



FSA Newsletter No. 85 2010

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Meeting of Directors-General of Local Finance
Bureaus
(April 22)



Study Group on taxes related to financial
markets and financial transactions
(May 31)

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*Please note that not all items, including regulations and articles posted on the website, have been translated into English. Therefore some of the items that are mentioned in the following articles may not be translated fully into English.

【Topics】

Publication of “Misunderstandings about the International Financial Reporting Standards (IFRS)”

Starting with the consolidated financial year that ended on March 31, 2010, the International Financial Reporting Standards (IFRS) may be applied on a voluntary basis to the consolidated financial statements of listed companies which conduct financial or business activities internationally. It has been pointed out that misleading information concerning the IFRS may be circulating. Therefore, on April 23, 2010, the Financial Services Agency (FSA) published “Misunderstandings about the International Financial Reporting Standards (IFRS),” which is a collection of cases of misunderstanding, so as to provide explanations and ensure appropriate understanding of the IFRS.

This reference material lists 11 items concerning general matters related to the application of the IFRS and six items concerning specific matters. It points out mistaken ideas, correct explanations concerning each item and provides other reference information.

Regarding items concerning “general matters,” for example, this reference material points to the mistaken idea that “listed companies must rush to make themselves ready as the IFRS is set to be applied immediately” and explains that, “Starting with the business term that ended in March 2010, the IFRS may be applied on a voluntary basis to the consolidated financial statements of listed companies which meet certain conditions.” This means that a sufficient preparatory period (at least three years) will be secured.

Regarding the mistaken idea that “even unlisted companies (such as small and medium-size enterprises) must apply the IFRS,” the reference material makes it clear that compulsory application of the IFRS is not assumed, even regarding the future, by stating that “unlisted companies will not need to apply the IFRS.”

As for “specific matters,” the reference material points, for example, to the mistaken idea that “under the IFRS, net profit, which is frequently used as a yardstick to grasp the financial results for the relevant business year, will cease to be used, and only comprehensive profit will be used as such a yardstick,” and explains that net profit will be indicated under the IFRS, too, and will be continued to be used as an important yardstick to grasp the financial results.” Thus, it has been made clear that net profit, which is used by many Japanese companies as an important yardstick to grasp the financial results, will continue to be indicated.

It should be noted that this reference material has been prepared with emphasis placed on clarity, rather than exact preciseness, so as to facilitate understanding by people not adept in accounting affairs. In addition, it should be kept in mind that under different assumptions or if the IFRS are revised, the explanations provided by the reference material may not be applicable.

* For further details, please refer to [“Misunderstandings about the International Financial Reporting Standards \(IFRS\)” \(April 23, 2010\), in the Press Releases section of the FSA website. \(In Japanese only\)](#)

Regarding “Borrowers, Beware’ Campaign: Money Lending Act Will Undergo Significant Change”

In December 2006, the amended Money Lending Act was enacted in the Diet with unanimous support in order to resolve the multiple-debt problem. The amended act includes provisions for reduction of the maximum allowable interest rate and introduction of restrictions on the total amount of loans in order to prevent excessive lending and borrowing. While preventing the burden of multiple debts from being imposed on more people, through appropriate regulation, the amended act has been gradually put into force over a period of three and a half years so as to avoid an acute credit squeeze and other problems. In light of the purpose of this act, which is to prevent people from becoming victims of multiple debts, it has recently been decided that the act will be fully put into force on June 18 this year.

In preparation for the full enforcement of the act, the Project Team on Money-Lending Systems was established last November to conduct deliberations with a view to facilitating the enforcement. This project team is comprised of the Senior Vice Ministers and Parliamentary Secretaries of the FSA, Consumer Affairs Agency and the Ministry of Justice. As a result of the deliberation, “10 Measures to Be Taken from the Standpoint of Borrowers,” which set forth measures to be taken in preparation for the enforcement of this act, was compiled in April this year.

The 10 measures include providing consultations about multiple debts and implementing a campaign to raise awareness about the Amended Money Lending Act in order to “further improve and strengthen counseling and consultations for people suffering from multiple debts” and “enhance public relations activity related to the amended Money Lending Act.” In light of the purpose of these measures, it has recently been decided that the “Borrowers, Beware’ Campaign: Money Lending Act Will Undergo Significant Change” will be implemented jointly by the FSA, the Consumer Affairs Agency, the Japan Federation of Bar Associations, the Japan Federation of Shiho-Shoshi Lawyer’s Associations, the Japan Legal Support Center (Houterasu), the Japan Financial Services Association and the Japan Credit Counseling Association from May 1 to June 30.

This campaign is intended as a public relations activity and is aimed at providing consultations about multiple debts.

In addition to public relations activities such as the compilation and distribution of posters and leaflets and the use of newspaper and Internet advertising, prefectural governments will be responsible for making as much effort as possible to raise awareness about the contents of the amended Money Lending Act through local public relations materials in cooperation with the organizations that implement the campaign.

In addition, the system to provide consultations will be strengthened through the distribution of a FAQ concerning the amended Money Lending Act to multiple-debt consultation counters and other measures. Moreover, efforts will be made to raise awareness about the consultation counters, and the campaign-implementing organizations will provide free consultations about multiple debts in cooperation with prefectural and other municipal governments, including cities, towns and villages.

During this campaign, such information as contact information concerning the multiple debt consultation counters and the schedule of free consulting will be available on the FSA web site.

* For further details, please refer to “Regarding [“Borrowers, Beware” Campaign: Money Lending Act Will Undergo Significant Change” \(April 30, 2010\)](#), in the Press Releases section of the FSA website. (In Japanese only)

【Explanations of Laws and Regulations】

Cabinet Office Ordinance for Partial Amendment of the Order for Enforcement of the Insurance Business Act concerning Revision of

1. What Is the Solvency Margin Ratio?

Insurance companies set aside policy reserves (debts) in anticipation of insurance claims payments related to risks within an ordinarily predictable range, such as a decline in revenue that may be caused by an interest rate drop and a certain increase in payments. Meanwhile, regarding risks beyond an ordinarily predictable range, such as a rapid increase in insurance claims payments due to a large-scale disaster or a deterioration of the investment environment, insurance companies make preparations by building up own capital and contingency reserves. The solvency margin ratio of an insurance company is a yardstick to indicate its soundness in terms of surplus capacity to make payments with own capital and contingency reserves. The solvency margin ratio is also an index used as a reference for the regulatory authorities to encourage insurance companies to improve their management preemptively. If the solvency margin ratio of an insurance company declines below 200%, an early corrective measure will be invoked.

2. Processes Leading to the Amendment

Regarding the processes leading to the amendment, on February 8, 2008, the FSA published the “Outline of Revision of the Solvency Margin Ratio (draft)” (hereinafter referred to as the “Outline (draft),” which included such measures as making risk measurement more rigorous, based on the published a report “Regarding Solvency Margin Ratio Calculation Standards” on April 3, 2007, and solicited public comments. Then, in light of the lessons of the failure of Yamato Life Insurance Co. in October of 2008 and the financial crisis that broke out in the autumn of that year, and in light also of the public comments collected in relation to the Outline (draft), the FSA published the “Revised Outline of Revision of the Solvency Margin Ratio (hereinafter referred to as the “Revised Outline (draft))” on August 28, 2009 and solicited public comments again.

In consideration of the public comments collected in relation to the Revised Outline (draft), the FSA published the draft Cabinet Office Ordinance for Partial Amendment of the Order for Enforcement of the Insurance Business Act on December 28, 2009, and solicited public comments. In light of the public comments collected in relation to the draft, the FSA published the results of the public comment process on April 9, 2010, and promulgated this Cabinet Office Ordinance on April 20.

$$\text{Solvency margin ratio} = \frac{\text{Total margin amount}}{1/2 \times \text{total risk amount}} \times 100$$

[Surplus payment capacity] (margin)

*Own capital, including capital funds

*Reserves to prepare for such contingencies as a possible increase in insurance claims payments and asset price fluctuations

[Risks]

*Risk of an increase in insurance claims payments: Risk of insurance claims payments increasing due to such incidents as large-scale disasters

*Risk related to asset investment: Risk of assets and revenues declining due to a deterioration of the investment environment

(Example) Risk of a securities price drop $\Sigma (\text{Outstanding amount of relevant assets} \times \text{risk co-efficient}) - \text{investment diversification effect}$

(Risk co-efficient): e.g., 20% for domestic stocks and 2% for yen-denominated bonds

Investment diversification effect: Calculated based on each company's portfolio

Risk of the investment return falling short of the assumed interest rate: Outstanding amount of policy reserves \times risk co-efficient for each assumed interest rate

(Risk co-efficient: In the case of an insurance policy with an assumed interest rate of 5%, life insurance companies shall apply a risk co-efficient of 3.015% and non-life insurance companies shall apply a risk co-efficient of 2.590%)

*Other risks

3. Key Points of the Revision

The details of the revision are as follows:

- Adopting a more rigorous approach to the inclusion of some items in the margin, which corresponds to the numerator of the calculation formula of the solvency margin ratio.
 - (1) Introduction of restrictions on the inclusion of the surplus portion of the insurance premium reserves, etc. in the margin.
 - (2) Introduction of restrictions on the inclusion of deferred tax assets related to carried-over deficits in the margin (this does not apply to newly established companies)
- Making the measurement of risks, which corresponds to the denominator of the calculation formula of the solvency margin ratio, more rigorous and precise
 - (1) Raising the confidence level of the co-efficient of each risk (from 90% to 95%)

- (2) Renewing statistical data used as the basis of the co-efficient of each risk
- (3) Calculating the risk of earthquake disaster as the risk equivalent based on VaR 99.5% in each company's risk model (currently, this risk is calculated as the risk equivalent based on VaR 99.5% in a universal risk model adopted by all insurance companies).
- (4) Calculating the investment diversification effect related to price change risk based on each company's portfolio (currently, the ratios of 30% and 20% are applied universally in the case of life insurance companies and non-life insurance companies, respectively)
- (5) Including the risk reduction effect of hedging transactions only when the hedging is actually effective
- (6) Adopting a more rigorous risk co-efficient related to securitized products and re-securitized products, creating credit spread risk related to CDS (credit default swap) transactions, and adopting a more rigorous risk co-efficient related to financial guarantee insurance

Other points of revision include the addition of an appropriate calculation of the solvency margin ratio as a check item for actuaries.

4. Date of Effectuation

The solvency margin ratios of insurance companies are expected to decline as a result of the revision. However, this will not mean a deterioration of their financial conditions but reflects changes in the standard for the calculation of the ratios. As it is necessary to ensure awareness about this among all insurance policyholders and market players, the solvency margin ratio calculated under the revised standard is scheduled to be applied as a benchmark for the invocation of an early corrective measure starting at the end of March 2012. The supplementary provision of the amended Order for Enforcement of the Insurance Business Act stipulates that the solvency margin ratio calculated under the revised standard may be disclosed starting at the end of March 2011, and the Comprehensive Guidelines for Supervision of Insurance Companies states that it is desirable to make such disclosure.

5. Major Public Comments

Among the above points of revision, the introduction of measures to make risk measurement more rigorous drew the largest number of public comments (41). There were two public comments calling for efforts to ensure awareness about the contents of the revision among all insurance policyholders so as to avoid misunderstanding on their part.

* For further details, please refer to [“Results, etc. of the Public Comment Process related to the Cabinet Office Ordinance for Partial Amendment of the Order for Enforcement of the Insurance Business Act” \(April 9, 2010\)](#), in the Press Releases section of the FSA website. (In Japanese only)

Partial Amendment to “Comprehensive Guidelines for Supervision of Major Banks, etc.,” “Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions” and “Comprehensive Guidelines for Supervision of Financial Instruments Business operators, etc.”

The FSA solicited public comments on the draft partial amendments of the “Comprehensive Guidelines for Supervision of Major Banks, etc.,” the “Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions” and the “Comprehensive Guidelines for Supervision of Financial Instruments Business operators, etc.” from January 20, 2010, to February 22, 2010. On April 16, 2010, the FSA published the results of the public comment process and implemented the partial amendments of those guidelines for supervision. The amended guidelines took effect on April 16, 2010.

The key points of the amendments are as explained below:

1. “Comprehensive Guidelines for Supervision of Major Banks, etc.” and “Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions”

The following amendments were made in relation to a system for explaining derivatives transactions to customers and a system for processing requests for consultation and complaints so as to enhance the protection of users:

- (1) Explanations made at the time of the conclusion of a contract
 - Losses estimated on the assumption of the worst-case scenario and the cancellation fee must be explained.
 - Explanations based on definitive judgment must not be made in relation to matters involving uncertain elements, such as exchange rates and interest rates.
- (2) Explanations made to people who are de facto business managers
 - In the case of a contract that may have a significant impact on future management, the presence or absence of a decision made at a meeting of the board of directors must be confirmed.
- (3) Confirmation of customers’ needs for hedging and explanations of the effectiveness of hedging
 - The effectiveness of derivative transactions in light of the customers’ needs must be confirmed and the customers’ understanding on how the transactions will affect their future business operations must be obtained.
- (4) Follow-up after the conclusion of a contract
 - After the conclusion of a contract, an appropriate follow-up, including the confirmation of the effectiveness of the hedging in light of the customers’ needs following changes in their business conditions, must be made.
- (5) Others
 - It must be considered whether or not to continue selling products and handling transactions concerning which there are many complaints.

2. “Comprehensive Guidelines for Supervision of Financial Instruments Business operators, etc.”

Amendments similar to those described in 1. above were made in relation to derivatives transactions such as currency option and interest rate swap transactions as well as structured bonds with similar risk characteristics.

* For further details, please refer to [“Results of the Public Comment Process related to the Draft Partial Amendments of ‘Comprehensive Guidelines for Supervision of Major Banks, etc.,’ the ‘Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions,’ and the ‘Comprehensive Guidelines for Supervision of Financial Instruments Business operators, etc.’” \(April 16, 2010\)](#), in the Press Releases section of the FSA website. (In Japanese only)

【Notices】

○ Watch out for malicious solicitations for funds!

Business operators must be registered to solicit investments in funds.

On September 30, 2007, the [Financial Instruments and Exchange Act](#) (FIEA) came into force, and an obligation to register with local finance bureaus (including the Fukuoka Local Finance Branch Bureau and the Okinawa General Bureau) was placed upon business operators engaged in soliciting general investors to invest in funds. (Business operators engaged in services for professional investors (= specially permitted businesses for qualified institutional investors, etc.) were similarly imposed with an obligation of notification.)

Specifically, business operators who

- 1. Collect money from others (solicit for equity investments),**
- 2. Conduct some kind of business or investment, and**
- 3. Operate a system whereby revenues generated from the business or investment are distributed to the equity investors**

are now required to register with, or notify, their local finance bureaus.

[Registered fund managers and notified fund managers can be checked on the FSA website.](#)

Great care should be taken against investment solicitations and so forth from unregistered persons.

Furthermore, when soliciting contributions and so forth, even registered fund managers must, for instance, abide by the following rules:

- **When making public advertisements, the business operator must indicate that it is a financial instruments business operator, and must indicate its registration number; and with regard to the outlook of profits, the business operator shall not make any indications that are significantly contradictory to facts or seriously misleading.**
- **When the business operator intends to conclude a contract, it shall deliver to the customer in advance a document containing the business operator's registration number, an outline of the contract and an outline of the fees.**
- **The business operator shall not “deliver false information” or “solicit by providing an assertive judgment on uncertain matters.”**
- **The business operator shall not compensate for losses.**

The FSA recommends that people act with caution if they are not sure whether a fund manager is trustworthy, even if that manager is registered.

With respect to notified fund managers, they are able to engage in business as long as they give notification to the FSA. At the time of notification, the FSA does not perform any screening or other kind of examination. Therefore, just because notification has been made does not necessarily mean that reliability can be assured, and so people should exercise great care when conducting transactions.

○ Protecting the markets with information received from the public!

The mission of the [Securities and Exchange Surveillance Commission](#) (SESC) is to ensure the fairness and transparency of Japan's markets and to protect investors, through exerting its authority of market surveillance, inspections of securities companies, administrative monetary penalties investigations, disclosure documents inspections and investigations of criminal cases.

The SESC receives a wide range of information from the general public via phone, mail, fax and the internet, relating to suspected misconducts in the market such as those below. Information received is effectively used as reference material in its investigations, inspections and other activities. During business year 2008, the SESC received 6,412 items of information.

< Information on specific stocks >

- Market manipulation (through “misegiyoku” (false orders), short selling, etc.)
- Insider trading (selling off of stocks by a corporate insider prior to publication of material facts, etc.)
- Spreading of rumors (false rumors through posts to online bulletin boards or email magazines, etc.)
- Suspicious disclosure (annual securities reports, timely disclosure, etc.)
- Suspicious financing (fictitious capital increases, suspicious allotments, etc.)
- Problems of internal control for listed companies



Poster calling on the general public to provide information

< Information on financial instruments business operators, etc. >

- Wrongful acts by securities companies, foreign exchange margin (FX) traders, management firms, investment advisory companies, etc. (inadequate explanation of risks, system-related problems, etc.)
- Problems related to business management systems or financial conditions (risk management, customer asset segregation, calculation of capital adequacy ratio, etc.)

< Other information >

- Information on suspicious financial instruments, suspicious funds (fraudulent fund-raising schemes, etc.) or on unregistered business operators
- Information on market participants who are likely to impair the fairness of markets (so-called speculator groups, etc.)

If you have any information like that described above, please be sure to submit it to the SESC. In addition to information on shares, the SESC also accepts a wide range of information on derivatives, bonds and other financial instruments. (Please note that the SESC does not accept individual requests for dispute resolution and inspections.)

To submit information via the internet, please access the [Securities Watch & Report Portal](#) on the SESC website.

◆ SESC Securities Watch & Report Portal

Information Processing Officer, Market Surveillance Division,
Executive Bureau, Securities and Exchange Surveillance Commission
Central Government Office Building No.7, 3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo, JAPAN 100-8922
Direct line: +81 (3) 3581-9909
Switchboard: +81 (3) 3506-6000 (extensions 3091, 3093)
Fax: +81 (3) 5251-2136
<https://www.fsa.go.jp/sesc/watch/>

○ **Beware of malicious phone calls from people pretending to be from the FSA or SESC! Warnings about unlisted shares.**

Many reports have been received of people claiming affiliation with the Financial Services Agency (FSA), the Securities and Exchange Surveillance Commission (SESC) or other organizations with similar sounding names, and who:

- Indicate they are “conducting a survey of victims related to unlisted shares,” or that “the unlisted shares the customer has at hand are safe because it has been decided to list them”; and then at about the same time, a person claiming to be the issuer of the unlisted shares suggests an additional purchase of the unlisted shares; or
- Indicate they are “negotiating on behalf of the victims of the unlisted shares for the company to repurchase the shares,” and who then request some kind of fee or remuneration.

Note: Examples of names that are suggestive of the Securities and Exchange Surveillance Commission:

Securities Surveillance Commission, NPO Securities Surveillance Commission, Securities and Exchange Audit Commission, Securities and Exchange Surveillance Association, etc.

Please be very careful of suspicious calls like those above. Personnel from the FSA and the SESC would never mention on the phone when unlisted shares are to be listed, or negotiate the purchase of unlisted shares. Nor would they ever outsource such operations.

If you receive such a call, please contact the [FSA Counseling Office for Financial Services Users](#) or the [SESC Securities Watch & Report Portal](#) and provide them with your information. Also, please report the incident to your nearest police station.

◆ **FSA Counseling Office for Financial Services Users**

Phone (Navi-Dial): 0570-016811

* (from IP phones or PHS): +81 (3) 5251-6811

Fax: +81 (3) 3506-6699

◆ **SESC Securities Watch & Report Portal**

Information Processing Officer, Market Surveillance Division,
Executive Bureau, Securities and Exchange Surveillance Commission

Direct line: +81 (3) 3581-9909 Fax: +81 (3) 5251-2136

Switchboard: +81 (3) 3506-6000 (extensions 3091, 3093)

【Minister in His Own Words】

This section provides information regarding the hot topics of the moment, selected from questions and answers given at the Minister's press conferences, etc.

If you wish to find out more, we invite you to visit the "[Press Conferences](#)" section of the FSA website.

Q1. At the international level, discussions on financial regulation are expected to be held from various angles at the meeting of G-20 Finance Ministers and Central Bank Governors scheduled this weekend. One of the issues to be brought into focus is how to share the burden of the costs incurred in dealing with the financial crisis; the United States and Europe have suggested that banks be asked to bear the burden. What is Japan's position on this? What stand should Japan take?

A1. It is true that a strong case has been made along those lines with respect to financial institutions, especially by the United States. On the other hand, as far as Japanese financial institutions are concerned, quite a few of them are not paying tax (corporate tax). Those that are paying might even be fewer in number. Given such circumstances... Regrettably, they are not all to bear such burden yet, even in the normal form of taxes.

Meanwhile, although Japanese financial institutions often seem to act quite selfishly, in any case, I hope they exert efforts as robust financial institutions while properly fulfilling their social function. After all, matters requiring government intervention and regulation should not be confused with matters that ought to be dealt with by private enterprises based on self-discipline. In cases where minimal regulation is required from a national perspective, it would be natural for the government to apply regulations based on its observation of the circumstances, economic climate and other various factors at that time, while giving consideration so that the autonomy and independence of the private sector would not be undermined. Regulations should not be applied from the viewpoint of putting the financial sector under state control. The national perspective is highlighted intensely in the approach currently taken by U.S. President Barack Obama, but I believe there are compelling circumstances. The circumstances (involving financial crisis in the U.S.) were extraordinary, after all.

I have been keeping a close eye for some time on the current situation in Japan, but my judgment is that it does not yet warrant the imposition of such strong regulations by the government in the same manner as in the United States.

Q2. The U.S. Securities and Exchange Commission (SEC) has charged the Goldman Sachs Group with fraud. What are your views on this case? What is the potential impact on Japan?

A2. Given that the SEC probably took action from the nation's standpoint, on behalf of the United States of America and in the interests of the American people, I am in no position to comment on this as a foreign national, whether it is good or bad. Excuse me for my predictable response.

[【Extract from the press conference on April 23, 2010】](#)

Q1: Greece's fiscal crisis is beginning to have a severe impact on stock markets worldwide. How will it affect the Japanese economy?

A1. As you may already be aware; the impact from Greece is spreading across the world, not surprisingly. The primary concern is how the European Union (EU) itself would respond to this, and indeed, the EU is currently working hard on it, but ultimately, it will inevitably affect Japan as well. As to whether or not Japan itself has any means to control such impact, regrettably, it has no means to completely shield itself from it, especially in regard to financial markets. Even today, the Nikkei average plummeted by four hundred yen or more. Given that there has been such an impact, I believe, after all, that Japan must determine ways to strengthen itself from within, and ways to implement efforts that are unique and feasible to Japan, while experiencing such global ups and downs, both big and small.

Of course, efforts should be made to take measures to prevent the Japanese economy from being affected by external factors in various ways, but as far as its real economy is concerned, Japan itself is in an unusual state compared to others around the world, in that it has not overcome the deflationary gap or spiral. The real economy itself is sagging. Shouldn't we seriously consider how to tackle this situation, based on Japan's own efforts?

When its real economy is strong, Japan can shield itself from various influences from other countries to a certain extent. Conversely, when its own economy is weak, Japan is heavily affected. That is why I believe we must make our utmost efforts to determine ways to strengthen the Japanese economy itself from within.

Q2: Concerning Greece, Japanese financial institutions presumably hold government bonds and other such financial instruments of Greece. Will there be an impact in that regard? How will Japanese financial institutions be affected?

A2. Do they have so much holdings? Regrettably, at this point in time, I am not aware of the details, as to how much has been purchased, by which bank. In any case, they are being bought and sold all the time. While I do not have the exact figures, I presume they do not hold massive volumes.

[\[Extract from the press conference following the Cabinet meeting on May 7, 2010\]](#)

○ **Subscribing to the Email Information Service (Japanese/English)**

The Financial Services Agency provides an **Email Information Service (Japanese and English)** through its website. If you register your email address on the Japanese subscription page, we will email you once a day with the latest information, such as the monthly publication, “Access FSA,” and daily press releases.

If you register on the English subscription page, we will email you once a day with the latest information, such as the “What’s New” information on the English website as well as the “FSA Newsletter.”

To register in Japanese, please access [新着情報メール配信サービス](#), and to register in English, please access [Subscribing to E-mail Information Service](#).

○ **Subscribing to the SESC Email Information Service**

The Securities and Exchange Surveillance Commission (SESC) provides an **Email Information Service (Japanese/English)** through its website. If you register your email address, we will email you with the latest information from the SESC website, such as recommendations relating to administrative action against financial instruments business operators and recommendations relating to orders for the payment of administrative monetary penalties.

* For further details and to register in Japanese, please access [新着情報メール配信サービス](#), and to register in English, please access [Subscribing to E-mail Information Service](#) on the SESC website.

○ **Subscribing to the CPAAOB Email Information Service**

The Certified Public Accountants and Auditing Oversight Board (CPAAOB) provides an **Email Information Service (Japanese/English)** through its website. If you register your email address, we will email you with the latest information from the CPAAOB website.

* For further details and to register in Japanese, please access [新着情報メール配信サービス](#), and to register in English, please access [Subscribing to E-mail Information Service](#) on the CPAAOB website.



[Main Press Releases in April]

April 1	Access	Certification of certified fund settlement business operator associations
	Access	Administrative penalty against FiRE CO.
April 2	Access	Overview of the results of the questionnaire survey on financing of small- and medium-sized enterprises
	Access	Publication of collection of cases in which efforts toward community-based finance have been made
April 6	Access	Decision on penalty payment order for an administrative monetary penalty against false statements made in the annual securities report, etc. relating to Modulat, Inc.
April 8	Access	Addition of Q&A concerning the “Cabinet Office Ordinance on Provisional Measures for the Facilitation of Financing to Small- and Medium-Sized Enterprises, Attached Form” and the “Guidelines for Financial Supervision Based on the Act on Provisional Measures for the Facilitation of Financing to Small- and Medium-Sized Enterprises”
	Access	Results of public comments on the “Cabinet Office Ordinance for Partial Amendment of the Order for Enforcement of the Insurance Business Act,” etc.
April 9	Access	Publication of the draft partial revision of the “Items to Keep in Mind regarding Disclosure Items concerning Corporate Governance” (Guidelines for Disclosure Items concerning Corporate Governance, etc.)
	Access	Publication of the draft partial revision of guidelines for supervision, etc.
	Access	Partial revision of EDINET Outline, etc. (Related to application of international accounting standards)
April 12	Access	Administrative penalty against Commodore Investment Co., Ltd.
	Access	Results of public comments on the “Draft Cabinet Office Ordinance, etc. for Partial Amendment to the Act on Securitization of Assets,” etc.
April 13	Access	Results on the public comments on the draft partial revision of the “Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions,” etc.
	Access	Publication of examples of quarterly consolidated financial statements based on the international accounting standards
April 14	Access	Results of public comments on the draft partial amendments to “Comprehensive Guidelines for Supervision of Major Banks, etc.,” the “Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions” and the “Comprehensive Guidelines for Supervision of Financial Instruments Business operators, etc.”
April 16	Access	Decision on penalty payment order for insider trading by an auditor of Favorina Co., Ltd.
	Access	Decision on penalty payment order for insider trading by a person receiving information from an employee of Ark Corporation relating to Nanbu Plastics Co., Ltd. (1)
	Access	Decision on penalty payment order for insider trading by a person receiving information from an employee of Ark Corporation relating to Nanbu Plastics Co., Ltd. (2)
	Access	Decision on penalty payment order for insider trading by a person receiving information from an employee of Nanbu Plastics Co., Ltd. (1)
	Access	Decision on penalty payment order for insider trading by a person receiving information from an employee of Nanbu Plastics Co., Ltd. (2)
	Access	Results of the simultaneous investigation of foreign exchange margin business operators
	Access	Administrative penalty against TRI bank Miura Fujisawa
	Access	Administrative penalty against Oita Mirai Shinkin Bank
	Access	Administrative penalty against Topgain Inc. and response to Hayashi Fund Management
	Access	Administrative penalty against Initia Star Securities, Inc.
April 19	Access	Administrative penalty against Private Wealth Management Japan
April 20	Access	Publication of the draft policy on mutual-aid business regulation and invitation of comments on the draft policy
April 21	Access	

	Access	Results of public comments on “Draft Cabinet Office Ordinance on Disclosure Items concerning Corporate Governance, etc.”
April 22	Access	“Corporate Governance Communications Conference”
April 23	Access	Publication of “Misunderstandings about the International Financial Reporting Standards (IFRS)”
	Access	FSA extends temporary measures regarding restrictions on short selling and purchase of own stocks by listed companies
April 26	Access	Approval of bank merger
	Access	Publication of the “Draft Amendment to Cabinet Office Ordinance on the Revised Money Lending Business Act”
	Access	Results of public comments on “Items to Keep in Mind Concerning the Alternative Dispute Resolution System (Financial ADRs) for the Financial Sector (Financial ADR Guidelines) (Draft),” etc.
April 27	Access	Publication of the draft partial revision of the “Comprehensive Guidelines for Supervision of Money Lending Business Operators” and “Administrative Guidelines (Supplement 3: Finance Company Related)”
	Access	Publication of the draft partial revision of the “Comprehensive Guidelines for Supervision of Major Banks, etc.” and “Comprehensive Guidelines for Supervision of Small- and Medium-Sized Enterprises and Regional Financial Institutions”
April 28	Access	Provision of information regarding the fraudulent use of deposit accounts
	Access	Consultations received at the “Counseling Office for Financial Services Users” (January 1 – March 31)
	Access	Situation of handling problems of unlisted stock trading, etc.
	Access	FSA formulates the establishment manual of Budget Monitoring and Efficiency Team
	Access	FSA formulates the Budget Implementation Plan for FY2010
April 30	Access	Publication of the “Draft Partial Amendment to Announcement on Basel II First Pillar”
	Access	Promulgation of Cabinet Ordinances and FSA Regulatory Notices concerning the extension of temporary measures regarding restrictions on short selling and purchase of own stocks by listed companies
	Access	Update of the collection of statistics on the money lending business
	Access	Publication of the “Survey on attitudes of Money Lending Business Users” and “Results of the Questionnaire of Actual Condition of Money Lending Business Operators”
	Access	Regarding “Borrowers, Beware’ Campaign: Money Lending Act Will Undergo Significant Change”

*Details of any items with an [Access](#) symbol, can be viewed by clicking on the [Access](#) symbol.