

# **Japan's efforts to enhance payment and settlement systems**

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**The First Report of the Working Group on Financial and Capital Markets, Council on Economic and Fiscal Policy's Expert Committee on Reforms Addressing Globalization (April 20, 2007)**  
**“Toward the Establishment of Truly Competitive Financial and Capital Markets”**

**1. Further improving systems to turn the Tokyo market into a common Asian platform that is open and more accessible**

**：**  
**(4) *Strategically strengthening payment and settlement systems***

(i) By efficiently functioning as a way of integrating the settlements of funds and securities, payment and settlement systems play an important infrastructure role that contributes to the reliability and stability of the economy as a whole. They also have latent possibilities as a financial business. The presence of stable and efficient payment and settlement systems that also allow smooth access to foreign markets are one of the most basic requisite for any international financial center. The strategic strengthening of payment and settlement systems should be carried out swiftly: moves must be made towards the international harmonization of payment and settlement systems with responses to English language notation and SWIFT; the settlement times must be reduced (the time for settlement of government bonds and securities transactions, which is currently three days after the day of business, to one day after the day of business); ease of use must be improved (with the realization of financial EDI); and crisis management should be strengthened (by developing backup systems and business continuity plans).

(ii) The ideal way of collaboration among the responsible parties should be clarified in order to appropriately monitor payment and settlement systems, from the point of view of boosting the risk management of payment and settlement systems. In terms of securing decision-making and appropriate governance at the entities managing payment and settlement systems, their autonomy and responsibility should be strengthened (by, for example, making them joint stock corporations).

(iii) In order to ensure smooth transactions with overseas countries, international collaboration between payment and settlement bodies should be improved.

**2. Promoting innovation by participants who maintain a high degree of professionalism and personal sense of professional liability, and thereby strengthening asset investment capabilities**

**：**  
**(2) *Setting up special licenses to enable narrow banking and captive insurance***

As financial transactions and corporate activities become more diverse and sophisticated, there are stronger needs for new financial services, such as a narrow bank (a bank specializing in settlement operations) and a captive insurance company, that were not foreseen under existing industry laws. Measures should be taken to establish special simplified licenses, distinct from full licenses, to engage in banking and insurance, thereby enabling new financial activities to take place.

# Interim Summary of Issues (Phase 1) prepared by the Financial System Council's Study Group on the Internationalization of Japanese Financial and Capital Markets (June 13, 2007)

## II. Issues to be Addressed

:

### 2. Infrastructure including Systems

:

#### (2) Other Institutional Infrastructures

##### · Payment and Settlement system

The payment and settlement systems are key infrastructure underpinning financial and capital markets, and the level of security, efficiency, and convenience form one of the crucial determinants of the international competitiveness of financial and capital markets.

Efforts to improve the payment and settlement systems are currently underway, as exemplified by the upgrading of the Bank of Japan Financial Network System (BOJ-NET) to next-generation Real Time Gross Settlement (RTGS) for the settlement of funds and the implementation of the book-entry transfer system for the settlement of securities. In order to enhance the international competitiveness of Japan's financial and capital markets, it is important to further improve the security, efficiency and convenience of the payment and settlement systems in response to the advancement of information technology and the trends towards cross-border financial and capital transactions.

For the future, it is expected that interested parties will voluntarily and proactively make efforts to enhance the payment and settlement systems and continue conducting specialized studies on various points at issue concerning the payment and settlement systems from a broad perspective.

## III. Afterword

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- In order to overcome these issues, it is necessary to build an effective promotion framework. Accordingly, broad issues that relate to the reform of financial and capital markets should be regarded as vital challenges for the Cabinet in the form of a comprehensive package named, for example, "Plan to Enhance Competitiveness of Financial and Capital Markets of Japan (tentative name)". With respect to each issue, the priority order and target implementation date should be clarified to the extent possible, and the issues should be tackled in a speedy fashion, starting with the ones for which solutions are available.

- Especially with respect to issues that require institutional arrangements, further studies should be conducted in the future — including addressing the legislation side — at an appropriate venue arranged at the Financial System Council.

# **Better Market Initiative (Plan for Strengthening the Competitiveness of Japan's Financial and Capital Markets), Financial Services Agency (December 21, 2007)**

## **I. Creation of reliable and vibrant markets**

### **3. Construction of secure, efficient and convenient payment and settlement systems**

Payment and settlement systems are an important infrastructure supporting the financial and capital markets and a significant element that influences the international competitiveness of the markets. For Japan's markets to strengthen its competitiveness, it is important to improve further the security, efficiency, and convenience of the payment and settlement systems by keeping pace with the advance of information technologies.

#### **(1) Payment system**

With regard to the payment system, efforts will be made toward the introduction of RTGS (real time gross settlement) for large-value payments, processed on the Zengin System, in fiscal year 2011 (April 2011 to March 2012). Efforts toward meeting international standards and diversified customer needs will also be promoted in the sixth-generation Zengin System, which is planned to be launched in fiscal year 2011.

#### **(2) Securities settlement system**

As for the securities settlement system, efforts will be promoted for smooth implementation of the electronic share certificate system in January 2009. Afterwards, the FSA will encourage discussions among market participants on the promotion of straight-through processing (STP)<sup>2</sup> and on the expansion of the repurchase market, with the aim of shortening the settlement interval for government bonds.

#### **(3) Retail payment system**

As the innovation of information and communication technology expands, new payment services, such as "electronic money," have been developed and become widespread. In response to this, an institutional framework for such services will be considered from the viewpoint of customer protection, improvement in the security, efficiency, and convenience of the payment system, and promotion of innovation. The Financial System Council will start discussions on these issues from the spring of 2008.

#### **(4) Electronically recorded monetary claims system**

The electronically recorded monetary claims system, based on the Electronically Recorded Monetary Claims Act enacted in the 166th Diet session (2007), is designed as a new financial infrastructure that can be used as a payment and settlement infrastructure enabling smooth financing for businesses. Toward smooth introduction of the system, the FSA will finalize the government regulations within 2008, cooperating with the parties concerned in order to establish an electronically recorded monetary claims recording institution. It will also promote the efforts, including to create standards, such as recording formats, as necessary, and to raise awareness of users.

## Card-based Prepaid Products

	Edy	Suica	ICOCA	PASMO	nanaco	WAON
Issuer	bit Wallet	East Japan Railway Company	West Japan Railway Company	PASMO Co.,Ltd	IY Card Service Co.,Ltd	AEON CO.,Ltd
Date of launch	November 2001	March 2004	October 2005	March 2007	April 2007	April 2007
Number of cards issued (thousand)	41,800 <small>(as of August 2008)</small>	22,870 <small>(as of July 2008)</small>	3,320 <small>(as of November 2007)</small>	9,730 <small>(as of March 2008)</small>	5,630 <small>(as of May 2008)</small>	5,100 <small>(as of July 2008)</small>
Number of participating stores	77,000 <small>(as of August 2008)</small>	52,320 <small>(as of July 2008)</small>	5,500 <small>(as of November 2007)</small>	4,950 <small>(as of March 2008)</small>	19,673 <small>(as of May 2008)</small>	25,000 <small>(as of July 2008)</small>

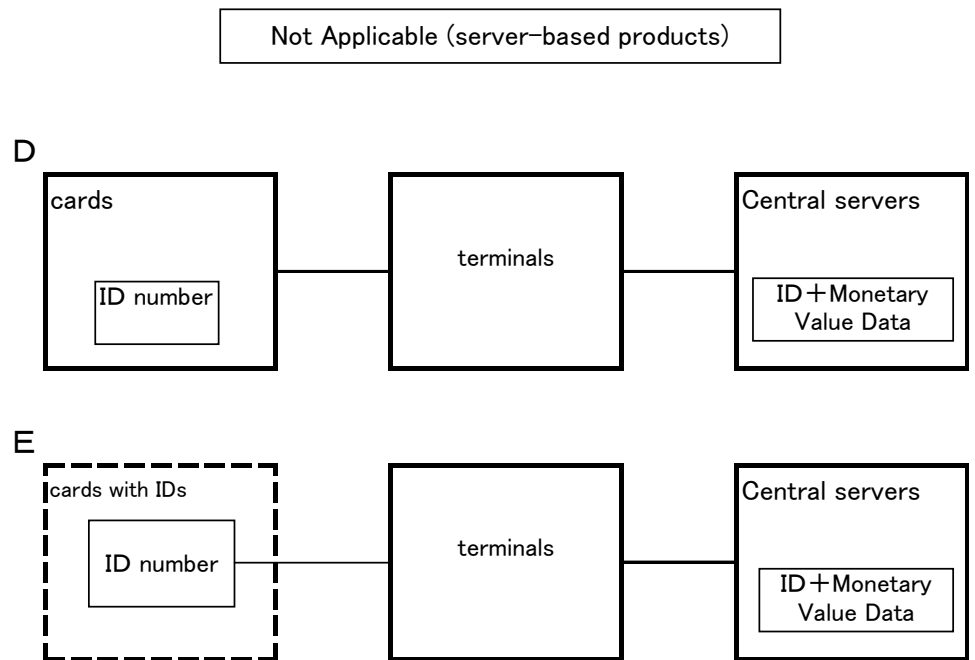
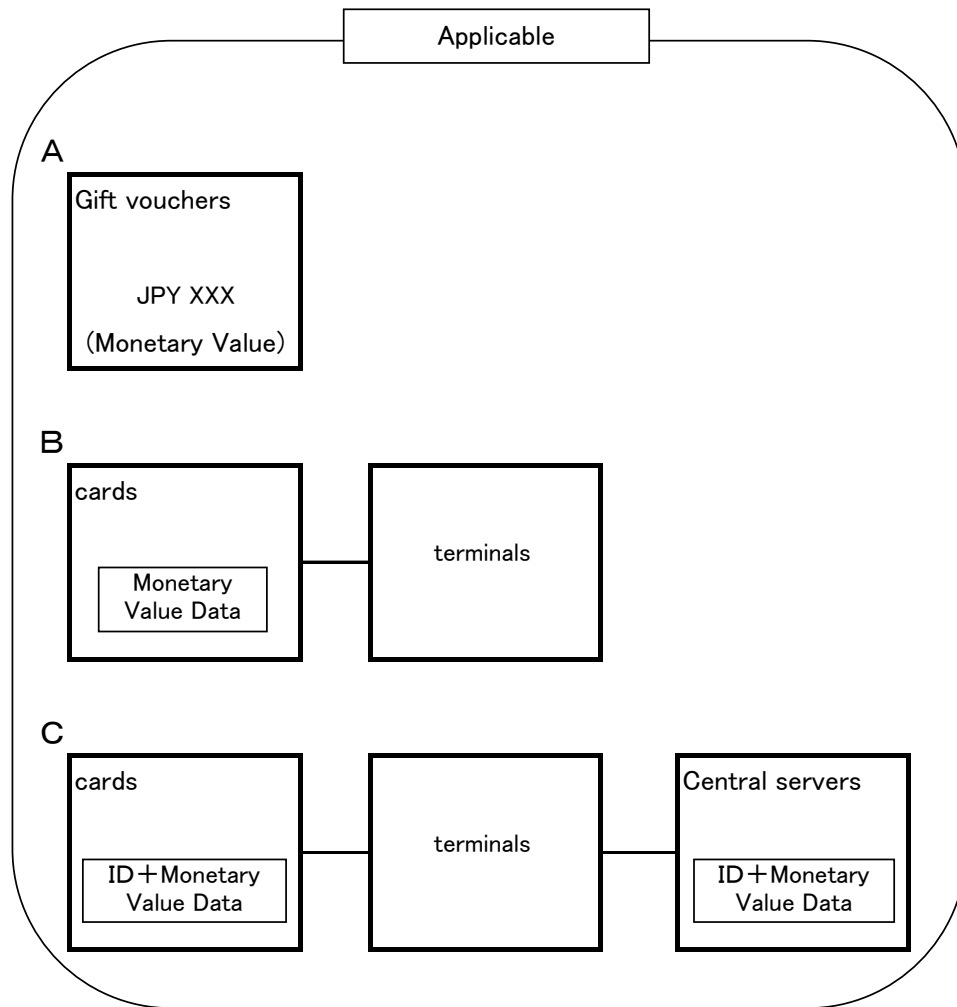
Prepared by the FSA based on data on the website of issuers

# Outline of the Prepaid Certificate Act (current law)

- The law regulating prepaid certificates (Prepaid Certificate Act) was passed in 1989 for the purpose of “protecting the interests of the purchasers etc. of prepaid certificates and contributing to the maintenance of credits for prepaid certificates by ensuring the appropriate administration of issuing and other operations.”
- Definition of "prepaid certificate"
  - ① Issued for a counter value
  - ② Explicitly notes (records) monetary amounts or volumes of goods or services etc.
  - ③ Can be used to claim payment of counter value or disbursement of goods by presentation, delivery or other method

Note: Admission tickets, transportation tickets, instruments expiring within 6 months of the date of issue and instruments issued by central or local government agencies etc. are excluded.
- Regulations
  - (1) Registration and notification system
    - ✓ Third-party issuers required to register (need to satisfy certain requirements regarding financial basis etc.).
    - ✓ In-house issuers required to file notification in the event that the outstanding balance exceeds 7 million yen on a date of record (the ends of March and September).
  - (2) Deposit of issuance guarantee etc.
    - ✓ As a measure to protect prepayments, issuers with an outstanding balance in excess of 10 million yen as at a date of record are required to deposit an issuance guarantee of at least 1/2 of the outstanding balance on the date of record (may also enter into a custodial agreement with a financial institution etc.).
    - ✓ In the event that prepaid certificates are rendered unusable by the bankruptcy etc. of the issuer, the issuance guarantee is refunded to the owners of prepaid certificates.
  - (3) Others
    - ✓ Issuers are obligated to indicate the name and address of the issuer, the value etc. of the certificate and the period of validity etc. on the prepaid certificates they issue.
    - ✓ There are also obligations to create and retain books, submit reports and, in the case of third-party issuers, submit to on-site inspections and operations improvement orders.
- The law allows issuers of prepaid certificates to establish prepaid issuing associations for the purpose of protecting the interests etc. of the purchasers of prepaid certificates.

# Types of Prepaid Products and Applicability of the current Prepaid Certificate Act



# Major Prepaid Products

Types of products		Name of Prepaid Products (name of issuers)					
Applicable of the current Prepaid Certificate Act	Paper based	Department store gift vouchers (department stores)	Beer vouchers (cooperative association of liquor stores)	Rice vouchers (cooperative for promoting sale of rice)	Book cards (Nippon Tosyo Fukyu Co.,LTD)	Telephone cards (Nippon Telegraph and Telephone East Co.)	Voucher cards "Quo" (Quo Card Co.,Ltd)
	IC card based	Edy (bit Wallet, Inc.)	Suica (East Japan Railway Company)	ICOCA (West Japan Railway Company)	PASMO (PASMO Co.,Ltd)	nanaco (IY Card Service Co.,Ltd)	WAON (AEON Co.,Ltd)
Not Applicable of the current Prepaid Certificate Act	Server based	WebMoney (Web Money Co.,Ltd)	BitCash (BitCash Inc.)	Cho-comu (NTT Communications)	PlayStation Network Cards and Tickets (Sony Computer Entertainment)	Takashimaya Gift Card (department store Takashimaya)	Starbucks Card (Starbucks Coffee Japan, Ltd)

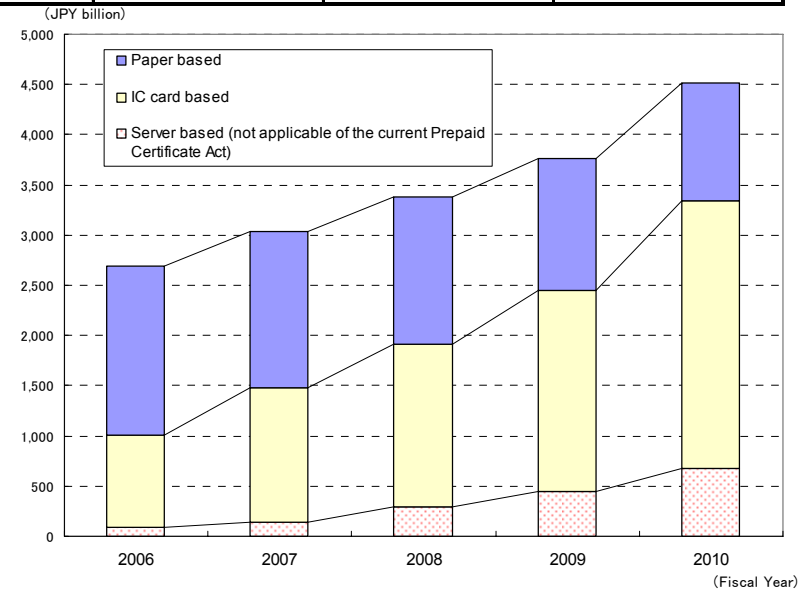
Prepared by the FSA based on data on the websites of issuers



# The Size of Payments Made by Prepaid Products

(JPY billion)

Type of Certificate	Fiscal year	results	estimates			
		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Paper based	issued value	1,691	1,560	1,467	1,316	1,167
	year on year change	—	92.2%	94.0%	89.7%	88.7%
IC card based	issued value	918	1,330	1,628	2,008	2,667
	year on year change	—	144.9%	122.4%	123.3%	132.8%
Server based (not applicable of the current Prepaid Certificate Act)	issued value	85	143	288	443	680
	year on year change	—	169.4%	200.9%	153.8%	153.5%
Total	issued value	2,694	3,033	3,383	3,767	4,514
	year on year change	—	112.6%	111.5%	111.3%	119.8%



Source: A survey result on the market for prepaid products released by Yano Research Institute Ltd.

## Regulation on Kawase transaction (funds transfer)

### **Banking Act (Act No.59 of 1981)**

#### Article 2

(1) The term "Bank" as used in this Act means a person who operates banking business under the license of the Prime Minister prescribed in Article 4(1).

(2) The term "Banking Business" as used in this Act means business that performs any of the following acts:

- (i) Both acceptance of deposits or Installment Savings, and loans of funds or discounting of bills and notes; or
- (ii) Conducting of Kawase transactions.

#### Article 4

(1) No Banking Business may be conducted without having obtained a license from the Prime Minister.

## Examples of funds transfer services providers other than banks in other counties

- Western Union (Colorado, founded in 1851)
- Paypal (California, founded in 1998)
- Microfinance International (Washington D.C., founded in 2003 by an ex Japanese banker)
- MoneyBookers (U.K., founded in 2001)

## Value of Domestic Funds Transfer

### Value of Transactions by the Type of Banks and Service Providers

	City banks	Regional banks	Regional banks II	Shinkin Central Bank and Shinkin banks	Shinkumi Federation Bank and Shinkumi	Bill payment services by 4 major	Cash on delivery services by 2 major providers
Average transaction value	270.4 trillion	7.1 trillion	2.3 trillion	38.1 billion	69 billion	1.5 trillion	1.1 trillion
Average value per transaction (thousand)	2,551 thousand	1,175 thousand	1,065 thousand	811 thousand	1,081 thousand	9,383	11,953

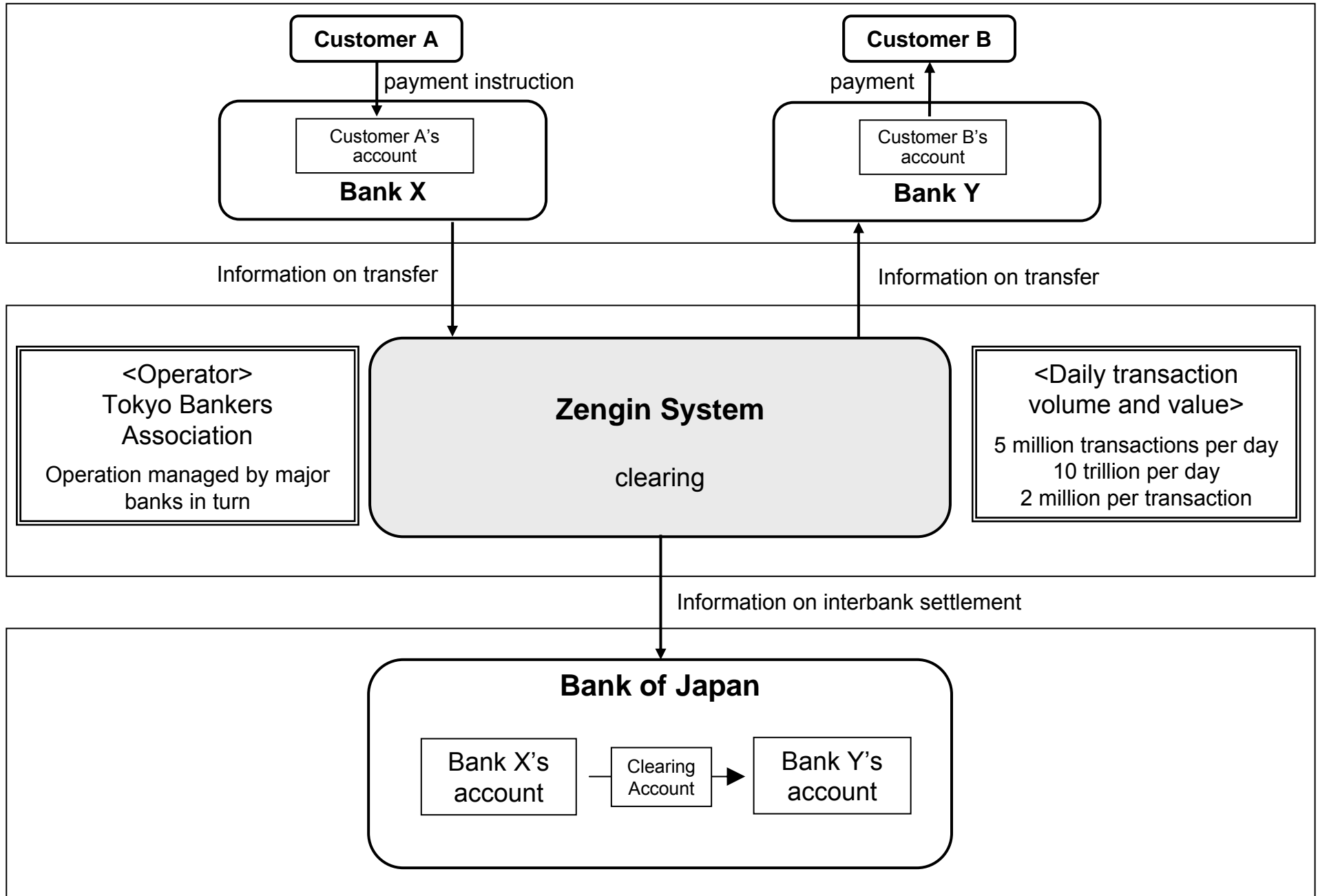
### Value of Daily Transactions by the Type of Banks and Services Providers

	City banks	Regional banks	Regional banks II	Shinkin Central Bank and Shinkin banks	Shinkumi Federation Bank and Shinkumi	Value of bill payments via process (caluculation)	
						Company A	Company B
Daily Transaction Value	1.1 trillion	28.6 billion	9.5 billion	1.6 billion	300 million	49.5 billion	30 billion
Average amount outstanding of current accounts	3.3 trillion	113.3 billion	40.6 billion	9.6 billion	1,200 million		
Average amount outstanding of ordinary accounts	20.7 trillion	1,373 billion	445.0 billion	121.4 billion	24,100 million		

# National regulations on retail payment services

		Japan	US	EU	UK
Funds transfer service (remittances etc.)	Governing Law	Banking Act	Transmitters of Money Act (State of New York)	Payment Services Directive * Members to enact domestic laws by November 1, 2009	—
	Supervision	<b>License (bank)</b> * Funds transfers constitute banking services (Kawase transactions) and can only be performed by banks.	<b>License (transfer service)</b> * Banks are allowed to transfer funds without coming under the regulations of the Transmitters of Money Act (State of New York) • <b>Operating guarantee (at least 500,000 dollars)</b> • <b>Operational rules (liquid assets at least equivalent to the unsettled/unused balance)</b> • <b>No restrictions on concurrent businesses</b> (Funds transfers constitute the acceptance of funds for remittance, the transfer of said funds and the purchase and sale of checks (checks, bills, travelers checks, money orders and other transfer and payment instruments). Bill payment services are also included.)	<b>License (payment agency)</b> * Credit institutions are allowed to provide payment and settlement services without requiring a separate license as a payment agency • <b>Initial capital (at least 20,000 to 125,000 euros)</b> • <b>Maintenance of funds on hand (calculation approach determined by individual members)</b> • <b>Obligation to protect customer assets (operators only)</b> • <b>No restrictions on concurrent businesses</b> [Member states may employ registration system for small-value operators at their discretion.] (Payment and settlement services consist of deposits to and withdrawals from accounts, execution of transactions (automatic withdrawals etc.), issuance of payment instruments, funds transfers and execution of payment transactions over mobile telephones etc. Bill payment services are also included.)	* Currently no regulations in place, but preparations are being made to enact domestic laws under the Payment Services Directive, and payment agencies are scheduled to be regulated under the Financial Services and Markets Act.
	Ceiling	No usage ceiling	No usage ceiling	No usage ceiling	—
	Money-laundering	Regulated (Law for Prevention of Transfer of Criminal Proceeds)	Regulated (Bank Secrecy Act, Patriot Act)	Regulated (Money-Laundering Directive)	Regulated (Money-Laundering Regulations)
	Safety net	Yes	No	No	—
Funds Prepaid services	Governing Law	Prepaid Certificate Act	Transmitters of Money Act (State of New York)	E-Money directive	Financial Services and Markets Act
	Supervision	<b>Third-party (registration), in-house (notification)</b> * Even banks require registration under the Prepaid Certificate Act. • <b>Capital regulations (at least 100 million yen etc. (third-party only))</b> • <b>Deposit obligation (at least 1/2 of outstanding balance (if outstanding balance exceeds 10 million yen))</b> • <b>No restrictions on concurrent businesses</b>	* Treated as a form of funds transfer and subject to the same regulation as transfers, but regulations only apply to third-party electronic media. * Common practice for third-party stored value is for funds to be pooled in a bank account.	<b>License (electronic money institution)</b> * Credit institutions are allowed to issue electronic money without requiring a separate license as an electronic money institution. • <b>Initial capital (at least 1 million euros)</b> • <b>Maintenance of funds on hand (at least 2% of outstanding balance)</b> • <b>Operational rules (liquid assets at least equivalent to the outstanding balance)</b> • <b>Concurrent business prohibited</b> • <b>Regulations apply only to third party electronic media</b> [Member states may exempt small-value electronic money issuers etc. at their discretion.]	<b>License (electronic money institution)</b> * Even banks require licenses to issue electronic money. • <b>Initial capital (at least 1 million euros)</b> • <b>Maintenance of funds on hand (at least 2% of outstanding balance)</b> • <b>Operational rules (liquid assets at least equivalent to the outstanding balance)</b> • <b>Concurrent business prohibited</b> • <b>Regulations apply only to third party electronic media</b> [Small-value electronic money issuers etc. exempted from regulation]
	Ceiling etc.	No usage ceiling	No usage ceiling Free conversion to cash	No usage ceiling Obligation to convert to cash	No usage ceiling (Note) Obligation to convert to cash
	Money-laundering	No	Regulated (Bank Secrecy Act, Patriot Act)	Regulated (Money-Laundering Directive)	Regulated (Money-Laundering Regulations)
	Safety net	No	No	No	No

# Zengin System and Interbank Funds Transfer



# Important Landmarks in the Japanese Payment and Settlement System

April 1973	Tokyo Bankers Association ("TBA" hereinafter) establishes the Nationwide Interbank Domestic Funds Transfer System ("Domestic System" hereinafter) and commences operation of the Zengin Data Telecommunication System ("Zengin System" hereinafter)
April 1974	Domestic System shortens settlement period (from T+2 to T+1)
February 1979	2nd Zengin System commences operation
October 1980	TBA commences operation of Foreign Exchange Yen Clearing System ("Forex-Yen System" hereinafter)
November 1987	3rd Zengin System commences operation
October 1988	Bank of Japan Financial Network System ("BOJ-NET" hereinafter) (current deposits) commences outside online connection
March 1989	BOJ-NET (foreign exchange-yen settlement services) commences operation
February 1990	TBA commences operation of Multi Integrated Cash Service (MICS)
July 1990	Domestic System implements full-fledged management of sender net debit caps
March 1993	Domestic System switches to same-day settlement (from T+1 to T+0) BOJ-NET (current deposits) extends operating hours (closing time: 3:00 PM → 5:00 PM)
November 1994	Yen settlement of foreign exchange trading switch to Forex-Yen System from bill clearance for all transactions
November 1995	4th Zengin System commences operation
December 1998	Forex-Yen System introduces indirect participation, revises Forex-Yen System policies and systems (introduces net credit limits and sender net debit caps, reviews loss-sharing rules, creates collateral scheme and liquidity supply scheme etc.)
January 2001	Bank of Japan moves to Real Time Gross Settlement (RTGS) for current accounts and government bonds New domestic transfer system commences operation
May 2002	Domestic System introduces ceilings on sender net debit caps BOJ-NET (current deposits) extends online input deadline (final deadline: 5:00 PM → 7:00 PM)
September 2002	CLS commences operations
December 2002	Amended Deposit Insurance Law passes (enters into effect April 2003) (full protection of payment obligations and deposits for payments)
November 2003	5th Zengin System commences operation
August 2005	"Act on Protection, etc of Depositors and Postal Saving Holders from Unauthorized Automated Withdrawal, etc. Using Counterfeit Cards, etc. and Stolen Cards, etc." passes (enters into effect February 2006)
June 2007	"Electronically Recorded Monetary Claims Act" passes (enters into effect December 2008)
October 2008	Bank of Japan implements Phase 1 of next-generation RTGS (introduction of liquidity regulation functions and full RTGS implementation for forex-yen settlement)

# Blueprint for a Modernized Financial Regulatory Structure, US Department of the Treasury (March 2008)

## V. Intermediate-term recommendations

### Payment and settlement systems

(Summary)

- Creation of a federal charter for payment and settlement systems.
- Eligibility for a federal charter limited to payment and settlement systems having systemic importance to the US financial system and economy.
- The Federal Reserve is to charter, regulate and supervise any payment or settlement system it determines to be systemically important.
- The Federal Reserve to have broad discretion to designate payment and settlement systems as systemically important.
- The Federal Reserve has lead authority, with a responsibility to coordinate, as may be appropriate, with other federal or state agencies. The Federal Reserve to be the primary regulator for federally chartered payment and settlement systems. However, depending on the nature of the specific system, there may be an important role for other federal agencies (e.g., the Securities and Exchange Commission or others).
- The Federal Reserve to have authority to establish regulatory standards to ensure the safety and efficiency of systemically important payment and settlement systems.
- The Federal Reserve, as the lead regulatory agency, to have the authority to conduct examinations of and obtain reports from systemically important payment and settlement systems. The Federal Reserve to also have the authority to require such systems to adhere to applicable laws, regulations and standards through, for example, the ability to impose cease and desist orders, civil monetary penalties etc.

# Outline of "Enhancing the Payment and Settlement System: Promoting Innovation and Protecting Users" (January 14, 2009), a report of the 2nd Working Group, Finance Study Group, Financial System Council

## 1. Retail funds settlement

- It is appropriate to perform more in-depth, practical studies regarding the following issues and make the requisite institutional enhancements.
  - Prepaid payment instruments
    - Server-based prepaid payment instruments to be treated the same as paper and IC-based prepaid payment instruments.
    - Supervisory provisions to be enhanced for in-house instruments.
    - Current regulatory framework to be maintained: e.g. notification requirement for in-house instruments and registration requirement for third-party instruments
    - Further study to be given to the use of trusts in addition to deposits and financial-institution guarantees as a means of preserving issuance guarantees.
    - Cash exchange of refunds in principle to be prohibited. But operators should be obligated for cash exchange or refunds in case of discontinuation of business by those operators.
  - Funds transfer services (name tentative)
    - Non-bank parties to be allowed to perform fund transactions currently permitted only to banks.
    - Efforts required to protect users and minimize social/economic impact in the event of bankruptcy of a funds transfer service operator.
    - Need to preserve the full value of funds accumulated at operators.
    - Methods to preserve accumulated funds should endeavor to maintain bankruptcy remoteness while also addressing the needs of operators by, for example, allowing entrustment to trust banks etc.
    - Need to subject funds transfer service operators to the Law for Prevention of Transfer of Criminal Proceeds.
- Topics for future study include "point services" and "payment agency services."

## 2. Interbank funds settlement

- The Zengin System is currently operated by a non-profit corporation (the Tokyo Bankers Association, which is an entity incorporated under special exceptions to the Civil Code that has banks as constituent members). A fairer and more transparent governance system is desirable in order to improve convenience and better meet the needs of users.
- It is desirable to make further improvements to legal stability so as to vouchsafe the payment effect of the Zengin System.
- Regarding the Interbank funds settlement, system improvement is necessary by referring to the systems abroad or systems for security settlement.



# Electronically Recorded Monetary Claims Act

## Bills

- The use of paper media inherently generates storage costs and the risk of loss, which has led to a decline in the use of bills and checks (Outstanding business bills declined from 72 trillion yen in FY 1990 to 34 trillion yen in FY 2006.)

## Accounts receivable

- Accounts receivable lack liquidity and are difficult to liquidate in advance because of the cost of confirming the existence and grounds for the credit and the risk of double assignment (Businesses hold accounts receivable were 209 trillion yen (FY 2006))

Need to facilitate fundraising by businesses.

Create new system that uses electronic entries to stipulate the nature of rights, thereby ensuring the safety and liquidity of transactions while also protecting users.

## [Outline of law]

### (Private law regulations on electronically recorded monetary claims)

- Nature of electronically recorded monetary claims
  - Monetary credits for which the effective requirements of generation and assignment are electronically recorded to registries created using magnetic disks etc.
  - Entries into registries defined the nature of rights
- Protection of the safety of transactions involving electronically recorded monetary claims
  - Creation of system for good-faith acquisition and inability to claim affirmative defenses
  - Creation of payment waiver system for payments to creditors noted in the registry
- Others
  - Creation of systems for electronically recorded guarantees with independence similar to bill guarantees and pledge right for electronically recorded monetary claims
  - Formulation of regulations governing alternations to registry entries, responsibilities of electronic monetary claim recording institutions for electronic monetary claim recording services and disclosure of monetary claims records etc.

### Supervision etc. of electronic monetary claim recording institutions

- Assurance of appropriate operations and services by electronic monetary claim recording institutions
  - Joint-stock companies (kabushiki kaisha) with appropriate asset bases and operational capacities may apply to the competent ministers for designation as a party providing electronic monetary claim recording services
  - Concurrent operation as an electronic monetary claim recording institution is prohibited to ensure fairness and neutrality and to insulate services from the risks associated with other businesses
  - Necessary inspection and supervisory regulations to be formulated so as to ensure appropriate and certain provision of services
- Others
  - Provisions of the Financial Instruments and Exchange Law to be applied in the event that electronically recorded monetary claims enter into widespread trading as financial instruments.

# Transactions Using Electronically Recorded Monetary Claims

