



FSA Strategic Priorities: July 2024 - June 2025

**Financial Services Agency
The Government of Japan**





Summary

In view of global and domestic social and economic structural changes, as well as heightened uncertainties in the economy and financial markets, the FSA is committed to advancing reforms and continuously reviewing its policy measures and tools.

I. Contribute to Sustainable Economic Growth through Financial Mechanisms

To this end, the FSA will work to enhance the functioning of the entire investment chain and respond to changes brought about by climate change and digital technology.

II. Ensure the Stability and Reliability of the Financial System and the Provision of High-quality Financial Services

Through in-depth inspection and supervision, the FSA will ensure appropriate business operations and soundness of financial institutions(FIs) and promote the provision of high-quality financial services that support people and businesses.

III. Enhance the FSA's Administrative Capacities

The FSA will continuously enhance data utilization, strengthen international and domestic policy communications, and build up the skills and capacities of its staff, including junior officials.



I. Support Sustainable Economic Growth through Financial Mechanisms

The FSA will:

- Ensure the full implementation of the “Policy Plan for Promoting Japan as a Leading Asset Management Center” published last December through:
 - Promoting appropriate use of expanded NISA (tax exemption program for retail investors)
 - Enhancing financial and economic education, in collaboration with the newly-established Japan Financial Literacy and Education Corporation
 - Advancing corporate governance reforms
 - Further enhancing the reliability of capital markets
 - Improving the functioning of asset management companies and promoting new entrants
 - Monitoring FIs’ asset management business operations that support asset owners
 - Facilitating the financing for startups seeking growth
 - Strengthening external promotion of the Policy Plan, for example by hosting "Japan Weeks"

- Promote sustainable finance through:
 - Improving and ensuring the reliable sustainability disclosure by companies
 - Promoting FIs' support for companies in decarbonization efforts
 - Facilitating the implementation and expansion of impact investment

- Respond to the transformation of financial services using digital technology through:
 - Reviewing regulations for remittances, payment, and credit services
 - Developing a discussion paper for the sound and effective use of AI by FIs
 - Promoting the market entry of FinTech companies



II. Ensure the Stability and Reliability of the Financial System and the Provision of High-quality Financial Services

The FSA will:

- Ensure the stability of the financial system through:
 - Monitoring the governance, internal audit, and risk management systems that FIs have in place, including the response process under financial and economic stress
 - Strengthening the supervisory framework for financial groups with business diversification and/or expansion across sectors and borders
 - Reviewing FIs' initiatives to manage climate-related financial risks, taking into account international trends and the heightened importance of transition finance

- Build the resilient financial system against operational and conduct risks through:
 - Addressing emerging risks such as financial crime, money laundering/terrorist financing, economic security, cybersecurity and IT governance
 - Reinforcing legal compliance and encouraging customer-oriented business practices of FIs, with respect to the origination, sale, and management of financial products.
 - Enhancing the effectiveness of supervision of large-sized insurance agents and reviewing the regulations on insurance agents and insurance brokers

- Facilitate the provision of high-quality financial services to businesses through:
 - Encouraging FIs to support M&A of their clients
 - Paving the way for the use of newly-legalized Enterprise Value Charge (collateralization of entire business, including intangibles)
 - Holding dialogue with FIs to ensure sustainability of their business models



III. Enhance the FSA's Administrative Capacities

The FSA will:

- **Improve its policies, regulation and supervision** through :
 - Enhancing data utilization
 - Promoting further collaboration with the Local Finance Bureaus
 - Strengthening policy communications, domestically and internationally

- **Enhance its organizational capabilities** through :
 - Building up the skills and capacities of its staff, including the talent development of junior officials
 - Placing priority on self-motivated initiatives
 - Creating a flexible and efficient work environment to enhance productivity