member of an organized crime group; the same applies in Article 157, paragraph (1), item (ii));
- (ix) a document stating any other particulars that may be of useful reference.

Section 2 Business Operations

(Particulars to Be Specified in the Operational Rules)

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

- (i) the particulars concerning the hours during which dispute resolution services are provided, and the holidays on which those services are not available;
- (ii) the name and location of the place of business or office, as well as the particulars concerning the area in which it provides dispute resolution services;
- (iii) the particulars concerning the system for supervising employees engaged in dispute resolution services;
- (iv) if business operations for complaint processing procedures or dispute resolution procedures are entrusted, the particulars concerning such entrustment; and
- (v) other particulars necessary for dispute resolution services.

(Details of the Basic Contract for the Implementation of Procedures)

Article 150 The particular specified by Cabinet Office Order, as prescribed in Article 56, paragraph (2), item (xi) of the Act, is the case where, upon request by a customer, etc. of a member financial service intermediary (meaning a member financial service intermediary as prescribed in Article 54, paragraph (2) of the Act; the same applies below in this Chapter), which is a party to the settlement, a designated dispute resolution organization may investigate the status of performance of the obligations specified in the settlement through dispute resolution procedures, and may recommend that the member financial service intermediary perform those obligations.

(Substantial Controller)

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

- (i) when the voting rights held by a specific person on their own account, together with the voting rights held by any person who is likely to exercise their voting rights in accordance with the will of the specific person—due to a close relationship in terms of equity, personnel affairs, funding, technology, business transactions, etc.—and any person who has consented to exercise their voting rights in accordance with the will of the specific person, constitute one-third or more of the voting rights of the designated dispute resolution organization (including cases where the specific person does not hold voting rights on their own account);
- (ii) an officer (or, when an officer is a corporation, including its executive members) of the designated dispute resolution organization, or a person who was formerly an officer of the organization;
- (iii) a relative within the third degree of kinship to an officer of the designated dispute resolution organization;
- (iv) a person that has a representative referred to in the preceding two items (including a representative or administrator of an organization without legal personality for which such a representative or administrator has been designated; the same applies in item (iv) of the following Article);
- (v) a person for whom one-third or more of the officers of the designated dispute resolution organization serve or have served as officers or employees;

- (vi) a person that has concluded a contract with the designated dispute resolution organization to control business policy decisions of the organization;
- (vii) when a specific person has provided loans (including a guarantee of obligations and the provision of collateral; the same applies below in this item and in item (vii) of the following Article) amounting to one-third or more of the total funds procured by the designated dispute resolution organization (limited to amounts recorded in the liabilities section of the balance sheet; the same applies below in this item and item (vii) of the same Article) (including cases where the total amount financed by the specific person and by any person closely related to the specific person in terms of equity, personnel affairs, funding, technology, or business transactions, etc., constitutes one-third or more of the total procured funds);
- (viii) in addition to the persons mentioned in the preceding items, any person whose circumstances suggest that they have control over the business policy decisions of the designated dispute resolution organization;
- (ix) when the relationship of a specific person to the persons mentioned in the preceding items is the same as the relationship of those persons (excluding items (ii) through (iv); the same applies below in this item) to the designated dispute resolution organization, as prescribed in the preceding items, that specific person;
- (x) when the relationship of the persons listed in items (i) through (viii) with a specific person is the same as the relationship of the designated dispute resolution organization with the persons listed in item (i) or items (v) through (viii) of the following Article, as prescribed in item (i) or items (v) through (viii) of the same Article, that specific person.

(Subsidiary Companies)

Article 152 The persons specified by Cabinet Office Order, as prescribed in Article 56, paragraph (4), item (iii) of the Act, as being in a relationship where a designated dispute resolution organization substantially controls the business, through holding shares or any other circumstances, are those persons listed in the following items, for whom the designated dispute resolution organization is not found to be clearly incapable of controlling their business policy decisions, considering their business relationship;

- (i) when the voting rights held by the designated dispute resolution organization on its own account, together with the voting rights held by any person likely to exercise their voting rights in accordance with the will of the designated dispute resolution organization due to a close relationship in terms of equity, personnel affairs, funding, technology, or business transactions, etc., and those held by any person who has consented to

- exercise their voting rights in accordance with the will of the designated dispute resolution organization, constitute one-third or more of the voting rights of another corporation or an organization without legal personality for which a representative or administrator has been designated (referred to below as a "corporation, etc." in this item and item (v)) (including cases where the designated dispute resolution organization does not hold voting rights on its own account);
- (ii) an officer (or, when the officer is a corporation, including its executive members; the same applies below in this Article) or an employee of the designated dispute resolution organization, or a person who was formerly an officer or employee of the organization;
 - (iii) a relative within the third degree of kinship to an officer of the designated dispute resolution organization;
 - (iv) a person whose representative is any of the persons listed in the preceding two items;
 - (v) when the persons listed in item (ii) constitute one-third or more of the officers of another corporation, etc., that other corporation, etc.;
 - (vi) when the designated dispute resolution organization has concluded a contract with a specific person to control the business policy decisions of that person, that specific person;
 - (vii) when the designated dispute resolution organization has provided loans for one-third or more of the total amount of funds procured by a specific person (including cases where the total amount financed by the designated dispute resolution organization and by any person closely related to it in terms of equity, personnel affairs, funding, technology, or business transactions, etc. constitutes one-third or more of the total procured funds), that specific person;
 - (viii) in addition to the persons listed in the preceding items, when there is any circumstance suggesting that the designated dispute resolution organization has control over the business policy decisions of a specific person, the specific person;
 - (ix) when the relationship of the persons listed in the preceding items with a specific person is the same as the relationship of the designated dispute resolution organization with the persons listed in the preceding items (excluding items (ii) through (iv); the same applies below in this item), as prescribed in the preceding items, that specific person.

(Particulars to Be Stated in the Records on the Complaint Processing Procedures)

Article 153 (1) Pursuant to Article 60 of the Act, a designated dispute resolution organization must prepare a record containing the following particulars

regarding the complaint processing procedures it has implemented:

- (i) the date on which a customer, etc. of a member financial service intermediary filed an application for the settlement of a complaint related to the intermediary's business operations, along with the details of the complaint;
 - (ii) the names or trade names of the customer of the member financial service intermediary who filed the application referred to in the preceding item, and of its agent, as well as the trade name or name of the related financial service intermediary;
 - (iii) the historical background of the implementation of the complaint processing procedures;
 - (iv) the results of the complaint processing procedures (including the reasons for the termination of the procedures and the date of termination).
- (2) A designated dispute resolution organization must a record containing the particulars prescribed in the preceding paragraph for at least five years from the date on which the complaint processing procedures it implemented were completed.

(Interests of Dispute Resolution Mediators)

Article 154 (1) A person with an interest in the party prescribed in Article 56, paragraph (1), item (v) of the Act, in relation to an application referred to in Article 62, paragraph (1) of the Act, as prescribed in paragraph (3) of the same Article (simply referred to below as the "party" in this paragraph), is any of the following:

- (i) the spouse or a person who was formerly the spouse of the party;
 - (ii) a blood relative within the fourth degree of kinship, a relative by marriage within the third degree of kinship, a cohabiting relative of the party, or a person who formerly fell into any of these categories;
 - (iii) the guardian of the party, the guardianship supervisor, the curator, the curatorship supervisor, the assistant, or the assistantship supervisor;
 - (iv) a person who is or was formerly an agent or assistant in court for the party in relation to an application regarding a dispute related to financial service intermediary business operations;
 - (v) a person who earns an income from the party through the provision of services, or a person for whom three years have not yet passed since the day on which that person ceased to earn that income.
- (2) The person specified by Cabinet Office Order, as prescribed in Article 62, paragraph (3), item (iii) of the Act, is a person who possesses any of the following qualifications and has been engaged in the business of responding to consumer affairs consultations (meaning the consumer affairs consultations prescribed in Article 13, paragraph (3), item (v), (a) of the Consumer Contract

Act (Act No. 61 of 2000)) for a total of five years or more:

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

(Explanation to a Customer, etc. of a Member Financial Service Intermediary Involved in a Dispute Related to Financial Service Intermediary Business Operations)

Article 155 (1) When a designated dispute resolution organization receives a request for a written explanation from a customer, etc. of a member financial service intermediary who is a party to the dispute related to financial service intermediary business operations, as prescribed in Article 62, paragraph (8) of the Act, the designated dispute resolution organization must . deliver the document and make an explanation.

(2) The records specified by Cabinet Office Order, as prescribed in Article 62, paragraph (8) of the Act, are prepared in an electronic form, magnetic form, or any other form that cannot be recognized through human perception and is used for information processing by computers.

(3) The particulars specified by Cabinet Office Order, as prescribed in Article 62, paragraph (8), item (iii) of the Act, are as follows:

(i) the method of handling the confidential information of a party to the dispute related to financial service intermediary business operations, and of a third party, when such information is included in the opinions to be stated, materials to be submitted or presented in the dispute resolution procedures, or contained in the dispute resolution procedures record prescribed in Article 62, paragraph (9) of the Act (referred to as a "dispute resolution procedures record" in paragraph (1) of the following Article);

(ii) the requirements and method for a party involved in a dispute related to financial service intermediary business operations to terminate the dispute resolution procedures;

(iii) when the dispute resolution mediator determines that there is no prospect of reaching a settlement between the parties to the dispute concerning financial service intermediary business operations through dispute resolution procedures, the mediator will promptly terminate those procedures and notify the parties accordingly;

(iv) whether a document is prepared when a settlement has been reached between the parties to a dispute related to financial service intermediary business operations, and, if so, the person responsible for preparing the document, the number of copies to be prepared, and an overview of any other details related to the preparation of the document.

(Preservation and Preparation of Records of Dispute Resolution Procedures)

Article 156 (1) A designated dispute resolution organization must preserve a record of dispute resolution procedures for at least ten years from the date on which the procedures it implemented were completed.

(2) The particulars specified by Cabinet Office Order, as prescribed in Article 62, paragraph (9), item (vi) of the Act, are as follows:

(i) the details of the application for dispute resolution procedures;

(ii) if a special conciliation proposal (meaning the special conciliation proposal

- prescribed in Article 56, paragraph (6) of the Act) has been presented during the dispute resolution procedures, the details of the proposal and the date of its presentation; and
- (iii) if the dispute resolution procedures have resulted in a settlement, the details of the settlement.

Section 3 Supervision

(Particulars to Be Notified)

Article 157 (1) When a designated dispute resolution organization intends to file a notification under Article 68 of the Act, it must submit a written notification to the Commissioner of the Financial Services Agency, along with a written statement of reasons and any other documents containing particulars that may be of useful reference (including the particulars specified in the following items, as applicable in each case):

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

- majority of the voting rights held by all shareholders, etc. of the designated dispute resolution organization; the same applies in the following item) or its subsidiary corporation (meaning a corporation or any other organization in which the designated dispute resolution organization holds the majority of the voting rights held by all shareholders, etc. of that organization; the same applies in item (iv)) changes its trade name or name, the location of its principal place of business or office, or the details of its business;
- (iii) when the parent corporation is no longer the parent corporation;
 - (iv) when a subsidiary corporation is no longer a subsidiary corporation, or when the designated dispute resolution organization has acquired or taken possession of the voting rights of a subsidiary corporation;
 - (v) when voting rights exceeding 5 percent of the voting rights of all shareholders, etc. have been acquired or held by a single person;
 - (vi) when a person has newly become an officer, etc. of the designated dispute resolution organization after the submission of the written application for designation referred to in Article 52, paragraph (1) of the Act;
 - (vii) when the designated dispute resolution organization has received an application from a financial service intermediary for the conclusion of a basic contract for the implementation of procedures, and has rejected the application;
 - (viii) when the designated dispute resolution organization or an officer, etc. of the entity entrusted with the designated dispute resolution organization's business operations becomes aware of any act violating laws and regulations or the operational rules of the designated dispute resolution organization in the performance of dispute resolution services (in the case of the entity entrusted with business operations, limited to those related to the dispute resolution services entrusted by the designated dispute resolution organization);
 - (ix) when the designated dispute resolution organization becomes aware that a member financial service intermediary or its officer, etc. has engaged in any act in violation of the operational rules of the designated dispute resolution organization.
- (3) In the case falling under item (viii) or (ix) of the preceding paragraph, a notification must be filed within one month from the day on which the designated dispute resolution organization became aware of the facts prescribed in those provisions.

(Submission of a Report on the Dispute Resolution Services)

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

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

- (2) An inventory of property, a balance sheet (including related notes), and an income and expenditure statement or profit and loss statement (including related notes) for the most recent business year, or equivalent documents must be attached to the report referred to in the preceding paragraph.
- (3) When a designated dispute resolution organization is unable to submit the report referred to in paragraph (1) within the period prescribed in that paragraph due to unavoidable circumstances, it may postpone the submission by obtaining prior approval from the Commissioner of the Financial Services Agency.
- (4) When a designated dispute resolution organization seeks approval under the preceding paragraph, it must submit a written application for approval to the Commissioner of the Financial Services Agency, along with a written statement of reasons.
- (5) When an application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency is to examine whether there is a compelling reason for the designated dispute resolution organization that made the application to postpone the submission under paragraph (3).

Chapter V Miscellaneous Provisions

(Notification of an Officer or Employee Acting as an Intermediary for the Conclusion of Insurance Policies)

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

(Particulars to Be Stated in the Sales Representatives Register)

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

- (i) the trade name or name of the financial service intermediary seeking registration, as referred to in Article 75, paragraph (1) of the Act;
- (ii) the following particulars regarding a sales representative (meaning a sales representative as prescribed in Article 75, paragraph (1) of the Act; the same applies below in this Chapter):
 - (a) whether the sales representative is an officer (in the case of a foreign corporation, an officer stationed at a place of business or office in Japan (including a director, accounting advisor, company auditor, executive officer, or a person holding an equivalent position)) or an employee;

(b) when the sales representative has been ordered to suspend duties pursuant to the provisions of Article 64-5, paragraph (1) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* pursuant to Article 77 of the Act (referred to below as the "Financial Instruments and Exchange Act as applied *mutatis mutandis*" in this Chapter), the date on which the disposition was issued, the reasons for the disposition, and the duration of the disposition.

(Location of the Sales Representatives Register)

Article 161 The location specified by Cabinet Office Order, as prescribed in Article 75, paragraph (1) of the Act, is either a Local Finance Bureau or the Fukuoka Local Finance Branch Bureau (in the case of a register for sales representatives of a financial service intermediary whose registration work (meaning the registration work prescribed in Article 78, paragraph (1) of the Act; the same applies below in this Chapter) is carried out by a certified financial service intermediary business association pursuant to the provisions of paragraph (1) or (2) of the same Article, the certified financial service intermediary business association).

(Application for Registration)

Article 162 A financial service intermediary seeking registration referred to in Article 75, paragraph (1) of the Act must submit the registration application form referred to in Article 64, paragraph (3) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, prepared in accordance with Appended Form 10, to the Commissioner of the Financial Services Agency, etc., along with the documents required to be attached to the application form pursuant to paragraph (4) of the same Article.

(Particulars to Be Stated in a Registration Application Form)

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

(Documents to Be Attached to a Registration Application Form)

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

(i) an extract of the resident record of the sales representative for whom

- registration is sought, or any other document serving in lieu of that extract;
- (ii) if the former surname and given name of the sales representative for whom the registration is sought are stated together with their current full name in a registration application form, prepared in accordance with Appended Form 10, and if the document stated in the preceding item does not certify the former surname and given name of that representative, a document certifying those names;
- (iii) a document in which the financial service intermediary seeking registration and the sales representative for whom the registration is sought pledge that the sales representative does not fall under any of the persons referred to in the items of Article 64-2, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis.

(Notification of Changes to Registered Particulars)

- Article 165 (1) A financial service intermediary filing a notification pursuant to Article 64-4 (limited to the portion relating to item (i)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, must submit a written notification of change, prepared in accordance with Appended Form 11, to the Commissioner of the Financial Services Agency, etc.
- (2) A financial service intermediary filing a notification pursuant to Article 64-4 (limited to the portion relating to items (ii) through (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis, must submit a written notification, stating the particulars specified in the following items, in accordance with the category of cases stated in each item, to the Commissioner of the Financial Services Agency, etc.:
- (i) in the case falling under Article 64-4, item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis: the following particulars:
 - (a) the name of the sales representative who has become subject to the provisions;
 - (b) the date on which the sales representative became subject to the provisions and the reasons why;
 - (ii) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (limited to the case that has become subject to Article 15, item (ii), (b) of the Act): the following particulars:
 - (a) the name of the sales representative who has become subject to the provisions;
 - (b) the date on which the sales representative became subject to an order to initiate bankruptcy proceedings;
 - (iii) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (limited to

- cases that have become subject to Article 15, item (ii), (c) or (f) of the Act (limited to the portion relating to item (i), (m) of the same Article)): the following particulars:
- (a) the name of the sales representative who has become subject to the provisions;
 - (b) the date on which the punishment became final and binding, and the type of punishment imposed;
- (iv) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (limited to cases that have become subject to Article 15, item (ii), (d) or (f) of the Act (limited to the portion relating to item (i), (a) through (l) of the same Article)): the following particulars:
- (a) the name of the sales representative who has become subject to the provisions;
 - (b) the date on which the sales representative became subject to the revocation, an order or refusal, and the reasons for that;
- (v) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (limited to cases that have become subject to Article 15, item (ii), (e) of the Act): the following particulars:
- (a) the name of the sales representative who has become subject to the provisions;
 - (b) the date on which the sales representative became subject to dismissal, reelection, replacement, or removal, and the reasons for that;
- (vi) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis (limited to cases that have become subject to Article 15, item (ii), (f) of the Act (limited to the portion relating to item (i), (n) of the same Article)): the following particulars:
- (a) the name of the sales representative who has become subject to the provisions;
 - (b) the date on which a notice pursuant to Article 15 of the Administrative Procedure Act was given, and the reasons for that; and the date on which a notification was filed under Article 16, paragraph (3) of the Act, Article 50-2, paragraph (1), and Article 60-7 of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 60-14, paragraph (2) of that Act), Article 63-2, paragraph (2), paragraph (3) (including as applied mutatis mutandis pursuant to Article 63-3, paragraph (2) of that Act), or paragraph (4), Article 66-19, paragraph (1), Article 66-40, paragraph (1), or Article 66-61, paragraph (1) of that Act, or in Article 10, paragraph (1) of the Money Lending Business Act; or the date

- on which an officer whose dismissal was ordered under Article 38, paragraph (3) of the Act or Article 24-6-4, paragraph (2) of the Money Lending Business Act resigned, and the reasons for that;
- (vii) in the case falling under Article 64-4, item (iv) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*: the following particulars:
- (a) the name of the sales representative who has ceased performing their duties;
 - (b) the reason the sales representative has ceased performing their duties (meaning the duties of a sales representative prescribed in Article 75, paragraph (2) of the Act; the same applies in paragraph (4)).
- (3) In the case falling under any of the categories of cases stated in the following items, a financial service intermediary that files a notification pursuant to Article 64-4 (limited to the portion relating to items (ii) through (iv)) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis*, must attach the documents respectively specified in the following items to the written notification referred to in the preceding paragraph:
- (i) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* (limited to cases that have come under Article 15, item (ii), (b) of the Act): a copy of the written judgment ordering the commencement of bankruptcy proceedings, or a document stating the details of such order;
 - (ii) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* (limited to cases that have come under Article 15, item (ii), (c) or (f) of the Act (limited to the portion related to item (i), (m) of the same Article)): a copy of the judgment document concerning the final and binding judgment, or a document stating the details of the final and binding judgment;
 - (iii) in the case falling under Article 64-4, item (iii) of the Financial Instruments and Exchange Act, as applied *mutatis mutandis* (limited to cases falling under Article 15, item (ii), (d) or (f) of the Act (limited to the portion related to item (i), (a) through (l) of the same Article), where the sales representative has become subject to revocation, an order or a refusal in a foreign state): a copy of a document stating that the registration is to be revoked or that renewal is to be refused; a copy of a document ordering the dissolution or discontinuation of business, or any documents in lieu of them; and a copy of the laws and regulations of the foreign state that served as the basis for the revocation, dissolution, discontinuation of business, or refusal of renewal, along with their translation;
- (4) The case specified by Cabinet Office Order, as prescribed in Article 64-4, item (ii) of the Financial Instruments and Exchange Act, as applied *mutatis*

mutandis, is a case where a person has developed a mental disorder, making it extremely difficult for the person to continue performing the duties of a sales representative.

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

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

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

Article 167 (1) Pursuant to the provisions of Article 78, paragraph (1) of the Act, the Commissioner of the Financial Services Agency is to have a certified financial service intermediary business association carry out notification receipt work specified by the Commissioner (meaning notification receipt work prescribed in the same paragraph; the same applies below in this Chapter), or registration work related to officers, employees, or sales representatives who provide intermediary services for the conclusion of insurance policies on behalf of a financial service intermediary that belongs to the certified financial service intermediary business association.

(2) Pursuant to the provisions of Article 78, paragraph (2) of the Act, the Commissioner of the Financial Services Agency is to have a certified financial service intermediary business association, specified by the Commissioner, carry out any notification receipt work specified by the Commissioner, or registration work related to officers, employees, or sales representatives who provide intermediary services for the conclusion of insurance policies on behalf of a financial service intermediary that does not belong to any certified financial service intermediary business association.

(Notification Regarding Notification Receipt Work)

Article 168 (1) A certified financial service intermediary business association that files a notification relating to notification receipt work pursuant to Article 78, paragraph (5) of the Act must submit a written notification to the Commissioner of the Financial Services Agency, etc., stating the following particulars:

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

(Amount of Registration Fees)

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

(Government Agencies through Which Submission Is Made)

Article 170 (1) When submitting the registration application form referred to in Article 13, paragraph (1) of the Act, or any other document prescribed in the Act, the Order, and this Cabinet Office Order (referred to below as a "written application, etc." in this paragraph and the following paragraph) to the Commissioner of the Financial Services Agency, a financial service intermediary must submit it via the Director-General of the Local Finance Bureau having jurisdiction over the locality of its principal place of business or office (if the locality falls within the jurisdictional district of the Fukuoka Local Finance Branch Bureau (excluding the jurisdictional district of a local finance office), then via the Director-General of the Fukuoka Local Finance Branch Bureau; if the financial service intermediary has no place of business or office in Japan, then via the Director-General of the Kanto Finance Bureau; and if the locality is within the jurisdictional district of a local finance office, the Otaru Sub-Office, or the Kitami Sub-Office, then via the head of the local finance office, the head of the Otaru Sub-Office, or the head of the Kitami Sub-Office, respectively (collectively referred to as the "head of the local finance

office, etc." in the following paragraph)); provided, however, that this does not apply to a written application, etc. for what is designated by the Commissioner of the Financial Services Agency under Article 47, paragraph (5) of the Order.

- (2) When a financial service intermediary submits a written application, etc. to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau, and when the Director-General of the local finance office, etc. has jurisdiction over the locality of the intermediary's principal place of business or office, the financial service intermediary must submit the written application through that Director-General of the local finance office, etc.
- (3) Notwithstanding the provisions of the preceding two paragraphs, when the notification receipt or registration work is entrusted to a certified financial service intermediary business association pursuant to Article 78, paragraph (1) or (2) of the Act, the following documents are to be submitted to that certified financial service intermediary business association: a written notification prescribed in Article 159, a registration application form prescribed in Article 64, paragraph (3) of the Financial Instruments and Exchange Act as applied *mutatis mutandis*, the documents required to be attached to the registration application form pursuant to the provisions of paragraph (4) of the same Article, and a written notification under Article 165, paragraphs (1) and (2), and Article 166.

(Application of a Cabinet Office Order to Financial Service Intermediaries

Whose Principal Place of Business or Office is Located in a Foreign State)

Article 171 With regard to the application of the provisions of this Cabinet Office Order to a financial service intermediary whose principal place of business or office is located in a foreign state, its principal place of business or office in Japan is deemed its principal place of business or office.

(Preliminary Examination)

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

(Standard Processing Period)

Article 173 (1) The Commissioner of the Financial Services Agency, etc. is to endeavor to process an application for registration, approval, confirmation, certification, authorization, or designation under the Act, the Order, or this Cabinet Office Order (excluding applications related to preliminary examinations; referred to below as an "application for registration, etc." in this

paragraph) within 30 days from the date of receipt of the application at its office; provided, however, that the Commissioner of the Financial Services Agency, etc. is to endeavor to process an application for registration, etc. as stated in the following items within the period specified in each item:

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

Appended Table (Re. Article 128)

Formula 1

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

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

"n" means the number of repayment installments.

" T_i " means the following period, with one year as the unit of time:

- (a) when "i" is one, the period from the date of delivery of the money to the day before the first payment date;
- (b) when "i" is two or more, the period from the latest payment date to the day before the "i"-th payment date.

" U_i " is the following amount:

- (a) when "i" is one, the loan amount (meaning the loan prescribed in Article 122, item (i)) that is actually available;
- (b) when "i" is two or more, the repayment amount yet to be paid, calculated pursuant to the following formula:

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

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

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

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