Japan Measures Regarding Finan ial Servi es (1995)

MEASURES BY THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE UNITED STATES REGARDING FINANCIAL SERVICES c

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Washington, D.C.

As a result of onsultations under the Joint Statement on the United States-Japan Framework for a New E onomi Partnership regarding measures in the finan ial servi es se tor, the Government of the United States and the Government of Japan ea h has de ided to implement the measures on finan ial servi es des ribed herein.

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I. S A MEN OF BASIC OBJ C IV S

(1) he goals of he Framework are o deal wi h s ruc ural and sec oral issues in order o subs an ially increase access and sales of co e i ive foreign goods and services hrough rke opening and croecono c measures; o increase inves n ; o pro e in erna ional compe i iveness; and o enhance bila eral economic coopera ion be ween he Uni ed S a es and Japan,

(2) o accomplish hese goals wi h respec To he financial services sec or, his documen , "Measures by he Governmen of Japan and he Governmen of he Uni ed S a es Regarding Financial Services" (he "Measures") has been adop ed. I addresses reform of relevan governmen laws, regula ions, and guidance which have he effec of subs an ially impeding marke access for compe i ive foreign financial services suppliers wi h he aim of significan ly improving marke access for compe i ive foreign financial services suppliers.

( ) he objec ives of he Measures are

a. o increase subs an ially access o financial marke s for compe i ive foreign financial services suppliers;

b. o promo e he developmen of more liquid and efficien financial marke s ha are more fully in egra ed wi h global financial marke s;

c. o enhance ransparency and procedural pro ec ion in he regula ion of financial ac ivi y;

d. o ensure he safe y and soundness of he financial sys em and he in egri y of financial marke s; and,

e. o provide a mechanism for ongoing consul a ion and review o assess he implemen a ion of he Measures, o resolve problems affec ing foreign financial services suppliers in. each marke , and o promo e fur her progress oward he objec ives of he Measures.

(4) Bo h Governmen s recognize he i or ance of pruden ial regula ion in he financial services sec or and of addressing such pruden ial concerns in a fair and ransparen manner.

(5) ach Governmen reaffir i s commi men o he principles of na ional rea n and s -favored-na ion rea n wi h respec o banking, securi ies and o her financial. services covered by he Measures. ach Governmen reaffirms he i or ance of hese principles for co men s, in accordance wi h paragraph 2 of he Second Annex on Financial Services of he General Agreemen on rade in Services ("GA S"), by all GA S bers. ach Govern n confir i s co men o accord financial services suppliers fro he o her Governmen 's coun ry mos -favored-na ion rea men , rke access and na ional rea men in banking, securi ies and o her financial services covered by he Measures, including wi h respec o he expansion of exis ing opera ions, es ablishmen of a new co rcial presence, and he conduc of new ac ivi ies*, provided ha he Measures are being i le n ed by he o her Govern n in accordance wi h he specific co n s described in he Measures.

II. RANSPAR NCY AND PROC DURAL PRO C IONS

(1) he Governmen s confirm ha fair and ransparen regula ions and policies governing he ac ivi ies of financial services suppliers are impor an in facili a ing bo h he access of foreign financial services suppliers o, and heir opera ions in, domes ic rke s. Bo h Governmen s rei era e heir co men s o con inuing o pro o e ransparency in financial services.

* he co men in his sen ence will no preclude ei her Governmen from enforcing exis ing measures, provided ha such enforcemen will no ma erially impair he co men s under aken in he Measures.

(2) Regula ory Adminis ra ion and nforcemen

a. he Governmen of he Uni ed S a es welcomes he progress ha he Governmen of Japan has made in improving ransparency hrough he implemen a ion of he Adminis ra ive Procedures Law (he "APL"). T

b. The AP ee en ure fairne and balance he ran parency f admini ra ive pera i n by e abli hing c mmon pr cedure f r di p i i n , admini ra ive guidance, and he pr ce ing f filing , hereby c n ribu ing he pr ec i n f he righ and welfare f ci izen .

c. The G vernmen f apan c nfirms he applicabili y f he pr vi i n f he AP wi h regard regula i n, admini ra ive mea ure , and her ac i n affec ing he mar e f r financial ervice and pr duc in apan. In par icular, in acc rdance wi h he AP : J

i. S andard rela ing he licen ing and appr val f financial ac ivi ie , which are pecified in Appendix I, and include he en ry f financial ervice upplier and he pr vi i n f financial ervice and pr duc , have been r will be c mpiled, publi hed, and made available he public, excep in ca e f ex ra rdinary admini ra ive J inc nvenience*.

ii. Per n ubjec adver e di p i i n regarding he licen ing and appr val f financial ac ivi ie , which are pecified in Appendix 2, will be aff rded a clear explana i n. When adver e di p i i n are rendered in wri ing, he rea n will al be e f r h in wri ing, excep in ca e f ex ra rdinary admini ra ive inc nvenience.

*"Ex ra rdinary admini ra ive inc nvenience" a u ed in he Mea ure i in ended be u ed nly in excep i nal circums ance .

iii. Admini ra ive guidance h uld n g bey nd he juri dic i n f he relevan au h ri y.

iv. C mpliance wi h admini ra ive guidance i v lun ary; per n c nduc ing admini ra ive guidance will n rea he ubjec f admini ra ive guidance di advan age u ly wing he ubjec ' n nc mpliance wi h he admini ra ive guidance in que i n.

v. Admini ra ive guidance ha i delivered rally will, up n reque , be delivered in wri ing, e ing u a clear a emen f he purp e and c n en , excep in ca e f ex ra rdinary admini ra ive inc nvenience.

vi. When c nduc ing he ame ype f admini ra ive guidance n a mul iple number f per n wi h he ame e f c ndi i n and achieve he ame admini ra ive purp e, an admini ra ive agency h uld ipula e in advance, acc rding each ca e, he i ems which are c mmon h e admini ra ive guidance , and h uld ma e hem public, unle uch publica i n cau e ex ra rdinary admini ra ive inc nvenience.

vii. A requiremen f r n ifica i n which mee requiremen e u by a u e and/ r relevan g vernmen rder will be fulfilled up n i arrival a he admini ra ive ffice de igna ed by a u e.

(3) Advi ry Gr up

a. When he G vernmen f apan e abli he r regularly ee rec mmenda i n fr m, in a manner indica ive f a f rmal advi ry r le f r, any c uncil, a cia i n, c mmi ee, gr up r imilar rganiza i n wi h a purp e r func i n rela ing he pr vi i n f financial ervice , which include he par icipa i n f member f he priva e ec r, he G vernmen f apan will r ngly reque he en i y all w in ere ed f reign financial ervice upplier e abli hed in apan, and a cia i n r her rganiza i n repre en ing uch c mpanie , a end i mee ing and ubmi a emen i he ex en p ible.

(4) Par icipa i n in Indu ry Gr up

a. In apan and he Uni ed S a e , f reign financial ervice upplier can j in relevan rade a cia i n uch a he Federa i n f Ban er A cia i n f apan, he apan Securi ie Dealer A cia i n, he Securi ie Inve men Tru A cia i n, and he Inve men Advi ry C mpany A cia i n.

b. The G vernmen f apan c nfirms ha rade a cia i n and her imilar rganiza i n acc rd f reign financial ervice upplier righ , privilege , and pp r uni ie equal h e acc rded d me ic firms ubjec imilar fee and her bliga i n , in acc rdance wi h- he rule e u by he rganiza i n . Such righ , privilege , and pp r uni ie include righ , privilege , and pp r uni ie regarding repre en a i n and g vernance f he a cia i n .

(5) Acce Financial Service Regula ry Inf rma i n J

a. The Go e of Japa will e su e ha fo eig as well as do sic fi a cial se ices supplie s a e acco ded mnme
me a i gful a d fai oppo u i ies o be i fo d of, co o , a d excha ge iews wi h officials ega di g, asu es ela i g o o affec i g he p o isio of fi a cial se ices i Japa .

(6) Ad mi is a i e Appeals

a. The Go e me of Japa co fi ms he applicabili of he Ad mi is a i e Appeals I qui ies Law (G osei fufuku shi sa ho) a d he Ad mi is a i e Case Li iga io Law (G osei jike sosho ho) o all disposi io s ela i g o he p o isio a d use of fi a cial se ices i Japa .

III. FUND MANAGEMENT ACTIVITIES

(1) P ude ce a d efficie c a e wo esse ial ele me s of pe sio fu d ma age me . The p ude a d efficie ma age me of pe sio asse s is bes achie ed h ough co e i io a g fu d ma age s, g ea e oppo u i ies fo di e sifica io a d specializa io b fu d ma age s, a d h ough a spa e a d app op ia e p ude ial egula io .

(2) Bo h Go e y me s co fi m, i p i ciple, ha i is i mp o a o ma age public pe sio fu ds i a sou d, effec i e, a d p ude ial ma e , a d ha p io i should be gi e o he safe ma age me of asse s. I his co ex , he Go e me of Japa is of he posi io ha public pe sio fu ds a e o be i es ed i i s u me s of which p i cipal ma be gua a eed ega dless of whe he he a e ac uall gua a eed o o , a d ha he a e o o be i es ed i i s u me s of which p i cipal is p ohibi ed o be gua a eed b law. Bo h Go e me s also co fi m he i mp o a ce of e su i g ha , i he co ex of Japa ese public pe sio fu d age , ele a go e a d quasi-go e me al i s i u io s a e o i a posi io o delibe a el selec i di idual s ocks fo a po folio pu pose; a d ha public officials, as well as quasi-public officials, a e o i a posi io o delibe a el o de he selec io of i di idual s ocks i his/he capaci as a go e me official o a quasi-go e me official.

(3) Access b I yes Ad iso s o he Ma age me of Ne mp uku I es me s a e

a. I o de o di e sif he i es me s of he Pe sio Welfa e Se ice Public Co po a io ('Ne mp uku") a d o i mp o e i s fu d pe fo ma ce, he Go e me of Japa has decided, i he fiscal ea 1 995 budge fo mu la io p ocess, o pe mi i es me ad iso co a ies ("IACs") o pa icipa e effec i el i he ma age me of Ne puku's fu d asse s h ough a a ia io o he "Shi ei a " f a wo k. Two ew i es me ehicles fo his pu pose will be pu i o place, o e i ol i g a secu i ies i es me us , he o he a li mi ed pa e ship.

b. Wi h espec o hese ehicles:

i. Ne uku will ha e full au ho i o de e p e he alloca io of i s fu ds o p i a e fi a cial i s i u io s ha be aged b IACs usi g ei he of hese ehicles;

ii. Ne uku will be gi e he oppo u i o i es i fu ds i es i g i a specialized class of asse s aged b specialized fu d age s h ough ei he of hese ehicles;

iii. IACs will be gi e he oppo u i o pa icipa e i he de elop me of he specific me cha is h ough which he ew sche will be i le ed; a d,

i . subjec o Die app o al of he 1995 budge , hese ehicles will ake effec wi hi fiscal ea 1995.

c. I is he iew of he Mi is of Fi a ce ha his ew sche me will p o ide a effec i e me a s i p ac ice fo IACs o pa icipa e i he ma age me of public pe sio fu ds.

d. A he i me of he ex co mp ehe si e e iew of he Japa ese pe sio s s e m i 1999, his sche me would be e iewed.

(4) Access o Othe Pe sio Fu ds

a. E mp lo ees' Pe sio Fu ds

i. The Go e me of Japa i e ds o co i ue o i mp o e he ma ke access of IACs o he fu d ma age me of E mp lo ees' Pe sio Fu d accou s b : y

A. short th -y ar r qu r me t to 3 y ars for th approval of d scr t o ary fu d ma a me t of Employ s' P s o Fu d accou ts; a d

B. radually lar th curr t 1/3rd c l o d scr t o ary fu d ma a me t of Employ s' P s o Fu d accou ts.

. Th Gov r me t of Japa co f rms that th fu d allocat o of Employ s' P s o Fu ds amo p s o fu d ma a rs a d cha s thos allocat o s ar d t rmi d by th Employ s' P s o Fu ds me t th ov r me t r ulat o s a d subj ct to co tractual obl at o s.

b. Mutual A d Assoc at o s

. Th Gov r me t of Japa t ds to mprov acc ss to th fu d ma a me t of Mutual A d Assoc at o s:

A. by, p rmitt th F d rat o of Nat o al Publ c S rv c Mutual A d Assoc at o s to mploy IACs throu h d scr t o ary v stme t co tracts; a d

B. by p rmitt th Mutual A d Assoc at o of th N ppo T l raph a d T l pho Corporat o to mploy IACs throu h d scr t o ary v stme t co tracts.

. Th Gov r me t of Japa r co f rms that IACs ar alr ady p rmitt d to ma a fu ds of th follow i Mutual A d Assoc at o s throu h d scr t o ary v stme t co tracts- th F d rat o of Local Publ c S rv c Tokyo Pr f ctural P rso l Local Publ c P rso l D es at d C t s' Employ s F d rat o of C t s a d Mu c pal P rso l th Pol c MAA th Publ c School MAA a d th MAA of th A r cultural For stry a d F sh ry I st tut o Employ s.

c. Tax Qual f d P s o Pla s

. Th Gov r me t of Japa co f rms that throu h th curr t Tax Qual f d P s o Trust framework a trust ba k ca v st fu ds u d r such framework v stme t trusts bas d o ts ow n d scr t o ary v stme t jud me t.

(5) P rmiss o to Sp c al z

a. Th pr s t ass t allocat o u d l s appl d to d v dual fu d ma a rs for N mpuku w ill b cha d w ith f scal y ar 1995 so that such u d l s ar appl d to th t r fu d of N mpuku (xclud th commi l d fu ds of a sura c compa y).

b. Th Gov r me t of Japa also t ds to l mi at th ass t allocat o u d l s o d v dual fu d ma a rs for th d scr t o ary fu d ma a me t part of th Employ s' P s o Fu d accou ts.

(6) Mark t-Valu Accou t a d P rforma c Evaluat o

a. Th Gov r me t of Japa t ds to r form th actuar al sta dards of Employ s' P s o Fu ds by mid-1996 from th v wpo t of tak a mark t-valu bas s to accou t bas d o d scuss o of a study roup of th M i stry of H ealth a d Welfar wh ch w ill outl th co clus o s a f al r port by mid-1995. Th Gov r me t of Japa t ds to mpl me t th w sta dards ot lat r tha f scal y ar 1997.

b. I add t o th Gov r me t of Japa :

. w lcomes th r c t d v lopme ts mad by p s o fu d spo sors a d p s o fu d ma a rs to d v lop sta dard z d p rforma c data alo th l s of a t r at o ally acc pt d format;

. w lcomes cr as d us by p s o fu d spo sors of d p d t p rforma c valuat o compa s a d w ill co t u to sur that p s o fu d spo sors hav th opportu ty to obta a d p d t ass ssme t of th p rforma c of d v dual fu d ma a rs; a d

. w ill coura P s o fu d ma a rs to pr par p rforma c data of fu ds u d r th r ma a me t o a , curr t mark t-valu bas s a d a t r at o ally acc pt d format. Th Gov r me t of Japa also w ill coura th part s co c r d such as p s o fu d spo sors a d p s o fu d ma a rs to r l as th performan e a a ne e ary o on u performan e evalua ion o in ere e par ie u h a performan e evalua ion ompanie u e by pen ion fun pon or .

(7) Inve men Tru

a. Con u ing Inve men Tru Bu ine an Di re ionary Inve men Managemen Bu ine in e En i y

i. The Governmen of Japan will permi a i re ionary inve men managemen ompany o on u , in one en i y, inve men ru bu ine an i re ionary inve men managemen bu ine , provi e ha u h ompany mee he requiremen e for h below an ob ain a li en e a an inve men ru managemen ompany an , imilarly, will permi an inve men ru managemen ompany o on u , in one en i y, bo h u h bu ine e , provi e ha u h ompany mee he requiremen e for h below an ob ain a li en e for i re ionary inve men managemen bu ine , wi h a view o improving a e o, an promo ing ompe i ion in, he inve men ru marke .

ii. The requiremen referre o in paragraph (7)a.i. above are he following:

A. a i re ionary inve men managemen ompany wi hing o ob ain a li en e a an inve men ru managemen ompany or an inve men ru managemen ompany wi hing o ob ain a li en e for he i re ionary inve men managemen bu ine mu :

1. have ha average a e un er managemen of no le han 300 billion yen over he mo re en hree-year perio ; in he a e of a foreign i re ionary inve men managemen ompany in Japan, u h average a e will be he average a e un er managemen by he paren ompany of u h ompany; an ,

2. have marke a po i ive urren balan e for he la e perio ; in he a e- ha a ompany ha marke a nega ive urren balan e, un er he pe ial ir ums an e , I i ill eligible if i marke a po i ive urren balan e uring any of he hree mo re en perio ;*

*In a i ion o he above requiremen , he li en ing ri eria for an inve men ru managemen ompany an ho e of a i re ionary inve men managemen bu ine al o apply re pe ively.

B. an inve men ru managemen ompany mu be in orpora e in Japan.

iii. In onne ion wi h paragraph (7)a.i. above, he Governmen of Japan will remove he urren minimum api al requiremen on an inve men ru managemen ompany (300 million yen) an repla e i wi h he requiremen ha an a equa e amoun of api al be prepare o main ain ne a e of no le han 50 million yen, whi h will al o apply o a i re ionary inve men managemen ompany whi h i o on u inve men ru managemen bu ine .

b. Re ailing Inve men Tru Pro u

i. The Governmen of Japan onfirms ha e uri ie ub i iarie of ommer ial bank are permi e o ell inve men ru pro u an ha inve men ru managemen ompanie are permi e o ell u h pro u ire ly; u h re ail hannel will be u ilize o he maximum ex en po ible in or er o expan bu ine oppor uni ie of inve men ru managemen ompanie .

ii. The Governmen of Japan al o onfirms ha inve men ru managemen ompanie may u e any me ia o a ver i e he performan e of inve men ru pro u , ex ep uni - ype po fun , un er he urren relevan rule.

. Enhan ing Di lo ure of Performan e Da a

i. The Governmen of Japan will enhan e i lo ure of inve men ru managemen performan e a a on a urren marke -value ba i an , o hi en , will a k he relevan elf-regula ory organiza ion o evelop an publi h on a mon hly ba i a performan e har on new o k inve men ru an o improve i performan e i lo ure y em on exi ing inve men ru , in or er ha inve or are be er informe of ea h fun ' O inve men performan e.

ii. The Go e of Japa will ask he ele a self- egula o y o ga iza io o es ablish a cha is h ough which basic pe fo me ce da a of i es us p oduc s a e p o ided o p i a e e i ies fo pe fo ma ce e alua io pu poses.

iii. The Go e me of Japa will equi e i es me us ma age me co mp a ies o e ha ce disclosu e of i es me us p oduc s by a mp lifyi g he co e s of p ospec uses a d egula epo s o e a a ual basis i o de ha i es o s a ma y ma ke i es me decisio s based o mo e de ailed i fo io o such ma e s as i es me policy, di ide d dis ibu io policy, isk p ofiles, fees a d asse alloca io .

d. ewly Pe mi ed I es me s

i. The Go e me of Japa will pe mi i es me us ma age me co mp a ies a o i es up o bu o i cludi g 50% of each fu d i i s u me s o he ha hose defi ed u de A icle 2 of he Secu i ies a d Excha ge Law (he "SEL") a d will pe mi such co mp a ies o i es i ye CDs, ye call mo ey a d secu i ized eal p ope y. The Go e me of Japa will fu da me ally de egula e he cu e es ic io s o he ypes of i s u me s ha fu ds will be allowed o i es i subjec o mi i mum p ude ial equi e me s i o de o e cou age i es me us ma age co mp a ies o de elop o igi al p oduc s a d i es me policies a d o me e di e sified i es o eeds by:

A. abolishi g he equi e me ha fu u es a d op io s adi g be used o ly fo hedgi g pu poses a d pe mi i g he use of such adi g fo ge e al fu d age me pu poses;

B. pe mi i g i e es me us ma age me co mp a ies o i es i fo eig a d do me s ic p i a ely placed bo ds;

C. expa diNg he pe mi ssible a ge of ma gi a sac io s i which s ock ma y be bo owed a d sold;

D. abolishi g he equi e me which li mi a s i es N me i fo eig secu i ies o hose secu i ies adi g i pa icula fo eig secu i ies ma ke s a d pe mi i g i es me s i secu i ies adi g i all ma ke s;

E. N pe mi i g i es me i o he i es me us p oduc s;

F. pe mi i g i es me i secu i ized p oduc s backed by eal p ope y; a d,

G. pe mi i g adi g i fo wa d i e es a e ag ee me s a d fo wa d excha ge ag ee me s.

ii. The Go e of Japa also co fi ms ha i es me us ma age me co mp a ies will be able o i es i a g ea e a ge of secu i ies as a esul of a y expa sio of i s u s o i es s dee d o be secu i ies u de A icle 2 of he SEL.

e. Sales of Fo eig I es me T us P oduc s

i. The Go e e me of Japa will pe mi , a a ma xi mum, fi e-six hs e of a fo eig cou e y fu d o be sold i Japa a d will publish a mi is e ial o ice i o de o e su e a spa e cy of he c i e ia o he sale of fo eig i es me us p oduc s i Japa .

(8) Measu es by he U i ed S a es

a. Access by Fo eig Fu d Ma age s

i. The Go e me of Japa ecog izes ha fo eig fu d ma age s ha e bee , a d will be able o o ga ize a d egis e U.S. fu ds u de he sa me equi e s as U.S. fu d ma age s.

ii. The Go e me of Japa ecog izes ha he s aff of he U.S. Secu i ies a d Excha ge Co mmi ssio (he "SEC") has al eady ake a u e of s eps o libe alize access o U.S. ma ke s by easi g es ic io s o fo eig ad ise s who ha e U.S. a d fo eig clie s. The s aff's ac io has e ha ced he abili y of ad ise s loca ed i Japa o se e bo h Japa ese a d U.S. clie e s.

iii. The Go e of he U i ed S a es has e cou aged he s aff of he SEC o explo e possible addi io al asu es, co sis e wi h i h es o p o ec io co ce s u de U.S. law, o add ess he es ic io s i osed o access by fo eig i es me us s, as well as issues aised by he Go e me of Japa ha co ce i es me N

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e p

advisers. e s a o e SEC is willing o consul wi e relevan adminis ra ive au ori ies o e Governmen o Japan, a eir reques , wi a view oward exploring and, w here appropria e, implemen ing adminis ra ive ac ion o address suc res ric ions and issues regarding access b oreign inves men rus s and advisers. In is con ex , e Governmen o e Uni ed S a es no es a Sec ion-7(d) o e Inves men Compan Ac provides au ori o address suc issues on a case-b -case basis wi respec o inves men rus s.

(9) Recogni ion o Measures Under aken

a. e Governmen o e Uni ed S a es recognizes a e Governmen o Japan as elimina ed e dis inc ion be ween "old" and "new" mone or Emplo ees' Pension Fund accoun s.

IV. SECURI IES

General Principles

a. e Governmen s recognize a open, compe i ive capi al marke s are essen ial o e e icien alloca ion o resources in an econom . o is end, e Governmen s are o e view a res ric ions on e abili o corpora ions o issue or sell securi ies in domes ic and oreign marke s and on e abili o inves ors o purc ase reel suc securi ies s ould be kep o e minimum necessar o address pruden ial concerns. e Governmen s also recognize a ransparenc regarding e process o clari ing w he er an ins rumen cons i u es, or ma cons i u e, a "securi " under eir respec ive securi ies laws is impor an o en ance e icienc in e issuance or sale o securi ies.

(2) Procedures or Clari ing and Expanding e De ini ion o a Securi and Approving Securi ies Companies' O t er Business

a. e Governmen o Japan:

i. con irms a an ins rumen will cons i u e a securi o e ex en a i sa is ies e de ini ion o a "securi " se or in Ar icle 2 o e SEL. An rig s o issue, dis ribu e, sell or purc ase or o erwise ransac in suc a securi will be subjec onl o regis ra ion or o er requiremen s se or in applicable laws and regula ions. An in eres ed person can make an inquir w hen e are no cer ain w he er an ins rumen cons i u es a "securi " under Ar icle 2 o e SEL, bu e are no required o do so;

ii. upon inquir , will s ud in a air and expedi ious manner w he er an ins rumen cons i u es a "securi " under Ar icle 2 o e SEL in lig o air s andards o inves men value and rans erabili and will respond promp l wi an appropria e explana ion o suc an inquir , in wri ing i reques ed, excep in cases o ex raordinar adminis ra ive inconvenience. In addi ion, e Governmen o Japan will make i s response available o e public, provided a publica ion o a response would no jeopardize con iden iali ;

iii. upon wri en reques , will s ud in a air and expedi ious manner w he er an ins rumen s ould be designa ed b Cabine Order as a "securi " under Ar icle 2 o e SEL in lig o air s andards o inves men value and rans erabili and in lig o e need o provide or inves or pro ec ion under e SEL (in par icular, where no o er law provides suc pro ec ion); will respond promp l wi an appropria e explana ion o suc a wri en reques , in wri ing i reques ed, excep in cases o ex raordinar adminis ra ive inconvenience; and will make i s response available o e public, provided a publica ion o a response would no jeopardize con iden iali ; and,

iv. con irms a securi ies companies wis ing o engage in businesses rela ed o inves men produc s no cons i u ing securi ies under Ar icle 2 o e SEL ma appl o engage in businesses under Ar icle 43 o e SEL, and a o all or par iall den ing suc an applica ion will cons i u e a "Disposi ion den ing e permission e c." under e APL and applican s will be en i led o e procedural pro ec ions ereunder.

(3) Accommoda ing Fu ure Innova ion

a. e Governmen o Japan in ends o: y

O r

i. fully utili t i ting mec ani ms availabl to it, including t int rpr tation of Articl , 2 of t SE , d ignation by Cabin t d r, or approval for ot r bu in , in ord r to r pond appropriat ly to d v lopment and innovation in curiti product and mark t ; and,

ii. continu to r vi w r l vant law s and r gulation , including t SEL, wit a vi w toward accommodating t d v lopment of n w curiti product and c ang in curiti mark t w hil n uring t mo t appropriat up rvi ion of uc mark t .

(4) E panding t Scop of S curiti Bu in Und r t SEL

a. A t-Back d S curiti

i. T Gov rnment of Japan will acc l rat t on-going r vi w among t r l vant mini tri of uc i u a an appropriat framework for inv tor prot ction and con i t ncy wit ot r r l vant law s and r gulation . in ord r to id ntify an appropriat l gal approac for t introduction in Japan of curiti back d by claims cov r d by t Law R garding R gulation of Bu in Conc rning Sp cifi d Claims; mak utmo t ffort to finali t r vi w by t nd of Marc 1995; and po itiv ly con id r t introduction of uc curiti aft r aving n ur d an appropriat olution to t abov i u .

b. D rivativ

i. T Gov rnment of Japan mp a i it policy priority to furt r pand tran action of c ang -trad d d rivativ ba d on quiti and will continu to r vi w wid -ranging i u r lating to ov r-t -count r d rivativ ba d on quiti , including pot ntial ri k a ociat d wit t o product , y t mic ff ct on t ca mark t po ibly ari ing from t o product and t r l vant l gal con traint wit du att ntion to r c nt and futur d v lopment and conc rn in ot r major financial mark t .

c. Confirmation of N w S Ocuriti Product

i. In t cont t of paragrap (3) of S ction IV, t Gov rnment of Japan int nd to n wly confirm and publicly tat t at t following curiti fall wit in t d finition of a " curity" und r Articl 2 of t SEL:

A. A t-Back d S curiti

1. Non-ag ncy pa -t roug curiti back d by financial in titution mortgag , i u d by for ign privat in titution ;

2. For ign pa -t roug curiti back d by ca loan mad by financial in titution , including, but not limit d to:

- ome quity loan

- automobil loan

- boat loan

B. t r S curiti

1. E c ang abl Bond ; O p

2. Strippabl Bond i u d off or ot r t an trippabl U.S. Tr a ury Bond ; and,

3. Dual Curr ncy Bond wit Curr ncy tion .

d. R confirmation of E i ting S curiti Product

i. T Gov rnment of Japan r confirms and publicly tat t at t following curiti fall wit in t d finition of a " curity" und r Articl 2. of t SEL:

A. A t-Back d S curiti O

1. Asset- e on s (p y-through se urities) issue by foreign institutions in line with the s heme nnoun e in the publi st tement by the Ministry of Fin n e on eptember 16, 1994;

2. Foreign p ss-through se urities b e by re it r lo ns whi h re sh lo ns ma e by fin n i l institutions (CARDs);

3. Coll ter lize , Mortg ge Oblig tions (CMOs);

4. trippe Mortg ge e e urities (Ios/pos);

5. GNMA p ss-through se urities;

6. FNMA p ss-through se urities;

7. FHLMC p ss-through se urities;

8. REIT (orpor te type);

. Other e urities

1. Foreign Close -En Fun s;

2. on s with Debt Warr nt;

3. tep-Up/Down on s; n ,

4. tripp ble U. . Tre sury on s.

ii. In ition, the Government of J p n onfirms th t there is no leg l or ministr tive regul tion impose on Note Issu n e F ilities or on Revolving Un erwriting F ilities.

(5) e urities Firms' Other usiness

. The Government of J p n onfirms th t se urities firms will be permitte , upon ppli tion, to eng ge in full r nge of yen interest r te sw aps, subje t to the relev nt riteri th t is onsistent with the IO CO ris man gement gui eline.

(6) Intro u tion of Curren y-Rel te Deriv tives

. The Government of J p n onfirms th t with respe t to urren y-rel te eriv tives not efine s se urities un er Arti le 2 of the EL, it will un ert e pro u t-by-pro u t stu ies n onsult tions with government offi es on erne s promptly s possible with reg r to su h eriv tives' onsisten y with omesti l ws, n th t, S b se on the results of these stu ies n onsult tions, ne ess ry me sures will be t en within the Foreign Ex h nge n Foreign Tr e Control L w to exp n the r nge of urren y-rel te eriv tive instruments.

b. In the manner set forth in p r gr ph (6) . bove, the Government of J p n will stu y the fe sibility of intro u ing urren y w arr nts fter i entifying the nee for those instruments in the omesti mar et.

. The Government of J p n is prep re to respon with n ppropri te expl n tion to n inquiry reg r ing the intro u tion of urren y-rel te eriv tives th t re not efine s se urities un er Arti le 2 of the EL s promptly s possible, n to reply to su h n inquiry in writing if requeste , ex ept in ses of extr or in ry ministr tive in onvenien e.

. The Intern tion l Fin n e ure u of the Ministry of Fin n e pl ns to f ilit te stu ies reg r ing the intro u tion of urren y-rel te eriv tives not efine s se urities un er Arti le 2 of the EL through ition l st ffing for this purpose.

(7) A ition l Liber liz tion Of Corpor te on Issues

. The Government of J p n lso inten s to t e the following me sures:

i. ssure th t no restri tion is impose on the maturity stru ture of orpor te bon s issue in J p n or offshore; S

ii. steadi mote dive sificati n in st uctu es, inc uding inte est ate st uctu es, f c ate b nds issued in Ja an b esidents n n- esidents; and,

iii. c nce ning the minimum ating equi ements and financia c ite ia n a d mestic issues b Ja anese esidents, fundamenta eview and, afte ub ic hea ing, ann unce a e axati n g am, b the end f Ma ch 1 5, inc uding ssib e e iminati n f the minimum ating equi ements in a eas nab e t ansiti na e i d, at a maximum within ne ea afte the ann uncement.

(8) Libe a izing the Dist ibuti n f Secu ities P ducts

a. N ting that the G ove nment f the United States has ex essed the view that instituti na invest s' abi it t u chase sha es f ima issues be ex anded, the G ove nment f Ja an c nfi ms that a designated instituti na invest is a wed t u chase, at maximum, 50 unit, 100 unit, and 150 unit sha es f a ima issue, es ective , acc ding t the size f the issue, c assified in the Ja an Secu ities Dea e s Ass ciati n 10 Units St ck Dist ibuti n Ru e. The G ove nment f Ja an ec gnizes that the u e wi be eviewed in acc dance with futu e c nditi ns in secu ities ma kets and secu ities t ansacti ns, as we as futu e movement f ub ic ini n n the matte . 9

b. The G ove nment f Ja an wi invite the e evant st ck exchanges n t t a the 5 Units St ck Dist ibuti n Ru e. t sha es t aded in the ve -the-c unte ma ket which a e t be new l isted n a st ck exchange.

c. The G ove nment f Ja an wi fundamenta de egu ate the cu ent investment guide ines a ied t investment t ust management c mpanies, as s ecified ab ve in Secti n III.

( ) Libe a izati n f C mme cia Pa e

a. In additi n t the issuance f en c mme cia a e b f eign secu ities fi ms unde the cu ent u e, the G ove nment f Ja an a s intends t a w b the end f Ma ch 1 5 such fi ms t issue en c mme cia a e with a a ent gua antee subject t the e evant c ite ia, in cases in which the a e n t ab e t issue en c mme cia a e b themse ves unde the cu ent u e.

(10) Ab iti n f Administ ative N tices n Offsh e Wa ants

a. The G ove nment f Ja an wi ab ish the administ ative n tices issued in 1 88 ega ding the issuance ffsh e f wa ants inked t Ja anese G ove nment B nds and Ja anese st ck indices, n ting that, ega d ess f the ab iti n f the n tices, A tic e 201 f the SEL emains a icab e t the sa e f ve -the-c unte wa ants t Ja anese esidents.

(11) Measu es b the United States

a. Abb eviated Exams

i. The G ove nment f the United States n tes that f eign, inc uding U.S. secu ities e esentatives wh meet the e evant equi ements n status and ex e ience e ating t engagement in secu ities business in thei h me c unt ies a e exempt f m taking the Ja anese qua ificati n examinati n t w o k in Ja an f thei secu ities c m anies.

ii. The G ove nment f the United-States ag ees t enc u age the e evant se f- egu at ganizati ns t imp ement abb eviated examinati ns designed t e iminate edundanc between the es ective U.S. and Ja anese examinati ns, which wi enab e Ja anese secu ities e esentatives t w o k f a b ke -dea e in the United States with ut taking the fu U.S. examinati n n ma equi ed.

b. State Leve Secu ities Regu ati n

i. The G ove nment f the United States su ts the g a f c dinati n f fede a and state secu ities egist ati n equi ements, c nsistent with the, g a s f invest tecti n. T this end, the administ ative auth it f the United States has faci itated the initiati n f discussi ns between the N th Ame ican Secu ities Administ at s Ass ciati n-and the Ja anese administ ative auth it in an eff t t identif a eas whe e the G ove nment f Ja an be ieves the e is an ve a between fede a egist ati n equi ements and state 9 registratio re ireme ts, a d which it believes create impedime ts to the offer i the U.S. of sec rities of Japa ese iss ers. The Gover me t of the U ited States, oti g that federal sec rities law does ot preempt state law related to sec rities offeri gs, will co sider the iss es raised by the Gover me t of Japa i this regard a d, as appropriate, will explore mea s of addressi g these iss es.

12) Recog itio of Meas res U dertake

a. The Gover me t of the U ited States recog izes that the Gover me t of Japa has de progress i liberalizi g the domestic sec rities market. For example, the Gover me t of Japa has:

i. steadily relaxed the mi i rati gs a d fi a cial re ireme ts for the iss a ce of bo ds i the domestic sec rities market;

ii. promoted f rther diversificatio of t rities a d i terest rate str ct res for domestic ye bo ds, s ch as floati g rate otes a d straight bo ds with pare t g ara tees;

iii. co fir d a broader ra ge of prod cts i.e., a certai class of asset-backed sec rities iss ed offshore a d the sale of forward ye -ye i terest rate agreeme ts);

iv. elimi ated ceili gs o bo d iss es; a d,

v. limited the role of co ssio ed ba ks to after iss a ce d ties o ly.

b. The Gover me ts co firmed i J e 1993 the importa ce of certai pri ciples i g idi g the for latio of reg latio s co cer i g e ity derivative markets i the U.S. a d Japa . The Gover me ts reco fir that the pri ciples o tli ed i J e 1993 are still operative.

V. CROSS-BORDER CAPITAL TRANSACTIONS

1) Ge eral Pri ciples

a. The Gover me ts co fir that ope , liberal markets a d the free a d orma l moveme t of capital are ecessary to the effective operatio of the i ter atio al mo etary syste a d to the efficie t allocatio of reso rces amo g a d withi co tries.

2) Liberalizatio of Sec rities Iss ed by No -Reside ts

a. The Gover me t of Japa i te ds to i trod ce by the e d of March 1995 a ew comprehe sive otificatio syste for sec rities iss ed i Japa , i cl di g private placeme ts, by o -reside t iss ers. U der this system, a iss er may iss e sec rities i o e or more tra sactio s over a period of o e year s bject o ly to ex post reporti g, provided that the iss er re ests a exemptio fro the sta dard otificatio re ireme t fro the Mi istry of Fi a ce at the o tset of the o e-year period.

b. I additio , the Gover me t of Japa i te ds to i trod ce by the e d of March 1995 a ew comprehe sive approval syste for sec rities iss ed i ye offshore, i cl di g private placeme ts, by o -reside t iss ers. U der this system, a iss er may iss e sec rities i o e or more tra sactio s over a period of o e year s bject o ly to ex post reporti g, provided that the iss er receives comprehe sive approval of the Mi istry of Fi a ce at the o tset of the o e-year period.

c. The comprehe sive otificatio /approval der these ew systems will be effective withi five b si ess days of the receipt by the Mi istry of Fi a ce of the re est/applicatio for approval, except i extraordi ary ad i istrative circ msta ces. S ch re est/applicatio for approval eed i cl de o ly the ame of the iss er address, type of i d stry, a d atio ality). If available, the followi g items may also be i cl ded, b t o ly for i formatio al p rposes:

- age t for iss er

- pla ed total amo t of iss es

- ki ds of pla ed sec rities iss es (

- rating

-   rai d nd

- parti c nc rn d (l ad manag r, i cal ag nt, tc.)

d. In additi n, and r lat d t th ab v , th G ov rnment   Japan int nd t tak th   ll wing mea r :

i. a   r that n r tricti n i imp   d n th mat rit   tr ct r   c rp rat b nd i   d b a n n-r id nt ith r in Japan r   h r ;

ii. imp   n r tricti n   n c riti   tr ct r , incl ding int r t rat   tr ct r ,   c rp rat b nd i   d   h r in   n b a n n-r id nt; and,

iii. t adil pr mot div r i icati n in tr ct r , incl ding int r t rat   tr ct r ,   c rp rat b nd i   d in Japan b a n n-r id nt.

(3) Lib ralizati n   S c riti I   d O f h r b R id nt

a. Th G ov rnment   Japan int nd t intr d c b th   nd   March 1995 a n w c mpr h n iv n ti icati n   t m r c riti i   d   h r b r id nt i   r . Und r thi   t m" an i   r ma i   c riti in n r m r tran acti n v r a p ri d   n   ar bj ct nl t   x p t r p rting, pr vid d that th i   r r q   t an x mpti n r m th tandard n ti icati n r q ir ment r m th Mini tr   Financ at th   t t th   n - ar p ri d.

b. Th c mpr h n iv n ti icati n nd r thi n w   t m will b   ctiv within iv b in   da   th r c ipt b th Mini tr   Financ   th r q   t, xc pt in xtra rdinar admini trativ circ mstanc . S ch a r q   t n d incl d   nl th name   th i   r (addr   , t p   ind tr , and nati nalit). I availabl , th   ll wing it m ma al   b incl d d, b t nl   r in rmati nal p rp   :

- ag nt   r i   r

- plann d t tal amo nt   i

- kind   plann d   c riti   i

- rating

-   rai d nd

- parti c nc rn d (l ad manag r, i cal ag nt, tc.)

c. In additi n, and r lat d t th ab v , th G ov rnment   Japan int nd t :

i. a   r that n r tricti n i imp   d n th mat rit   tr ct r   c rp rat b nd i   d   h r b r id nt ;

ii. imp   n r tricti n   n c riti   tr ct r , incl ding int r t rat   tr ct r ,   c rp rat b nd i   d   h r b r id nt ;

iii. liminat th minimum rating r q ir ment n all   h r b nd i   b r id nt in th ca   that d r g lati n n d me tic i   i p t int plac ; and,

iv. c n irm that n inancial crit ria will b imp   d n r id nt c mpani   i   ing b nd   h r .

(4) Lib ralizati n   S a ning R q ir ment

a. Th G ov rnment   Japan int nd t :

i. ann nc b th   nd   March 1995 a pr gram t ab li h th c rr nt 90-da   h r   a ning p ri d n n n- v r ign E r   n b nd i   b n nr id nt with th timing t c incid with th d r g lati n   th minimum rating r q ir ment   r d me tic b nd i   , in acc rdanc with th timetabl in paragraph (7)a.iii.   S cti n IV; and, y

ii. study t t ffs s as ning p i d n Eu y n b nd issu s by sid nts c uld b lax d c nsid ing suc fact s as t situati n f t d mestic ma k t.

(5) Acc ss by R sid nts t F ign Financial nst uments

a. Us f Ov s as D ep sit Acc unts

i. T G ov nment f Japan:

A. int nds t int duc as s n as p ssibl a n c mp nsiv app val syst m und ic an indust ial c p ati n satisfying c tain standa ds lating t t ad quacy f t f ame k f suc c p ati n's in- us l gal, isk manag ment, and financial manag ment syst ms, may mak v s as d p sits f an unlimit d amount f t pu p s f p tf li inv stment. C mp nsiv app val ll b f an ind finit p i d f time. Up n app val, suc c p ati ns ll b p mitt d t mak v s as d p sits, in xc ss f 100 milli n y n quival nt, f p tf li pu p s s, subj ct nly t x p st p ting n a p i i dic basis; and,

B. c nfi ms t at t p tf li inv stments f d t ab v may includ any financial inst ument, including t s n t d fin d as s cu iti s und A ticl 2 f t SEL, t t an inv stments t at a p ibit d und Japan s la s lating t c iminal activiti s, suc as A ticl .201 f t SEL.

ii. n additi n, t G ov nment f Japan int nds t all t n additi nal app val, v s as d p sits f t pu p s f p tf li inv stment t at sult f m c diting divid nds and s ttl ments lat d t d mpti ns and sal s f f ign s cu iti s d fin d und A ticl 6 f t ' F i ign Exc ang and F ign T ad C nt l La t t mp a ily xc d 100 milli n y n quival nt f sid nts n t c v d und t n c mp nsiv app val syst m d sc ib d ab v .

(6) Acc ss by N n-DF s t F ign List d Opti ns and Futu s

a. T G ov nment f Japan int nds t :

i. p mit n n-DF s, b t n nfinancial c p at and individual Japan s inv st s, t di ctly inv st, t ut s licitati n, in all s cu iti s d ivativ s p ducts list d n v s as xc ang s, including all typ s f cas pti ns i n s cu iti s;

ii. p mit a c p at inv st t inv st in f ign s cu iti s d ivativ s p ducts list d n v s as xc ang s f its acc unt subj ct nly t x p st p ting und t F ign Exc ang and F ign T ad C nt l La C p at inv st s ll als b x mpt f m s pa at app val qui ments ll b g ant d c mp nsiv app n vals und t F ign Exc ang and F ign T ad C nt l La ga ding ass ciat d v s as ma gin d p sits and t n tting f s ttl ments in c nn cti n t t s t ansacti ns; and,

iii. x mpt f m s pa at app val and p i n tic qui ments g ant c mp nsiv app vals p mitting a c p at inv st satisfying c tain standa ds lating t t ad quacy f t f ame k f suc c p ati n's in- us l gal, isk manag ment, and financial manag ment syst ms, t inv st in financial futu s and pti ns list d n v s as xc ang s f its acc unt. T s c p at inv st s ll als b x mpt f m s pa at app val and p i n tic qui ments ll b g ant d c mp nsiv app vals und t F ign Exc ang and F ign T ad C nt l La ga ding ass ciat d v s as ma gin d p sits and t n tting f s ttl ments in c nn cti n t t s t ansacti ns as ll as sal s pu c as s f f ign means f payment and t p ati ns f t s t ansacti ns.

(7) DF Acc ss t D e ivativ -R lat d nst uments and t P tf li nv stments

a. Cu ncy Sp t Opti ns

i. T G ov nment f Japan int nds t x mpt s cu iti s c mpani s, insu anc c mpani s, and inv stment t ust c mpani s f m any qui ment t btain p i app val und t F ign Exc ang and F ign T ad C nt l La t t ad in cu ncy sp t pti ns list d n v s as xc ang s f t i acc unt.

b. Ex P st R p ting I

n

i. The Go e me of Japa co fi ms ha all DFIs a e exemp f om he p io o ice equi eme o hei c oss-bo de po folio i es me s u de he Fo eig Excha ge a d Fo eig T ade o ol Law if such i s i u io s so eques .

(8) O the oss-Bo de Busi ess

a. Fo eig Excha ge T a sac io s o duc ed by Secu i ies o mp a ies

i. The Go e me of Japa will co i ue o ake ecessa y me asu es u de he Fo eig Excha ge a d Fo eig T ade o ol Law o fo eig excha ge a sac io s by secu i ies co a ies i co side a io of he ecessi y of such a sac io s o he ope a io of hei u de lyi g busi esses.

ii. I addi io , he Go e me of Japa will facili a e fo eig excha ge a sac io s co duc ed by secu i ies co pa ies i dia ely h ough he followi g specific me asu es:

A. co fi mi g ha cu e ly eligible cu e cy swaps ela ed o a u p de w ri i g ca ei he fully o pa ially co e he o al a mo u of bo ds issued i such u de w ri i g;

B. cha gi g me he p io o ice equi eme i o a ex pos epo i g equi eme o cu e cy swaps ela ed o a u de w ri i g;

. pe mi i g secu i ies co mp a ies o e gage i cu e cy swaps wi h Japa ese i es o s ha a e si l a eously co duc ed wi h he i es o s pu chase of fo eig secu i ies i o de o fix ye a mo u s ecei able i co ec io wi h i e es o , a d ede mp io s of, such secu i ies; a d,

D. pe mi i g secu i ies co mp a ies o co duc a sac io s of cu e cy spo op io s lis ed o o e seas excha ges fo hei ow n accou s. u

iii. I addi io , he Go e me of Japa will explo e app op ia e ways fo secu i ies co a ies o e gage i fo eig excha ge a sac io s ela ed o hei u de lyi g busi esses i ligh of he p og ess ma de i he efo of he Japa ese fi a cial sys e m.

b. Abili y o E gage i Ne i g

i. The Go e me of Japa will posi i ely s udy he possibili y of g a i g co mp ehe si p e app o als o Japa ese i es o s who a e o solici ed by fo eig secu i ies co a ies fo he e i g of se le me s of epu chase a sac io s i o e seas bo d ma ke s, af e ha i g ake i o accou he legal aspec s i ol ed i such a sac io s i he cou ies co ce ed.

ii. The Go e me of Japa co fi ha he e i g of se le me s i co ec io wi h secu i ies a sac io s si ila o he abo e which a e f eque ly epea ed a p d fo which i is excessi ely i co e ie o ob ai i di idual app o als will be allowed u de he co mp ehe si e app o al sys e m, excep fo e i gs which ci cu e he Fo eig Excha ge a d Fo eig T ade o ol Law o ela e o illegal a sac io s u de Japa ese laws, such as hose a sac io s co ce ed wi h c s i me s.

iii. The Go e me of Japa co fi ha he e i g of se le s i co ec io wi h o he a sac io s will be app o ed, excep fo e i gs which ci cu e he Fo eig Excha ge a d Fo eig T ade o ol Law o ela e o illegal a sac io s u de Japa ese laws, such as hose a sac io s co ce ed wi h c i me s.

. Sales of Fi a cial lai ms

i. The Go e me of Japa co fi s ms ha sales of fi a cial clai e ms will be app o ed, excep fo such sales which ci cu e he Fo eig Excha ge a d Fo eig T ade o ol Law o ela e o illegal a sac io s u de Japa ese laws, such as hose a sac io s co ce ed wi h c i me s.

ii. The Go e me of Japa also co fi ha a sales co ac of do me s ic asse s fo he pu pose of secu i iza io o e seas will be app o ed p o mp ly.

(9) Fu u e S eps C

s

a. In lig ng ing eregula i n e mes ic inancial marke s an u ure ev lu i n inancial pr uc s an services, e G overnmen Japan will c n inue c nsi er ur er liberaliza i n cr ss-b r er capi al ransac i ns as appr pria e.

(1) Rec gni i n Measures Un er aken

a.0T e G overnmen e Uni e S a es rec gnizes e recen pr gress ma e by e G overnmen Japan in relaxing res ric i ns n cr ss-b r er capi al ransac i ns.

b. T e G overnmen Japan as:

i. Seas ning Rule:

A. elimina e e 9 - ay s re-seas ning rule r Eur yen b n s place by n n-resi en s vereign issuers;

ii. Transac i ns by Financial Ins i u i ns:

A. in r uce rwar ra e agreemen s an rwar exc ange agreemen s (Oc ber 1994); an ,

B. all we inancial ins i u i ns ra e in cas s ck p i ns an s ck in ex p i ns lis e n verseas exc anges r eir wn acc un s (by e en iscal year 1994);

iii. Transac i ns by O t ers:

A. raise e exemp i n ceiling bey n w hic appr val is require un er e Minis erial Or inance regar ing verseas ep si s r m Y3 milli n equivalen Y 1 milli n equivalen (Marc 1994);

B. expan e e range currency swaps able be use by securi ies irms in e c n uc eir verseas subsi iaries' un erwri ing business by e en iscal year 1994;

C. liberalize ep si an se ing ransac i ns require n n-resi en s in bi ing r s ares ini ial public erings in Japan (January 1994); an ,

D. raise e exemp i n ceiling bey n w hic appr val is require - r cer ain c rp ra i ns, inclu ing ra ing irms, engage in ne ing be ween paren an subsi iary, as well as ea ice an branc , r m Y1 milli n equivalen Y1 milli n equivalen (April 1994).

iv. Resi en F reign B n s:

A. relaxe e minimum ra ings "BBB r be er" (January 1994);

B. ab lis e e inancial cri eria n ne asse s r BBB issuers (July 1994);

C. c mmi e review ra ing requiremen s/ inancial cri eria by e en iscal year 1994;

D. ab lis e e "T ree Bureaus Gui ance" w hic res ric e public s re b n s lea -manage by subsi iaries Japanese banks (April 1993);

E. expe i e subs an ially e n i ica i n pr ce ure un er e "B n Issuance Pr gram" (July 1993);

F. c n irme a a reign-a ilia e c mpany in Japan can issue reign b n s wi a paren c mpany guaran ee (June 1994); an

G. all we resi en s issue Eur yen b n s wi a paren c mpany guaran ee (July 1994).

v. N n-resi en D omes ic B n s:

A. relaxe e minimum ra ings "BBB r be er" (January 1994);

B. ab lis e e inancial cri eria n ne asse s r BBB issuers (July 1994);

C. c mmi e review ra ing requiremen s/ inancial cri eria by e en iscal year 1994;

D.-confi ha subsi ia i s of Japan s fi ms loca ov s as can issu o s ic bon s in Japan (Jun 1994); an

E. confi ha p iva fo ign compani s can issu p iva plac n s in Japan (Jun 1994).

vi. Non si n s Eu oy n Bon s:

A. abolish mi ni mum a ings (July 1993);

B. allow e h majo i y of Eu oy n bon s issu by non si n s o b subj c o x pos po ing (Jun 1989); an

C. limi na h 90 ay s asoning ul fo Eu oy n bon s by non si n sov ign issu s (Janua y 1994).

vii. ais h x mp ion c iling b yon which p io no ifica ion is qui on po folio inv s n s f om Y30 millions o Yl00 million (Ma ch 1994).

viii. ais h x mp ion c iling b yon which p io no ifica ion wi h xami na ion is qui fo fo ign i c inv s n f om Y30 million o Y100 million (Ma ch 1994).

VI. BANKING

(1) In s a Banking

a. Th Gov n n of Japan w elco s h p og ss ha h Gov n n of h Uni S a s has ma h ough h imp l n a ion of h Ri gl N al In s a Banking an B anching Effici ncy Ac of 1994 ("Ri gl N al"), which nsu s fo ign banks na ional a n in in s a banking an b anching ac ivi i s. Th Gov n n of h Uni S a s ag s ha fo ign an o s ic banks shoul b p mi o ngag in na ionwi banking ac ivi y fo fo ign an o s ic banks o h full x n possibl un Ri gl N al, consis n wi h h p incipl of na ional a n mb o i in ha l gisla ion.

b. Th Gov n n of h Uni S a s no s ha , v n b fo h a op ion of h Ri gl N al banking l gisla ion, many s a s ha ak n ac ion o lib aliz in s a acquisi ions of banks on a basis ha p ovi na ional a n o fo ign banks. Th Gov n n of h Uni S a s w elco s fu h ini ia iv s by s a s o p ovi a i ional acc ss on a non isc imi na o y basis.

(2) Ha niza ion of R gula ion

a. Th Gov n - n of h Uni S a s no s h conc n xp ss by h Gov n n of Japan ga ing h po n ial imp ac on fo ign banks in h Uni S a s of ov lapping an iff ing s a an f al gula ions ha may xis in a numb o of a as. Th Gov n n of Japan cogniz s ha banking has long b n subj c o gula ion a bo h h f al an s a l v l wi hin h Uni S a s, an ha h s uc u of h ual banking - sys m aff c s o s ic as w ell as fo ign ins i u ions.

b. Th Gov n n of h Uni S a s no s ha h F al R s v wo king in coop a ion wi h o h sup viso y au ho i i s, is s ablishing an nhanc f a wo k fo h sup vision of h U.S. op a ions of fo ign banking o ganiza ions ("FBO P og am "), which s ks o n h sup viso y p oc ss mo ffici n by, among o h hings, s ssing coo ina ion of annual xams of h U.S. op a ions of fo ign banks an p ovi ing unifo m gui anc ga ing xami na ion polici s wi h sp c o classifica ion of loans an ci cu ms anc s in which, fo p u n ial asons, sup viso y qui n s such as ass ma in nanc shoul b consi .

c. As vi nc by h p ovisions of h FBO P og am, nhancing h ffici ncy of h sup viso y p oc ss as i appli s o s a lic ns b anch s an ag nci s of fo ign banks is an imp o an obj c iv of h F al R s v .

(3) Ci iz nship R qui n s fo Boa M e s of U.S. Financial Ins i u ions

a. Th Gov n n of h Uni S a s no s h conc n xp ss by h Gov n n of Japan ga ing - ci iz nship qui n s ha may b imp os fo mb s of h boa s of i c o s of U.S. financial ins i u ions. Th Gov n n of h Uni S a s also no s ha h Na ional Bank Ac qui n ha v y mb of h boa of i c o s of a na ional bank b a ci iz n of h Uni S a s may b mi iga in h -

case of a su s a o aff l ate of a fo e gn ank. In the case of a nat onal ank o aff l ate of a fo e gn ank, the Compt olle of the Cu enc ma at h s sc et on wa ve the c t zensh p equ ement n the case of not mo e than a mino t of the total numbe of ecto s.

(4 Mutual Ent Between Banks an Secu t es F ms

a. The Un te States notes the Gove nment of Japan's nte est n o ta n ng mutual ent of comme c al an nvestment ank ng us ness th ough su s a es o aff l ates.

. The A min st at on s ev ew ng the Glass-Steagall Act of 1933. At th s po nt, the A min st at on el eves that efo m of Glass-Steagall shoul : ma nta n the safet an soun ness of fe e all - nsu e epos to nst tut ons; min mize sk to the f nanc al s stem, the epos t nsu ance fun s, an the taxpa e s; avo exten ng the fe e al safet net; p ov e app op ate supe v s on of the act v t es n quest on; an nclu e a equate safegua s aga nst a use. The A min st at on s w ll ng to wo k w th the Cong ess towa ach ev ng Glass-Steagall efo m leg slat on that woul e cons stent w th these o ject ves an woul assu e the nte nat onal compet t veness of U.S. f nanc al se v ces p ov e s.

(5 Recogn t on of Measu es Un e taken

a. The Gove nment of the Un te States h ghl app ec ates that Japan has conclu e ts epos t nte est ate e egulat on p og am an ecogn zes that all ank epos ts except cu ent epos ts n Japan now ca l e al ze ates of nte est.

VII. COMPETITION POLICY

(1 The Gove nment of- Japan conf ms ts commitment to st ctl enfo ce the Ant -Monopol Act ("AMA" n all n ust es, nclu ng the f nanc al se v ces secto , aga nst p act ces that, n l ght of ma ket st uctu e an othe facto s as app op ate, const tute v olat ons of the AMA, such as p vate monopol zat on, un easona le est a nts of t a e, o unfa t a e p act ces.

(2)The Gove nment of Japan conf ms that the e a e no exempt ons o egulato eg mes that sh el f nanc al se v ces suppl e s f om full appl cat on of the AMA, except fo those note n Appen x 3.

(3 The Gove nment of Japan ecogn zes that the Japan Fa T a e Commiss on ("JFTC" ssue the Ant monopol Act Gu el nes Conce n ng D st ut on S stems an Bus ness P act ces on Jul 11, 1991, wh ch s appl ca le to all n ust es nclu ng the f nanc al se v ces secto , wh ch esc e spec f call , w th espect to the Japanese st ut on s stems an us ness p act ces, the t pes of con uct, nclu ng those n cate n Appen x 4, wh ch ma mpe e f ee an fa compet t on an v olate the AMA.

(4 . An pe son, nclu ng fo e gn f nanc al se v ce suppl e s, ma epo t to the JFTC suspecte v olat ons-of the AMA. The JFTC w ll ev ew such epo ts p omptl an w ll take app op ate steps to a ess such suspecte v olat ons epen ng on the content an el a l t of the nfo mat on.

(5 Both Gove nments un e stan (o ecogn ze that un e A t cle 28 of the AMA, the JFTC s to pe fo m ts ut es n epen entl .

(6 The Gove nment of Japan conf ms that an Emplo ee Pens on Fun ("EPF" s a legal ent t n epen ent of ts sponso ng compan , esta l she fo the pu pose of ensu ng stea pens on enef ts an mp ov ng the welfa e of ts membe s. As such, an EPF shoul not e manage e the fo the enef t of a sponso ng compan o of a compan w th whom such sponso ng compan has an equ t aff l at on.

(7 The Gove nment of Japan conf ms that t w ll ensu e, th ough appl cat on of the Emplo ees' Pens on Insu ance Law, that pens on fun ecto s' f uc a espons l t s p ope l pe fo me .

VIII. CONSULTATIONS

(1 The Gove nment of Japan an the Gove nment of the Un te States w ll meet annuall , o at an t me upon) equest of e the Gove nment, to ev ew mplementat on of the Measu es an to scuss as necessa othe ssues ega ng the ma ket fo f nanc al se v ces.

IX. ASSESSIN I E N A ION OF HE ASURES

(1) Assessment of the imp ementation of the asures, as we as the eva uation of progress achieved, wi be based on an overa consideration of the fo owing objective criteria using data provided by the vernments. hese criteria wi be considered as a set, and no one criterion wi be determinative of the assessment of the asures, or the eva uation of progress achieved. hese criteria do not constitute numerica targets, but rather are to be used for the purpose of eva uating progress achieved toward the goa s of the United States-Japan Framework for a New Economic artnership and, the goa s of this sector, as set forth in Section I.

(2) nera

a. transparency and avai abi ity of standards and measures in Japan, and meaningfu and fair opportunities for foreign financia services supp iers in Japan to be informed of, comment on, and exchange views with officia s regarding matters re ated to the provision of financia services and to attend meetings and submit statements to advisory groups;

b. prompt and fair review of app ications and notifications in Japan;

c. changes that address impediments to market access in Japan, if any, arising from certain aspects of market conditions and business practices;

d. efforts by foreign financia services supp iers and intermediaries to uti ize new opportunities created by the asures; and,

e. imp ementation of the measures in the asures by both vernments.

(3) Securities Activities

a. change and rate of change, from one reporting period to the next, in the percentage, by va ue, of new corporate issues in Japan and in the U.S. underwritten by foreign firms and underwritten by foreign firms as ead or co- ead managers;

b. diversification of securities products and product types issued and so d in Japan;

c. the variety of maturity and interest rate structures in use in the Japanese corporate bond market; and,

d. imp ementation of the procedura measures re ating to the c arification and expansion of the definition of a security.

(4) Cross-Border Capita ransactions

a. change and rate of change, from one reporting period to the next, in:

i. the number of resident and non-resident Euroyen market issues;

ii. the number of non-resident securities issues in the Japanese market;

iii. the number of comprehensive approva s granted to estab ish overseas deposit accounts in excess of the 100 mi ion yen cei ing; and,

iv. the percentage, by va ue, of Euroyen issues underwritten by foreign firms and underwritten by foreign firms as ead or co- ead managers.

b. the variety of maturity, interest rate, and other structures in the Euroyen market; and,

c. the extent to which prior approva /notification requirements are effective y changed.

(5) Fund nagement Activities

a. change and rate of change, from one reporting period to the next, in:

i. the percentage of the non-pub ic pension funds market in Japan open to participation by IACs;

ii. the sha e a a ue of tota pe sio fu ma ageme t ma ates awa e to fo eig a Japa ese t ust ba ks, ife i su a ce compa ies a IACs i Japa ;

iii. the umbe of fo eig a Japa ese IACs ewly ice se to e gage i i estme t t ust ma ageme t busi ess i Japa ; a ,

i . the a ue of iS estme t t usts i Japa ma age by fo eig i estme t t ust ma ageme t compa ies a the a ue of fo eig i estme t t usts so i Japa a the a ue of i estme t compa y assets i the U. . ma age by fo eig i estme t a ise s.

Appe ix 1

Dispositio s to App icatio s

(A tic e) (Dispositio s [p o isio a y t a s ate])

1 . Laws

Ba ki g Law

4 i ice se fo ba ki g busi ess

5 Si app o a fo e uctio of a amou t of capita

6 iii app o a fo cha ge of t a e ame

7 app o a fo co cu e t occupatio of a othe post by a i ecto

8 app o a fo estab ishme t of a busi ess office, etc.

13i autho izatio fo exceptio to the cei i g of c e it faci ities to o e pe so

13 ii autho izatio fo exceptio to the cei i g of c e it faci ities to o e pe so o a co so i ate basis

16-2 i app o a fo acquisitio , etc. of stock sha es of secu ity fi ms, etc.

16-3 autho izatio fo exemptio f om egu atio s o t a sactio s, etc. with subsi ia ies

16-4 i app o a fo acquisitio a possessio of stock sha es, etc. of a compa y estab ishe ab oa

20 autho izatio fo p o o gatio of pub ic otice of a ba a ce. sheet a a p ofit a oss stateme t

30 i app o a -fo me ge

30 ii app o a fo t a sfe o acquisitio of busi ess

30 iii app o a fo acquisitio of busi ess f om hi ki Ba ks, etc. S

37 i app o a fo te mi atio of busi ess, etc.

41(4) autho izatio fo exte sio of a i ity of ice se

47 i ice se fo ba ki g busi ess fo a fo eig ba k's b a ch

47 ii app o a fo co cu e t occupatio of a othe post by a ep ese tati e of a fo eig ba k's b a ch app o a fo estab ishme t of a busi ess office, etc. of a fo eig ba k's b a ch autho izatio fo exceptio to the cei i g of c e it faci ities to o e pe so of a fo eig Sba k's b a chapp o a fo t a sfe o acquisitio of busi ess of a fo eig ba k's b a chapp o a fo te mi atio of ba ki g busi ess of a fo eig ba k's b a ch 55 autho izatio fo exte sio of a i ity of app o a

a ex5i app o a fo busi ess co ce i g, go e me t bo , etc.

Law Co ce i g Co cu e t Ope atio of T ust Busi ess, etc. by Fi a cia I stitutio s S

1 i approva or o   rre t operatio

5 approva or ha ge o sorts o b si ess, et .

approva or estab ishme t or abo ishme t o a age y o er i g tr st b si ess

5-3 i approva or ha ge o typi a tr st o tra ts

Lo g-term Credit Ba k La

4 i i e se or b si ess

13-2 approva or a q isitio , et . o sto k shares o se rity irms, et .

17 approva or red tio o a amo t o apita approva or ha ge o trade ame approva or o   rre t o   patio o a other post by a dire tor approva or estab ishme t o a b si ess o i e, et . a thorizatio or ex eptio to the ei i g o redit a i ities to o e perso a thorizatio or ex eptio to the ei i g o redit a i ities to o e perso o a o so idated basis a thorizatio or exemptio rom reg atio s o tra sa tio s, et . th s bsidiaries approva or a q isitio a d possessio o sto k shares, et . o a. ompa y estab ished abroad a thorizatio or pro o gatio o p b i oti e o a ba a e sheet a d a pro it a d oss stateme t approva or merger approva or tra s er or a q isitio o b si ess approva or a q isitio o b si ess rom Shi ki Ba ks, et . approva or termi atio o b si ess, et . a thorizatio or exte sio o va idity o i e se 20 a thorizatio or exte sio o va idity o approva

Tr st B si ess La

1 i i e se or b si ess

11 ii approva or mo ey ma ageme t o er i g movab e property

14 approva or merger

15 approva or ha ge o the arti es o orporatio , et .

Loa Tr st La

4 i a thorizatio or tr st terms

6 iii a thorizatio or ha ge o tr st terms

Se red Bo ds Tr st La

4 ii approva or se o sto ks as a o atera o bo ds

5 i e se or b si ess

17 vi permissio or tr st o tra ts th oreig irms

97 ii permissio or s essio o tr st b si ess o oreig irms

98 permissio or resig atio o tr stee

Foreig Ex ha ge Ba k La

4 i i e se or b si ess

6 iii approva or oa s, et . i h are ot e essary or overseas tra sa tio s, et .

9-8 approva or a q isitio , et . o sto k shares o se rities irms, et .

10 approva or s essio o b si ess o a q isitio o b si ess

11 approva or red tio o a amo t o apita approva or ha ge o trade ame w

approval for o rr o pa io of a o h r pos by a dir or approval for s ablishme of a b si ss offi ,
. a horiza io for x p io o h ili g of r di fa ili i s o o p rso

a horiza io for x p io o h ili g of r di fa ili i s o o p rso o a o solida d basis

a horiza io for x mp io from r g la io s o ra sa io s, . wi h s bsidiari s

approval for a q isi io a d poss ssio of s o k shar s, . of a ompa y s ablish d abroad

a horiza io for prolo ga io of p bli o i of a bala sh a d a profi a d loss s a me approval for merg r E

approval for ra sf r or a q isi io of b si ss

approval for a q isi io of b si ss from a shi ki ba k, .

approval for rmi a io of b si ss, . a horiza io for x sio of validi y of li s

14 a horiza io for x sio of validi y of approval

a x ii approval for mai a of b si ss offi s a h ime of li si g as for ig x ha g ba k

a x iv approval for b si ss o r i g gov r me , bo d, .

approval for ha g of b si ss o r i g gov r me bo d, .

For ig x ha g a d For ig Trad Co rol Law

10 a horiza io a d li s for d ali g i for ig x ha g b si ss

11 approval for orr spo d arra g me s

14 a horiza io a d li s for d ali g i mo y x ha g b si ss

16 i li s for maki g a payme , .

17 li s for maki g a payme , . hro gh a sp ial way E

18 li s for xpor a d impor of mea s of payme , .

21 i(l)(2) li s for maki g api al ra sa io s

22 i d sig a io for d sig a d s ri i s ompa i s

22 ii approval for layi g dow n a Sp ial I r a io al Fi a Tra sa io A o

Shi ki Ba k Law

4 li s for b si ss of shi ki ba k a d f d ra io

30 (1) a horiza io for x sio of validi y of li s of shi ki ba k a d f d ra io

31 approval for ha g of h ar i l s of orpora io , . of shi ki ba k a d f d ra io

33 i approval for o rr o pa io of a o h r pos , . by a dir or, . of shi ki ba k a d f d ra io

44 approval for s mmo s of a x raordi ary g ral me i g by memb rs of shi ki ba k a d f d ra io

53 ix E approval for d rwri i g of gov r me bo d, . a d for ha g h r of by shi ki ba k

53 x approval for gov r me bo d radi g, . by shi ki ba k

53 xi approval for r s b si ss a d for ha g h r of by shi ki ba k

53 xii approval for ommissio b si ss of orpora d b r s, . by shi ki ba k E

54 iii appro a or a ing deposi s rom non-members, e c. by shin in ban edera ion

54 iii appro a or underwri ing o go ernmen bond, e c. by shin in ban edera ion

54 ix Fappro a or go ernmen bond rading, e c. by shin in ban edera ion and or change hereo

54 x appro a or rus business by shin in ban edera ion and or change hereo

54 xi. appro a or commission business o corpora e deben ures, e c. by

Shin in ban edera ion

54-2 iiiFappro a or bond issuance business by na iona edera ion o shin in ban

54-15 Fappro a or acquFsi ion o s oc shares o securi y irms, e c. by shin in ban edera ion

54-16 i appro a or acquisi ion o s oc shares, e c. o a company es ab ished abroad by shin in ban edera ion

54-16 ii appro a or possession o s oc shares, e c. o a company es ab ished abroad by shin in ban edera ion

58 iii appro a or merger, e c.

87-3 au horiza ion or ex ension o a idi y o appro a

89 i appro a or ermina ion o business, e c. o shin in ban and edera ion

au horiza ion or excep ion o he cei ing o credi aci i ies o one person by shin in ban

au horiza ion or excep ion o he cei ing o credi aci i ies o one person on a conso ida ed basis by shin in ban

au horiza ion or exemp ion rom regu a ions on ransac ions, e c. wi h subsidiaries by shin in ban edera ion

Labor Credi Associa ion Law

6 icense or business o abor credi associa ion and edera ion

30 (1) au horiza ion or ex ension o a idi y o icense o abor credi associa ion and edera ion

33 appro a or change o he ar ic es o corpora ion, e c. o abor credi associa ion and edera ion

36 i appro a or concurren occupa ion o ano her pos by a direc or, e c. o abor credi associa ion and edera ion

48 appro a or summons o an ex raordinary genera mee ing by members o abor credi associa ion and edera ion

58 ix Fappro a or underwri ing o go ernmen bond,. e c. by abor credi associa ion

58 x appro a or go ernmen bond rading, e c. by abor credi associa ion and or change hereo

58 xi appro a or rus business by abor credi associa ion and or change hereo

58-2 ii appro a or a ing deposi s rom non-members and eading oans o non-members by edera ion

58-2 i appro a or underwri ing o go ernmen bond, e c. by edera ion

58-2 ii appro a or go ernmen bond rading, e c. by edera ion and or change hereo

58-2 iii appro a or rus business by edera ion and or change hereo

58-2 ix appro a or commission business o bonds, e c. by edera ion

58-3 i appro a or acquisi ion o s oc shares o securi y irms, e c. by edera ion

62 iii appro a or merger, e c. o abor credi associa ion and edera ion F

91-3 aut at n f extens n f val d ty f app val

94 app val f te minat n and d ss lut n f bus ness f lab c ed t ass c at n and fede at n

aut at n f except n t t e ce l ng f c ed t fac l t es t ne pe s n by lab c ed t ass c at n and fede at n

aut at n f except n t t e ce l ng f c ed t fac l t es t ne pe s n n a c ns l dated bas s by lab c ed t ass c at n and fede at n

aut at n f exempt n f m egulat ns n t ansact ns, etc. w t subs d a es by fede at n

aw f Small Bus ness C pe at ves, etc.

27-2 app val f establ s ment f bus ness c pe at ves, etc.

48 aut at n f summons f an ext a d na y gene al meet ng by membe s

51 app val f c ange f t e a t cles f c p at n

57-2 app val f c ange f statement f bus ness met ds, etc. f f e mutual nsu ance c pe at ves, etc.

57-5 app val f elaxat n f l mitat n n su plus funds management f f e mutual nsu ance c pe at ves, etc.

62 v app val f d ss lut n f f e mutual nsu ance c pe at ves, etc.

63 app val f me ge

aw C nce n ng F nanc al Bus ness C nducted by C ed t C pe at ves

3 (1) app val f d mest c exc ange bus ness

3 (2) app val f unde w rt ng f g ve nment b nd, etc.

3 (3) app val f secu ty act v t es

3 (4) app val f c ncu ent pe at n f t ust bus ness

3 (5) app val f c mmiss n bus ness f b nds, etc.

3 (6) app val f tak ng dep s ts f m n n-membe s and lend ng l ans t n n-membe s

3 (7) app val f c ange f s ts and met ds f bus ness

3 (8) app val f t ansfe f an ff ce

3 (9) app val f establ s ment ab l s ment f an agency

3 app val f c ange f bus ness met ds, etc. c nce n ng secu ty act v t es and f c ange t e e f

3 app val f c ange f s ts and met ds f t ust bus ness

6 aut at n f except n t t e ce l ng f c ed t fac l t es t ne pe s n

aut at n f except n t t e ce l ng f c ed t fac l t es t ne pe s n n a c ns l dated bas s

aut at n f exempt n f m egulat ns n t ansact ns, etc. w t subs d a es

app val f te minat n and d ss lut n f bus ness

7-4 aut at n f extens n f val d ty f app val

Mutual an Bus ness aw

3 l cense f mutual l an bus ness L

8 approval or a e o basi busi ess o ditio s

19 approval or o urre t o upatio o a ot er post by a dire tor

2 1 approval or mer er, tra s er a d a quisitio o busi ess

21-7 approval or ma a eme t o tra t

21-11 iii approval or a ellatio o ma a eme t o tra t

27 approval or abolis me t o busi ess, et .

Credit u ara tee Corporatio Law

6 i approval or establis me t

23 G approval or de isio o dissolutio by dire tors

24 iii approval or de isio o mer er by dire tors approval or a e o t e arti les o orporatio or stateme t o busi ess met ods

Law Co er i Mer er a d Co versio o Fi a ial I stitutio s. G

6 i approval or mer er a d o versio o i a ial i stitutio s

6viii approval or mer er a d o versio o i a ial i stitutio s (i ase o labor redit asso iatio) G

17 iii aut orizatio or ex eptio to su essio o busi ess

17-2 i aut orizatio or ex eptio to bo d issua e (i ase o ordi ary ba ks)

17-2 iii aut orizatio or ex eptio to bo d issua e (i ase o orei ex a e ba ks)

17-3 i aut orizatio or ex eptio to establis me t o a busi ess o i e, et . G

29 iii aut orizatio or exte sio o validity o approval

29 iv aut orizatio or exte sio o validity o approval (i ase o labor redit asso iatio) G

Se urities a d Ex a e Law

24 i aut orizatio o exemptio rom t e requireme t to ile a se urities report

25 iv appli atio or exemptio o re istratio stateme ts, se urities report, et . rom t e publi i spe tio

28 li e se to e a e i t e se urities busi ess

33 G approval to a e a state o busi ess

34 approval o mer er, dis o ti ua e a d dissolutio , et .

42 aut orizatio or a dire tor o a se urities ompa y to e a e i t e ma a eme t o ot er ompa ies

42-2 i aut orizatio or a dire tor or a auditor o a se urities ompa y to double as a dire tor, a auditor, or a employee o its pare t orporatio

42-2 ii aut orizatio or a dire tor, a auditor or a employee o a se urities ompa y to double as a dire tor or a auditor o its subsidiary orporatio

43 aut orizatio to e a e i a busi ess ot er t a t e se urities busi ess

43-2 i approval to establis a ba k subsidiary

50-2 i aut orizatio o ex eptio to t e Fire Wall measures

50-3 iii a k owled me t o a a ide t as t e ause o a loss G

57 iv auth i ati t u e a e e ve f t adi g l

59 ii auth i ati t u e a e e ve f liabilitie a i i g f m t adi g i ecu itie

62 i egi t ati f ep e e tative

64-5 iii app val f a ticle f i c p ati f a ecu itie deale a ciati elati g t egi t ati f ep e e tative

65-2 i app val f a ba k, t u t c mpa y the fi a cial i tituti t e gage i the ecu itie bu i e

65-2 iv ack edgme t f a accide t a the cau e f a l f a app ved fi a cial i tituti

65-2 v auth i ati t u e a e e ve f liabilitie a i i g f m t adi g i ecu itie by a app ved fi a cial i tituti

66-5 auth i ati t d the bu i e f elli g ecu itie a i tallme t pla

68 iv app val t f u d a ecu itie deale a ciati

74 ii app val t ame d a ticle f i c p ati f a ecu itie deale a ciati

76 app val f egulati f ecu itie deale a ciati elati g t egi t ati f ve -the-c u te ecu itie

79-19 ii app val f e luti pa ed by a ge e al meeti g f a . ecu itie deale a ciati t di lve it elf

81 ii lice e t f u d a ecu itie excha ge

85-2 i app val t ame d a ticle f i c p ati , etc. f a ecu itie excha ge

97 ii auth i ati f de ig ati f ecu itie t ub titute f a membe hip b d

97 iii auth i ati f the value f ecu itie t ub titute f a membe hip b d

110 a auth i ati f li ti g f ecu itie

112 auth i ati f deli ti g f ecu itie

113 p i auth i ati f a i ue ' deli ti g ecu itie

134 ii app val f e luti pa ed by a ge e al meeti g f membe f a excha ge t di lve it elf

156-3 i lice e t u a ecu itie fi a ce c mpa y

156-6 i auth i ati t u a y bu i e the tha the bu i e f le di g mo ey ecu itie t membe f ecu itie excha ge

156-7 app val t cha ge a y p vi i f a ticle f i c p ati , etc. ega di g t a ecu itie fi a ce c mpa y

156-14 app val f e luti f a ecu itie fi a ce c mpa y t di c ti ue it bu i e di lve it elf

174 ii auth i ati t have a att ey-i -fact appea at the Mi i t y f the mediati

193-2 i auth i ati f exempti f m the equi eme t t btai audit ep t

Secu itie I ve tme t T u t La

6 i lice ce t bec me a i ve tme t t u t ma ageme t c mpa y

9 app val t cha ge ba ic items f a i ve tme t t u t ma ageme t c mpa y

12 iv auth i ati f the te ms f the t u t

14 i auth i ati f ame dme t t the te ms f the t u t

15 i auth i ati f ca cellati f a c t act f t u t w

18 i auth i ati t gag i a y w busi ss t lat d t th c t act f t ust

20-3 auth i ati f a di ct f a i v stme t t ust ma ag me t c mpa y t gag i a gula affai s f a th c mpa y

20-4 app val f disc ti ua c , tc f busi ss f i v stme t t ust ma ag me t c mpa y

23-2 iii auth i ati - f c ti ua c f a c t act f t ust

24-5 app val f maki g cha gi g a gulati f th Ass ciati

25-2 iii auth i ati t xt d th d adli f lic c app val t ca y ut by i v stme t t ust ma ag me t c mpa y

Law F ig S cu iti s Fi ms

3 lic c f a f ig s cu iti s fi m t gag i th s cu iti s busi ss

10 app val t cha g th l cati f a b a ch f a f ig s cu iti s c mpa y, tc

11 app val f assig me t acquisiti by t a sf f s cu iti s busi ss a d f disc ti uati f s cu iti s busi ss

13 i p missi f a pa t f th u d w iti g busi ss

17 i auth i ati f a di ct , tc t gag i th ma ag me t f th c mpa i s a d/ t d ubl as a di ct , tc f a sp cifi d judicial p s

auth i ati t gag i busi ss th tha th s cu iti s busi ss ack wl dgme t f a accid t as th caus f a l ss ack wl dgme t f xc pti t th Fi Wall measu s

22 gist ati f p s tativ s

23 auth i ati t us a s v f t adi g l ss

auth i ati t us a s v f liabiliti s a isi g f m t adi g i s cu iti s

24 ii auth i ati t us a s v f l ss s, t mak up f a t l ss f th b a ch

27 auth i ati t hav 's att y-i -fact app a at th Mi ist y f th mediati

Law f R gulati g S cu iti s I v stme t Advis y-Busi ss

6 i gist ati f a i v stme t advis

24 app val t gag i th disc ti a y i v stme t ma ag me t busi ss

28 app val t cha g i th atu a d meth d f a disc ti a y i v stme t ma ag me t busi ss

30 auth i ati f a di ct f a disc ti a y i v stme t ma ag me t c mpa y t gag i th ma ag me t f th c mpa i s

31 auth i ati t gag i a busi ss th tha i v stme t advis y

busi ss a d a disc ti a y i v stme t ma ag me t busi ss

Law C c i g R gulati s f M o y L di g Busi ss

3 i gist ati f mo y l di g busi ss

3 ii cha g f gist ati f mo y l di g busi ss

Law C c i g R gulati s f M o tgag C mpa i s

3 gist ati f mo tgag c mpa y .

8 i autho i atio o   wal o valid t m

27 i omi atio o th Mo tgag S cu iti s D eposito y Co po atio

28 ii autho i atio o pa tial t ustme t o busi ss o th Mo tgag S cu iti s D eposito y Co po atio

29 3app oval o bu3si ss ul o th Mo tgag S cu iti s D eposito y Co po atio a d o cha g th o

1 i app oval o busi ss pla a d v u a d xp ditu pla o th Mo tgag S cu iti s D eposito y Co po atio a d o cha g th o

2 i app oval o appoi tme t a d dismissal o a di cto o th Mo tgag S cu iti s D eposito y Co po atio

Fi a cial Futu s T adi g Law

14 lic s o stablishme t o i a cial utu s xcha g

17 i app oval o cha g o th a ticl s o co po atio , tc. o i a cial utu   xcha g

27 iii autho i atio o p ic s o s cu iti s ligibl o memb ship d posits

0 ii app oval o appoi tme t a d dismissal o p sid t

27 iii autho i atio o p ic s o s cu iti s ligibl o memb ship d posit

0 ii app oval o appoi tme t a d dismissal o p sid t

49ii app oval o g   al me ti g's d cisio to dissolv th xcha g

56 p missio o a i a cial utu s t ad

61 i autho i atio o   wal o p missio o a i a cial utu t ad

62 app oval o cha g o so ts a d methods o busi ss

82 ii autho i atio o utili atio o liabl   s v s o t adi g

Law Co c i g R gulatio s o P -Paid Ca ds

6 gist atio o th thi d pa ty p -paid ca d issu

Law o Simpli icatio o Busi ss o Ba ks, tc

7 i app oval o cha g o collat al o bo ds

7 ii app oval o cha g o p io ity o ights o collat al o bo ds

Law Co c i g C t al D eposito y a d Book-E t y D eliv y o Sha C ti icat s a d Oth S cu iti s

i d sig atio o a s cu iti s d posito y c t

4 ii autho i atio o pa tial commissio o a s cu iti s d posito y c t 's pow e

5 i app oval o busi ss gulatio

app oval to mak cha g s o busi ss gulatio

7 i app oval o a ual busi ss pla

app oval to mak cha g s o a ual busi ss pla

8 i app oval o omi atio o discha g o a o ic

2 - Cabi t O rd s

E o c me t O rd o Ba ki g Law 3

5 ii(2) au i a i n f lidays based n special eas ns c nce ning l ca i n f business ffices, e c.

13 i au i a i n f c mpensa ing l ss wi p fi ese ve in f eign ban b anc es

13 iii au i a i n f excep i n p fi ese ves among b anc es f ne f eign ban

Enf cemen Orde f L ng- e m C edi Ban Law k

6 au i a i n f lidays based n special eas ns c nce ning l ca i n f business ffices, e c.

Enf cemen Orde f F eign Exc ange Ban Law

6 au i a i n f lidays based n special eas ns c nce ning l ca i n f business ffices, e c.

Enf cemen Orde f S in in Ban Law

5 ii au i a i n f excess p ssessi n f s a es f s in in ban

12 ii au i a i n f lidays based n special eas ns c nce ning business ffices, e c. by s in in ban and fede a i n

Enf cemen Orde f Lab C edi Ass cia i n Law

6 ii(2) au i a i n f lidays based n special eas ns c nce ning l ca i n f business ffices, e c.

Enf cemen Orde f Law C nce ning Financial Business C nduc ed by C edi C pe a ives

4 ii(2) au i a i n f lidays based n special eas ns c nce ning l ca i n f business ffice

Cabine Orde f Enf cemen f e Secu i ies and Exc ange Law

3-5 au i a i n f e filing pe i d f a secu i ies ep

Cabine Orde f Enf cemen f e Law n F eign Secu i ies Fi ms

8 (4) au i a i n f cancella i n c ange f a c n ac whic subs i u es f dep si ing a pe f mance b nd

10 i au i a i n f wi d awal f a pe f mance b nd

10 ii au i a i n f wi d awal f e excess amoun f a pe f mance b nd

Cabine Orde f Enf cemen f e Law f Regula ing Secu i ies Inves men Advis y Business

3 (3) au i a i n f cancella i n c ange f a c n ac whic subs i u es f dep si ing a pe f mance b nd

5 i au i a i n f wik d awal f a pe f mance b nd

5 ki au i a i n f wi d awal f e excess amoun f a pe f mance b nd

7 i au i a i n f a pe i d du ing whic a f eign inves men advise s all file i s business ep

Enf cemen Orde f Financial Fu u es T ading Law

9 au i a i n f p l nga i n f submissi n pe i d f business ep by f eign financial fu u es ade

Enf cemen Orde f Law C nce ning Regula i ns n P e-Paid Ca ds

10 i au i a i n f es a i n f dep si f issuance

Cabine Orde f Enf cemen f e Law n Rec ding f B nds

10-1 app val f a c mmissi n f ec ding f a c p a e b nd, e c.

3 . Minis e ial Ordinances, e c

Enf cemen Regula i n f Ban ing Law k

18 iii auth i ati p l gati submissi pe i d i te im busi ess ep t a d busi ess ep t

E ceme t Regulati Law C ce i g C cu e t Occupati T ust Busi ess, etc by Fi a cial I stituti s

7-2 ii.auth i ati cha ge i c te t t ust busi ess age cies

11 iii auth i ati p l gati submissi pe i d t ust busi ess ep t

13 auth i ati exte si validity app val

E ceme t Regulati L g-te m C edit Ba k Law

17 iii auth i ati p l gati submissi pe i d i te im busi ess ep t a d busi ess ep t

Detailed E ceme t Regulati T ust Busi ess Law

4 auth i ati p l gati validity lice se

24 ii auth i ati p l gati submissi pe i d busi ess ep t

Detailed E ceme t Regulati Secu ed B ds T ust Law

26-3 i auth i ati p l gati submissi pe i d busi ess ep t

E ceme t Regulati F eig Excha ge Ba k Law

19 iii auth i ati p l gati submissi pe i d i te im busi ess ep t a d busi ess ep t

E ceme t Regulati Shi ki Ba k Law

20 ii auth i ati p l gati submissi pe i d busi ess ep t shi ki ba k a d ede ati

E ceme t Regulati Lab C edit Ass ciati

16 ii auth i ati p l gati submissi pe i d busi ess ep t lab c edit ass ciati a d ede ati

E ceme t Regulati Law C ce i g Fi a cial Busi ess C ducted by C edit C pe atives

12 ii auth i ati p l gati submissi pe i d busi ess ep t

Detailed E ceme t Regulati Mutual L a Busi ess Law

6 app val excess be e it mutual l a

9 auth i ati exte si validity busi ess lice se

12 i auth i ati exte si validity app val cha ge capital amou t, etc

12 ii auth i ati exte si validity app val establishme t busi ess ice, etc

12 iii auth i ati cha ge l cati establishme t busi ess ices at the time applicati

14 app val cha ge l cati age cies

15 ii auth i ati p l gati submissi pe i d busi ess ep t

O di a ce the Mi ist y Fi a ce Secu ities C mpa y

2-2 ii auth i ati t movi g a place busi ess back t its igi al l cati withi two yea s

13 ii auth i ati t mit wh le a pa t d cume ts elati g t busi ess

O di a ce the Mi ist y Fi a ce F eig Secu ity Fi ms

17-2 ii auth i ati t movi g a b a ch back t its igi al l cati withi two yea s .

24 iii auth i atF sub di ated b wi g

28 ii(3) ec g iti asset as a app p iate h ldi g asset i this c u t y

29 auth i ati t mit wh le a pa t d cume ts elati g t busi ess

E ceme t Regulati i a cial utu es T adi g Law

5 auth i ati desig ati secu ities eligible membe dep sit

E ceme t Regulati Law C ce i g Regulati s P e-Paid Ca ds

17 i app val discha ge c se vati c t act issua ce dep sit

Regulati Dep sit Issua ce P e-Paid Ca ds

4 app val cha ge c llate al issua ce

Mi ist y i a ce a d Mi ist y I te ati al T ade a d I dust y N ti icati N .8, 1953

1 i(6) auth i ati p ssessi secu ities

O rdi a ce the Mi ist y i a ce Capital Adequacy Secu ities C mpa y

2 (5) auth i ati sub di ated b wi g

O rdi a ce the Mi ist y i a ce Te mi l gy, ms a d Meth d P epa ati i a cial Stateme ts, etc.

3 auth i ati applicati laws a d di a ces applicable t a busi ess the tha p i cipal busi ess

O rdi a ce the Mi ist y Justice a d the Mi ist y i a ce E ceme t the Law Rec di g B ds

17-2 i pe missi p ese vati i mic ilms a cl sed b d ec di g egiste

50-2 i auth i ati m a b d ec di g egiste

Appe dix 2

U av able Disp siti s

(A ticle) (Disp siti s [p visi ally t a slated])

I . Laws

Ba ki g Law

26 de t suspe d ba ki g busi ess, etc.

27 ca cellati ba ki g lice se, dismissal de t di ect s, etc.

28 ca cellati ba ki g lice se

29 de t c se ve assets i Japa

Law C ce i g C cu e t Ope ati T ust Busi ess, etc. by i a cial I stituti s

4. de t cha ge busi ess meth ds a d suspe si pe at , etc.

8 suspe si pe ati , ca cellati app val c cu e t pe ati

L g-te m C edit Ba k Law

17 de t suspe d l g-te m c edit ba ki g busi ess, etc. ca cellati lice se l g-te m c edit ba k, dismissal de t di ect s, etc. de t c se ve assets i Japa F

Trust Busi ss

18 ord r to ch g of busi ss method d susp sio of op r tio ,. tc.

19 dismiss l ord r to dir ctors, c c ll tio of lic s , tc.

For ig Exch g B

11 ord r to susp d for ig xch g b i g busi ss, tc. c c ll tio of lic s for for ig xch g b , dismiss l ord r to dir ctors, tc. ord r to co s rv ss ts i J p

For ig Exch g d For ig Tr d Co trol

11-2 impositio of limit tio of uthoriz d for ig xch g b s' for ig xch g positio

13 r voc tio of uthoriz tio s uthoriz d for ig xch g b

14 ii r voc tio of uthoriz tio s mo y xch g r

23 vii dir ctio to lt r co ditio s of, or to susp d x cutio of c pit l tr s ctio

27 x dir ctio to lt r p rticul rs of, or to susp d x cutio of dir ct domestic i v stme t

30 vii dir ctio to lt r p rticul rs of, or to susp d co clusio of gr me t for import tio of t ch ology k

Shi i B

89 i ord r to susp d busi ss, tc. of shi i b d f d r tio c c ll tio of lic s , dismiss l ord r of dir ctors, tc. of shi i b d f d r tio

c c ll tio of lic s for shi i b d f d r tio k

bor Cr dit Associ tio

94 i ord r to susp d busi ss of l bor cr dit ssoci tio or f d r tio , tc.

95 i ord r to susp d busi ss, dismiss l ord r to dir ctors, tc. of l bor cr dit ssoci tio or f d r tio

95 ii c c ll tio of busi ss lic s for l bor cr dit ssoci tio or f d r tio

for Small Busi ss Coop r tiv s, tc.

9-7-5 ii c c ll tio of r gistr tio , ord r to susp d busi ss, tc. (co c r i g fir mutu l i sur c coop r tiv s)

106 i c ss ry ord r to coop r tiv s, tc.

106 ii dissolutio ord r to Coop r tiv s, tc.

106-3 ord r to ch g th y of busi ss x cutio , tcco c r i g g fir mutu l i sur c coop r tiv s)

ord r to ch g b sic docume ts(co c r i g fir mutu l i sur c coop r tiv s)

c c ll tio of lic s , dismiss l ord r to dir ctors, tc. (co c r i g fir mutu l i sur c coop r tiv s)

Mutu l lo Busi ss

24 ord r to ch g th y of busi ss x cutio d susp sio of op r tio , tc.

25 ord r to susp d busi ss, dismiss l ord r of dir ctors, tc., c c ll tio of lic s

26 c c ll tio of lic s for mutu l lo comp y i susp sio of busi ss

28 i ord r to d posit ss t of mutu l lo comp y to ch g busi ss s

Cr dit Gu r t Corpor tio k

36 i dismissa d di c s, d susp nd busin ss, c.

36 ii canc a i n f app va f s ab ishmen , dismissa d di c s, c.

S cu i i s and Exchang Law

9 i d fi an amend d gis a i n s a men du d f c iv f m, c.

1 i d fi an amend d 0 gis a i n s a men du fa s d sc ip i n, c.

d susp nd h ff c f gis a i n

11 i d susp nd h ff c f gis a i n sh f- gis a i n, and x nsi n f h p i d n c ssa y f a gis a i n s a men b ff c iv

23-5 0 d susp nd h ff c f a sh f- gis a i n

23-9 i d fi an amend d sh f- gis a i n s a men du d f c iv f m, c.

23-1 i d fi an amend d sh f- gis a i n s a men du fa s d sc ip i n, c.

23-1 iii 0d susp nd h ff c f a sh f- gis a i n

23-1 v d fi an amend d sh f- gis a i n s a men , and d

susp nd h ff c f a sh f- gis a i n s a men , du fa s d sc ip i n in amend d sh f- gis a i n s a men

23-11 i d susp nd h ff c f gis a i n and sh f- gis a i n, x nsi n f h p i d n c ssa y f h s s a men s b ff c iv , du fa s d sc ip i n in sh f- gis a i n s a men , supp men a y d cumen s, f nc d cumen s, c.

24-2 i d fi an amend d s cu i i s p du d f c iv f m fa s d sc ip i n

24-3 d susp nd h ff c f gis a i n s a men and sh f gis a i n s a men , x nsi n f h p i d n c ssa y f h s s a men s b ff c iv du fa s d sc ip i n in s cu i i s p

24-5 iv d fi an amend d s mi-annua p cu n p du d f c iv f m fa s d sc ip i n

27 app ica i n f h p visi ns mu a is mu andis n i i s h han c p a i ns

27-7 ii d mak a pub ic n ic pub ic ann unc men f c c i ns ga ding a pub ic n ic f h c mmenc men f nd ff

27-8 iii d fi an amend d gis a i n s a men f nd ff du d f c iv f m

27-8 iv d fi an amend d gis a i n s a men f nd ff du fa s d sc ip i n

27-1 ii d fi an amend d s a men f p si i n du d f c iv f m fa s d sc ip i n

27-13 iii d fi an amend d nd ff p du d f c iv f m fa s d sc ip i n

27-29 i d fi an amend d subs an ia sha -h ding p and amend d p f chang

35 i v ca i n f ic ns f s cu i i s c mpany d susp nd busin ss f a s cu i i s c mpany

35 ii d discha g a di c an audi f a s cu i i s c mpany

42-2 iii d discha g a di c an audi f a S cu i i s c mpany d ak n c ssa y measu s

53 0 d pub ish a busin ss p f a s cu i i s c mpany n a n wspap

54 i d chang a me h d f busin ss f a s cu i i s c mpany

d susp nd busin ss f a s cu i i s c mpany 0 order to in re t e e e tivene o pervi ion to a e ritie ompany

60 i order to old in t e o ntry a pan o a et o a e ritie ompany

64-3 i revo ation o a regi tration o a regi tered repre entative

order to pend a d ty o a regi tered repre entative

64-5 v order to a e ritie dealer a o iation to revoke regi tration o a regi tered repre entative and to pend a d ty o a regi tered repre entative

65-2 iii revo ation o approval o an approved inan ial in tit tion order to pend b ine o an approved inan ial in tit tion

65-2 v order to ange a met od o b ine o an approved inan ial in tit tion

order to pend b ine o an approved inan ial in tit tion

order to in re t e e e tivene o pervi ion to an approved inan ial in tit tion

order to pend b ine o an approved inan ial in tit tion again t non l illment o a memorand m o agreement

72 revo ation o approval to o nd a e ritie dealer a o iation

79 order to a e ritie dealer a o iation to revoke a regi tration o a over-t e- o nter e rity

79 i xorder to a e ritie dealer a o iation to di arge it o i er

79 ii order to make ange in t e arti le o in orporation and ot er reg lation o a e ritie dealer a o iation

79 iii revo ation o approval o a e ritie dealer a o iation

order to a e ritie dealer a o iation to di arge it o i er order to a e ritie dealer a o iation to pend it b ine

85 revo ation o li en e to o nd a e ritie e ange

103 xorder to a e ritie e ange to di arge it o i er

111 xorder to a e ritie e ange to li t a are or t e p rpo e o trading

119 order to a e ritie e ange to pend t e trading o e ritie order to a e ritie e ange to deli t a e rity

155 i revo ation o li en e o a e ritie e ange or rea on o violation o t e law s and reg lation , et .

order to pend b ine o a e ritie e ange or rea on o violation o t e law s and reg lation , et .

order to di arge a o i er o a e ritie e ange or rea on o violation o t e law s and reg lation , et .

order to pend p r a e or ale o e ritie on a e ritie e ange or rea on violation o t e law s and reg lation , et .

156 order to make ange in t e arti le o in orporation and b ine reg lation, et . o a e ritie e ange

156-5 revo ation o li en e to o nd a e ritie inan e ompany

156-8 order to ange met od or ondition o loan o a e ritie inan e ompany

156-10 iii order or e ritie inan e ompany to di mi it o i er x

156-12 re i n f li ense f se uri ies fin n e mp ny f r re s ns f i l i n f he l ws nd regul i ns, e .

rder suspend business f se uri ies fin n e mp ny f r re s ns f i l i n f he l ws nd regul i ns, e .

178 rder suspend business nd se uri ies r ding n he se uri ies mar e g ins n nfulfillmen f mem r ndum f greemen

193-2 de isi n n ep udi rep r by er ified publi un n , e . wh h e made undue udi rep r

Se uri ies In es men Trus L w

22 i re i n f li en e f r n in es men rus man gemen mp ny

23 i re i n f li en e f r n in es men rus man gemen mp ny pr hibi i n en er in new n r f rus e .

23-2 i rder n in es men rus man gemen mp ny r rus ee mp ny r nsfer business under n r f rus n her in es men rus man gemen mp ny r rus ee mp ny

24 rder publish in newsp per ma ers n erning rus mendmen s, e .

24-7 rder he Ass i i n re ise he r i les f ss i i n r i s regul i n.

24-8 rder he Ass i i n dis h rge i s ffi er

L w n F reign Se uri ies Firms

8 kii rder dep si wh le r p r f n moun equi len he n r moun

9 ii rder p y nsider ble sum f money in remuner i n n pp in ed depu y man ger

12 i re i n f li ense

rder suspend business f f reign se uri ies mp ny

12 ii rder dismiss represen i e r dis h rge h ffi er f br n h f f reign se uri ies mp ny

13 iii re i n f permissi n f p r f he underwri ing business

17 k rder f reign se uri ies mp ny dis h rge i s represen i e r ffi er r e ne ess ry me sures

19 ii rder f reign se uri ies mp ny publish i s business rep r n newsp per

20 rder h nge me h d f business f f reign se uri ies mp ny rder suspend business f f reign se uri ies mp ny

rder insure he effe i eness f super isi n f reign se uri ies mp ny

22 re i n f regis r i n f regis ered represen i e rder suspend du y f regis ered represen i e

27 rder suspend business f f reign se uri ies mp ny nd suspend se uri ies r ding n he se uri ies mar e g ins n nfulfillmen f memor ndum f greemen

L w f r Regul ing Se uri ies In es men Ad is ry Business

37 i rder impr e me h d f business f n in es men d iser

38 kre i n f regis r i n f n in es men d iser

39 i re i n f ppr l eng ge in he dis re i n ry in es men man gemen business k

47 i order e e r for the upervi io of tivitie of o i tio

48 iv order e e r for the upervi io of tivitie of the N tio l Feder tio of Se uritie I ve tme t Advi er A o i tio

L w Co er i g e Le di g Bu i e

36 i order to u pe d bu i e for mo e le der
o
37 i ell tio of regi tr tio of mo e le der

L w Co er i g Regul tio of rtg ge Comp ie

23 i orre tive order to mortg ge omp ie
o
24 i ell tio of regi tr tio of mortg ge omp ie , et .

29 iii order to h ge bu i e rule of the rtg ge Se uritie Depo it Corpor tio

32 ii di mi l order to dire tor of the rtg ge Se uritie Depo it Corpor tio
o
35 upervi or order to the rtg ge Se uritie Depo it Corpor tio
o
36 i ell tio of omi tio of the rtg ge Se uritie Depo it Corpor tio
o
42 order to orpor te with the A o i tio of rtg ge Comp ie
o
Fi i l Future Tr di g L w
o
45 limit tio o fi i l future tr di g, et . of member

53 i ell tio of li e e for e t bli hme t of fi i l future ex h ge, et .

53 iii di mi l order to dire tor of fi i l future ex h ge

54 i di mi l order to member , order to u pe d tr di g.

54 ii di mi l order to dire tor of member

55 i order to h ge the rti le of orpor tio of fi i l future ex h ge, et .

78 i orre tive order to fi i l future tr der

79 i ell tio of li e e for fi i l future tr der , u pe io of bu i e

79 iii di mi l order to dire tor of fi i l future tr der

83 i order to o erve et of fi i l future tr der

L w CoM er i g Regul tio of Pre-P id C rd

13 iv order to depo it of gu r tee for i u e

19 i orre tive order to third p rt t pe pre-p id rd i uer

20 i ell tio of regi tr tio of third p rt t pe pre-p id rd i uer, et .

L w Co er i g Ce tr l Depo itor d Book-E tr Deliver for Sh re Certifi te d Other Se uritie

5 iv oMrder to h ge bu i e regul tio

8 ii order to e uritie depo itor e ter to di h rge it offi er

10 e e r order to upervi e e uritie depo itor e ter

12 i revo tio of de ig tio e uritie depo itor e ter M

Law on Re o n of Bon s

9 supe v s on of a e o n a en y of Co po ate bon , et .

2 . Cab net O r e s

Cab net O r e fo Enfo ement of the Law on Re o n of Bon s

o e to take a equate measu es n ase the e s a fea that a bon e o n e ste van shes

3 . M n ste al O r nan es

Enfo ement Re ulat on of Law Con e n n Re ulat ons of Mo t a e Compan es

24 the Asso at on's o po at on w th M n ste of F nan e

Enfo ement Re ulat on of Law Con e n n Re ulat ons of P e-Pa Ca s

1 v o e to f le a e ula statement of epos t of ssuan e ua antee

Re ulat on on Depos t fo Issuan e of P e-Pa Ca s

3 v o e to f le a e ula statement of epos t of ssuan e ua antee

O r nan e of the M n st y of Just e an the M n st y of F nan e fo Enfo ement of the Law on Re o n of Bon s

1 o e to a e o n a en y to e o

Appen x 3

Exempt ons f om Ant -Monopoly A t (AMA) n F nan al Se v es n the Measu es

(1) The a t ons of the follow n ent t es a e n p n ple exempt f om the appl at on of the p ov s ons of AMA as oope at ves ef ne n A t le 24 of AMA:

) sh nk n banks (n lu n fe e at ons of those) ef ne n A t le 7 of Sh nk n Bank Law:

) labo e t asso at ons (n lu n fe e at ons of those) ef ne n A t le 9 of Labo C e t Asso at on Law; an

) small bus ness oope at ves (n lu n fe e at ons of those) ef ne n A t le 7 of Law fo Small Bus ness Coope at ves, et .

(2) Follow n asso at ons ef ne by the follow n laws a e exempt f om the appl at on of the p ov s ons of A t le of AMA base upon the p ov s on of A t le 2 of the A t Con e n n Exempt on, et . f om the Ant monopoly A t:) Law fo Small Bus ness Coope at ves, et . (Fe e at on of Small Bus ness Coope at ves); 8

) Sh nk n Bank Law (Fe e at on of Sh nk n Banks);

) C e t Gua antee Co po at on Law (C e t Gua antee Co po at on);

v) F nan al Futu es Ex han e Law (F nan al Futu es Ex han es, Asso at on of F nan al Futu es T a e s); an

v) Se u t es an Ex han e Law (Sto k Ex han es, Se u t es Deale s Asso at on).

Appen x 4

The Ant monopoly A t Gu el nes Con e n n D st but on Systems an Bus ness P a t es (ex e pt)

Pa t 1 The Ant monopoly Gu el nes Con e n n the Cont nu ty an Ex lus veness of Bus ness P a t es amon F ms

Chapte 4 Rest t ons on T a n Pa tne s of Deal n w th Compet to s

2. Rest t ons on T a n Pa tne s of Deal n w th Compet to s 8

In cases w he e an n uent a m n a ma ket by means o t e o ow ing manne s, engages n t ansact ons w it ts t ad ng pa tne s on cond t on t at t e t ad ng pa tne s s a not dea w it compet to s o t e m o anot e m av ng c ose e at ons w it t e m o causes t e t ad ng pa tne s to e use to dea w it t ose above-ment oned compet to s, and suc conduct may esu t n educ ng bus ness oppo tun t es o t e compet to s and mak ng t d cu t o t em to eas y nd a te nat ve t ad ng pa tne s, suc conduct s ega as un a t ade p act ces (A t c e 2 (Ot e Re usa to a), 11 (a ng on Exc us ve Te ms), o 13 (a ng on Rest ct ve Te ms) o t e Gene a s gnat on): e e e

) An n uent a e mate a supp e n a ma ket, by not y ng o suggest ng to ts custome s (manu actu e s) t at t D ntends to d scont nue t e supp y o mate a s to t e custome s t ey ca y on bus ness w it ot e mate a supp e s, equests t e custome s not to ca y on bus ness w it ot e mate a supp e s (A t c e II o t e Gene a s gnat on);

e) A n s ed p oduct manu actu e n uent a n a ma ket equests an n uent a pa ts manu actu e not to se pa ts o to est ct t e sa es o pa ts to compet ng n s ed p oduct manu actu e s, and obta ns consent om suc pa ts manu actu e to t at e ect.(A t c e 11 o 13 o t e Gene a s gnat on);

) An n uent a nanc a m n a ma ket p ov des nance o an e n uent a d st buto on cond t on t at t e d st buto exc us ve y dea s w it a manu actu e av ng c ose e at ons w it t e nanc a m; o

v) An n uent a manu actu e n a ma ket causes ts custome s (d st buto s) not to accept an o e o t ansact ons by a spec c manu actu e attempt ng to ente t e ma ket (A t c e 2 o t e Gene a s gnat on).

C apte 7 Acqu s t on o Possess on o Stocks o T ad ng Pa tne s and Ant compet t ve E ects e

3. Exc us ona y Conduct by Means o by Reason o Ho d ng, o Stocks o T ad ng Pa tne s

In cases w he e a m o ds stocks o o s n a c oss stock o d ng e at ons p w it any o ts t ad ng pa tne s, even t e p opo t on o stock o d ng s not pa t cu a y g , t e o me can use ts pos t on as a stock o de to n uence dec s on-mak ng p ocesses by t e atte , and may t e eby engage n suc conduct as mpa ng t e atte 's ndependent judgement n se ect ng t ad ng pa tne s, etc. Fu t e mo e, n cases w he e a m as a e at ons p o e t e un ate a o c oss stock o d ngs w it ts t ad ng pa tne s, t e m may e use to dea w it ot e ms av ng no stock o d ng e at ons p w it t, w it t e ntent o exc ud ng t em om a ma ket. Suc conduct may mpa t e c o ce o t ad ng pa tne s t oug t e own ndependent judgement based on p ce, qua ty, se v ce, and ot e t ansact on te ms. It may a so educe bus ness oppo tun t es o new ent ants o ot e ms av ng no stock o d ng e at ons p, and may p esent a p ob em unde t e Ant monopo y Act.

(1) Rest ct ons on t ad ng pa tne s' dea ngs w it compet to s by means o stock o d ng

In cases w he e an n uent a m n a ma ket, o d ng stocks o any o ts t ad ng pa tne s, engages n t e o ow ing types o conduct, o nstance, and suc conduct may esu t n educ ng bus ness oppo tun t es o compet to s and mak ng t d cu t o t em to eas y nd a te nat ve t ad ng pa tne s, suc conduct s ega as un a t ade p act ces:

) An n uent a n s ed p oduct manu actu e n a ma ket not es ts pa ts supp e , w hose stocks t o ds, o ts Intent on to d spose o t e stocks and suspend bus ness w it t e sa d supp e t e atte se s pa ts to t e o me 's compet to s w ho a e attempt ng to ente t e ma ket, o makes suggest ons to t at e ect, and t e eby d scou ages t e atte om dea ng w it t e sa d compet to s (A t c e 2 (Ot e Re usa to dea) o t e Gene a s gnat on); o

e) An n uent a manu actu e n a ma ket, by mak ng use o ts pos t on as a stock o de , nduces ts d st buto , w hose stocks t o ds, to g ve consent to t e e ect t at t e atte w i dea on y n t e o me 's p oducts (A t c e 11 (a ng on Exc us ve Te ms) o t e Gene a s gnat on).

(2) Re usa s to dea by eason o p esence o absence o stock o d ng e at ons p

It s bas ca y a matte o eedom o c o ce o t ad ng pa tne s o a m to dec de w h c m t does bus ness w it . Howeve , n cases w he e an n uent a m n a ma ket, n any o t e o ow ing manne s, o nstance, D refuses to e th other f rms h v ng no stockho ng re t onsh p th t, th v e to exc u ng them from the market, n f such con) uct may make t ff cu t for the refuse f rm to eng ge n norma bus ness wh ct v t es, such con uct s eg s unf r tr e pr ct ces (Art c e 2 (Other Refus to De of the Gener Des gn t on :)

An nf uent f n she pro uct manuf cturer n market stops purch s ng from p rts manuf cturer ch h s no stockho ng re t onsh p th t, th v e to exc u ng the compet tors of p rts manuf cturer ch oes h ve stockho ng re t onsh p th t; or

An nf uent p rts manuf cturer h v ng stockho ng re t onsh p th f n she pro uct manuf h cturer, rejects propos for purch se of p rts by f rm ttempt ng to enter the f n she pro uct market, by re son of the bsence of stockho ng re t onsh p th the p rts manuf cturer.
