

Order for Enforcement of the Banking Act (Cabinet Order No. 40 of March 27, 1982)

(Cabinet Order No. 40 of 1982)

The Cabinet establishes this Cabinet Order pursuant to the provisions of Article 4, paragraph (3), Article 5, paragraph (1), Article 13, paragraph (1) and paragraph (2), Article 15, paragraph (1), Article 30, paragraph (2) and paragraph (3), Article 33, Article 34, paragraph (1), Article 35, paragraph (1), Article 43, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (2) of the same Article), Article 47, paragraph (3), Article 48, paragraph (2), Article 59 and Supplementary Provisions, Article 27 of the Banking Act (Act No. 59 of 1981).

(Special Affiliation)

Article 1 The special affiliation as specified by Cabinet Order that is provided for in Article 3-2, paragraph (1), item (vi) of the Banking Act (hereinafter referred to as "the Act") means a family relationship of within the third degree of kinship.

(Specific Related Party to Foreign Banks)

Article 1-2 The person that has a unique relationship with a foreign bank as specified by Cabinet Order that is provided for in the main clause of Article 4, paragraph (3) of the Act, means one of the following persons (with regard to a person set forth in items (iii) through (v), limited to a person that holds all or a part of the shares of an applicant for a banking license):

(i) a person holding shares or an equity interest (hereinafter referred to as "shares or equity" in this Article, Article 11, and Article 16-2, item (i)) accounting for over fifty percent of the total number of issued shares or the total amount of contribution (hereinafter referred to as "issued shares or contribution" in this Article and Article 11) of a person engaged in banking in a foreign state pursuant to foreign laws and regulations (excluding a bank, etc. as prescribed in Article 4, paragraph (5) of the Act; hereinafter referred to as a "foreign bank");

(ii) a person holding shares or equity accounting for over fifty percent of the issued shares or contribution of the person as set forth in the preceding item;

(iii) a corporation in which the person as set forth in item (i) holds shares or equity accounting for over fifty percent of its issued shares or contribution;

(iv) a corporation in which a foreign bank holds shares or equity accounting for over fifty percent of its issued shares or contribution;

(v) a corporation in which the corporation as set forth in the preceding item holds shares or equity accounting for over fifty percent of its issued shares or contribution;

(vi) any one of the two or more persons whose principal business offices are located in the same state and whose total shares or equity held account for over fifty percent of the issued shares or contribution of a foreign bank;

(vii) a person prescribed by Cabinet Office Order as being equivalent to one of the persons set forth in the preceding items.

(When the Examination Stipulated in Article 4, paragraph (3) of the Act is not Required)

Article 2 The case specified by Cabinet Order that is provided for in the proviso to Article 4, paragraph (3) of the Act means the case in which an examination under the main clause of that paragraph would interfere with the sincere implementation of a treaty or other international agreement to which Japan is a party.

(Minimum Amount of Stated Capital)

Article 3 The amount specified by Cabinet Order that is provided for in Article 5, paragraph (1) of the Act is 2 billion yen.

(Grant of Credit or Making of Contribution to a Single Person)

Article 4 (1) The person that has a unique relationship with a single person as specified by Cabinet Order provided for in the main clause of Article 13, paragraph (1) of the Act, means one of the following persons in a case in which the single person prescribed in the main clause of that paragraph (excluding any person that has a unique relationship with that person as specified by that Cabinet Order; hereinafter referred to as the "single person itself" in this paragraph) is not a combined subsidiary corporation, etc. or combined affiliated corporation, etc. of the relevant bank; a bank holding company (meaning a bank holding company as prescribed in the Article 2, paragraph (13) of the Act; the same applies hereinafter) that has the relevant bank as its combined subsidiary corporation, etc. or combined affiliated corporation, etc.; or the combined subsidiary corporation, etc. or combined affiliated corporation, etc. of such a bank holding company (excluding any of the following persons that is itself the relevant bank; the combined subsidiary corporation, etc. or combined affiliated corporation, etc. of the relevant bank; the bank holding company that has the relevant bank as its combined subsidiary corporation, etc. or combined affiliated corporation, etc.; or the combined subsidiary corporation, etc. or combined affiliated corporation, etc. of the bank holding company; referred to as a "person subject to consolidated calculation of credit received" in paragraph (9) and paragraph (12)):

(i) the following persons, if the single person itself is a company:

(a) a combined subsidiary corporation, etc. of the single person itself;

(b) a corporation, etc. (meaning a company, partnership, or other business entity equivalent thereto (including their equivalents in foreign states); hereinafter the same applies in this Article and paragraph (2) and paragraph (3) of the following Article) that has the single person itself as a combined subsidiary corporation, etc., or a person specified by Cabinet Office Order as being equivalent to that corporation, etc.;

(c) a combined subsidiary corporation, etc. of a person set forth in (b) (excluding the single person itself or a person that falls under the category of a person set forth in (a) or (b));

(d) a combined affiliated corporation, etc. of the single person itself or a person set forth in sub-item (a) through (c) (excluding the single person itself and a person that falls under the category of a person set forth in sub-items (a) through (c));

(e) a person (excluding the national government or a foreign government; the same applies in sub-item (f) and the following item) other than a company, which holds voting rights (meaning voting rights prescribed in Article 2, paragraph (6) of the Act; the same applies hereinafter) exceeding fifty percent of the total shareholder or investor voting rights (the total shareholder or investor voting rights prescribed in that paragraph; the same applies hereinafter) of the single person itself (excluding a person that falls under the category of a person set forth in sub-item (b));

(f) a person other than a company, which holds voting rights exceeding fifty percent of the total shareholder or investor voting rights of a person set forth in sub-item (b) (excluding a person that falls under the category of a person set forth in sub-item (b));

(g) a corporation, etc. in which a person set forth in sub-item (e) or sub-item (f) holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights (excluding the single person itself and a person that falls under the category of a person set forth in sub-item (a) through (f) and its subsidiary companies;

(h) a combined subsidiary corporation, etc. or combined affiliated corporation, etc. of a person set forth in sub-item (g) (excluding the single person itself and a person that falls under the category of a person set forth in sub-item (a) through sub-item (g));

(i) any other company in which either the single person itself or one of the following companies (referred to as a "company with voting rights subject to consolidation" in paragraph (5)) and a person as set forth in sub-item (e) or sub-item (f) (as for a person set forth in sub-item (f), limited to a person holding voting rights accounting for over fifty percent of the total shareholder or investor voting rights in a company that has that single person itself as a subsidiary company (meaning a subsidiary company as prescribed in Article 2, paragraph (8) of the Act; the same applies hereinafter); the same applies in 4) hold voting rights accounting for over fifty percent of the total shareholder or investor voting rights (that other company excludes the single person itself and any person that falls under the category of persons set forth in sub-item (a) though (d), sub-item (g) or sub-item (h)):

1. a subsidiary company of the single person itself;
2. a company that has that single person itself as a subsidiary company;

3. a subsidiary company of the company as set forth in sub-item 2 (excluding the single person itself and any person falling under the category of persons set forth in sub-item 1 or sub-item 2); or

4. a company (excluding the single person itself and a person that falls under the category of a person set forth in sub-item 2) in which a person as set forth in sub-item (e) or sub-item (f) holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights or a subsidiary company of that company;

(ii) if the single person itself is a person other than a company, the following persons:

(a) a company in which the single person itself holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights (referred to as a "company controlled by a single person" in sub-item (b) and paragraph (5));

(b) any other company (excluding a person that falls under the category of a person set forth in sub-item (a)) in which either the single person itself and one or more companies controlled by that single person, or just one or more of the companies controlled by that single person itself, hold voting rights accounting for over fifty percent of the total shareholder or investor voting rights.

(2) The term "combined subsidiary corporation, etc." prescribed in the preceding paragraph means any of the following corporations, etc.:

(i) a second corporation, etc. that has a person specified by Cabinet Office Order as a first corporation, etc. that controls an organ which determines the financial and operational or business policies of a second corporation, etc. (hereinafter referred to as a "decision making organ" in this item and paragraph (2) of the following Article) (limited to a person specified by Cabinet Office Order as a corporation, etc. that is required to prepare its financial statements and any other documents on a consolidated basis (referred to as a "corporation, etc. subject to debtor consolidation standards" in item (iii) and the following paragraph); hereinafter referred to as a "substantial parent corporation, etc." in this paragraph) in control of its decision making organ (hereinafter referred to as a "substantial subsidiary corporation, etc." in this paragraph). In such a case, a second corporation, etc. whose decision making organ is controlled either by a substantial parent corporation, etc. and one or more of its substantial subsidiary corporations, etc. or by just one or more of the substantial subsidiary corporations, etc. of a substantial parent corporation, etc., is deemed to be a substantial subsidiary corporation, etc. of that substantial parent corporation, etc.;

(ii) a subsidiary company (excluding a corporation, etc. as set forth in the preceding item; hereinafter referred to as a "subsidiary company other than a substantial subsidiary corporation, etc." in this item). In such a case, any other company (excluding a corporation, etc. as set forth in the preceding item) in which either a substantial parent corporation, etc. and one or more of its substantial subsidiary

corporations, etc., or a substantial parent corporation, etc. and one or more of its subsidiary companies other than substantial subsidiary corporations, etc., or, either just one or more of its substantial subsidiary corporations, etc. or just one or more of its subsidiary companies other than substantial subsidiary corporations, etc. hold voting rights accounting for over fifty percent of the total shareholder or investor voting rights is deemed to be a subsidiary company other than a substantial subsidiary corporation, etc. of that substantial parent corporation, etc.; and

(iii) a substantial subsidiary corporation, etc. (excluding a corporation, etc. as set forth in one of the preceding two items) of a company (limited to a company that is a corporation, etc. subject to debtor consolidation standards) as set forth in the preceding item.

(3) The term "combined affiliated corporation, etc." prescribed in paragraph (1) means a person specified by Cabinet Office Order as a second corporation, etc. (excluding a combined subsidiary corporation, etc. (meaning a combined subsidiary corporation, etc. as prescribed in the preceding paragraph; hereinafter the same applies in this paragraph)) whose financial and operational or business policy decisions a first corporation, etc. (limited to a corporation, etc. subject to debtor consolidation standards) or its combined subsidiary corporation, etc., is able to have a significant impact through the making of contribution; through the assumption of office of director or other equivalent roles by a person that is or was an officer or employee of the first corporation, etc., or its combined subsidiary corporation, etc.; through financing; through the guaranteeing of a debt or provision of collateral; through the provision of technology; or through business transactions, etc.

(4) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis in calculating the percentage of voting rights as referred to in paragraph (1) and paragraph (2).

(5) To apply the provisions of each item of paragraph (1), a company as set forth in paragraph (1), item (i), sub-item (i) and a company as set forth in paragraph (2), item (ii), sub-item (ii) are deemed to be a company with voting rights subject to consolidation and a company controlled by a single person, respectively.

(6) The granting of credit or the making of contribution (including anything equivalent to the granting of credit or the making of contribution) as specified by Cabinet Order that is provided for in the main clause of Article 13, paragraph (1) of the Act means cases specified in the following items:

(i) case that Cabinet Office Order prescribes to be loans;

(ii) case that Cabinet Office Order prescribes to be guaranteeing of debts;

(iii) case that Cabinet Office Order prescribes to be making of contribution;

(iv) case that Cabinet Office Order prescribes as being similar to the cases set forth in the preceding three items.

(7) The categories specified by Cabinet Order that are provided for in the main clause of Article 13, paragraph (1) of the Act means the following categories for the granting of credit or the making of contribution (meaning the granting of credit or the making of contribution as prescribed in the main clause of that paragraph; hereinafter the same applies in this Article):

(i) the granting of credit or the making of contribution (excluding the granting of credit or the making of contribution as set forth in item (iii)) to a single person (referred to as a "single person" in item (ix) and paragraph (12)) as prescribed in the main clause of Article 13, paragraph (1) of the Act;

(ii) the granting of credit or the making of contribution to a bank's major shareholder (meaning a bank's major shareholder as prescribed in Article 2, paragraph (10) of the Act; the same applies hereinafter) that holds a number of voting rights in that bank which is equal to or greater than the major shareholder threshold (meaning the major shareholder threshold prescribed in paragraph (9) of that Article; the same applies hereinafter);

(8) The percentage specified by Cabinet Order that is provided for in the main clause of Article 13, paragraph (1) of the Act is the percentage provided for in each of the following item in accordance with the category of the extension of credit or the making of contribution as set forth in that item:

(i) the granting of credit or the making of contribution as set forth in item (i) of the preceding paragraph: twenty-five percent;

(ii) the granting of credit or the making of contribution as set forth in item (ii) of the preceding paragraph: fifteen percent.

(9) The compelling reason specified by Cabinet Order that is provided for in the proviso to Article 13, paragraph (1) of the Act means one of the following reasons:

(i) unforeseeable and urgent funds have become necessary to carry out the business (excluding business as prescribed in the following item; the same applies hereinafter) of a person to which credit has been granted or a contribution has been made (hereinafter referred to as a "debtor, etc." in this paragraph and paragraph (12)), and it is likely that it would significantly hinder the debtor, etc. from continuing business if the bank does not grant credit or make contribution to the person in excess of the limit on credit and contribution prescribed in the main clause of Article 13, paragraph (1) of the Act (hereinafter referred to as "limit on credit and contribution" in this paragraph);

(ii) the debtor, etc. is in the general electricity transmission and distribution business as prescribed in Article 2, paragraph (1), item (viii) of the Electricity Business Act (Act No. 170 of 1964) or in any other business of vital importance to the national economy as specified by Cabinet Office Order, and it is likely that a significant impediment would arise to hinder the debtor, etc. in the stable performance of business if the bank does not grant credit or make contribution to the debtor, etc. in excess of the limit on credit and contribution;

(iii) the addition of a new person subject to consolidated calculation of credit received for a debtor, etc. causes the amount in which the relevant bank has granted credit or has made contribution to a single person to exceed the limit on credit or contribution; and

(iv) a reason specified by Cabinet Office Order as something that would make it likely that a significant impediment would arise to hinder the bank or the debtor, etc. in the performance of business if the bank does not extend credit or make contribution to the debtor, etc. in excess of the limit on credit and contribution, beyond what is set forth in the preceding three items.

(10) The provisions of paragraph (7) apply mutatis mutandis to the categories specified by Cabinet Order that are provided for in the first sentence of Article 13, paragraph (2) of the Act.

(11) The percentage specified by Cabinet Order that is provided for in the first sentence of Article 13, paragraph (2) of the Act is the percentage provided for in each of the following items in accordance with the category of the granting of credit or the making of contribution set forth in that item:

(i) the granting of credit or the making of contribution as set forth in paragraph (7), item (i), as applied mutatis mutandis pursuant to the preceding paragraph: twenty-five percent;

(ii) the granting of credit or the making of contribution as set forth in paragraph (7), item (ii), as applied mutatis mutandis pursuant to the preceding paragraph: fifteen percent.

(12) The compelling reason specified by Cabinet Order that is provided for in the proviso to Article 13, paragraph (1) of the Act as applied mutatis mutandis pursuant to the second sentence of paragraph (2) of that Article means one of the following reasons:

(i) in a case as prescribed in paragraph (9), item (i), it is likely that a significant impediment would arise to hinder the debtor, etc. prescribed in that item from continuing business (excluding the business prescribed in paragraph (9), item (ii); hereinafter the same applies in the following paragraph) if either the bank and its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in the first sentence of Article 13, paragraph (2) of the Act; hereinafter the same applies in this paragraph and paragraph (14)), or just its subsidiary companies, etc. do not grant credit or make contribution to the debtor, etc. in a total amount that exceeds the consolidated limit on credit and contribution prescribed in the first sentence of Article 13, paragraph (2) of the Act (hereinafter referred to as the "consolidated limit on credit and contribution" in this paragraph);

(ii) the total amount in which credit has been granted or contribution has been made to a single person either by the bank and its subsidiary companies, etc., or by just its subsidiary companies, etc. has come to exceed the consolidated limit on credit and contribution due to the bank having come to have a new subsidiary

company, etc., and it is likely that a significant impediment would arise to hinder the single person from continuing business if the total amount in which credit has been granted or contribution has been made is decreased to fall at or below the consolidated limit on credit and contribution;

(iii) it is likely that a significant impediment would arise to hinder a debtor, etc. as prescribed in paragraph (9), item (ii), in the stable performance of business if either the bank and its subsidiary companies, etc., or just its subsidiary companies, etc. do not grant credit or make contribution to the debtor, etc. in a total amount that exceeds the consolidated limit on credit and contribution;

(iv) the addition of a new person subject to consolidated calculation of credit received for a debtor, etc. causes the amount in which either the relevant bank and its subsidiary companies, etc., or just its subsidiary companies, etc. have granted credit or have made contribution to a single person to exceed the consolidated limit on credit and contribution;

(v) beyond what is set forth in the preceding paragraph, a reason specified by Cabinet Office Order as something that would make it likely that a significant impediment would arise to hinder the bank and its subsidiary companies, etc., or just its subsidiary company, etc., or the debtor in the performance of business if the bank and its subsidiary companies, etc., or just its subsidiary companies, etc. do not extend credit or make financial contribution to the debtor, etc. in a total amount that exceeds the consolidated limit on credit and contribution.

(13) The extension of credit or the making of contribution as specified by Cabinet Order that is provided for in Article 13, paragraph (3), item (i) of the Act means the granting of credit or the making of contribution to the following entities (excluding those for which the national government guarantees repayment of the principle and payment of interest):

(i) a corporation whose budget must be subject to a Diet resolution, or that must obtain Diet approval for its budget, pursuant to the provisions of laws;

(ii) a corporation that has been established pursuant to a special law (excluding a corporation that fall under the preceding item); to which no contribution have been made by persons other than the national government, a corporation as set forth in the preceding item, or a local government; and that may issue bonds pursuant to the relevant special law;

(iii) the Bank of Japan; and

(iv) a foreign government, etc. (meaning a foreign government, the central bank of a foreign state or an international organization) specified by the Commissioner of the Financial Services Agency.

(14) The granting of credit or the making of contribution as specified by Cabinet Order that is provided for in Article 13, paragraph (3), item (ii) of the Act means the granting of credit or the making of contribution to a person that is deemed to

be substantially the same to a bank that itself extends credit and makes contribution or to its subsidiary company, etc.

(Specified Related Parties of a Bank)

Article 4-2 (1) The person that has a unique relationship with a bank as specified by Cabinet Order that is provided for in the main clause of Article 13-2 of the Act, means one of the following persons:

- (i) a subsidiary company of the bank;
- (ii) a bank's major shareholders that holds a number of voting rights in the bank which is equal to or greater than the major shareholder threshold;
- (iii) a bank holding company that has the bank as a subsidiary company;
- (iv) a subsidiary company of the bank holding company set forth in the preceding item (excluding the bank itself and the person as set forth in item (i));
- (v) a subsidiary corporation, etc. of the bank (excluding the person as set forth in item (i));
- (vi) a parent corporation, etc. that has the bank as a subsidiary corporation, etc. (excluding the person as set forth in item (ii) and item (iii));
- (vii) a subsidiary corporation, etc. of a parent corporation, etc. that has that bank as a subsidiary corporation, etc. (excluding the bank itself and any person as set forth in one of the preceding items);
- (viii) an affiliated corporation, etc. of the bank;
- (ix) an affiliated corporation, etc. of a parent corporation, etc. that has that bank as a subsidiary corporation, etc. (excluding the person as set forth in the preceding item);
- (x) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; other than the bank itself; hereinafter referred to as a "corporation, etc." in this item) that is connected to any of a bank's major shareholders which, among those holding a number of voting rights in the bank that is equal to or greater than the major shareholder threshold, hold voting rights in the bank accounting for over fifty percent of the total shareholder voting rights in the bank (limited to an individual; hereinafter referred to as "specified individual constituting a bank's major shareholder"):
 - (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the specified individual constituting the bank's major shareholder holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights;
 - (b) a corporation, etc. in which the specified individual constituting the bank's major shareholder holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights in that corporation.
- (xi) a bank agent (meaning a bank agent as prescribed in Article 2, paragraph (15) of the Act; hereinafter the same applies in this paragraph) that has the relevant

bank as its principal bank (meaning a principal bank as prescribed in paragraph (16) of that Article; hereinafter the same applies in this paragraph) and the subsidiary corporations, etc. and affiliated corporations, etc. of that bank agent (excluding the bank itself and any person as set forth in one of the preceding items);

(xii) a parent corporation, etc. that has a bank agent as referred to in the preceding item as a subsidiary corporation, etc., and the subsidiary corporations, etc. and affiliated corporations, etc. of that parent corporation, etc. (excluding the bank itself and any person as set forth in one of the preceding items);

(xiii) a company, partnership, or other equivalent business entities as follows (including entities equivalent thereto in foreign states; other than the bank itself and any person as set forth in one of the preceding items; hereinafter referred to as a "corporation, etc." in this item) that is connected to a bank agent (limited to an individual; hereinafter referred to as an "individual constituting a bank agent" in this item) for whom the relevant bank is the principal bank;

(a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual constituting a bank agent holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights;

(b) a corporation, etc. in which the individual constituting a bank agent holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights in that corporation.

(2) As used in the preceding paragraph and this paragraph, the term "parent corporation, etc." means a person specified by Cabinet Office Order as a first corporation, etc. that controls the decision making organ of a second corporation, etc., and the term "subsidiary corporation, etc." means a second corporation, etc. whose decision making organ is controlled by a parent corporation, etc. In such a case, if either a parent corporation, etc. and its subsidiary corporations, etc. or just its subsidiary corporations, etc. control the decision making organ of a second corporation, etc., the second corporation, etc. is deemed to be a subsidiary corporation, etc. of that parent corporation, etc.

(3) The term "affiliated corporation, etc." prescribed in paragraph (1) means a person specified by Cabinet Office Order as a second corporation, etc. (excluding a subsidiary corporation, etc.) whose financial and operational or business policy decisions a first corporation, etc. (including of its subsidiary corporations, etc. (meaning subsidiary prescribed in the preceding paragraph; the same applies hereinafter except in Article 16-8-2, paragraph (1), item (ii) and paragraph (3), Article 17-2, paragraph (2), and Article 17-3, paragraph (3))) is able to have significant impact through the making of contribution; through the assumption of office of director or other equivalent role by a person that is or was an officer or employee of the first corporation, etc.; through financing; through the

guaranteeing of a debt or provision of collateral; through the provision of technology; or through business transaction, etc.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 4-2-2 (1) The persons that Cabinet Order prescribes as provided in Article 13-3-2, paragraph (2) of the Act means one of the following persons (excluding a person engaging in bank agency services (meaning bank agency services as prescribed in Article 2, paragraph (14) of the Act; the same applies in paragraph (3), item (iii) of this Article, Article 12-3 and Article 16-2-2) for the relevant bank).

(i) the bank's parent corporation, etc. (meaning a parent corporation, etc. as prescribed in paragraph (2) of the preceding Article; the same applies hereinafter in this paragraph, Article 12-2, Article 12-3, paragraph (1) and Article 16-2-2, paragraph (1));

(ii) a subsidiary corporation, etc. of the bank's parent corporation, etc. (excluding the bank itself and the persons as set forth in the preceding item and paragraph (3), item (i) and item (ii) of this Article);

(iii) an affiliated corporation, etc. as prescribed in paragraph (3) of the preceding Article of the bank's parent corporation, etc. (excluding persons as set forth in paragraph (3), item (ii));

(iv) a company, partnership, or other equivalent business entity thereto (including entities equivalent thereto in foreign states; other than the bank itself and any person as set forth in one of the preceding three paragraphs or in paragraph (3), item (i) or item (ii); hereinafter referred to as a "corporation, etc." in this item) that is related to an individual who holds voting rights accounting for over fifty percent of the total shareholder voting rights in the bank (hereinafter referred to in this item as a "specified individual shareholder");

(a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc. (meaning affiliated corporations, etc. as prescribed in paragraph (3) of the preceding Article; the same applies hereinafter in this Article, Article 12-3 and Article 16-2-2)) in which the specified individual shareholder holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights;

(b) a corporation, etc. in which the specified individual shareholder holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights.

(2) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (2) of the Act, means one of the following persons:

(i) a long-term credit bank (as prescribed in Article 2 of the Long-Term Credit Bank Act (Act No. 187 of 1952); the same applies in Article 12-3, paragraph (2), item (i) and Article 16-8, paragraph (1), item (i));

(ii) a federation of credit unions;

- (iii) a federation of cooperatives which engages in business as prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
- (iv) a federation of labor banks;
- (v) a federation of agricultural cooperatives which engages in business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
- (vi) a federation of fisheries cooperatives which engages in business as prescribed in Article 87, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948);
- (vii) a federation of fishery processing cooperatives which engages in business as prescribed in Article 97, paragraph (1), item (ii) of the Fisheries Cooperatives Act;
- (viii) the Norinchukin Bank;
- (ix) a notifier of specially permitted services (meaning a notifier of specially permitted services as prescribed in Article 63, paragraph (5) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same applies in Article 12-3, paragraph (2), item (ii));
- (x) a **notifier of specially permitted services for foreign investors, etc.** (meaning a notifier of specially permitted services for foreign investors, etc. as prescribed in Article 63-9, paragraph (4) of the Financial Instruments and Exchange Act; the same applies in Article 12-3, paragraph (2), item (iii));
- (xi) a person that is in the business of intermediating in the lending or borrowing of money (including intermediating in the delivery or receipt of money through the discounting of bills and notes, the conditional sale, or any similar means) (excluding a bank, financial instruments business operator (meaning a financial instruments business operator as prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act; the same applies in the following item and Article 12-3, paragraph (2)), or insurance company (meaning an insurance company as prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); the same applies in that item and Article 12-3, paragraph (2)), or the person as set forth in any of the preceding items);
- (xii) a person that is in any of the following businesses in a foreign state pursuant to foreign laws and regulations (excluding a bank, financial instruments business operator, or insurance company, or a person as set forth in any of the preceding items):
 - (a) banking;
 - (b) financial instruments business prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act;
 - (c) insurance business prescribed in Article 2, paragraph (1) of the Insurance Business Act.

(3) The persons specified by Cabinet Order as provided in Article 13-3-2, paragraph (3) of the Act means one of the following persons (excluding a bank agent that has the relevant bank as its principal bank):

(i) a subsidiary corporation, etc. of the bank;

(ii) an affiliated corporation, etc. of the bank;

(iii) a person engaged in bank agency services for the bank (excluding those set forth in the preceding two items).

(4) A person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (3) of the Act, means one of the following persons:

(i) a person set forth in paragraph (2), items (ix) through (xii);

(ii) a person set forth in the items of Article 16-8, paragraph (1).

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 4-2-2 (1) The persons specified by Cabinet Order as provided in Article 13-3-2, paragraph (2) of the Act, means one of the following persons (excluding a person engaged in bank agency services (meaning bank agency services as prescribed in Article 2, paragraph (14) of the Act; the same applies in paragraph (3), item (iii) of this Article, Article 12-3 and Article 16-2-2) for the relevant bank).

(i) the bank's parent corporation, etc. (meaning a parent corporation, etc. as prescribed in paragraph (2) of the preceding Article; the same applies hereinafter in this paragraph, Article 12-2, Article 12-3, paragraph (1) and Article 16-2-2, paragraph (1));

(ii) a subsidiary corporation, etc. of the bank's parent corporation, etc. (excluding the bank itself and persons set forth in the preceding item and paragraph (3), item (i) and item (ii) of this Article);

(iii) an affiliated corporation, etc. as prescribed in paragraph (3) of the preceding Article of the bank's parent corporation, etc. (excluding a person as set forth in paragraph (3), item (ii));

(iv) a company, partnership, or other equivalent business entity thereto (including entities equivalent thereto in foreign states; other than the bank itself and any person as set forth in one of the preceding three paragraphs or in paragraph (3), item (i) or item (ii); hereinafter referred to as a "corporation, etc." in this item) that is related to an individual who holds voting rights accounting for over fifty percent of the total shareholder voting rights in the bank (hereinafter referred to in this item as a "specified individual shareholder"):

(a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc. (meaning affiliated corporations, etc. as prescribed in paragraph (3) of the preceding Article; the same applies hereinafter in this Article, Article 12-3 and Article 16-2-2)) in which the specified individual shareholder holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights;

(b) a corporation, etc. in which the specified individual shareholder holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights in that corporation.

(2) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (2) of the Act means one of the following persons:

(i) a long-term credit bank (as prescribed in Article 2 of the Long-Term Credit Bank Act (Act No. 187 of 1952); the same applies in Article 12-3, paragraph (2), item (i) and Article 16-8, item (i));

(ii) a federation of credit unions;

(iii) a federation of cooperatives engaged in business as prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);

(iv) a federation of labor banks;

(v) a federation of agricultural cooperatives engaged in business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);

(vi) a federation of fisheries cooperatives engaged in business as prescribed in Article 87, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948);

(vii) a federation of fishery processing cooperatives engaged in business as prescribed in Article 97, paragraph (1), item (ii) of the Fisheries Cooperatives Act;

(viii) the Norinchukin Bank;

(ix) a person that is in the business of intermediating in the lending or borrowing of money (including intermediating in the delivery or receipt of money through the discounting of bills and notes, the provision of collateral by sale and transfer, or any similar means) (excluding a bank, financial instruments business operator (meaning a financial instruments business operator as prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same applies in the following item and Article 12-3, paragraph (2)), insurance company (meaning an insurance company prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); the same applies in that item and Article 12-3, paragraph (2)), or a person as set forth in any of the preceding items);

(x) a person that is in any of the following businesses in a foreign state pursuant to foreign laws and regulations (excluding a bank, financial instruments business operator, or insurance company, or a person as set forth in any of the preceding items):

(a) banking;

(b) financial instruments business as prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act;

(c) insurance business as prescribed in Article 2, paragraph (1) of the Insurance Business Act.

(3) The persons specified by Cabinet Order as prescribed in Article 13-3-2, paragraph (3) of the Act means one of the following persons (excluding a bank agent that has the relevant bank as its principal bank):

(i) a subsidiary corporation, etc. of the bank;

(ii) an affiliated corporation, etc. of the bank;

(iii) a person engaging in bank agency services for the bank (excluding a person as set forth in one of the preceding two items).

(4) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (3) of the Act means one of the following persons:

(i) a person as set forth in paragraph (2), item (ix) and item (x);

(ii) a person as set forth in the items of Article 16-8.

(Providing Information Using Information and Communications Technology)

Article 4-3 (1) Before seeking to provide a person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as Applied Mutatis Mutandis" in this Article through Article 4-5) (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis), Article 34-4, paragraph (3), Article 37-3, paragraph (2), and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; hereinafter the same applies in this Article) pursuant to the provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, a bank, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the person to which it will provide that information the type and content of the means prescribed in that paragraph that it will use to provide the information (hereinafter referred to as "electronic or magnetic means" in this Article) and obtain consent for this in writing or by electronic or magnetic means.

(2) If a bank that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in writing or by electronic or magnetic means, indicating that the person is not willing to be provided with information by electronic or magnetic means, the bank must not use electronic or magnetic means to provide the person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; provided, however, that this does not apply if the person has once again given the consent under the preceding paragraph.

(Gaining a Person's Agreement Using Information and Communications Technology)

Article 4-4 (1) Before seeking to obtain a person's agreement by the means 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 (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis); hereinafter the same applies in this Article), (hereinafter the means is referred to as "electronic or magnetic means" in this Article), in lieu of an agreement in writing under the provisions of Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis or Article 34-3, paragraph (2) 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), pursuant to the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, a bank, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the person whose agreement it is seeking the type and content of the electronic or magnetic means it will use and obtain consent for this in writing or by electronic or magnetic means.

(2) If a bank that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in writing or by electronic or magnetic means, indicating that the person is not willing to agree to the matter in question by electronic or magnetic means, the bank must not use electronic or magnetic means to gain the person's agreement as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; provided, however, that this does not apply if the person has once again given consent under the preceding paragraph.

(Important Particulars of Contracts of Specified Deposit, etc. that Impact Customers' Judgment)

Article 4-5 (1) The particulars specified by Cabinet Order as prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis are those specified in the following items:

(i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay concerning a contract of specified deposit, etc. (meaning a contract of specified deposit, etc. as prescribed in Article 13-4 of the Act; the same applies hereinafter);

(ii) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on

a financial instruments market (meaning a financial instruments market as prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act; the same applies hereinafter), or any other indicator, as regards the contract of specified deposit, etc. into which the customer will enter:

(a) the indicator in question;

(b) the fact that there is a risk that fluctuations in that indicator could give rise to a loss and the reasons for this;

(iii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding two items.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order as prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis for having an act as prescribed in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis broadcast using the broadcasting equipment of a basic broadcaster (meaning a basic broadcaster as prescribed in Article 2, item (xxiii) of the Broadcast Act (Act No. 132 of 1950) and excluding the Nippon Hoso Kyokai and the Open University of Japan Foundation (meaning the Open University of Japan Foundation prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002)); the same applies in Article 14-5, paragraph (2), Article 16-6-2, paragraph (2), and Article 16-8-5, paragraph (2)) or by any other means specified by Cabinet Office Order as equivalent thereto are those specified in the following items:

(i) the fact that there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the contract of specified deposit, etc. into which the customer will enter, if such a risk is present;

(ii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding item.

(Deemed Replacement of Terms in the Provisions of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis to a Contract of Specified Deposit, etc. Concluded by a Bank)

Article 4-6 The deemed technical replacement of terms under Article 13-4 of the Act is as shown in the following table:

(Non-Business Days)

Article 5 (1) The days specified by Cabinet Order that are provided for in Article 15, paragraph (1) of the Act means the following days:

(i) a non-business day as prescribed in the Act Concerning National Holidays (Act No. 178 of 1948);

(ii) the days covering the period from December 31 to January 3 of the following year (excluding the days as set forth in the preceding item);

(iii) Saturdays.

(2) In addition to the days set forth in each item of the preceding paragraph, the following days may be set as a non-business day for the business office of a bank:

- (i) a day that falls on a general non-business day in the location of the bank's business and of which the Commissioner of the Financial Services Agency has issued public notice as a non-business day for that business office;
- (ii) a day that the Commissioner of the Financial Services Agency approves for the **head office** or other business office specified by Cabinet Office Order of the bank as a day whose being set as a non-business day for that business office is not likely to interfere with the sound and appropriate operation of services of the bank;
- (iii) a day for which the bank filed a notification as a non-business day for its business office (excluding the business office prescribed in the preceding item) to the Commissioner of the Financial Services Agency.

(3) In setting a day as set forth in item (ii) or item (iii) of the preceding paragraph as a non-business day for its business office, a bank must post an indication of this at the storefront of that business office and make the same effect available for **public inspection** via **automatic public transmission** (meaning the automatic public transmission as prescribed in Article 16, paragraph (2) of the Act; the same applies in Article 16-7, paragraph (3)) to be conducted by connecting to a **telecommunications line**, pursuant to the provisions of Cabinet Office Order.

(Keeping Assets within Japan)

Article 5-2 (1) An order issued to a bank as provided in Article 29 of the Act is to indicate a time limit and either the scope of assets as set forth in the following paragraph that are subject to the order or the upper limit of the total asset amount that is subject to the order.

(2) The part of a bank's assets specified by Cabinet Order that is provided for in Article 29 of the Act is anything specified in the following items:

- (i) money it has deposited with the Bank of Japan;
- (ii) its cash and, the deposits, savings, and installment savings it has with a financial institution in Japan as provided separately by the Commissioner of the Financial Services Agency;
- (iii) securities as set forth in the items of Article 2, paragraph (1) of the Financial Instruments and Exchange Act;
- (iv) loans to and other claims against persons with an address or residence in Japan;
- (v) loans to and other claims against persons without an address or residence in Japan, if the principal is to be reimbursed and interest is to be paid at a location in Japan and if these are subject to loan agreements stipulating a court in Japan as the court with jurisdiction;
- (vi) tangible fixed assets located in Japan;
- (vii) other assets that the Commissioner of the Financial Services Agency finds appropriate.

(Company Splits, or Business Transfers or Acquisitions That Does Not Require Authorization of the Commissioner of the Financial Services Agency)

Article 6 The company split or business transfer or acquisition as specified by Cabinet Order that is provided for in Article 30, paragraph (2) and paragraph (3) of the Act means a company split or a business transfer or acquisition that involves only the following services:

- (i) accepting payments of money and handling the administration of other money matters for the State, local public entities, companies or other entities;
- (ii) safe custody of securities, precious metals and other goods;
- (iii) money changing.

(Creditors Not Required to Be Notified Individually of Objections in the Event of Mergers)

Article 7 The creditor specified by Cabinet Order that is provided for in Article 33, Article 33-2, paragraph (1), Article 34, paragraph (1) and the proviso to Article 35, paragraph (1) of the Act means a creditor under a contract of safe custody or a creditor under a standard contract made with multiple parties in relation to banking business that is specified by Cabinet Office Order.

(Transition into a Non-Banking Company)

Article 8 (1) The case as specified by Cabinet Order that is provided for in Article 43, paragraph (1) of the Act means a case in which the company prescribed in that paragraph is undergoing liquidation proceedings or in which proceedings of the company prescribed in that paragraph for special liquidation, bankruptcy, rehabilitation, or reorganization are pending before a court.

(2) The provisions of the preceding paragraph apply mutatis mutandis to the case as specified by Cabinet Order that is provided for in Article 43, paragraph (1) of the Act, as applied mutatis mutandis pursuant to paragraph (2) of that Article.

(Replacement of Terms for Foreign Bank Branches)

Article 9 (1) The technical replacement of terms for applying the provisions of the Act to a foreign bank branch (meaning a foreign bank branch as prescribed in Article 47, paragraph (2) of the Act; the same applies hereinafter) as prescribed in paragraph (3) of that Article is as shown in the following table.

(2) When applying the provisions of Article 5, paragraph (2), item (ii) to a **foreign bank branch**, the term "the head office" in that item is deemed to be replaced with "the principal foreign bank branch as prescribed in Article 47, paragraph (1) of the Act".

(Special Provisions on the License of a Foreign Bank)

Article 10 A person applying to be licensed by the Prime Minister as referred to in Article 4, paragraph (1) of the Act based on the provisions of Article 47, paragraph (1) of the Act need not be a stock company.

(Specific Interested Party to a License of a Foreign Bank)

Article 11 Notwithstanding the provisions of Article 1-2, the person that has a unique relationship with the relevant foreign bank as specified by Cabinet Order that is provided for in the main clause of Article 4, paragraph (3) of the Act by replacing terms pursuant to the provisions of Article 9, paragraph (1), means one of the following persons:

- (i) a person holding shares or equity accounting for over fifty percent of the issued shares or contribution of a foreign bank;
- (ii) a person holding shares or equity accounting for over fifty percent of the issued shares of that person as set forth in the preceding item;
- (iii) any one of the two or more persons whose principal business offices are located in the same the State and whose total shares or equity held account for over fifty percent of the issued shares or contribution of a foreign bank;
- (iv) a person prescribed by Cabinet Office Order as being equivalent to one of the persons set forth in the preceding three items.

Article 12 Deleted

(Specific Interested Party Involved in the Transactions of a Foreign Bank Branch)

Article 12-2 The person that has a unique relationship with the relevant foreign bank branch as specified by Cabinet Order that is provided for in the main clause of Article 13-2 of the Act by replacing terms pursuant to the provisions of Article 9, paragraph (1), means one of the following persons:

- (i) a subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 4-2, paragraph (2); hereinafter the same applies in this Article) of the foreign bank with which the relevant foreign bank branch is affiliated;
- (ii) the parent corporation, etc. that has the foreign bank with which the relevant foreign bank branch is affiliated as a subsidiary corporation, etc.;
- (iii) a subsidiary corporation, etc. of a parent corporation, etc. as set forth in the preceding item (excluding the foreign bank itself and any person set forth in the preceding two items);
- (iv) an affiliated corporation, etc. (meaning an affiliated corporation, etc. as prescribed in Article 4-2, paragraph (3); hereinafter the same applies in this Article) of the foreign bank with which the relevant foreign bank branch is affiliated;
- (v) an affiliated corporation, etc. of a parent corporation, etc. as set forth in item (ii) (excluding a person set forth in the preceding item);
- (vi) a bank agent that has the relevant foreign bank branch as its principal bank, and any subsidiary corporation, etc. or affiliated corporation, etc. of that bank agent (excluding the foreign bank itself and any person set forth in the preceding items);
- (vii) a parent corporation, etc. that has a bank agent as referred to in the preceding item as a subsidiary corporation, etc., and any subsidiary corporation, etc. or

affiliated corporation, etc. of that parent corporation, etc. (excluding the foreign bank itself and any person set forth in one of the preceding items);

(viii) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; excluding the foreign bank itself and any person set forth in one of the preceding items; hereinafter referred to as a "corporation, etc." in this item) that is related to a bank agent (limited to an individual; hereinafter referred to as "individual bank agent" in this item) for whom the relevant foreign bank branch is the principal bank:

(a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual bank agent holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights;

(b) a corporation, etc. in which the individual bank agent holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 12-3 (1) The person specified by Cabinet Order as provided in Article 13-3-2, paragraph (2) of the Act by replacing certain terms pursuant to the provisions of Article 9, paragraph (1), means one of the following persons (excluding a person engaging in bank agency services for the relevant foreign bank branch):

(i) the parent corporation, etc. of the foreign bank with which the relevant foreign bank branch is affiliated;

(ii) a subsidiary corporation, etc. of the parent corporation, etc. of the foreign bank with which the relevant foreign bank branch is affiliated (excluding the foreign bank with which the relevant foreign bank branch is affiliated itself and any person as set forth in the preceding item or in paragraph (3), item (i) or item (ii));

(iii) an affiliated corporation, etc. of the parent corporation, etc. of the foreign bank with which the relevant foreign bank branch is affiliated (excluding any person as set forth in paragraph (3), item (ii));

(iv) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states and excluding the foreign bank with which the relevant foreign bank branch is affiliated itself and any person as set forth in the preceding three paragraphs or in paragraph (3), item (i) or item (ii); hereinafter referred to as "corporation, etc." in this item) that is related to an individual who holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights in the foreign bank with which the relevant foreign bank branch is affiliated (hereinafter referred to in this item and Article 16-2-2, paragraph (1), item (iv) as a "specified individual shareholder, etc."):

(a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the specified individual shareholder, etc. holds voting

rights accounting for over fifty percent of the total shareholder or investor voting rights;

(b) a corporation, etc. in which the specified individual shareholder, etc. holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights;

(2) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (2) of the Act by replacing certain terms pursuant to the provisions of Article 9, paragraph (1), means one of the following persons:

(i) a long-term credit bank;

(ii) a notifier of specially permitted services;

(iii) a notifier of specially permitted services for foreign investors, etc.;

(iv) a person that is in the business of intermediating in the lending or borrowing of money (including intermediating in the delivery or receipt of money through the discounting of bills and notes, the provision of collateral by sale and transfer, or any similar means) (excluding a bank, financial instruments business operator, or insurance company, and a person as set forth in the preceding three items);

(v) a person that conducts any of the following businesses in a foreign state based on foreign laws and regulations (excluding a bank, a financial instruments business operator, an insurance company, and a person as set forth in the preceding items);

(a) banking;

(b) financial instruments business as prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act;

(c) insurance business as prescribed in Article 2, paragraph (1) of the Insurance Business Act;

(3) The person specified by Cabinet Order prescribes as provided in Article 13-3-2, paragraph (3) of the Act by replacing certain terms pursuant to the provisions of Article 9, paragraph (1), means one of the following persons (excluding a bank agent that has the relevant foreign bank branch as its principal bank):

(i) a subsidiary corporation, etc. of the foreign bank with which the foreign bank branch is affiliated;

(ii) an affiliated corporation, etc. of the foreign bank with which the foreign bank branch is affiliated;

(iii) a person engaging in bank agency services for the foreign bank branch (excluding a person as set forth in the preceding two items).

(4) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (3) of the Act by replacing certain terms pursuant to the provisions of Article 9, paragraph (1), means one of the following persons:

(i) a person as set forth in paragraph (2), items (ii) through (v);

(ii) a person as set forth in one of the items of Article 16-8, paragraph (1).

(Assets to Be Kept in Japan)

Article 13 (1) A foreign bank branch must hold assets as under Article 47-2 of the Act by keeping the following assets in Japan:

(i) money it has deposited with the Bank of Japan;

(ii) its cash, and the deposits and savings it has with a financial institution in Japan as provided separately by the Commissioner of the Financial Services Agency (excluding a person as prescribed in Article 12-2 (limited to a person as set forth in items (i) through (v) of that Article) that has a unique relationship with that foreign bank branch);

(iii) national government bonds;

(iv) local government bonds;

(v) bonds issued by a corporation pursuant to a special law;

(vi) investment securities issued by a corporation that has been established pursuant to a special law;

(vii) beneficial interests in any money trust for which a contract for compensation of losses in principal has been concluded pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No. 43 of 1943);

(viii) secured bonds of companies in Japan which issue shares listed on a financial instruments exchange as prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act;

(ix) loans as specified by Cabinet Office Order that are made to any person having an address or residence in Japan; and

(x) other assets that Commissioner of the Financial Services Agency finds appropriate.

(2) The amount specified by Cabinet Order that is provided for in Article 47-2 of the Act is 2 billion yen.

(Specific Interested Party Related to a Foreign Bank Branch Subject to Submission of Materials)

Article 14 The person that has a unique relationship as specified by Cabinet Order that is provided for in Article 48 of the Act, means a person as set forth in Article 1-2, items (i) through (v).

(Replacement of Terms for Electronic Public Notices of a Foreign Bank Branch)

Article 14-2 When a foreign bank branch uses electronic public notices referred to in the provisions of Article 49-2 of the Act to issue public notice under the Act or any other law (excluding public notices under the Companies Act (Act No. 86 of 2005)), the technical replacement of terms in these provisions as applied mutatis mutandis pursuant to the provisions the Companies Act, Article 940, paragraph (3), and Article 941, is as shown in the following table.

(Providing Information Using Information and Communications Technology)

Article 14-3 The provisions of Article 4-3 apply to the case where a foreign bank's agent bank (meaning a foreign bank's agent bank prescribed in Article 52-2-5 of the Act; the same applies hereinafter) seeks to provide a person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as Applied Mutatis Mutandis in this Article through Article 14-5) (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis), Article 34-4, paragraph (3), Article 37-3, paragraph (2), and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; hereinafter the same applies in this Article), pursuant to the provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.

(Gaining a Person's Agreement Using Information and Communications Technology)

Article 14-4 The provisions of Article 4-4 apply to the case where a foreign bank's agent bank seeks to obtain a person's agreement by the means 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 (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis); hereinafter the same applies in this Article), in lieu of an agreement in writing under Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis or Article 34-3, paragraph (2) 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), , pursuant to the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.

(Important Particulars That Impact Customers' Judgment Concerning Entry into Contracts of Specified Deposit, etc. for which a Foreign Bank's Agent Bank Acts as an Agent)

Article 14-5 (1) The particulars specified by Cabinet Order that are provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis are those specified in the following items:

(i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay in relation to a contract of specified deposit, etc.;

(ii) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, for the contract of specified deposit, etc. into which the customer will enter:

(a) the indicator in question;

(b) the fact that there is a risk that fluctuations of the indicator could produce a loss and the reasons for this;

(iii) the particulars specified by Cabinet Office Order as being equivalent to those set forth in the preceding two items.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order as prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis for having an act as prescribed in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis broadcast by means of using the broadcasting equipment of a basic broadcaster or by any other means specified by Cabinet Office Order as equivalent thereto are those specified in the following items:

(i) the fact that there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, for the contract of specified deposit, etc. into which the customer will enter, if such a risk is present;

(ii) the particulars specified by Cabinet Office Order as being equivalent to those set forth in the preceding item.

(Replacement of Terms in the Provisions of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis When a Foreign Bank's Agent Bank Acts as Agent or Intermediary in the Entry Into Specified Deposit, etc.)

Article 14-6 The technical replacement of terms under Article 52-2-5 of the Act is as shown in the following table.

(Specific Interested Parties to a Principal Foreign Bank That Can Be Asked to Submit Materials)

Article 14-7 The person that has a unique relationship as specified by Cabinet Order that is provided for in Article 52-2-8 of the Act, means one of the following persons:

(i) a person holding shares or equity account for over fifty percent of the issued shares or contribution of a principal foreign bank (meaning the principal foreign bank prescribed in Article 52-2, paragraph (1) of the Act; the same applies in item (iv));

(ii) a person holding shares or equity accounting for over fifty percent of the issued shares of the person set forth in the preceding item;

(iii) a corporation in which the person as set forth in item (i) holds shares or equity accounting for over fifty percent of its issued shares or contribution;

(iv) a corporation in which a principal foreign bank holds shares or equity accounting for over fifty percent of its issued shares or contribution;

(v) a corporation in which the corporation as set forth in the preceding item holds shares or equity accounting for over fifty percent of its issued shares or contribution

(Replacement of Terms for a Foreign Bank's Agent Bank)

Article 14-8 The technical replacement of terms under Article 52-2-10 of the Act is as shown in the following table.

(Corporations Equivalent to the National Government or a Local Government)

Article 15 The corporations specified by Cabinet Order as equivalent to the national or local government that are provided for in Article 52-2, paragraph (1) of the Act means any of the following corporations:

(i) the investor protection fund prescribed in Article 79-21 of the Financial Instruments and Exchange Act;

(ii) the Deposit Insurance Corporation of Japan;

(iii) the Agricultural and Fishery Cooperation Savings Insurance Corporation;

(iv) the Insurance Policyholders Protection Corporation prescribed in Article 259 of the Insurance Business Act (Act No. 105 of 1995);

(v) the Government Pension Investment Fund;

(vi) the Banks' Shareholding Purchase Corporation;

(vii) a foreign government.

(Non-Business Days Not Included in Notification Period)

Article 15-2 The non-business days specified by Cabinet Order that are provided for in Article 52-2, paragraph (1) of the Act are the days (excluding Sundays) set forth in each item of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988).

(Criteria for Transfers of a Large Number of Share Certificates in a Short Period)

Article 15-3 The criteria specified by Cabinet Order as those whereby a person has transferred a large amount of voting rights in a short period as prescribed in Article 52-3, paragraph (2) of the Act, is that the percentage of voting rights held (meaning the percentage of voting rights held as prescribed in Article 52-2, paragraph (1), item (i) of the Act; hereinafter the same applies in this Article) following a change that is required to be recorded in the written report of changes as prescribed in Article 52-3, paragraph (2) has come to be less than fifty percent of the highest percentage of voting rights held (limited to one that uses as its basis for calculation the day on or after 60 days prior to the base date for calculating the proportion of voting rights held after the change, or that uses as its basis for

calculation a day prior to the day before the 60 days prior to the base date and is the day closest to the day 60 days prior to that base date) , and that this is more than a five percentage-point decrease from that highest proportion out of the percentage that have been or were required to have been recorded in the notification of holdings in bank voting rights associated with the written report of changes (meaning the notification of holdings in bank voting rights as prescribed in Article 52-2, paragraph (1) or Article 52-4, paragraph (1) of the Act) or in any other written report of changes associated with such a notification of holdings in bank voting rights (meaning the written report of changes prescribed in Article 52-3, paragraph (1) or Article 52-4, paragraph (2) of the Act).

(Transactions or Acts Requiring Authorization Concerning a Bank's Major Shareholder)

Article 15-4 The transaction or act specified by Cabinet Order that is provided for in Article 52-9, paragraph (1), item (iii) means one of the following transactions or acts:

(i) acquisition of voting rights (excluding the acquisition of shares or equity due to the enforcement of a security interest or any other grounds specified by Cabinet Officer Order) in a company, etc. (meaning a company, etc. as prescribed in Article 3-2, paragraph (1), item (ii) of the Act) other than a bank by the person seeking to become a shareholder as referenced;

(ii) a merger to which the person seeking to become a shareholder as referenced (limited to a company; hereinafter referred to as "the company" in this Article) is a party and the company survives the merger;

(iii) a company split to which the company is a party (limited to a company split that results in a part of business being succeeded to);

(iv) the transfer of a part of business by the company.

(Replacement of Terms for a Bank's Foreign Major Shareholder)

Article 16 The technical replacement of terms for applying the provisions of the Act to a bank's foreign major shareholder (meaning a bank's foreign major shareholder as prescribed in Article 52-16 of the Act; the same applies hereinafter) pursuant to the provisions of that Article is as shown in the following table.

(Transactions and Acts Requiring Authorization Concerning a Bank Holding Company)

Article 16-2 The transaction or act specified by Cabinet Order that is provided for in Article 52-17, paragraph (1), item (iii) of the Act means one of the following transactions or acts:

(i) acquisition of voting rights (excluding the acquisition of shares or equity due to the enforcement of a security interest or any other grounds specified by Cabinet Office Order) in a company other than a bank by the company or its subsidiary company;

(ii) a merger to which the company is a party, and the company survives the merger;

(iii) a company split to which the company is a party (limited to a company split that results in a part of business being succeeded to);

(iv) the transfer of a part of business by the company.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 16-2-2 (1) The person prescribed by Cabinet Order as provided in Article 52-21-3, paragraph (2) of the Act means one of the following persons (excluding a person engaging in bank agency services for a bank that is a subsidiary company of the relevant bank holding company):

(i) the bank holding company's parent corporation, etc.;

(ii) a subsidiary corporation, etc. of the bank holding company's parent corporation, etc. (excluding the bank holding company itself and any person as set forth in the preceding item or paragraph (3), item (i) or item (ii));

(iii) an affiliated corporation, etc. of the bank holding company's parent corporation, etc. (excluding a person as set forth in paragraph (3), item (ii));

(iv) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states and excluding the bank holding company itself and any person as set forth in the preceding three items or in paragraph (3), item (i) or (ii); hereinafter referred to as "corporation, etc." in this item) that is related to a bank holding company's specified individual shareholder, etc.:

(a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the specified individual shareholder, etc. holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights;

(b) a corporation, etc. in which the specified individual shareholder, etc. holds voting rights accounting for at least twenty percent but no more than fifty percent of the total shareholder or investor voting rights.

(2) The person engaged in financial services specified by Cabinet Order, which is prescribed in Article 52-21-3, paragraph (2) of the Act means a person as set forth in one of the items of Article 4-2-2, paragraph (2).

(3) The person prescribed by Cabinet Order as provided in Article 52-21-3, paragraph (3) of the Act means one of the following persons (excluding a bank agent that has a bank that is the subsidiary company of the relevant bank holding company as its principal bank):

(i) a subsidiary corporation, etc. of that bank holding company;

(ii) an affiliated corporation, etc. of that bank holding company;

(iii) a person engaged in bank agency services for a bank that is a subsidiary company of that bank holding company (excluding a person as set forth in one of the preceding two items).

(4) The person engaged in financial services which is specified by Cabinet Order as prescribed in Article 52-21-3, paragraph (3) of the Act means a person as set forth in one of the items of Article 4-2-2, paragraph (4).

(Granting of Credit or Making of Contribution to a Single Person Related to Bank Holding Companies)

Article 16-2-3 (1) The person that has a unique relationship with a bank holding company as specified by Cabinet Order that is provided for in the main clause of Article 52-22, paragraph (1) of the Act, means a person set forth in one of the items of Article 4, paragraph (1) (excluding the relevant bank holding company itself and its combined subsidiary corporations, etc. and combined affiliated corporations, etc.; referred to as a "person subject to consolidated calculation of credit received" in Article 4, paragraph (12), as applied mutatis mutandis to paragraph (5)), if the single person prescribed in the main clause of Article 52-22, paragraph (1) of the Act (excluding any person that has a unique relationship as specified by that Cabinet Order; referred to as the "single person itself" in paragraph (3)) is not a combined subsidiary corporation, etc. (meaning a combined subsidiary corporation, etc. as prescribed in Article 4, paragraph (2); hereinafter the same applies in this paragraph) or combined affiliated corporation, etc. (meaning a combined affiliated corporation, etc. as prescribed in Article 4, paragraph (3); hereinafter the same applies in this paragraph) of the relevant bank holding company.

(2) The granting of credit or making of contribution (including anything equivalent to the granting of credit or the making of contribution) as specified by Cabinet Order that is provided for in the main clause of Article 52-22, paragraph (1) of the Act means what is set forth in any of the items of Article 4, paragraph (6).

(3) The categories specified by Cabinet Order that are provided for in the main clause of Article 52-22, paragraph (1) of the Act are the following categories for the grant of credit or the making of contribution (meaning the grant of credit or making of contribution as prescribed in the main clause of that paragraph; hereinafter the same applies in this Article):

(i) the grant of credit or the making of contribution (excluding the grant of credit or the making of contribution set forth in the following item) to a single person as prescribed in the main clause of Article 52-22, paragraph (1) of the Act; or

(ii) the grant of credit or the making of contribution to a person designated by the Commissioner of the Financial Services Agency in a case in which the relevant bank holding company is a bank holding company designated by the Commissioner of the Financial Services Agency.

(4) The percentage specified by Cabinet Order that is provided for in the main clause of Article 52-22, paragraph (1) of the Act is the percentage provided for in each item of the following items in accordance with the category of the grant of credit or the making of contribution set forth in that item:

(i) the grant of credit or the making of contribution as set forth in item (i) of the preceding paragraph: twenty-five percent; or

(ii) the grant of credit or the making of contribution as set forth in item (ii) of the preceding paragraph: fifteen percent.

(5) The provisions of Article 4, paragraph (12) apply mutatis mutandis to the compelling reason specified by Cabinet Order that is prescribed in the proviso to Article 52-22, paragraph (1) of the Act. In this case, the term "and its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in the first sentence of Article 13, paragraph (2) of the Act; hereinafter the same applies in this paragraph and paragraph (14)), or just its subsidiary companies, etc." in Article 4, paragraph (12), item (i) is deemed to be replaced with "or just its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in the main clause of Article 52-22, paragraph (1) of the Act; hereinafter the same applies in this paragraph)"; the term "the consolidated limit on credit and contribution prescribed in the first sentence of Article 13, paragraph (2) of the Act (hereinafter referred to as the 'consolidated limit on credit and contribution' in this paragraph)" in that item is deemed to be replaced with "the limit on credit and contribution for a bank holding company as prescribed in the main clause of that paragraph (hereinafter referred to as the 'limit on credit and contribution for a bank holding company' in this paragraph)"; the term "and its subsidiary companies, etc., or just its subsidiary companies, etc." in the provisions of item (ii) through (v) of that paragraph is deemed to be replaced with "or just its subsidiary companies, etc."; the term "consolidated limit on credit and contribution" in the same provisions is deemed to be replaced with "limit on credit and contribution for a bank holding company"; and the term "and its subsidiary companies, etc., or just its subsidiary companies, etc." in that item is deemed to be replaced with "or just its subsidiary companies, etc."

(6) The grant of credit or the making of contribution as specified by Cabinet Order that is provided for in Article 52-22, paragraph (2), item (i) of the Act means the grant of credit or the making of contribution to any of the entities set forth in the items of Article 4, paragraph (13) (excluding the grant of credit or the making of contribution for which the national government guarantees repayment of the principal and payment of the interest).

(7) The grant of credit or the making of contribution as specified by Cabinet Order that is provided for in Article 52-22, paragraph (2), item (ii) of the Act means the grant of credit or the making of contribution to a person that is deemed to be substantially the same to a bank holding company that itself grants credit and makes contribution or to its subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in the main clause of paragraph (1) of that Article).

(Company Splits Involving Bank Holding Companies That Do Not Require Authorization of the Commissioner of the Financial Services Agency)

Article 16-2-4 (1) The company splits specified by Cabinet Order that are provided for in Article 52-35, paragraph (2) of the Act are the following company splits (limited to a company split in which the referenced bank holding company has another person succeed to, or itself succeeds to, a part of business; hereinafter the same applies in this Article):

(i) a company split in which both the amount of assets and debts that the bank holding company has another person succeed to in the company split constitutes five percent or less of its total assets and total debts;

(ii) a company split in which both the amount of assets and debts the bank holding company will succeed to in the company split constitutes five percent or less of its total assets or total debts (except for the following company splits):

(a) a company split in which the amount specified by Cabinet Officer Order as the amount of debts of a splitting company in an absorption-type split (meaning a splitting company in an absorption-type split as prescribed in Article 758, item (i) of the Companies Act; hereinafter the same applies in this item) which the bank holding company will succeed to (referred to as the "amount of debt which it will succeed to" in (b)) exceeds the amount specified by Cabinet Office Order as the amount of assets of the splitting company in the absorption-type split which the bank holding company will succeed to (referred to as the "amount of assets which it will succeed to" in (b));

(b) a company split in which the book value of money, etc. (excluding shares or equity (meaning shares or equity as prescribed in Article 107, paragraph (2), item (ii), (e) of the Companies Act) in the bank holding company) that the bank holding company will deliver to a splitting company in an absorption-type split exceeds the amount arrived at by deducting the amount of debt which it will succeed to from the amount of assets which it will succeed to.

(2) In applying the provisions of the preceding paragraph, the amount of the assets (excluding assets as referred to in item (ii), (a) of that paragraph; hereinafter the same applies in this paragraph), debts, total assets, or total debts referred to in that paragraph is to be based on the book value immediately before the company split (as for assets and debts succeeded to in a company split prescribed in item (ii) of that paragraph, the book value to be referred to at the time of the company split).

(Business Transfers and Acquisitions Involving Bank Holding Companies That Do Not Require Authorization of the Commissioner of the Financial Services Agency)

Article 16-3 (1) The transfer and acquisition of business specified by Cabinet Order that are provided for in Article 52-35, paragraph (3) of the Act are those specified in the following items:

(i) the transfer of a part of business in which both the amount of assets and debts that the referenced bank holding company will transfer in conjunction with the

partial business transfer constitutes five percent or less of its total assets or total debts;

(ii) the acquisition of a part of business in which both the amount of assets and debts the referenced bank holding company will take over in conjunction with the partial business acquisition constitutes five percent or less of its total assets or total debts.

(2) In applying the provisions of the preceding paragraph, the amount of assets, debts, total assets, or total debts referred to in that paragraph is to be based on the book value immediately before the transfer, for the transfer of business as set forth in item (i) of that paragraph; and is to be based on the book value immediately before the acquisition, for the business acquisition as set forth in item (ii) of that paragraph (as for assets or debts associated with that acquisition, the book value to be referred to at the time of the acquisition).

(Replacement of Terms for a Foreign Holding Company That Has a Bank as a Subsidiary Company)

Article 16-4 The technical replacement of terms for applying the provisions of the Act to a holding company established under the laws and regulations of a foreign state that has a bank as its subsidiary company under Article 52-16 of the Act as applied mutatis mutandis pursuant to Article 52-20 of the Act (hereinafter referred to as a "foreign holding company that has a bank as a subsidiary company") is as shown in the following table.

(Special Provisions on the Deadline for Notifications of a Foreign Specified Holding Company)

Article 16-5 Notwithstanding the provisions of Article 52-17, paragraph (2) of the Act, if a specified holding company as prescribed in that paragraph constitutes a foreign holding company that has a bank as a subsidiary company, it is to notify the Commissioner of the Financial Services Agency of the particulars prescribed in that paragraph within six months after the end of the business year that includes the day on which the grounds prescribed in that paragraph arise; provided, however, that if the notification cannot be submitted within the six months due to the laws and regulations or practices on preparing books in the foreign state (meaning a country that has enacted laws and regulations governing the establishment of the foreign holding company that has a bank as a subsidiary company) or for any other legitimate grounds, the company may have the due date extended by obtaining the approval of the Commissioner of the Financial Services Agency.

(Special Provisions on Public Notice of Balance Sheets of a Bank Holding Company Located in a Foreign State)

Article 16-6 In applying the provisions of Article 52-28, paragraph (3) and paragraph (5) of the Act to a bank holding company located in a foreign state (meaning a foreign holding company that has a bank as a subsidiary company,

which was established with the authorization prescribed in Article 52-17, paragraph (1) of the Act or with the authorization prescribed in that paragraph or the proviso to paragraph (3) of that Article), the term "within three months" in these provisions is deemed to be replaced by "within six months".

(Important Particulars That Impact Customers' Judgment Concerning Entry into Contracts of Specified Deposit, etc. for which a Bank Agent Acts as an Agent)

Article 16-6-2 (1) The particulars specified by Cabinet Order that are provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as Applied Mutatis Mutandis" in the following paragraph and the following Article) are those specified in the following items:

(i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay concerning a contract of specified deposit, etc.;

(ii) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations of the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, for the contract of specified deposit, etc. into which the customer will enter:

(a) the indicator in question;

(b) the fact that there is a risk that fluctuations of that indicator that produces a loss and the reasons for this;

(iii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding two items.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order as prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis for having an act prescribed in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis broadcast by using the broadcasting equipment of a basic broadcaster or by any other means specified by Cabinet Office Order as equivalent thereto are those specified in the following items:

(i) the fact that there is a risk for a loss to arise that has as its direct cause fluctuations of the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the contract of specified deposit, etc. into which the customer will enter, if such a risk is present;

(ii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding item.

(Providing Information Using Information and Communications Technology)

Article 16-6-3 The provisions of Article 4-3 apply to the case where a bank agent seeks to provide a person with the information prescribed in Article 34-2,

paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 37-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including as applied mutatis mutandis pursuant to Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; hereinafter the same applies in this Article), pursuant to the provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 37-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.

(Replacement of Terms in the Provisions of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis for Entry into Contracts of Specified Deposit, etc. by a Bank Agent as an Agent or Intermediary)

Article 16-6-4 The technical replacement of terms under the provisions of Article 52-45-2 is as shown in the following table.

(Non-Business Days of a Specified Bank Agent)

Article 16-7 (1) The days specified by Cabinet Order that are provided for in Article 52-46, paragraph (1) of the Act means the days as set forth in one of the items of Article 5, paragraph (1).

(2) In addition to the days provided for in the preceding paragraph, a specified bank agent (meaning a specified bank agent as prescribed in Article 52-46, paragraph (1) of the Act; hereinafter the same applies in this Article) may set a day as provided in each of the following items as a non-business day for its business office or office (hereinafter referred to as "business office, etc." in this Article) in keeping with the category of business office, etc. set forth in that item:

(i) a business office, etc. of a specified bank agent at which it does not perform its specified activities as a bank agent (meaning the specified activities of a bank agent as prescribed in Article 52-46, paragraph (1) of the Act; hereinafter the same applies in this item) (including facilities that are part of a business office, etc. at which a specified bank agent performs specified activities of a bank agent, other than the facilities in which it performs those specified activities as a bank agent): a day other than one provided in the preceding paragraph; or

(ii) a business office, etc. of a specified bank agent other than the business office, etc. set forth in the preceding item: the following days:

(a) a day that the Commissioner of the Financial Services Agency approves for that business office, etc. (limited to the principal business office, etc. and other business office, etc. specified by Cabinet Office Order; the same applies in (a)) as a day whose being set as a non-business day for that business office, etc. is not likely to interfere with the sound and appropriate operation of services of the specified bank agent;

(b) a day for which the specified bank agent filed a notification as a non-business day for that business office, etc. (excluding the business office, etc. prescribed in (a)) to the Commissioner of the Financial Services Agency.

(3) If a specified bank agent sets a day as provided in item (ii) of the preceding paragraph as a non-business day for its business office, etc., it must post an indication of this in the storefront of that business office, etc. and make the same effect available for public inspection via automatic public transmission to be conducted by connecting to a telecommunications line, pursuant to the provisions of Cabinet Office Order, except for the case where the scale of its business is extremely small or other cases specified by Cabinet Office Order.

(Scope of Banks That Are Not Required to Be Licensed to Conduct Bank Agency Services)

Article 16-8 (1) The person that engages in financial services which is specified by Cabinet Order as prescribed in Article 52-62, paragraph (1) of the Act means one of the following persons:

(i) a long-term credit bank prescribed in Article 2 (Definition) of the Long-Term Credit Bank Act (Act No. 187 of 1952);

(ii) a Shinkin Bank or the federation of credit unions;

(iii) a credit cooperative or federation of credit cooperatives that conducts a business as prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);

(iv) a labor bank or the federation of labor banks;

(v) an agricultural cooperative (limited to a cooperative that conducts a business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947)) or the federation of agricultural cooperatives (limited to a federation that conducts a business as prescribed in that item);

(vi) a fisheries cooperative (limited to a cooperative that conducts a business as prescribed in Article 11, paragraph (1), item (iv) of the Fishery Cooperatives Act (Act No. 142 of 1948)) or federation of fisheries cooperatives (limited to a federation that conducts a business as prescribed in Article 87, paragraph (1), item (iv) of that Act), or a fishery processing cooperative (limited to a cooperative conducts a business as prescribed in Article 93, paragraph (1), item (ii) of that Act) or federation of fishery processing cooperatives (limited to an association that conducts a business prescribed in Article 97, paragraph (1), item (ii) of that Act);

(vii) the Norinchukin Bank.

(2) The technical replacement of terms under Article 52-60-2, paragraph (2) of the Act is as shown in the following table:

(Persons Closely Related to **Electronic Payment Handling Service Providers**)

Article 16-8-2 (1) The person specified by Cabinet Order as prescribed in Article 52-60-13 of the Act means a person other than a bank, etc. (meaning a bank, etc.

prescribed in Article 52-60-2, paragraph (1) of the Act) and another person specified by Cabinet Office Order who falls under any of the following:

(i) an officer (meaning an officer prescribed in Article 52-60-4, paragraph (1), item (iv) of the Act, and when an officer is a corporation, including a person who is to perform the duties of the corporation) or an employee of the electronic payment handling service provider (meaning the electronic payment handling service provider prescribed in Article 2, paragraph (18) of the Act; the same applies hereinafter);

(ii) a **parent corporation, etc.** or a **subsidiary corporation, etc.** of the electronic payment handling service provider;

(iii) an individual who holds voting rights accounting for over fifty percent of the total shareholder voting rights in the electronic payment handling service provider (hereinafter referred to as a "**specified individual shareholder**" in item (iv) of the following paragraph) (excluding the person set forth in item (i));

(iv) a person specified by Cabinet Office Order as being equivalent to the persons set forth in the preceding three items.

(2) A "parent corporation, etc." referred to in item (ii) of the preceding paragraph is any of the following (excluding a person specified by Cabinet Office Order):

(i) a parent company, etc. of the electronic payment handling service provider;

(ii) a subsidiary company, etc. of the electronic payment handling service provider's parent company, etc. (excluding the electronic payment handling service provider and the persons set forth in the preceding item and item (i) of the following paragraph);

(iii) an affiliated company, etc. of the electronic payment handling service provider's parent company, etc. (excluding the person set forth in item (ii) of the following paragraph);

(iv) the following company, partnership, or other equivalent business entity of the specified individual shareholder (including entities equivalent to these in foreign states and excluding the electronic payment handling service provider and the persons set forth in the preceding three items and the items of the following paragraph; hereinafter referred to as a "company, etc." in this item):

(a) a company, etc. in which the specified individual shareholder holds voting rights accounting for over fifty percent of the total shareholder voting rights (including a subsidiary company, etc. and an affiliated company, etc. of that company, etc.);

(b) a company, etc. in which the specified individual shareholder holds voting rights accounting for over twenty percent but no more than fifty percent of the total shareholder voting rights.

(3) A "subsidiary corporation, etc." referred to in paragraph (1), item (ii) is any of the following (excluding a person specified by Cabinet Office Order):

(i) a subsidiary company, etc. of the electronic payment handling service provider;

(ii) an affiliated company, etc. of the electronic payment handling service provider.

(4) In this Article, a "parent company, etc." is a company specified by Cabinet Office Order as a company that controls an organ which determines the financial and operational or business policies of a second company, etc. (meaning a company, partnership, or other equivalent business entity (including entities equivalent to these in foreign states); hereinafter the same applies in this paragraph and the following paragraph) (the organ means a shareholders meeting or other equivalent organ; hereinafter referred to as a "decision making organ" in this paragraph), and a "subsidiary company, etc." means a second company, etc. whose decision making organ is controlled by a parent company, etc. In this case, a second company, etc. whose decision making organ is controlled either by a parent company, etc. and a subsidiary company, etc. or solely by a subsidiary company, etc. is deemed to be a subsidiary company, etc. of that parent company, etc.

(5) An "affiliated company, etc." referred to in paragraph (2), item (iii) and item (iv), (a), and paragraph (3), item (ii) is a company specified by Cabinet Office Order as a second company, etc. (excluding a subsidiary company, etc.) for which a first company, etc. (including a subsidiary company, etc. of that company, etc.) can exert a significant impact on decisions on its financial and operational or business policies through the making of contributions, through the assumption of office of director or other equivalent role by a person that is or was an officer of the first company, etc. (for a foreign corporation, including a person treated in the same manner under foreign laws and regulations and its representative in Japan) or an employee of the first company, etc., through financing, through the guaranteeing of a debt or provision of collateral, through the provision of technology, or through operational or business transaction, etc.

(6) The necessary matters for making a determination regarding the holding of voting rights as prescribed in paragraph (1), item (iii) and paragraph (2), item (iv) are specified by Cabinet Office Order in consideration of the manner in which the voting rights are held and other circumstances.

(Providing Information Using Information and Communications Technology)

Article 16-8-3 The provisions of Article 4-3 apply mutatis mutandis to the case where an electronic payment handling service provider seeks to provide a person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-60-17 of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as Applied Mutatis Mutandis" in this Article through Article 16-8-5) (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis), Article 34-4, paragraph (3), Article 37-3, paragraph (2), and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act as

Applied Mutatis Mutandis; hereinafter the same applies in this Article), pursuant to the provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.

(Gaining a Person's Agreement Using Information and Communications Technology)

Article 16-8-4 The provisions of Article 4-4 apply to the case where an electronic payment handling service provider seeks to obtain a person's agreement by the means 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 (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis); hereinafter the same applies in this Article), in lieu of an agreement in writing under Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis or Article 34-3, paragraph (2) 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).

(Important Particulars That Impact Customers' Judgment Concerning Entry into **Contracts of Specified Deposit, etc.** for which an Electronic Payment Handling Service Provider Provides Intermediary Service)

Article 16-8-5 (1) The particulars specified by Cabinet Order as prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis are those specified in the following items:

(i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay concerning a contract of specified deposit, etc.;

(ii) the following particulars, if there is a risk that fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator could produce a loss, in relation to the contract of specified deposit, etc. into which the customer will enter:

(a) the indicator in question;

(b) the fact that there is a risk that fluctuations of the indicator could produce a loss and the reasons for that;

(iii) the particulars specified by Cabinet Office Order as being equivalent to those set forth in the preceding two items.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order as prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis for having an act prescribed in Article 37, paragraph (1) of the Financial Instruments

and Exchange Act as Applied Mutatis Mutandis broadcast by means of using the broadcasting equipment of a basic broadcaster or by any other means specified by Cabinet Office Order as equivalent thereto are those specified in the following items:

(i) if there is a risk that fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator could produce a loss, in relation to the contract of specified deposit, etc. into which the customer will enter, to that effect;

(ii) the particulars specified by Cabinet Office Order as being equivalent to those set forth in the preceding item.

(Replacement of Terms in the Provisions of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis for Entry into Contracts of Specified Deposit, etc. by an Electronic Payment Handling Service Provider as an Intermediary)

Article 16-8-6 The technical replacement of terms under Article 52-60-17 of the Act is as shown in the following table.

(Application for Certification as a **Certified Association of Electronic Payment Handling Service Providers**)

Article 16-8-7 (1) The application for certification under Article 52-60-25 of the Act must be made through the submission of a written application giving the following particulars to the Commissioner of the Financial Services Agency:

(i) the name of the association;

(ii) the location of its office;

(iii) the names of its officers;

(iv) the names of its members as prescribed in Article 52-60-25, item (ii) of the Act.

(2) The articles of incorporation, a certificate of registered information, and other documents specified by Cabinet Office Order must be attached to the written application referred to in the preceding paragraph.

(Exemption from Restrictions on the Use of Names for a Certified Association of Electronic Payment Handling Service Providers)

Article 16-8-8 (1) The person specified by Cabinet Order as prescribed in Article 52-60-27, paragraph (2) of the Act is the person that has received the certification pursuant to the provisions of Article 6-4-6 of the Act on Financial Businesses by Cooperatives (Act No. 183 of 1949).

(2) The person specified by Cabinet Order as prescribed in Article 52-60-27, paragraph (3) of the Act is the person that is a member of a **certified association of electronic payment handling service providers for credit cooperatives** as prescribed in Article 6-4-7 of the Act on Financial Businesses by Cooperatives.

(Exemption from the Prohibition on the Use of Information That a Former or Current Officer or Employee of a Certified Association of Electronic Payment

Handling Service Providers Learns in the Course of Duty, for Purposes Other Than Those Originally Intended)

Article 16-8-9 If a certified association of electronic payment handling service providers prescribed in Article 2, paragraph (20) of the Act is a general incorporated association that has received the certification pursuant to the provisions of Article 6-4-6 of the Act on Financial Businesses by Cooperatives, and its former or current officer or employee (meaning a former or current officer or employee as prescribed in Article 52-60-31, paragraph (1) of the Act; hereinafter the same applies in this Article) is a former or current officer or employee of that general incorporated association and is engaged in the services of the general incorporated association as set forth in the items of Article 6-4-7 of the Act on Financial Businesses by Cooperatives, the services specified by Cabinet Order as prescribed in Article 52-60-31, paragraph (2) of the Act are the services of the general incorporated association as set forth in those items.

(Replacement of Terms in the Provisions of the Companies Act as Applied Mutatis Mutandis to the Case Where an Electronic Payment Handling Service Provider Issues a Public Notice by Means of an Electronic Public Notice)

Article 16-8-10 In the provisions of Article 52-60-36, paragraph (6) and paragraph (7) of the Act, when the provisions of Article 940, paragraph (3) of the Companies Act are applied mutatis mutandis to the case where an electronic payment handling service provider issues a public notice by means of an electronic public notice pursuant to the provisions of Article 52-60-36, paragraph (3) of the Act, the technical replacement of terms in these provisions is as shown in the following table.

(Replacement of Terms for Applying the Provisions of the Act to Electronic Payment Handling Service Providers that Are Foreign Corporations)

Article 16-8-11 The technical replacement of terms pursuant to the provisions of Article 52-61 of the Act for applying the provisions of the Act, in the case where an electronic payment handling service provider is a foreign corporation, is as shown in the following table.

(Scope of Laws That Serve as Standard for Registration of Electronic Payment Service Providers)

Article 16-9 The laws specified by Cabinet Order that are provided for in Article 52-61-5, paragraph (1), item (i), (e) of the Act are as follows:

- (i) the Small and Medium-Sized Enterprise Cooperatives Act; or
- (ii) the Long-Term Credit Bank Act.

(Application for Certification as a Certified Association of Electronic Payment Service Providers)

Article 16-10 (1) The application for certification under Article 52-61-19 of the Act must be made through the submission of a written application giving the following particulars to the Commissioner of the Financial Services Agency:

- (i) the name of the association;
 - (ii) the location of its office;
 - (iii) the names of its officers; and
 - (iv) the names of its members as prescribed in Article 52-61-19, item (ii) of the Act.
- (2) The articles of incorporation, a certificate of registered information, and other documents specified by Cabinet Office Order must be attached to the written application referred to in the preceding paragraph.

(Exemption from Restrictions on the Use of Names for Certified Association of Electronic Payment Service Providers)

Article 16-11 (1) The persons specified by Cabinet Order that are provided for in Article 52-61-21, paragraph (2) of the Act are persons that have received any of the following certifications:

- (i) certification under Article 92-5-6 of the Agricultural Cooperatives Act;
- (ii) certification under Article 114 of the Fishery Cooperatives Act;
- (iii) certification under Article 6-5-7 of the Act on Financial Businesses by Cooperative;
- (iv) certification under Article 89-10 of the Labor Bank Act (Act No. 227 of 1953);
- (v) certification under Article 95-5-7 of the Norinchukin Bank Act (Act No. 93 of 2001); and
- (vi) certification under Article 60-21 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007).

(2) The person specified by Cabinet Order that is provided for in Article 52-61-21, paragraph (3) of the Act is a person that is a member of any of the following associations:

- (i) a certified association of specified electronic payment service providers for credit business as prescribed in Article 92-5-7 of the Agricultural Cooperatives Act;
- (ii) a certified association of specified electronic payment service providers for credit business as prescribed in Article 115 of the Fishery Cooperatives Act;
- (iii) a certified association of electronic payment service providers for credit cooperatives as prescribed in Article 6-5-8 of the Act on Financial Businesses by Cooperative;
- (iv) a certified association of electronic payment service providers for labor banks as prescribed in Article 89-11 of the Labor Bank Act;
- (v) a certified association of electronic payment service providers for the Norinchukin Bank as prescribed in Article 95-5-8 of the Norinchukin Bank Act; or
- (vi) a certified association of electronic payment service providers for the Shoko Chukin Bank as prescribed in Article 60-2, paragraph (3) of the Shoko Chukin Bank Limited Act.

(Exemption from the Prohibition on the Use of Information That a Former or Current Officer or Employee of a Certified Association of Electronic Payment

Service Providers Learns in the Course of Duty, for Purposes Other Than Those Originally Intended)

Article 16-12 The services specified by Cabinet Order that are provided for in Article 52-61-25, paragraph (2) of the Act are the services set forth in the right-hand column of the following table, if a certified association of electronic payment service providers as prescribed in Article 2, paragraph (23) of the Act is a general incorporated association that has received any of the certifications set forth in the left-hand column of the following table, and its former or current officer or employee (meaning a former or current officer or employee as prescribed in Article 52-61-25, paragraph (1) of the Act; hereinafter the same applies in this Article) is a former or current officer or employee of that general incorporated association and is engaged in the services set forth in the right-hand column of that table.

(Replacement of Terms for Applying the Provisions of the Act to Electronic Payment Service Providers That Are Foreign Corporations)

Article 16-13 When an electronic payment service provider (meaning an electronic payment service provider as prescribed in Article 2, paragraph (22) of the Act and including an electronic payment handling service provider who is deemed to be the electronic payment service provider pursuant to the provisions of Article 52-60-8, paragraph (2) of the Act and a financial service intermediary who is deemed to be the electronic payment service provider pursuant to the provisions of Article 18, paragraph (2) of the Act on the Provision of and the Development of Environment for Using Financial Services (Act No. 101 of 2000); the same applies in Article 17-5) is a foreign corporation or an individual domiciled in a foreign state, the technical replacement of terms under the provisions of Article 52-61-30 of the Act for applying the provisions of the Act is as shown in the following table.

(Designation Under Other Laws for Operations Equivalent to Dispute Resolution Services)

Article 16-14 The designation specified by Cabinet Order that is provided for in Article 52-62, paragraph (1), item (ii) and item (iv), (d), Article 52-66, and Article 52-83, paragraph (3) of the Act means:

(i) a designation under Article 156-39, paragraph (1) of the Financial Instruments and Exchange Act;

(ii) a designation as set forth in the items of Article 16-16.

(Ratio of the Number of **Banking Service Providers** That Have Stated Objections, to the Total Number of Banking Service Providers)

Article 16-15 The ratio specified by Cabinet Order that is provided for in Article 52-62, paragraph (1), item (viii) is one third.

(Exemption from Restriction on the Use of Names for Designated Dispute Resolution Organizations)

Article 16-16 The person specified by Cabinet Order that is provided for in Article 52-77 of the Act means a person that has received any of the following designations:

- (i) a designation under Article 35-2, paragraph (1) of the Mutual Loan Business Act (Act No. 42 of 1931);
- (ii) a designation under Article 12-2, paragraph (1) of the Act on Engagement in Trust Business Activities by a Financial Institution;
- (iii) a designation under Article 92-6, paragraph (1) of the Agricultural Cooperatives Act;
- (iv) a designation under Article 118, paragraph (1) of the Fishery Cooperatives Act;
- (v) a designation under Article 69-2, paragraph (1) of the Small and Medium-Sized Enterprise Cooperatives Act;
- (vi) a designation under Article 6-5-12, paragraph (1) of the Act on Financial Businesses by Cooperative;
- (vii) a designation under Article 85-12, paragraph (1) of the Credit Union Act (Act No. 238 of 1951);
- (viii) a designation under Article 16-8, paragraph (1) of the Long-Term Credit Bank Act;
- (ix) a designation under Article 89-13, paragraph (1) of the Labor Bank Act;
- (x) a designation under Article 41-39, paragraph (1) of the Money Lending Business Act (Act No. 32 of 1983);
- (xi) a designation under Article 308-2, paragraph (1) of the Insurance Business Act;
- (xii) a designation under Article 51, paragraph (1) of the Act on the Provision of and the Development of Environment for Using Financial Services;
- (xiii) a designation under Article 95-6, paragraph (1) of the Norinchukin Bank Act;
- (xiv) a designation under Article 85-2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004);
- (xv) a designation under Article 99, paragraph (1) of the Payment Services Act (Act No. 59 of 2009).

(Authorities Excluded from Those Delegated to the Commissioner of the Financial Services Agency)

Article 17 The authority specified by Cabinet Order that is provided for in Article 59, paragraph (1) of the Act, means:

- (i) licensing under Article 4, paragraph (1) of the Act;
- (ii) revocation of licensing as prescribed in Article 4, paragraph (1) of the Act under Article 27 and Article 28 of the Act;
- (iii) authorization under the proviso to Article 52-17, paragraph (1) and paragraph (3) of the Act;

(iv) revocation of authorization as prescribed in the proviso to Article 52-17, paragraph (1) and paragraph (3) of the Act under Article 52-34, paragraph (1) of the Act;

(v) public notice under Article 56 of the Act (limited to the part that is related to item (ii) and item (vi));

(vi) notification under Article 57-6 of the Act (limited to the part that is related to item (i), item (ii) (limited to the part that involves an authorization under the proviso to Article 52-17, paragraph (1) and paragraph (3)), item (iv), and item (v) (limited to the part that involves the revocation of an authorization as prescribed in the proviso to Article 52-17, paragraph (1) and paragraph (3) of the Act under Article 52-34, paragraph (1) of the Act)).

(Delegation of Authority to Directors-General of Local Finance Bureaus)

Article 17-2 (1) The following authorities delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of Article 59, paragraph (1) of the Act and authorities of the Commissioner of the Financial Services Agency under this Cabinet Order (hereinafter referred to as the "authority of the Commissioner") are delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the head office of a bank (including the principal foreign bank branch (meaning the principal foreign bank branch as prescribed in Article 47, paragraph (1) of the Act); hereinafter the same applies in this Article) (if the relevant locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in items (vi) through (viii):

(i) authorizations and approvals under the provisions of Article 5, paragraph (3), Article 6, paragraph (3), Article 7, paragraph (1), Article 8, paragraphs (2) and (3), the proviso to Article 13, paragraph (1) (including as applied mutatis mutandis pursuant to the second sentence of paragraph (2) of that Article), the proviso to Article 13-2, the proviso to Article 20, paragraph (4) (including as applied mutatis mutandis pursuant to the second sentence of paragraph (5) of that Article), Article 30, paragraph (2) (limited to a part that involves the relevant person causing a part of business to be succeeded to or succeeding to a part of business in a company split (excluding a company split which makes a bank, etc. eligible to be a subsidiary company, as prescribed in Article 16-2, paragraph (4) of the Act (excluding the company set forth in paragraph (1), item (xv) of that Article), a subsidiary company, and a company split through which the bank, as one of the parties to the company split, or its subsidiary companies, come to hold a combined number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 16-4, paragraph (1) of the Act)), Article 30, paragraph (3) (limited to a part that involves a transfer or acquisition of a part of

business (excluding the transfer or acquisition which makes a bank, etc. eligible to be a subsidiary company, as prescribed in Article 16-2, paragraph (4) of the Act (excluding the company set forth in that item), a subsidiary company, and a transfer or acquisition through which the bank, as one of the parties to the transfer or acquisition of part of the business, or its subsidiary companies, come to hold a combined number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 16-4, paragraph (1) of the Act)) and Article 47-3 of the Act;

(ii) approval under the proviso to Article 55, paragraph (1) of the Act involved in the authorization as set forth in the preceding item;

(iii) the addition or modification, under the provisions of Article 54, paragraph (1) of the Act, of conditions on the authorization or approval as set forth in the preceding two items;

(iv) approval pursuant to the provisions of Article 5, paragraph (2), item (ii);

(v) receipt of a notification as under the provisions of Article 8, paragraph (1) and paragraph (4), Article 16, paragraph (1), Article 49, Article 52-2, paragraph (3), Article 52-2-9, paragraph (1) and Article 53, paragraph (1) of the Act and the provisions of Article 5, paragraph (2), item (iii), and receipt of documents under Article 19, paragraph (1) and paragraph (2) of the Act and the provisions of Article 52-50, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 52-2-10 of the Act;

(vi) a request to make a report or submit materials under Article 24, paragraph (1) and paragraph (2) and Article 48 the Act;

(vii) questioning and on-site inspections under Article 25, paragraph (1) and paragraph (2) of the Act;

(viii) an order (excluding an order to suspend all or part of business and including a request to submit an improvement plan) under Article 26, paragraph (1), Article 52-14, paragraph (2) and Article 52-33, paragraph (3) of the Act.

(2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the business office or other facilities of a bank (including the business office, office, or other facilities of a bank agent that has the relevant bank (including any foreign bank branch; hereinafter the same applies in this paragraph) as its principal bank, and any secondary foreign bank branch (meaning a secondary foreign bank branch as prescribed in Article 47, paragraph (2) of the Act)) that does not constitute that bank's head office; or in the locality of the relevant bank's subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 24, paragraph (2) of the Act) or the locality of a person that the bank has entrusted with its services (including a person entrusted by such a person (including entrustment at two or more degrees of separation from the

original entrustment)) but that does not constitute a bank agent that has that bank as its principal bank (hereinafter referred to as "branch office, etc." in this Article) (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in item (vi) and item (vii) of the preceding paragraph as related to that branch office, etc.

(3) Having requested the branch office, etc. of a bank to make reports or submit materials, or having undertaken questioning or conducted an on-site inspection pursuant to the provisions of the preceding paragraph (hereinafter referred to as "inspection, etc." in this paragraph) and upon finding it to be necessary to conduct an inspection, etc. at the head office of the relevant bank or at a branch office, etc. other than that in question, a Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau may conduct an inspection, etc. at the head office of a bank or at a branch office, etc. other than that in question.

(4) The provisions of the preceding three paragraphs do not apply to the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (1).

(5) Having made a designation as under the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner abolishes or modifies such a designation.

Article 17-2-2 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office of the major holder of voting rights in a bank (meaning the major holder of voting rights in a bank as prescribed in Article 52-2, paragraph (1) of the Act; hereinafter the same applies in this Article) (in the locality of the holder's address or residence, for an individual) (hereinafter referred to as the "principal office, etc." in this Article and the following Article) (if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, this is delegated to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in item (iii) and item (iv):

(i) receipt of documents or notification as under Article 52-2, paragraph (1), Article 52-3, paragraph (1), paragraph (3) and paragraph (4) and Article 52-4, paragraph (1) and paragraph (2) of the Act;

(ii) an order to submit a correction report and the holding of a hearing on that order under Article 52-5 and Article 52-6 of the Act;

(iii) a request to make reports or submit materials under Article 52-7 of the Act;

(iv) questioning and on-site inspections under Article 52-8, paragraph (1) of the Act.

(2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the head office or principal office of a bank or bank holding company with which the major holder of voting rights in a bank is related to (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in item (iii) and item (iv) of the preceding paragraph.

(3) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding two paragraphs, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of an office or other facilities of the major holder of voting rights in a bank other than the principal office, etc. (hereinafter referred to as a "secondary office, etc." in this paragraph and the following Article) (if that locality is within the jurisdiction of Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in item (iii) and item (iv) of paragraph (1) related to that secondary office, etc.

(4) The provisions of the preceding three paragraphs do not apply to the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (1).

(5) Having made a designation as under the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner abolishes or modifies such a designation.

(6) If a major holder of voting rights in a bank (limited to a foreign national or foreign corporation; hereinafter the same applies in this paragraph) has an office or other facilities in Japan, its principal office, etc. in Japan is deemed to be its principal office, etc.; if a major holder of voting rights in a bank does not have an office or other facilities in Japan, its principal office, etc. is deemed to be located within the jurisdiction of the Kanto Local Finance Bureau; and in both cases, the provisions of the preceding paragraph are applied.

Article 17-2-3 (1) The receipt of a notification under Article 52-9, paragraph (3) and Article 53, paragraph (2) is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the head office of the bank in which a person that holds or used to hold a number of voting rights equal to or greater than the major shareholder threshold holds or held a number of voting rights which is equal to or greater than the major shareholder threshold (or, if the

locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau).

(2) Notwithstanding the provisions of paragraph (1) of the preceding Article, the provisions of the preceding paragraph apply to the authority of the Commissioner set forth in paragraph (1), item (i) and item (ii) of the preceding Article regarding a current or former holder as referred to in the preceding paragraph (limited to the authority of the Commissioner over a bank regarding receipt of a notification as referred to in the preceding paragraph).

(3) The Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office, etc. of a bank's major shareholder or in the locality of the head office of the bank in which a bank's major shareholder holds a number of voting rights which is equal to or greater than the major shareholder threshold (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the following authority of the Commissioner:

(i) a request to make reports and submit materials under Article 52-11 of the Act;
(ii) questioning and on-site inspections under Article 52-12, paragraph (1) of the Act.

(4) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the secondary office, etc. of a bank's major shareholder (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in the items of the preceding paragraph related to that secondary office, etc.

(5) Notwithstanding the provisions of the preceding paragraphs, the authority of the Commissioner prescribed in paragraph (1) and paragraph (2) and the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (3) (hereinafter referred to as the "specified authority of the Commissioner" in the following paragraph) is delegated to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau whom the Commissioner of the Financial Services Agency designates.

(6) The provisions of paragraphs (1) through (4) do not apply to the authority of the Commissioner prescribed in paragraph (1) and paragraph (2) and the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner (excluding specified authority of the Commissioner) set forth in the items of paragraph (3).

(7) Having made a designation as under the preceding two paragraphs, the Commissioner of the Financial Services Agency is to issue public notice to that

effect. The same applies if the Commissioner discontinues or modifies such a designation.

(8) If a bank's major shareholder (limited to a foreign national or foreign corporation; this includes a person that used to be the bank's major shareholder, when the relevant bank's major shareholder is no longer the bank's major shareholder; hereinafter the same applies in this paragraph) has an office or other facilities in Japan, its principal office, etc. in Japan is deemed to be its principal office, etc.; if a bank's major shareholder does not have an office or other facilities in Japan, its principal office, etc. is deemed to be located within the jurisdiction of the Kanto Local Finance Bureau; and in both cases, the provisions of the preceding paragraph are applied.

Article 17-3 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office, etc. of a holding company that has a bank as a subsidiary company (meaning a holding company as prescribed in Article 2, paragraph (12) of the Act; hereinafter the same applies in this paragraph) or of a company that used to be a holding company that had a bank as a subsidiary company (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau):

(i) authorization and approval under the provisions of Article 52-19, paragraph (1), the proviso to Article 52-22, paragraph (1) and the proviso to Article 52-28, paragraph (3) (including as applied *mutatis mutandis* pursuant to the second sentence of paragraph (4) of that Article) and Article 52-35, paragraph (2) (limited to the part that involves the relevant person that has a part of business to be succeeded to or succeeding to a part of business in a company split (excluding a company split which makes a bank, etc. eligible to be a subsidiary company as prescribed in Article 52-23, paragraph (3) of the Act (excluding the company set forth in paragraph (1), item (xiv) of that Article), a subsidiary company, and a company split through which the bank holding company, as one of the parties to the company split, or its subsidiary companies, come to hold a combined number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 52-24, paragraph (1) of the Act)); and the provisions of Article 52-35, paragraph (3) (limited to the part that involves a transfer or acquisition of a part of business (excluding a transfer or acquisition that makes a bank, etc. eligible to be a subsidiary company prescribed in Article 52-23, paragraph (3) of the Act (excluding the company set forth in that item), a subsidiary company, and a transfer or acquisition through which the bank holding company, as one of the parties to the transfer or acquisition of part of the business, or its subsidiary companies, come to hold a combined number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting

rights prescribed in Article 52-24, paragraph (1) of the Act)), and the provisions of the proviso to Article 16-5 of this Act:

(ii) approval under the proviso to Article 55, paragraph (1) of the Act pertaining to the authorization set forth in the preceding item;

(iii) the addition or modification, under Article 54, paragraph (1) of the Act, of conditions to the authorization or approval as set forth in the preceding two items;

(iv) the receipt of a notification under Article 52-17, paragraph (2) and paragraph (4), Article 53, paragraph (3) and Article 16-5, and the receipt of documents under Article 52-27, paragraph (1) of the Act.

(2) The following authority of the Commissioner may also be exercised by the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office of a bank holding company or the head office of a bank that is a subsidiary company of the relevant bank holding company (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau):

(i) a request to make reports and submit materials under Article 52-31, paragraph (1) and paragraph (2) of the Act;

(ii) questioning and on-site inspections under the provisions of Article 52-32, paragraph (1) and paragraph (2) of the Act.

(3) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the business office or other facilities of a bank holding company other than its principal office; or in the locality of the relevant bank holding company's subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 52-31, paragraph (2) of the Act) or the locality of a person that the bank holding company has entrusted with its services (including a person that has been entrusted by such a person (including entrustment at two or more degrees of separation from the original entrustment)) (hereinafter referred to as a "branch office, etc." in this paragraph) (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in the items of the preceding paragraph related to that branch office, etc.

(4) The provisions of the preceding three paragraphs do not apply to the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (1) or paragraph (2).

(5) Having made a designation as under the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner abolishes or modifies such a designation.

(6) If a foreign holding company that has a bank as a subsidiary company (including a company that used to be a foreign holding company that has a bank as a subsidiary company; hereinafter the same applies in this paragraph) has an office in Japan, its principal office in Japan is deemed to be its principal office; if a foreign holding company that has a bank as a subsidiary company does not have an office in Japan, its principal office is deemed to be located within the jurisdiction of the Kanto Local Finance Bureau; and in both cases, the provisions of the preceding paragraphs are applied.

Article 17-4 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal business office or office (hereinafter referred to as the "principal business office, etc." in this Article) of an applicant (meaning an applicant as prescribed in Article 52-37, paragraph (1) of the Act) or bank agent (including a bank, etc. that is deemed to be a bank agent pursuant to the provisions of Article 52-60-2, paragraph (2) of the Act; hereinafter the same applies in this Article) (if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in item (vii) and item (viii):

- (i) permission under Article 52-36, paragraph (1) of the Act;
- (ii) the addition or modification, under Article 52-38, paragraph (2) of the Act, of conditions to permission set forth in the preceding item;
- (iii) approval under Article 52-57, item (iii) pertaining to the permission as set forth in item (i);
- (iv) approval under the provisions of Article 52-42, paragraph (1) and the provisions of Article 16-7, paragraph (2), item (ii) of the Act;
- (v) the receipt of the notification under Article 52-39, Article 52-47, paragraph (1), Article 52-52, Article 52-60-2, paragraph (3) and Article 53, paragraph (4) of the Act and Article 16-7, paragraph (2), item (ii) (b), and the receipt of documents under Article 52-37, paragraph (1) and Article 52-50, paragraph (1) of the Act;
- (vi) public inspection under Article 52-50, paragraph (2) of the Act;
- (vii) a request to make reports and submit materials under Article 52-53 of the Act;
- (viii) questioning and on-site inspections under Article 52-54, paragraph (1) of the Act;
- (ix) an order under Article 52-55 of the Act;
- (x) a disposition under Article 52-56 of the Act.

(2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has

jurisdiction in the locality of a business office, office, or other facilities of a bank agent other than its principal business office, etc. (hereinafter referred to as a "secondary business office, etc." in this Article) (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in item (vii) and item (viii) of the preceding paragraph related to that secondary business office, etc.

(3) Having requested the secondary business office, etc. of a bank agent to make reports or submit materials, or having undertaken questioning or conducted an on-site inspection pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) and upon finding it to be necessary to conduct an inspection, etc. at the principal business office, etc. of that bank agent or at a secondary business office, etc. other than the one in question, a Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau may conduct an inspection, etc. at that principal business office, etc. or at a secondary business office, etc. other than the one in question.

(4) The provisions of the preceding three paragraphs do not apply to the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (1).

(5) Having made a designation as under the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner abolishes or modifies such a designation.

Article 17-4-2 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal business office (or the principal business office in Japan, for a foreign electronic payment handling service provider as prescribed in Article 2, paragraph (19) of the Act; hereinafter referred to as the "principal business office, etc." in this Article) of an applicant (meaning an applicant as prescribed in Article 52-60-4, paragraph (1) of the Act) or an electronic payment handling service provider (if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in item (vii) and item (viii):

(i) receipt of a written application for registration under Article 52-60-4, paragraph (1) of the Act;

(ii) registration under Article 52-60-5, paragraph (1) and Article 52-60-7, paragraph (3) of the Act;

- (iii) notification under Article 52-60-5, paragraph (2) and Article 52-60-6, paragraph (2) of the Act;
- (iv) making the register available for public inspection under Article 52-60-5, paragraph (3) of the Act;
- (v) refusal of registration under Article 52-60-6, paragraph (1) of the Act;
- (vi) receipt of a notification under Article 52-60-7, paragraph (1) and paragraph (2), Article 52-60-8, paragraph (3) and Article 52-60-36, paragraph (1) and paragraph (4) of the Act and Article 53, paragraph (5), and receipt of a report under Article 52-60-19, paragraph (1) of the Act;
- (vii) issuance of a request to make reports and submit materials under Article 52-60-20, paragraph (1) and paragraph (2) the Act;
- (viii) questioning and on-site inspections under Article 52-60-21, paragraph (1) and paragraph (2) of the Act;
- (ix) issuance of an order under Article 52-60-22 of the Act;
- (x) taking of a disposition under Article 52-60-23, paragraph (1) through paragraph (3) of the Act;
- (xi) deletion of registration under Article 52-60-24 of the Act.

(2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of a business office, or other facilities of an electronic payment handling service provider other than its principal business office, etc. (hereinafter referred to as a "secondary business office, etc." in this Article) (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in item (vii) and item (viii) of the preceding paragraph related to that secondary business office, etc.

(3) Having requested the secondary business office, etc. of an electronic payment handling service provider to make reports or submit materials, or having undertaken questioning or conducted an on-site inspection pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) and upon finding it to be necessary to conduct an inspection, etc. at the principal business office, etc. of that electronic payment handling service provider or at a secondary business office, etc. other than the one in question, Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau may conduct an inspection, etc. at that principal business office, etc. or at that secondary business office, etc. other than the one in question.

(4) The provisions of the preceding three paragraphs do not apply to the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (1).

(5) Having made a designation as under the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to issue a public notice to that effect. The same applies if the Commissioner abolishes or modifies the designation.

Article 17-5 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal business office or office (or the principal business office or office in Japan, for a foreign corporation or an individual domiciled in a foreign state; hereinafter referred to as the "principal business office, etc." in this Article) of a registration applicant (meaning a registration applicant as prescribed in Article 52-61-3, paragraph (1) of the Act) or electronic payment service provider (if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau; if the registration applicant or electronic payment service provider has no business office or office in Japan, to the Director-General of the Kanto Finance Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authority set forth in item (vii) and item (viii):

(i) receipt of a written application for registration under Article 52-61-3, paragraph (1) of the Act;

(ii) registration under Article 52-61-4, paragraph (1) and Article 52-61-6, paragraph (2) of the Act;

(iii) notification under Article 52-61-4, paragraph (2) and Article 52-61-5, paragraph (2) of the Act;

(iv) making the register available for public inspection under Article 52-61-4, paragraph (3) of the Act;

(v) refusal of registration under Article 52-61-5, paragraph (1) of the Act;

(vi) receipt of a notification under Article 52-61-6, paragraph (1) and paragraph (3), Article 52-61-7, paragraph (1) and Article 53, paragraph (6) of the Act, and receipt of a report under Article 52-61-13 of the Act;

(vii) issuance of a request to make reports and submit materials under Article 52-61-14, paragraph (1) and paragraph (2) the Act;

(viii) questioning and on-site inspections under Article 52-61-15, paragraph (1) and paragraph (2) of the Act;

(ix) issuance of an order under Article 52-61-16 of the Act;

(x) taking of a disposition under Article 52-61-17, paragraph (1) and paragraph (2) of the Act; and

(xi) deletion of registration under Article 52-61-18 of the Act.

(2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has

jurisdiction in the locality of a business office, office, or other facilities of an electronic payment service provider other than its principal office, etc. (hereinafter referred to as a "secondary business office, etc." in this Article) (if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authority set forth in item (vii) and item (viii) of the preceding paragraph related to that secondary business office, etc.

(3) Having requested the secondary business office, etc. of an electronic payment service provider to make reports or submit materials, or having undertaken questioning or conducted an on-site inspection pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) and upon finding it to be necessary to conduct an inspection, etc. at the principal business office, etc. of that electronic payment service provider or at a secondary business office, etc. other than the one in question, Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau may conduct an inspection, etc. at that principal business office, etc. or at a secondary business office, etc. other than the one in question.

(4) The provisions of the preceding three paragraphs do not apply to the authority designated by the Commissioner of the Financial Services Agency out of the authority of the Commissioner set forth in the items of paragraph (1).

(5) Having made a designation as under the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner abolishes or modifies such a designation.

(Exemption of Supplementary Provisions of the Act from Application to Foreign Bank Branches)

Article 18 The provisions of Articles 2 through 4, Article 6, paragraph (1), Article 7, Article 9, paragraph (2) and paragraph (3), Article 13 and Article 18 of the Supplementary Provisions of the Act do not apply to a foreign bank branch.