

Status of Implementation of the Better Market Initiative
(Plan for strengthening the Competitiveness of Japan's Financial and Capital Markets)

Main items	Progress up to now	Future efforts
I. Creation of reliable and vibrant markets		
<Providing various opportunities for investment and fund-raising>		
○Diversification of ETFs		
<ul style="list-style-type: none"> ① Diversification of ETFs with contribution in kind linked to stock price indices (Elimination of the method of enumerating individual stock price indices) ② Introduction of ETFs with contribution in kind investing in listed securities other than stocks ③ Introduction of ETFs investing in commodity futures 	<ul style="list-style-type: none"> • Revised relevant government regulations related to the Act on Investment Trusts and Investment Corporations (Investment Trust Act) (Revised government regulations took effect in June 27, 2008). • Amended Financial Instruments and Exchange Act, etc. was enacted on June 6, 2008, and promulgated on June 13. 	<ul style="list-style-type: none"> • Revising relevant government regulations (within six months after promulgation of amended act).
○Establishment of a framework for alliances between stock and commodity exchanges		<ul style="list-style-type: none"> • Consideration will be given by the end of 2008 to revisions necessary to make alliances possible between financial instruments exchanges and commodity exchanges. Following this consideration, the relevant revisions will be implemented promptly.
○Diversification of J-REITs (introduction of incorporation of overseas real estate in their portfolio)	<ul style="list-style-type: none"> • The Ministry of Land, Infrastructure, Transport and Tourism formulated the guidelines on the appraisal and evaluation of overseas real estate (Guidelines took effect on January, 2008). • The Tokyo Stock Exchange revised its listing rules related to the incorporation of overseas real estate in J-REITs' portfolio. (Revised rules took effect in May 2008). 	
○Expansion of opportunities for trading foreign company stocks in Japan (development of a framework for secondary markets for JDRs)	<ul style="list-style-type: none"> • The Tokyo Stock Exchange and the Japan Securities Depository Center, Inc. revised rules related to the development of a framework for secondary markets for JDRs (Japanese depository receipts) (February 2008). 	
○Making transactions among professionals more vibrant		
<ul style="list-style-type: none"> ① More flexibility in the qualified institutional investor system ② Development of a framework for markets intended for professionals 	<ul style="list-style-type: none"> • Revised the Cabinet Office Ordinances for the purpose of increasing the number of notification opportunities for becoming qualified institutional investors (from twice to four times a year)(May 2008) . • Amended Financial Instruments and Exchange Act, etc. was enacted on June 6, 2008, and promulgated on June 13. • Establish new markets limited to professional investor that exempt issuers from disclosure requirements and is based on rules of information provision established by exchanges. 	<ul style="list-style-type: none"> • Revising relevant (within six months after the promulgation of amended act). • Revising relevant government regulations for the development of the PTS (Proprietary Trading System) market for the purpose of developing a framework of transactions utilizing "private offerings to professionals" (by the end of 2008).
○Development of a framework for a secondary market for delisted stocks ("Green Sheet" market)	<ul style="list-style-type: none"> • The Japan Securities Dealers Association revised its rules with an eye to develop a framework for a secondary market for "phoenix stocks (delisted stocks)" (Revised rules took effect in March 2008). 	
○Taxation scheme for promoting changes in investment trends ("from savings to investment")	<ul style="list-style-type: none"> • Under FY2008 taxation reform, the Government took measures to maintain a reduced tax rate for a certain amount of dividend and capital gain and to allow investors to offset capital losses incurred by selling listed stocks, etc. against other income from dividend. 	<ul style="list-style-type: none"> • Making efforts to put in place a taxation scheme that promotes changes in investment trends ("from savings to investment") and is favorable to investment by retail investors in risk assets.

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<p>○Enhancing financial literacy of the public through promotion of better financial education</p>	<ul style="list-style-type: none"> • Distributed free copies of textbooks and handbooks on the basics of finance and economy authored by the FSA upon request from junior and senior high schools, universities and local governments across Japan (March and May 2008) • Sponsored symposiums on life planning and asset management (in Nagoya, Sendai, and Fukuoka in January, March, and June 2008, respectively). 	<ul style="list-style-type: none"> • Continuing the free distribution of FSA-authored textbooks and handbooks upon request. • Sponsoring the symposiums in Kanazawa, Sapporo, Takamatsu and Kumamoto in September and November 2008, and February and March 2009, respectively).
<p><Ensuring fairness and transparency of the markets></p>		
<p>○Review of the administrative monetary penalty system (Increase the amount of administrative monetary penalties and expanding the coverage of violations subject to administrative monetary penalties)</p>	<ul style="list-style-type: none"> • Amended Financial Instruments and Exchange Act, etc. was enacted on June 6, 2008, and promulgated on June 13. - Increase the amount of administrative monetary penalties (insider trading, false statements in offering disclosure documents or ongoing disclosure documents, etc.) - Expanding the coverage of violations subject to administrative monetary penalties (illegal market stabilization, failure to submit disclosure document, false statements in or failure to submit tender offer bid disclosure documents or large shareholding disclosure documents). 	<ul style="list-style-type: none"> • Revising relevant Cabinet Orders and Ordinances (within six months after promulgation of amended act).
<p>○Strengthening market surveillance functions</p>		
<p>① Strengthening of the market surveillance mechanism including the Securities and Exchange Surveillance Commission (SESC)</p>	<ul style="list-style-type: none"> • In the FY2008 budget, the FSA increased the number of the SESC and other personnel members by 32 in order to strengthen market surveillance, including proper enforcement of administrative civil monetary penalties investigations. 	<ul style="list-style-type: none"> • Making continuous efforts to reinforce the overall mechanism of market surveillance, including the strengthening the SESC.
<p>② Promotion of seamless self-regulatory networks</p>	<ul style="list-style-type: none"> • The Japan Securities Dealers Association, the Investment Trust Association, the Financial Futures Association of the Japan, the Japan Securities Investment Advisers Association and the Japan Commodities Fund Association jointly set up contact points for complaints and consultation (January 2008). 	
<p>③ Further promotion of the certified investor protection organization system</p>	<ul style="list-style-type: none"> • Designated the Life Insurance Association of Japan and the General Insurance Association as the certified investor protection organizations which engage in assisting the resolution of disputes related to transactions of financial instruments (in September 2007 and March 2008, respectively). • Published "Issue facing the Improvement of the alternative dispute resolution (ADR) in the financial sector (Memorandum of Chairman)" at the Financial Service Dispute Resolution Liaison Group (on June 24, 2008) 	<ul style="list-style-type: none"> • Based on deliberations conducted at the Financial Service Dispute Resolution Liaison Group, the FSA will make efforts to further improve ADR in the financial sector.
<p>④ Enhancement of the self-regulatory functions of the exchanges</p>	<ul style="list-style-type: none"> • The Tokyo Stock Exchange invited public comment on the introduction of a penalty for breach of listing contract (from April 28 to May 28, 2008). 	<ul style="list-style-type: none"> • Revising listing rules by the Tokyo Stock Exchange related to penalty for breach of listing contract (by the end of July 2008) • Continuing deliberations on measures to strengthen self regulatory function of exchanges at the Advisory Group on Improvements to the TSE Listing System of the Tokyo Stock Exchange. (by the end of FY2008).
<p>○Promotion of international convergence and mutual recognition of accounting standards</p>	<ul style="list-style-type: none"> • Exchanged opinions with the European Commission (EC) and the Committee of European Securities Regulators with regard to EU's assessment of the equivalence of third country GAAPs (January, March and May 2008). • The Accounting Standards Board of Japan (ASBJ) held periodical meetings with the International Accounting Standards Board (IASB) (April and May 2008). 	<ul style="list-style-type: none"> • Continuing dialogue with the United States Securities and Exchange Commission (SEC), etc. • Promotion of concerted efforts by the domestic parties concerned toward the international convergence of accounting standards.
<p>○Widening the scope of disclosure in English</p>	<ul style="list-style-type: none"> • Revised Government regulations related to the Financial Instruments and Exchange Act, it will be revised by around spring 2008 in order to increase the types of securities on which disclosure in English is permitted. (Cabinet Order took effect on May 28, 2008 and Cabinet Ordinance on June 1). 	

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<p>○Introduction of XBRL in EDINET</p>	<ul style="list-style-type: none"> • Launched new electronic corporate disclosure system (EDINET) with the use of XBRL format (March 2008). • Revised regulations for format changes, etc. of financial statement following the introduction of XBRL (applicable to the documents related to business years starting in or after April 2008) (Revised regulations took effect on June 6, 2008). Revised "FAQs on the Internal Control Report System " • Continuous deliberations for the establishment of multinational interoperability with the International Accounting Standards Committee Foundation (IASCF), SEC, etc. 	<ul style="list-style-type: none"> • Considering widening the scope of application of XBRL as well as introducing new technology related to XBRL as needed. • Developing and changing XBRL taxonomy as required by a review of accounting standards.
<p>○Examination of regulatory treatment of credit-rating agencies</p>	<ul style="list-style-type: none"> • The International Organization of Securities Commissions (IOSCO) announced the Code of Conduct Fundamentals for Credit Rating Agencies (revised edition) (May 2008). 	<ul style="list-style-type: none"> • Paying close attention to the progress of review by credit-rating agencies based on the Code of Conduct by IOSCO.
<p>○Proper risk assessment and enhanced disclosure of risks associated with securitized products</p>	<ul style="list-style-type: none"> • Revised supervisory guidelines in order to secure traceability with regard to securitized products (Revised guidelines took effect in April 2008). 	<ul style="list-style-type: none"> • In response to the Plan for Strengthening the Competitiveness of Japan's Financial and Capital Markets and revised supervisory guideline, the Japan Securities Dealers Association will formulate self-regulatory rules with regard to the sales of securitized products as well as a standardized format for information disclosure of such products (by the end of 2008)
<p>○Strengthening corporate governance</p>		
<p>① Better internal control in corporations</p>	<ul style="list-style-type: none"> • Published "Eleven Misunderstandings about the Internal Control Report System" (March 2008). • Introduced the Internal Control Report System (April 2008). • The FSA, together with the Japanese Institute of Certified Public Accountants and Nippon Keidanren (Japan Business Federation), jointly established a consultation and inquiry desk to cope with consultations and inquiries from companies and auditors (April 2008). • Revised "FAQs on the Internal Control Report System" (June 24, 2008). 	<ul style="list-style-type: none"> • After implementation of the internal control reporting system, the FSA will review the system on a timely basis and deliberate as needed on revisions, etc.
<p>② Efforts to strengthen governance of listed corporations</p>	<ul style="list-style-type: none"> • The Tokyo Stock Exchange announced its policy for FY2008 giving top priority to the improvement of the TSE listing system in order to enhance the corporate code of conduct (May 2008). 	<ul style="list-style-type: none"> • The Advisory Group on Improvements to the TSE Listing System of the Tokyo Stock Exchange will consider measures toward strengthening corporate governance (by the end of FY 2008). • Conducting extensive examination on how governance of listed corporations should be strengthened, taking into account the progress in efforts by the exchanges.

< Construction of secure, efficient and convenient payment and settlement systems >

<p>○Improving and strengthening payment and settlement systems</p>	<ul style="list-style-type: none"> • Established the Payment and Settlement System Enhancement Office (April 2008) for the purpose of studying a framework for new payment and settlement systems and promoting the efforts by the people concerned toward enhancing the systems (April 2008). • Established a work group related to payment and settlement at the Financial System Council and started extensive discussions on the relevant issues (May 2008). • Invited public comment on proposed draft government regulations related to the electronic share certificate system (from April 28 to May 29, 2008). 	<ul style="list-style-type: none"> • Continuing discussions at the Financial System Council (by the end of 2008). • The Japanese Bankers Association will formulate basic requirements of the sixth-generation Zengin System (by the end of 2008) • Revising government regulations related to the electronic share certificate system based on public comment (by June 2008)., • Continuing to promote discussions toward shortening the settlement interval for government bonds, taking into account implementation status of electronic share certificate system.
	<ul style="list-style-type: none"> • Promoted public awareness with an eye to smooth implementation of the electronic share certificate system in January 2009. 	

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<p>○Developing electronically recorded monetary claims system</p>	<p>•The Japanese Bankers Association announced its policy toward promoting the use of the electronically recorded monetary claims system and developing an environment to this end (March 2008)</p> <p>•Invited public comment on a draft cabinet order for the Electronically Recorded Monetary Claims Act (from June 21 to July 31 2008).</p>	<p>•Formulating government regulations related to the Electronically Recorded Monetary Claims Act (enacted in June 2007) (by the end of 2008).</p> <p>•Toward smooth introduction of the electronically recorded monetary claims system, promoting efforts to raise awareness of users.</p> <p>•The Japanese Bankers Association will establish an advisory group on the promotion of the electronically recorded monetary claims system, and consider promotion of use of electronically recorded monetary claims (after June 2008).</p>
<p>II. Putting in place a business environment that vitalizes the financial services industry and promotes competition</p>		
<p>○Revamp of the firewall regulations among banking, securities and insurance businesses, and development of a system for controlling conflicts of interest</p>	<p>•Amended Financial Instruments and Exchange Act, etc. was enacted on June 6, 2008 and promulgated on June 13.</p> <ul style="list-style-type: none"> — Developed a system for controlling conflicts of interest —Lifted the ban on concurrent posts 	<p>•Relevant government regulations will be amended (within one year from the promulgation of the amended act).</p>
<p>○Broadening the scope of businesses permitted to banking and/or insurance groups</p>	<p>•Amended Financial Instruments and Exchange Act, etc. was enacted on June 6, 2008, and promulgated on June 13.</p> <ul style="list-style-type: none"> — Allowing banking groups, which satisfy certain requirements with respect to financial soundness and adequate risk management, to provide new businesses, such as spot transactions of commodities, through the bank's sibling companies — Allowing banks or insurance firms to engage in emission trading directly — Introduction of a framework for agency and intermediary operations on behalf of foreign banks — Broadening the scope of exemption to the restrictions on holding shareholder voting rights applied to banking groups, from the viewpoint of supporting companies under restructuring, etc. 	<p>•Relevant cabinet ordinances will be amended (within six months from the promulgation of the amended act)</p> <ul style="list-style-type: none"> — Formulating cabinet ordinances upon legal amendment — Allowing subsidiaries of banks or insurance firms (including subsidiaries of banking and/or insurance holding companies) to engage in Islamic finance
<p>○Review of the regulations on asset management by insurance firms</p>		<p>•Examining a possible abolition of the regulations on the upper limit ratios by asset types applied to insurance firms with due consideration of the review of the regulation on solvency.</p>
<p>○Facilitating the financing of small and medium-sized enterprises and revitalizing regional economies</p>	<p>•Revised those parts of the Financial Inspection Manual that concern the treatment of loans deemed to have sufficient capital-like nature (March 2008) and upgraded the FAQ regarding the Financial Inspection Manual (April 2008)</p> <p>•Communication of the Supplement to the Financial Inspection Manual: Treatment of Classifications regarding Credits to Small-and Medium Sized Enterprises</p> <ul style="list-style-type: none"> — held forums for exchange of views with industry groups (since April 2008) — held briefing sessions for small and medium-size enterprises (SMEs) nationwide <p>•Gave positive evaluation of financial institutions' efforts concerning corporate rehabilitation in inspection</p> <p>•Held a forum for exchanges of views on smoothing fiscal year-end financing (February 2008)</p> <p>•Held forums for exchanges of views on smoothing financing for SMEs in 10 locations (April-May 2008)</p> <p>•Opened a hotline regarding smoothing of fiscal year-end financing (February to the end of March 2008) and a hotline regarding smoothing of financing (April 2008)</p> <p>•For the purpose of promoting region-based relationship banking:</p> <ul style="list-style-type: none"> — Held Symposiums (November 2007 to February 2008) <p>•Examined the possibility of reviewing the desirable status of co-operative-type financial institutions (since March 2008)</p>	<p>•Communication of the Supplement to the Financial Inspection Manual: Treatment of Classifications regarding Credits to Small-and Medium Sized Enterprises</p> <ul style="list-style-type: none"> — Continuing efforts to communicate the supplement to financial institutions. — Continuing to hold briefing sessions for SMEs nationwide <p>•Continuing to evaluate efforts regarding business revitalization in inspections and publish a case collection regarding matters pointed out in inspections, including example cases of evaluation (July 2008).</p> <p>•To continue asking financial institutions to ensure smooth financing for SMEs through forums for exchange of views.</p> <p>•For the purpose of continuing to promote region-based relationship banking:</p> <ul style="list-style-type: none"> — Publishing the summary of the status of efforts regarding relationship banking (around summer 2008) — Holding symposiums (around autumn 2008) — Publishing a collection of example cases (around winter 2008)
<p>○Minimizing the “PE risk” to attract foreign fund managers to Japan’s markets</p>	<p>•Established a provision for the exclusion of "independent agent" from the scope of "agency PE" under the revised act for taxation in fiscal 2008 (April 2008)</p> <p>•Published a collection of reference cases, etc. for the purpose of clarifying the interpretation of "independent agent" (June 27, 2008).</p>	

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III Improving the regulatory environment ("better regulation")		
<p>○Enhanced dialogue and sharing of principles with the industry</p>	<p>(Sharing of principles with the industry) <ul style="list-style-type: none"> •Published the Principles in the Financial Services Industry (April 2008). <p>(Interpretation of rules in light of the principles) <ul style="list-style-type: none"> •Published such documents as "Our Answers to Your Questions about the Financial Instruments and Exchange Act" (February 2008). <p>(Efforts to achieve combination of rules-based and principles-based supervisory approaches) <ul style="list-style-type: none"> •The Japan Securities Dealers Association and other organizations revised or drew up a total of 12 sets of voluntary rules in accordance with the summary of issues compiled by the FSA's Consultative Council on Market Intermediary Function of Securities Companies (released in June 2006). <p>(Others) <ul style="list-style-type: none"> •Summarized and published the progress status of the overall efforts toward better regulation (May 2008). •Expanded opportunities to exchange views with executives of domestic and foreign financial institutions and other organizations. Increased regular forums for exchanges of views with business groups, including foreign groups such as the International Bankers Association (IBA) and the American Chamber of Commerce in Japan (ACCIJ). </p></p></p></p>	<ul style="list-style-type: none"> •Continuously promoting efforts toward increasing dialogue. In particular, considering to increase working-level dialogue and to provide more opportunities for exchanges of views in a free atmosphere among division chiefs, based on the results of a questionnaire survey of financial institutions on the progress status of efforts toward better regulation (March 2008). •Holding dialogue with financial services providers continuously about the principles. •Fully informing the authorities' officials in charge of the system and purpose of the Financial Instruments and Exchange Act, and promoting efforts to ensure correct understanding of the system and purpose, such as making additions or revising FAQs regarding the system as necessary. •Publishing the progress status of efforts toward better regulation every half year. •Continuously implementing exchange of opinions with domestic and foreign financial institutions and business groups, and considering enhancements and improvements of the subject matter and implementation methods of such exchange of opinions.
<p>○Enhanced transparency and predictability of regulation and supervision</p>	<p>(Efforts to enhance transparency and predictability in the inspection and supervision frameworks) <ul style="list-style-type: none"> •Formulated and published supervisory guidelines and inspection manuals for the respective business categories and such documents as "Administrative Action in the Financial Sector." •Published casebooks including those on administrative monetary penalties under the Financial Instruments and the Exchange Act as well as those regarding matters pointed out in financial inspection, enhanced user-friendliness of the no action letter system, accumulated specific case examples in the form of a FAQ, aggregated and published figures concerning financial institutions' business operations, and enhanced the procedures for inviting public comments, among other efforts. •Published the English translations of the Banking Act, the Financial Instruments and the Exchange Act and the Insurance Business Act (June 27, 2008). <p>(Others) <ul style="list-style-type: none"> •Made active use of lectures, interviews, and article contributions to mass media, including information dissemination in English, with regard to specific important themes. </p></p>	<ul style="list-style-type: none"> •Continuously promoting various efforts for enhancing transparency and predictability of regulation and supervision. In particular, considering enhancement of the website, which was being sought by many respondents in the above-mentioned questionnaire survey. <ul style="list-style-type: none"> - Further improving the site map and search functions of the website. •Continuing to publish English translations of the FSA's important policies and measures and carry out press briefings for overseas media. •Publishing case collections regarding matters pointed out in financial inspection and opinions expressed (July 2008). •Promptly creating English translations of the Certified Public Accountants Act and the related government regulations thereof, the Electronically Recorded Monetary Claims Act and government regulations related to the Banking Act.

Main items	Progress up to now	Future efforts
<p>○Strengthening cooperation with overseas authorities</p>	<ul style="list-style-type: none"> • Contributed to international discussions on the subprime mortgage related problem at the World Economic Forum, the Financial Stability Forum (FSF), the International Organization of Securities Commissions (IOSCO), etc. Also participated in international conferences such as meetings of the Basel Committee on Banking Supervision, the IOSCO, and the International Association of Insurance Supervisors (IAIS), playing leading roles in some conferences. Became a signatory to the Multilateral MOU (February 2008), which is the IOSCO's multilateral framework for facilitating information exchanges. • Hosted the IOSCO Technical Committee Conference, Tokyo (November 2007). • Expanded the number of foreign supervisory authorities with which the FSA holds regular meetings (Malaysia and China became regular meeting partners in September 2007 and January 2008, respectively). Also expanded the number of foreign authorities with which it has a framework for supervisory cooperation (Established the framework with Dubai and China in November 2007 and February 2008, respectively). Enhanced dialogue with foreign authorities, such as Minister for Financial Services Yoshimi Watanabe visiting China (in February 2008) and Malaysia (in June 14, 2008). 	<ul style="list-style-type: none"> • Continuously make active contributions to discussions with foreign authorities in multilateral fora, and promote strengthening cooperation with foreign supervisory authorities. • Steadily implement the recommendations included in the Report of the FSF on Enhancing Market and Institutional Resilience.
<p>○Swift and accurate comprehension of market developments and effective supervisory response</p>	<p>(Response to the subprime mortgage problem)</p> <ul style="list-style-type: none"> • Intensively allocated administrative resources to measures for responding to the subprime mortgage problem, based on the recognition of the depth and extent of the problem. • Investigated and analyzed the impact of the problem on Japan's financial system (disclosed the exposures of Japanese deposit-taking institutions to subprime-related products, etc) (November 2007 and February and June 2008). • Kept a careful watch on the risk management status of Japanese financial institutions. • Enhanced the FSA's organization to adequately identify global market developments in a timely manner (e.g. the establishment of the Market Analysis Office in February 2008). • Deliberated over future regulatory and supervisory measures in light of the first and second report by the Financial Markets Strategy Team (November 2007, June 12, 2008). 	<ul style="list-style-type: none"> • Conducting forward-looking and risk-focused information collection, analysis and response with regard to the global market trends and their impact on financial institutions. • Setting up the office of counselor for risk analysis (July 2008) for developing an internal framework for accumulating information on economic and financial situations and precisely responding to high-priority risks posed by changes in the financial environment. • Implementing inspections of major banks under a Japanese version of "Examiner in Charge" and implementing targeted inspections and special inspections.
<p>○Swift and accurate comprehension of market developments and effective supervisory response</p>	<p>(Implementation of effectively focused inspection and supervision)</p> <ul style="list-style-type: none"> • Formulated the basic policy of inspections and supervision that clearly indicate priority issues over the new Business Year, introduced a Japanese version of "Examiner in Charge" where chief examiners in charge of inspecting major banks remain in charge for multiple years (July 2007), and made active use of target inspection and special inspection focusing on specific risks and themes. <p>(Others)</p> <ul style="list-style-type: none"> • Published a summary of issues (February 2008) compiled by the Working Group for the Improved Operations of EDINET System. • Revised the guideline for supervision in order to introduce an early warning system aimed at Type I Financial Instruments Business Operators (April 2008). 	<ul style="list-style-type: none"> • Promoting new efforts such as introducing a simplified inspection system with regard to small financial institutions whose scope of businesses is limited (July 2008). • Conducting further deliberations on measures for improving the large shareholding report system and the EDINET system and implementing appropriate measures as necessary.

Main items	Progress up to now	Future efforts
<p>○Improvement of the skills of the FSA staff</p>	<p>(Establishment of a recruitment system that contributes to improving the expertise of the FSA staff)</p> <ul style="list-style-type: none"> • The personnel authority conducted a questionnaire survey concerning career paths (January 2008) for improving the expertise of the FSA staff. <p>(Improvement of expertise through enhancement of the training system)</p> <ul style="list-style-type: none"> • Theoretical training was provided by type of post (official in charge class, section chief class, and deputy director class) and training in the respective departments was enhanced and strengthened in order to allow officials to acquire expert knowledge and skills concerning financial regulation, etc. (July 2007). <p>(More flexible recruitment)</p> <ul style="list-style-type: none"> • Implemented recruitment to hire persons who have work experience in private companies and lawyers. Conducted a selection examination for the recruitment of people with work experiences in the financial and monetary sectors (June 2008). Held briefing sessions for certified public accountants (January 2008) and placed recruit advertisements in order to reinforce access to human resources. 	<ul style="list-style-type: none"> • Continuously promoting establishment of a better recruitment system and enhancement of training toward improving the skills of the FSA staff. • Continuously making efforts to establish a recruitment system that takes employee expertise into consideration, based on the results of the questionnaire survey concerning career paths. • Sending FSA staff to domestic and overseas graduate schools, overseas government agencies, and overseas diplomatic establishments, as well as to training programs offered by overseas authorities and research institutions, in order to foster sophisticated expertise and international minds. • Continuously promoting more flexible recruitment by actively conducting mid-career recruitment, selection examination for the recruitment of people with work experiences, and other recruitment activities suited to different recruitment targets.
<p>IV. Improving the broader environment surrounding the markets</p>		
<p>○Enhancement of advanced and practical financial education and greater use of experts in finance</p>	<ul style="list-style-type: none"> • The FSA requested to the Ministry of Education, Culture, Sports, Science and Technology (MEXT) to assist professional graduate schools in their efforts aimed at financial education and called on industry organizations to set up a contact point for receiving request for guest lecturers and internship. The FSA also requested universities and graduate schools to enhance and reinforce advanced and practical financial education. (December 2007 and May 2008) • MEXT started to invite application under the program on the promotion of advanced professional at professional graduate schools (Areas covered by the program includes sectors requiring international competency, such as business, Management of Technology, finance and accounting) (April 2008) . • The Industry-Academia Joint Committee on Highly Qualified Human Resources in Finance, where the Ministry of Economy, Trade and Industry takes charge of secretariat in cooperation with the MEXT, finalized the report on the development and nurturing of expertise in finance (February 2008). 	<ul style="list-style-type: none"> • The Industry-Academia Joint Committee on Highly Qualified Human Resources in Finance, where the Ministry of Economy, Trade and Industry takes charge of secretariat in cooperation with the MEXT, will consider implementation of inter-university coordination programs to nurture top human resources in financial engineering and of night programs for enterprises.
<p>○Improving the modalities of the Certified Public Accountant (CPA) Examination</p>	<ul style="list-style-type: none"> • Shortened dates of multiple choice tests (from two days to one) 	<ul style="list-style-type: none"> • Changing dates of essay tests (to three consecutive days including Saturday and Sunday), widening the subjects for examination using the provided booklets on laws and standards (from two to five subjects) (after examinations in 2008) • Conducting essay tests in a more thinking-ability-oriented manner (after examinations in 2008) • Conducting multiple choice tests twice a year (after examinations in 2010)
<p>○Nurturing financial experts</p>	<ul style="list-style-type: none"> • Held the “Study Group on Financial Experts” to conduct extensive discussions on required knowledge and qualities of experts that shoulder Japan’s financial system (a total of six meetings since November 2007). • Announced the basic concept on the development and securing of financial experts (April 2008) and invited public comment (April 30 to June 6, 2008). 	<ul style="list-style-type: none"> • Summarizing points of discussion on the securing and development of experts in finance (around summer 2008) • Institutional design on the securing and development of experts in finance (after summer 2008)
<p>○Improving predictability of immigration control</p>	<ul style="list-style-type: none"> • Held meetings at which officials from the immigration authorities explain to financial firms about immigration control for foreign household helpers (March 2008). 	
<p>○Upgrading of urban infrastructure functions deserving an international financial center</p>	<ul style="list-style-type: none"> • The Headquarters for the Regional Revitalization formulated the Plan to Enhance Japan’s Role as an International Financial Center (April 2008). 	<ul style="list-style-type: none"> • Launching an “International Financial Center Forum” comprised of relevant local authorities, related government ministries and agencies, concerned bodies, etc. to steadily implement the Plan and monitor the progress.