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Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 255 in 2010) related to “Introduction of Consolidated Regulation and Supervision of Securities Companies”

Article 15-16-2 (Scope of Subsidiary Juridical Person, etc. of a Specified Major Shareholder)

- (1) The persons that fall under the requirements specified by Cabinet Order as provided in Article 32-2, paragraph (2) of the Act shall be the following:
- (i) Subsidiary Company, etc.
 - (ii) Affiliated Company, etc.
- (2) The “Subsidiary Company, etc.” provided in item (i) of the preceding paragraph shall mean other companies, etc. (meaning companies, unions or similar business entities including the equivalents in foreign countries; hereinafter the same shall apply in this Article.) whose decision-making is controlled by a Parent Company, etc. (meaning a company, etc. specified by a Cabinet Office Ordinance as a company, etc. controlling an organ (meaning a shareholders meeting or a similar organ, and hereinafter referred to as “decision-making organ” in this paragraph) that decides on policies about the finance and business or enterprise for other companies, etc.). In the event that a Parent Company, etc. and its Subsidiary Company, etc., or the Subsidiary Company, etc. control the decision-making organ of other companies, etc., the said other companies, etc. shall be deemed to be Subsidiary Companies, etc. of the Parent Company, etc.
- (3) The “Affiliated Company, etc.” provided in item (ii) of paragraph (1) shall mean other companies, etc. (excluding Subsidiary Company, etc.) specified by Cabinet Office Ordinance as other company, etc. for which a company, etc. (including the Subsidiary Company, etc.

(meaning the Subsidiary Company, etc. described in the preceding paragraph.; hereinafter the same shall apply in this paragraph.) of the company, etc.) may exert important influence on decisions concerning policies for finance and business or enterprise through equity investment by the company, etc., assumption of directors or to other similar positions by an officer, employee, ex-officer or ex-employee of the said company, etc., loans, guarantee of debts or provision of security, provision of technologies, or business or enterprise transactions, etc. by the said company, etc..

Article 17-2-2 (Threshold Amount of Total Assets Requiring Notification of Special Financial Instruments Business Operator)

The amount specified by Cabinet Order as provided in Article 57-2, paragraph (1) of the Act shall be one trillion yen.

Article 17-2-3 (Deadline for the Submission of the Documents about the Parent Company of a Special Financial Instruments Business Operator)

- (1) The period specified by Cabinet Order as provided in Article 57-2, paragraph (2) of the Act shall be one month (three months for quarterly reports and other documents specified by Cabinet Office Ordinance as documents that it is difficult to submit within the above period out of the documents listed in Article 57-2, paragraph (2), item (ii)). However, if a Parent Company (meaning the Parent Company provided in Article 57-2, paragraph (8) of the Act ; hereinafter the same shall apply in this chapter.) of a Special Financial Instruments Business Operator (meaning the Special Financial Instruments Business Operator provided in Article 57-2, paragraph (2) of the Act ; the same shall apply hereinafter.) is a foreign company, and it is determined that it is impossible for the Special Financial Instruments Business Operator to submit the documents within three months from the Notification Date (meaning the Notification Date provided in Article 57-2, paragraph (2) of the Act; hereinafter the same shall apply in this chapter.) due to the laws and regulations or practices of the home country of the Parent Company or other unavoidable reasons, the above period shall be a period approved by the Commissioner of Financial Services Agency pursuant to Cabinet Office Ordinance.
- (2) The period specified by Cabinet Order as provided in Article 57-2, paragraph (3) of the Act shall be one month (three months for quarterly reports and other documents specified by Cabinet Office Ordinance as documents that it is difficult to submit within the above period out of the documents listed in Article 57-2, paragraph (2), item (ii)). However, if a Parent Company of a Special Financial Instruments Business Operator is a foreign company, and it is determined that it is impossible for the Special Financial Instruments Business Operator to

submit the documents within three months from the day on which a Company became the Parent Company of the Special Financial Instruments Business Operator after the Notification Date due to the laws and regulations or practices of the home country of the Parent Company or other unavoidable reasons, the above period shall be a period approved by Commissioner of Financial Services Agency pursuant to Cabinet Office Ordinance.

- (3) The period specified by Cabinet Order as provided in Article 57-2, paragraph (5) of the Act shall be one month (three months for quarterly reports and other documents specified by Cabinet Office Ordinance as documents that it is difficult to submit within the above period). However, if a Parent Company of a Special Financial Instruments Business Operator is a foreign company, and it is determined that it is impossible for the Special Financial Instruments Business Operator to submit the documents within three months from the end of the quarterly period (meaning the quarterly period provided in Article 57-2, paragraph (5) of the Act; hereinafter the same shall apply in Article 17-2-7, paragraph (3) and Article 17-2-11, paragraph (3).) due to the laws and regulations or practices of the home country of the Parent Company or other unavoidable reasons, the above period shall be a period approved by the Commissioner of Financial Services Agency pursuant to Cabinet Office Ordinance.

Article 17-2-4 (Scope of Subsidiary Juridical Person, etc. of a Special Financial Instruments Business Operator)

The persons that fall under the requirements specified by Cabinet Order as provided in Article 57-2, paragraph (9) of the Act shall be the persons set forth in Article 15-16-2, each item of paragraph (1).

Article 17-2-5 (Period, etc. for the Submission of a Business Report by a Special Financial Instruments Business Operator)

- (1) The period specified by Cabinet Order as provided in Article 57-3, paragraph (1) of the Act shall be one month.
- (2) The order based on the provision of Article 57-3, paragraph (3) of the Act shall be given, prescribing that a public notice based on the said provision shall be made in a daily newspaper publishing matters on current affairs.

Article 17-2-6 (Period for the Preparation and Public Inspection of Special Financial Instruments Business Operator's Explanatory Documents)

- (1) The period from the Notification Date specified by Cabinet Order as provided in Article 57-4 of the Act shall be one month.
- (2) The period from the end of each business year specified by Cabinet Order as provided in

Article 57-4 of the Act shall be four months.

Article 17-2-7 (Period for the Notification, etc. of Documents Describing the Status of Soundness in Management of a Special Financial Instruments Business Operator)

- (1) The period specified by Cabinet Order as provided in Article 57-5, paragraph (2) of the Act shall be one month.
- (2) The period from the Notification Date specified by Cabinet Order as provided in Article 57-5, paragraph (3) of the Act shall be one month.
- (3) The period from the end of the quarter specified by Cabinet Order as provided in Article 57-5, paragraph (3) of the Act shall be two months.

Article 17-2-8 (Deadline for the Notification of Documents by a Designated Parent Company)

The period specified by Cabinet Order as provided in Article 57-13, paragraph (1) of the Act shall be one month.

Article 17-2-9 (Period, etc. for the Submission of a Business Report of an Ultimate Designated Parent Company)

- (1) The period specified by Cabinet Order as provided in Article 57-15, paragraph (1) of the Act shall be one month.
- (2) The order based on the provision of Article 57-15, paragraph (3) of the Act shall be given prescribing that a public notice based on the said provision shall be made in a daily newspaper publishing matters on current affairs.

Article 17-2-10 (Period for the Preparation and Public Inspection of Ultimate Designated Parent Company's Explanatory documents)

- (1) The period from the day of becoming an Ultimate Designated Parent Company specified by Cabinet Order as provided in Article 57-16 of the Act shall be one month.
- (2) The period from the end of each business year specified by Cabinet Order as provided in Article 57-16 of the Act shall be four months. However, if it is determined that it is impossible for the Ultimate Designated Parent Company (meaning the Ultimate Designated Parent Company provided in Article 57-12, paragraph (3) of the Act ;hereinafter the same shall apply in paragraph (3) of the following Article and Article 17-2-12, paragraph (2).), which is a foreign company, to keep the explanatory documents, which are provided in Article 57-16 of the Act, and make them available for public inspection from the day on

which four months have elapsed from the end of a business year due to the laws and regulations or practices of the home country of the Ultimate Designated Parent Company or other unavoidable reasons, the above period shall be a period approved by the Commissioner of Financial Services Agency pursuant to Cabinet Office Ordinance.

Article 17-2-11 (Period for the Submission, etc. of Documents Describing the Status of Soundness in Management of an Ultimate Designated Parent Company)

- (1) The period specified by Cabinet Order as provided in Article 57-17, paragraph (2) of the Act shall be one month.
- (2) The period from the day of becoming an Ultimate Designated Parent Company specified by Cabinet Order as provided in Article 57-17, paragraph (3) of the Act shall be one month.
- (3) The period from the end of the quarter specified by Cabinet Order as provided in Article 57-17, paragraph (3) of the Act shall be two months. However, if it is determined that it is impossible for an Ultimate Designated Parent Company, which is a foreign company, to keep the documents as provided in Article 57-17, paragraph (3) of the Act and make them available for public inspection from the day on which two months have elapsed from the end of the quarter due to the laws and regulations or practices of the home country of the Ultimate Designated Parent Company or other unavoidable reasons, the above period shall be a period approved by the Commissioner of Financial Services Agency pursuant to Cabinet Office Ordinance.

Article 17-2-12 (Technical Replacement of Terms, etc. for Application of Provisions of this Act to a Foreign Company)

- (1) In cases where the Parent Company of a Special Financial Instruments Business Operator is a foreign company, the technical replacement of the terms based on the provision of Article 57-27 of the Act, for the application of the provisions of the Act, shall be made as shown in the following table.

Provisions for the replacement of the terms	Words and phrases to be replaced	Words and phrases to be used as the replacement
Article 57-13, paragraph (2), item (ii)	the articles of incorporation, certificate of registered matters	the articles of incorporation, certificate of registered matters (including other documents equivalent thereto), and certificate of registered matters of a

		principal office in Japan
Article 57-18, paragraph (1), item (ii)	when an application for commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings has been filed	when an application for commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or liquidation proceedings has been filed in Japan, or when a similar application has been filed in the country where the head office or principal office of the Designated Parent Company is located based on the laws and regulations of the country
Article 57-18, paragraph (2), item (ii)	an Officer representing the Designated Parent Company	an Officer of the Designated Parent Company
Article 57-18, paragraph (2), item (iii)	when the Designated Parent Company has dissolved upon decision of commencement of bankruptcy proceedings	when the Designated Parent Company receives a decision on the commencement of bankruptcy proceedings, or at the time of the start of a proceedings similar to the bankruptcy proceedings in a country where the head office or principal office of the Designated Parent Company is located based on the laws and regulations of the country
	the bankruptcy trustee thereof	the bankruptcy trustee thereof or a person equivalent to the bankruptcy trustee in the country
Article 57-18, paragraph (2),	the liquidator thereof	the liquidator thereof or a

item (iv)		person equivalent to the liquidator in a country where the head office or principal office of the Designated Parent Company is located
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(2) Concerning the application of the provision of Article 57-15, paragraph (1) of the Act in cases where an Ultimate Designated Parent Company is a foreign company, “within three months” in Article 57-15, paragraph (1) shall be replaced to “within three months (if it is determined that it is impossible for the Ultimate Designated Parent Company to submit a business report within three months of the end of a business year due to the laws and regulations or practices of the home country of the Ultimate Designated Parent Company or other unavoidable reasons, the above period shall be the period approved by the Commissioner of Financial Services Agency pursuant to Cabinet Office Ordinance).”