

# Initiatives and Challenges in Anti-Money Laundering and Countering Financial Crime (July 2026)

## (Executive Summary)

### Introduction

- ✓ This document summarizes the initiatives of the FSA, the status of responses by financial institutions (FIs), and global trends in AML/CFT and countering financial crime measures, primarily covering the situation and initiatives in 2025 program year (from July 2025 to June 2026).

### AML/CFT

- ✓ With respect to AML/CFT measures, [almost all FIs have largely established basic risk control frameworks](#). Going forward, it is important to continuously enhance these frameworks in accordance with the risks they face. With a view to the FATF 5th Round Mutual Evaluation of Japan, [FIs are required to verify the effectiveness of the frameworks in place](#) and [pursue autonomous improvements and enhancements \(effectiveness verification\)](#). The FSA has also, since 2025 program year, been confirming the status of such effectiveness verification initiatives at each FI through inspections and other supervisory activities. In addition, taking inspection results into account, the FSA revised and published case study collections of initiatives to encourage concrete actions by FIs.
- ✓ Continuing these efforts, it is also important to strive to gain the trust of domestic and international stakeholders, while analyzing the evaluation results of other countries that have already undergone the Mutual Evaluation.

### Financial crime

- ✓ In the financial crime landscape, damage has been increasing in severity year by year due to the diversification and sophistication of financial crimes, including online and telephone scams such as SNS-based investment and romance scams, as well as unauthorized access and fraudulent transactions through phishing and other methods. FIs are required to respond to evolving financial crimes in order to protect clients and maintain trust in the financial system, ensuring that the financial services are not misused for criminal purposes. To achieve this, [it is essential to implement a comprehensive set of highly effective measures tailored to the methods used at each stage of criminal activity](#).
- ✓ Given that financial crime prevention is a “collaborative domain” involving both private-private and public-private cooperation, [it is important to further strengthen information sharing and collaboration with other FIs and the police](#).

### Going forward

- ✓ [FIs are expected to strengthen and further advance their AML/CFT and financial crime measures without complacency](#), by keeping abreast of emerging risks such as crypto-assets, stablecoins and online casinos, as well as related discussions and developments both domestically and internationally.

# Overview of “Initiatives and Challenges in Anti-Money Laundering and Countering Financial Crime (July 2026)”

## Chapter 1: Initiatives Toward Further Enhancement of AML/CFT Measures

1. Government-wide initiatives related to AML/CFT measures and the FATF 5th Round Mutual Evaluation
2. Initiatives to establish a basic AML/CFT risk control framework
3. Initiatives to ensure effectiveness and further enhancement
  - (1) **Effectiveness verification**
    - ✓ Full-scale implementation of inspections on effectiveness verification
      - It is important to build a company-wide implementation framework with the commitment by the Board.
      - Varying degrees of the progress status among FIs:
        - allocation of personnel and budget, coordination among divisions, and internal audits
  - (2) **Revision of Guidelines and FAQs**
    - ✓ Guidelines and FAQs were revised in March 2026, with continued agile updates planned
  - (3) **Specific issues and challenges**
  - (4) **Developments in the joint implementation of AML/CFT measures using Funds Transfer Transaction Analysis Service Providers**
4. New developments in international AML/CFT regulations in 2025 program year
  - (1) **FATF Ministerial Declaration**
  - (2) **Results of the FATF 5th Round Mutual Evaluations in early-assessed countries**
    - ✓ Evaluation results of the first five countries (Malaysia, Belgium, Italy, Austria, and Singapore) and Japan’s response
  - (3) **Importance of the Risk-Based Approach (RBA)**
  - (4) **Revision of the FATF Recommendation 16: Enhancing transparency in cross-border payments**
  - (5) **International developments related to crypto-assets and stablecoins**
    - ✓ Two published reports by FATF in March 2026

# Overview of “Initiatives and Challenges in Anti-Money Laundering and Countering Financial Crime (July 2026)”

## Chapter 2: Initiatives to Protect the People from Financial Crime

### 1. Current Status of Initiatives to Combat Financial Crime

- ✓ Damage from online and telephone scam continues to expand (JPY 325.7 billion in 2025, 1.6 times year-on-year).

### 2. Measures to “Prevent Victimization”

- (1) Establishment of consultation desks and record of cases handled
- (2) Measures against illegal operators conducting financial instruments business without registration
- (3) Measures regarding SNS advertisements and other displays intended to defraud investor
- (4) Current status and measures against online casinos
- (5) Measures against unauthorized access and fraudulent transactions such as phishing

### 3. Measures to “Deprive Criminals of Their Tools”

- (1) **Strengthening measures to prevent fraudulent use of accounts**
  - ✓ Issuance of requests for IB (Internet Banking) countermeasures and follow-up
  - ✓ Tougher penalties for account trading and introducing penalties for “remittance-related crimes”
- (2) **Enhancing financial institutions’ ability to detect fraudulent transactions**
- (3) **Information sharing on fraudulently used accounts**
  - ✓ Financial and regulatory support toward system development starting in April 2027
- (4) **Promotion of information sharing among FIs**
- (5) **Information sharing and cooperation between FIs and the police**
- (6) **Stricter identity verification**

### 4. Strengthening Awareness and Public Relations for Users

- (1) **Unified public-private and cross-sectoral PR activities for preventing illegal account trading**
- (2) **Unified public-private and cross-sectoral PR activities for phishing countermeasures**
- (3) **Public relations in cooperation with the National Police Agency for financial crime prevention**

Comprehensive Measures to Be Implemented in an Integrated Manner

Appendix 1. Overview of Financial Sector Analysis Results

Appendix 2. Results of the Follow-up Survey on Requests for Measures to Prevent Fraudulent Account Usage