

Proposed Cabinet Office Ordinance of Certified Public Accountants Law

Chapter 5 Foreign Audit Firm, etc.

Article 83 (Notification)

A person who intends to give notification under the provisions of Article 34-35 of the Law (hereinafter referred to as “notifying person”) shall submit to the Commissioner of the Financial Services Agency four sets of the Form No. 19¹ specified in paragraph (1) of Article 34-36 and four sets of attached documents specified in paragraph (2) of the same Article.

Article 84 (Agent)

Notifying persons shall nominate a person who has his/her residence in Japan and has been granted authority on all matters regarding notification under the provisions of paragraph (1) of Article 34-35 of the Law (hereinafter referred to as “an agent”).

Article 85 (Other matters in the notification document)

Other matters to be notified, specified in subparagraph 5, paragraph (1) of Article 34-36 of the Law, include the following:

- (i) in the case of an artificial person, the date of incorporation and the name of the jurisdiction of the governing law applicable to the incorporation of said artificial person;
- (ii) in the case where notifying person is an individual and if he/she belongs to an artificial person, the name of said artificial person and the location of his/her principal office;
- (iii) name and location of the foreign issuers (meaning the persons who submit “financial documents of a foreign company, etc.” specified in paragraph (1) of Article 34-35 of the Law; the same shall apply hereinafter) for whose financial documents notifying person provides services that are found to correspond to the services provided in Article 2(1) of the Law, and the names of the individuals responsible for performing such services among other individuals working for the notifying person (hereinafter referred to as “responsible individuals”);

¹ Forms are not subject to public consultation. All forms shall be completed in Japanese.

- (iv) in the case where the notifying person has been subject to administrative actions or similar actions by one or more foreign administrative agencies or organizations equivalent to them in relation to his/her services that are found to correspond to the services provided in Article 2(1) of the Law, description of such actions;
- (v) name and address/location of principal office of the agent.

Article 86 (Matters to be contained in the attachment)

Matters to be contained in the attachment of the notification, specified in paragraph (2) of Article 34-36 of the Law, include the following:

- (i) articles of incorporation and certification of registry, or any other similar documents;
- (ii) professional history of individuals responsible for performing services that are found to correspond to the services prescribed in Article 2(1), including documents certifying such individuals' qualification of being a professional in auditing and accounting field;
- (iii) outline of audit system in the jurisdiction of notifying person, which include following matters:
 - 1) description of auditing standards and other audit regimes in the jurisdiction;
 - 2) name and location of the administrative agency which oversees the notifying person's services that are found to correspond to the services provided in Article 2(1) of the Law ("administrative agency" in 3);
 - 3) description of the audit supervisory system by the administrative agency over persons who performs services that are found to correspond to the services provided in Article 2(1) of the Law;
 - 4) a document which confirms that the notifying person is compliant with all the relevant laws and regulations and that the notifying person maintains proper operations in providing services that are found to correspond to the services provided in Article 2(1) of the Law.
- (iv) matters in relation to business operations of notifying person, which include the following:
 - 1) business operations, which include the following:
 - a) descriptions of services that are found to correspond to the services provided in Article 2(1) of the Law and other services,
 - b) descriptions of affiliated companies, including names and locations of their principal offices;
 - 2) description of performance of business operations, including those relates to

quality control policies;

3) description of business associations with other auditors, which includes the following;

a) in the case notifying person is affiliated in his/her auditing or attesting operations with Japanese certified public accountants or auditing firms in Japan, a statement to that effect and description of such business associations;

b) in the case where the notifying person is a member of a network comprised of foreign audit firms etc. who perform their operations in more than one jurisdiction under the same name etc., a summary of such networks and their arrangements.

4) description of notifying person's offices, including the following matters (in case the notifying person maintains more than one office, state for each office)

a) name;

b) office location;

c) number of employees, including individuals who perform services that are found to correspond to the services provided in Article 2(1) of the Law;

(v) documents which certify that the notifying person has granted authority on all matters regarding notification specified in paragraph (1) of Article 34-35 to an agent whose residence is in Japan.

Article 87 (Notification of Change)

Foreign audit firms, etc.(specified in Article 1-3 (7)) who intend to give notification under the provisions of Article 34-37 shall submit to the Commissioner of the Financial Services Agency four sets of the Form No. 20².

Article 88 (Matters to be publicized when rectification is made)

Matters to be publicized, specified in paragraph (3) of Article 34-38 of the Law include the following:

(i) the date on which the publication pursuant to paragraph (2) of Article 34-38 was made and the name of the foreign audit firms, etc. that was subject to the instruction specified in paragraph (1) of the same Article;

(ii) a description of the instructions specified in paragraph (1) of Article 34-38;

(iii) the reason of which the foreign audit firm, etc. is admitted to have rectified matters under the instructions set forth in paragraph (1) of Article 34-38 of the Law.

² Forms are not subject to public consultation. All forms shall be completed in Japanese.

Article 89 (Notification of Abolition of Services, etc.)

Foreign audit firms, etc. who intend to give notification under the provisions of paragraph (1) of Article 34-39 shall submit to the Commissioner of the Financial Services Agency four sets of the Form No. 21³.

³ Forms are not subject to public consultation. All forms shall be completed in Japanese.