

# JFSA priorities for July 2020-June 2021: Summary

## 1. Fight against COVID-19 and develop a better post-COVID society

First, JFSA continues to work on policy responses to COVID-19 related issues. We make every effort so that financial institutions will be able to perform their financial intermediary function to firmly support businesses and households. At the same time, we take measures so as to prepare for a strong post-COVID economic recovery and the development of a better society.

### **[Fight against COVID-19 and prepare for a strong post-COVID economic recovery]**

- Support and monitor liquidity assistance by financial institutions, and ensure that they provide adequate assistance based on a continuous and accurate understanding of clients' business
- Monitor and support financial institutions' initiatives to conduct effective management assistance for clients, including business improvement and recovery, in coordination with relevant ministries
- Revise regulations on the scope of business for banks to allow them to conduct business essential to support the recovery of their clients and their local economy

### **[Develop a better post-COVID society]**

- Start considering the ideal form of finance which will support an industrial structural transformation
- Tackle regulatory restrictions so that financial institutions can resolve consumers' challenges through digitalization and create added value
- Promote the revision of obsolete industrial practices where banks rely on paper documents, seals, and in-person communication, as well as the improvement of payment infrastructure
- Aim for further development of consumer-oriented business conduct suitable for the post-COVID society
  - eg. Introduction of "Key Information Sheet" to help customers easily compare different financial instruments by providing information, including that on commissions
- Further materialize JFSA's strategy on Sustainable Finance

## 2. Make the Japanese financial and capital market more sophisticated and attractive

Second, JFSA will take measures to improve the function of the Japanese financial and capital markets and enhance its role in Asia and the rest of the world. The Japanese market has the potential to contribute to international risk diversification as geopolitical risks increase. We will think through to develop the Japanese market in a way that it will benefit both the Japanese and global economy.

- Introduce English administrative services and a faster registration process to promote foreign financial institutions' and experts' entry into the Japanese market. Also consider improving the business environment, including tax treatment.
- Revise the Corporate Governance Code so that companies can take the lead of reform towards the post-COVID socioeconomic infrastructure (Consider the ideal form of constructive dialogue between investors and companies to discuss issues including response to digital transformation)
- Consider improvement measures to enhance the functionality and attractiveness of the Japanese capital market, such as accelerating market structure reform on the exchanges and diversifying capital flow outside the exchanges to promote the provision of funds for new growth

## 3. Reform JFSA

Third, JFSA will continue to reform itself so that it can serve as an agency to develop the financial industry and literacy. We will further evolve and establish work style reforms triggered by responses to COVID-19 related issues. We will create an organizational culture in which employees discuss in a free and easy way with each other and take the initiative. We intend to enhance our capability to grasp the reality and conceptualize our policies.

- Digitalize the administrative process and at the same time improve data analysis capability and expand data utilization to achieve more effective/timely financial administration