

● Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001)

(Opening of Accounts of an Account Management Institution)

Article 44 (1) A person as set forth below may open an account for another person in which book entries can be made for Bonds and Other Securities at the request of that person, in accordance with the provisions of this Act and the operational rules of the Book-Entry Transfer Institution. To do so, the person must have an account opened for it in advance by that Book-Entry Transfer Institution or by another Account Management Institution connected with that Book-Entry Transfer Institution (other than one specified by Ordinance of the Competent Ministry), in which book entries can be made for Bonds and Other Securities:

(i)~(xii) (omission)

(xiii) a person licensed or registered or subject to a similar disposition in a foreign state pursuant to foreign laws and regulations, to manage another person's Bonds or Other Securities or rights similar to Bonds or Other Securities in that foreign state, as designated by the competent minister.

(2) (omission)

● Order Regarding Account Management Institutions (Cabinet Office Order, Ministry of Justice Order, and Ministry of Finance Order No. 2 of December 6, 2002)

(Public Notice of Designation of Foreign Account Management Institutions)

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

(Application for Designation of Foreign Account Management Institution)

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

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

(ii) name of representative;

(iii) The fact of such person having obtained a license, registration or any other disposition similar thereto in a foreign state for the management of Corporate Bonds, etc. (meaning Corporate Bonds, etc. as prescribed in Article 2, paragraph (1) of the Act; the same applies hereinafter) or rights similar to Corporate Bonds, etc., of another person in the foreign state, pursuant to the laws and regulations of the foreign state; and

(iv) the trade name or name of the Designated Domestic Superior Institution (meaning the Superior Institution (meaning a Superior Institution as prescribed in Article 2, paragraph (7) of the Act; the same applies hereinafter) of the Designation Applicant, or a Book-Entry Transfer Institution, etc. (meaning a Book-Entry Transfer Institution, etc. as prescribed in Article 2, paragraph (5) of the Act; the same applies hereinafter) which made a manifestation of an intention under item (iii) of the following paragraph or its Superior Institution, which has a business office or office in Japan; the same applies hereinafter).

- (2) The following documents must be attached to the written application for designation set forth in the preceding paragraph:
- (i) a certificate of registered information or a substitute document therefor;
  - (ii) a document certifying that the Designation Applicant has obtained a license, registration or other disposition similar thereto in a foreign state for the management of Corporate Bonds, etc. or rights similar to Corporate Bonds, etc. of another person in the foreign state, pursuant to the laws and regulations of the foreign state;
  - (iii) a document certifying that the Designation Applicant has opened an account pursuant to the provisions of Article 44, paragraph (1) of the Act (in the case where the Designation Applicant has not opened an account pursuant to the provision of the same paragraph, a document certifying that a Book-Entry Transfer Institution, etc. has manifested an intention to open an account for the Designation Applicant pursuant to the provision of the same paragraph); and
  - (iv) any other document(s) which would serve as reference in relation to the Designation.
- (3) If any of the documents set forth in the items of the preceding paragraph is not prepared in the Japanese language, a translation thereof must be attached. However, this shall not apply where the documents are prepared in English and the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance find a translation unnecessary.
- (4) When a Designation Applicant makes an application under paragraph (1), it must file such an application through its Designated Domestic Superior Institution.
- (5) Regarding the submission of a written application for designation set forth in paragraph 1 or documents that have to be attached to a written application for designation (hereinafter referred to as a "written application for designation, etc." in this paragraph) to a designated national higher authority, the Minister of Economy, Trade and Industry shall notify the Minister of Economy, Trade and Industry of the date of submission. (2) In the case where said written application for designation, etc. is prepared as an electromagnetic record (meaning an electromagnetic record as prescribed in Article 4, paragraph 3 of the Act), it may be submitted by a method using an electronic data processing system or any other method using information and communications technology listed in the following items:
- (i) A method of sending through an electric telecommunication line connecting the computer used by the sender and the computer used by the recipient, and recording in a file on the computer used by the recipient;
  - (ii) A method of making the contents of information recorded in a file on the computer used by the sender available for inspection by a person receiving the information through an electric telecommunication line, and recording said information in a file on the computer used by the person receiving the information;
  - (iii) A method of delivering information recorded in a file prepared with a magnetic disk or other object that can reliably record a certain amount of information by a method equivalent thereto;
- and
- (6) The methods listed in each item of the preceding paragraph shall enable the recipient to prepare a document by outputting the record into a file.

(Notification of Change of Trade Name)

Article 5 (1) If there is any change in the matters set forth in the items of paragraph (1) of the preceding Article in relation to the application, a person who has obtained a Designation based on the application (hereinafter referred to as "Foreign Account Management Institution") must notify the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of

Finance to that effect without delay.

- (2) A document confirming the fact of a change in the matters pertaining to the notification must be attached to the notification set forth in the preceding paragraph.
- (3) If the documents set forth in the preceding paragraph are not prepared in the Japanese language, Japanese translations thereof must be attached. However, this shall not apply where the documents are prepared in English and the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance find a translation unnecessary.
- (4) When a Foreign Account Management Institution makes a notification under paragraph (1), it must file such notification through its Designated Domestic Superior Institution (in the case where it does not have a Superior Institution, the former Superior Institution, or a Book-Entry Transfer Institution, etc. which has manifested its intention under item (iii) of paragraph (2) of the preceding Article or its Superior Institution, which has a business office or office in Japan).
- (5) The provisions of paragraphs (5) and (6) of the preceding Article shall apply mutatis mutandis to the case where a notification is made under the provision of paragraph (1).
- (6) When the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance receive a notification of change in a Foreign Account Management Institution's trade name or name, or location of its head office or principal office pursuant to the provision of paragraph (1), they must make a public notice to that effect in the official gazette.

#### (Rescission of Designation)

- Article 6 (1) When an application as prescribed in the following Article is made, when the person who has received the Designation breaches any provision of laws or orders issued based on laws, or when it is found particularly necessary, the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance may rescind the Designation.
- (2) When the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance have rescinded a Designation pursuant to the preceding paragraph, they must make a public notice to that effect in the official gazette.

#### (Application Procedures for Rescission of Designation)

- Article 7 (1) When a Foreign Account Management Institution intends to seek rescission of its Designation, it must make an application by submitting a written application for rescission of Designation containing the following matters to the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance.
- (i) the reason for seeking rescission of the Designation;
  - (ii) the date on which the Designation is to be rescinded; and
  - (iii) the fact that the Foreign Account Management Institution has not opened an account for other persons pursuant to the provision of Article 44, paragraph (1) of the Act.
- (2) When a Foreign Account Management Institution makes an application under the preceding paragraph, it must file such an application through its Designated Domestic Superior Institution (in the case where it does not have a Superior Institution, its former Superior Institution, or the Book-Entry Transfer Institution, etc. which has manifested its intention under Article 4, paragraph (2), item (iii) or its Superior Institution, which has a business office or office in Japan).
  - (3) The provisions of Article 4, paragraph (5) and paragraph (6) shall apply mutatis mutandis to cases where an application is made under the provision of paragraph (1).