



FSA Newsletter No. 91 2011

<http://www.fsa.go.jp/en/newsletter/index.html>



Greeting by Minister Shozaburo Jimi at Meeting to Exchange Views on the Facilitation of Finance for SMEs (December 6)



Greeting by Senior Vice-Minister of Shozo Azuma at hearing on “The Action Plan for the New Growth Strategy” (December 15)

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Photo Gallery

Meeting of 4th Disclosure System Working Group

* On December 17, the 4th Disclosure System Working Group was held (Chairman: Etsuro KURONUMA, Professor, Waseda Law School, Waseda University). It put together a report on expansion of the scope of English disclosure, and handed it to Senior Vice-Minister of Cabinet Office Azuma.

For details, please go to the FSA web site and access “[‘FSA Disclosure System Working Group Report’ ~ Expansion of Scope of Disclosures in English ~](#)” published (December 17, 2010) (December 17, 2010) from the Press Releases section. (Available in Japanese only)



(Etsuro KURONUMA, Professor, Waseda Law School, Waseda University (left) hands report to Senior Vice-Minister Azuma (right)

Loan Sharking Harm Prevention - Joint Campaign

* As part of the activities to spread awareness in the Loan Sharking Harm Prevention Joint Campaign sponsored by the Tokyo Metropolitan Government, publicity activities were held in the square facing the Shinjuku Station West Exit on December 6. Parliamentary Secretary Wada also participated from the FSA, handing out campaign goods on the street.





Tokyo Metropolitan Police Department's mascot Pipo-kun with Parliamentary Secretary Wada (center) urging elimination of loan sharking

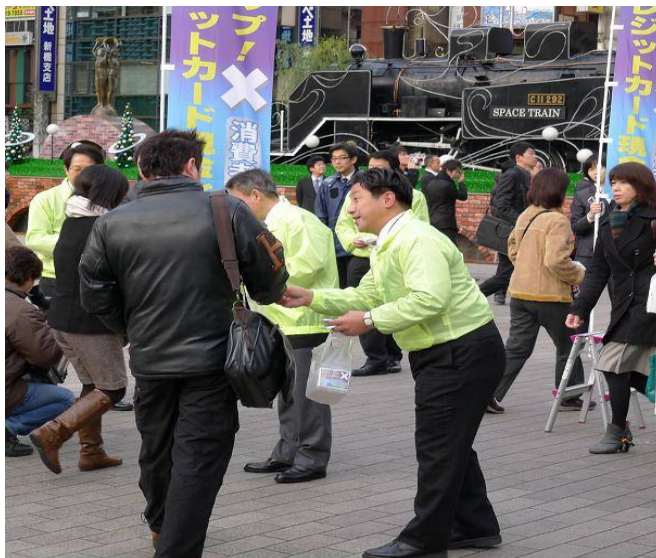


Parliamentary Secretary Wada hands out campaign goods on the street

“Stop! Borrowing cash on credit cards” Campaign

* As part of the “Stop! Borrowing cash on credit cards” campaign sponsored by the Consumer Affairs Agency, campaign goods were handed out in the square facing the Shinbashi Station Hibiya Exit SL Square on December 22.

From the FSA, Parliamentary Secretary Wada participated in the street activities.



Parliamentary Secretary Wada hands out campaign goods on the street

Featured

Develop and Strengthen System of Support for Entry into Asia by Small and Medium-sized Enterprises, through Cooperation of Japanese financial institutions, Japan Bank for International Cooperation, Japan External Trade Organization, etc.

On December 21, 2010, under the cooperation of the FSA, Ministry of Finance, and Ministry of Economy, Trade and Industry, it was decided to work on developing an environment for developing and strengthening a system for client enterprises to receive foreign market entry support, especially in Asia, from financial institutions without locations there.

Specifically, by cooperation between regional financial institutions and the Japan External Trade Organization (JETRO) and Japan Bank for International Cooperation (JBIC) which are public institutions, small and medium-sized enterprises entering Asia are to be supported by 1. Information provision and consultation, 2. Funding.

* For details, please go to the FSA web site and access [“Develop and Strengthen System of Support for Entry into Asia by Small and Medium-sized Enterprises, through Cooperation of Japanese financial institutions, Japan Bank for International Cooperation, Japan External Trade Organization, etc.” \(December 27, 2010\)](#) from the Press Releases section. (Available in Japanese only)

Integrated Exchange Study Team Interim Report

The New Growth Strategy (June 18, 2010 Cabinet Decision) incorporated “Establishment of an Integrated Exchange Handling Securities and Other Financial Instruments as well as Commodities” as one of 21 National Strategic Projects. Based on this strategy, in order to study how to create rules which meet convenience and needs of users, investors, and domestic and foreign market participants, the Integrated Exchange Study Team was launched, comprised of the Senior Vice Ministers and the Parliamentary Secretaries of the FSA, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Economy, Trade and Industry.

The team held conferences six times in 2010, and proceeded with its study through open hearings and exchanges of opinions with market participants, experts, etc. The team published the interim report on December 22, 2010.

In this interim report, based on the common understanding of establishing an integrated exchange (securities, other financial instruments, and commodities), the legal framework should be developed without delay with the aim of establishing an integrated exchange in 2013. The report also states that preparations should be made as soon as possible, for the purpose of submitting related bills to the ordinary session of the Diet in 2012 at the latest. In addition, the paper confirms that there are five issues for establishing an integrated exchange: (1) Exchanges, (2) Clearing houses, (3) Regulation and supervision, (4) Tax system, and (5) Further regulatory reform. As to issues to be discussed continuously, the team will continue to study and conclude.

A forum will be established to exchange opinions with private businesses. In order to create an internationally competitive integrated exchange from exchanges existing in Japan, the FSA intends to work on various system developments and policy implementation which will center on integrating some existing regulation and supervision.

* For details, please go to the FSA web site and access [“Integrated Exchange Study Team Interim Report” \(December 24, 2010\)](#) from the Press Releases section. (Available in Japanese only)

Also, for the study team’s details such as the interim report described above and outlines of the past proceedings, please go to the FSA web site and access [“Integrated Exchange Study Team”](#) from the Councils section. (Available in Japanese only)

“The Action Plan for the New Growth Strategy” (Final Version) Published

Based on the “New Growth Strategy” (June 18, 2010 Cabinet Decision), the FSA performed work for creating the “The Action Plan for the New Growth Strategy,” and published an interim draft on December 7, 2010. On December 24, based on opinions from related parties, the final action plan was put together.

This action plan put together policy for initiatives on which the FSA will work to develop an environment for finance to fully perform two roles expected of it under the “New Growth Strategy” (1. Support the real economy, 2. Finance is to lead the economy as a growing industry itself).

It’s outline is as follows.

(1) Supply of Funds to the Companies Commensurate with Borrowers’ Size and Stage of Development

Encourage achievement of diverse facilitated supply of funds corresponding to the needs of various enterprises which require funds, ranging from small and medium-sized enterprises and emerging companies to globally active large enterprises.

1. Facilitated Supply of Funds for Small- and Medium-sized Enterprises (SMEs), etc.

- Promotion of Region-based Relationship Banking
- Review of Guidelines of Accounting Standards for SMEs and Internal Controls Reporting System, including Those for SMEs
- Expansion of the Scope of the Act on Specified Commitment Line Contract
- Lifting the Ban on Finance Leases and Related Transactions by Banks, Insurance Companies, etc.
- Review of Habitual Practice of Third Party Joint and Several Guarantee (Except Managers')

2. Appropriate Supply of Risk Money for Emerging Companies, etc.

- Restoring Confidence in and Activating Markets for Emerging Companies
- Lifting the Ban on Subordinated Loans, etc. by Subsidiaries of Banks and Insurance Companies which Mainly Invest in Venture Companies, etc.
- Promotion of Financial Institution's Efforts such as Loans in Consideration of Growth Potential of Companies
- Encouragement of Proactive Utilization of the "Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth (BOJ's Scheme)"
- Clarification of Application of the Financial Instruments and Exchange Act to Partnerships Based on the Civil Code

3. Flexible Supply of Funds, etc.

- Development of Debt Capital Markets for Professional Investors
- Review of Disclosure Rules and Operations
- Promotion of Addressing and Consideration about the Disclosure of Earnings Forecast by Stock Exchanges and Participants
- Relaxing Quarterly Securities Report Requirements
- From the viewpoint of further diversifying capital increase techniques, development of the disclosure rules for smooth implementation of "Rights offering" (Note)
(Note) Method of capital increase by allotment of share options to all shareholders without contribution
- Vitalization of the Corporate Bond Market
- Transition to the Notification System Concerning Representative and Alternate Services in the Insurance Group

(2) Financial Sector Serving as a Bridge between Asian and Japanese Economies

By creating a financial and capital market which is highly convenient and reliable for fundraisers and investors, enhance the attractions of Japan's market and achieve a Japanese market which serves as Asia's main market. Also push Japanese financial institutions to expand their activities in Asia.

1. Establishing Japan's Status as a Main Financial Market in Asia

- Development of Systems and Measures to Promote the Establishment of an Integrated Exchange Handling Securities and Other Financial Instruments as well as Commodities
- Development of a System to Expand the Scope of English Language Disclosure by Foreign Companies, etc.
- Review of CPA exam and qualification system
- Facilitation of Block Trading
- Response to Possible Unfair Trade Related to Public Offering
- Change of Tax System for Cross-Border Transactions
- Perpetuation and Expansion of the Japanese Bond Income Tax Exemption Scheme (J-BIEM)
- Support for the Activities towards the International Convergence of Accounting Standards
- Active Engagement in International Financial Regulatory Reforms
 - Enhancement of Surveillance on Cross-Border Trading

2. Expansion of Japanese Financial Institutions' Activities in Asia

- Promoting Policy Coordination regarding Financial and Capital Markets in Asia
- Development and Strengthening of Support System by Financial Institutions for Small and Medium-sized Enterprises' Entry into the Asian Area etc.
 - Review of Regulatory Barriers to Overseas Real Estate Investment and Acquisition of Foreign Insurance Companies by Japanese Insurance Companies

(3) Provision of Asset Management Capabilities to Utilize Japanese National Assets Safely and Effectively

In order to provide suitable investment opportunities to various parties, the FSA will develop the environment which enables them to safely and effectively use financial assets, take suitable risks corresponding to their asset size and knowledge, and obtain returns.

- More flexible regulation of asset securitization schemes, to stimulate the real estate market
- Clarification of Tasks and Consideration of Review of Investment Trust and Investment Corporation System
- Relaxing the Regulation of Investment Management Businesses with Limited Types of Clients such as Professional Investors
- Abolishment of the Regulation of the Asset Management Ratio of Insurance Companies
- Extension of Reduced Tax Rate on Securities
- Expansion of Profit/loss Offset Scope etc. for Financial Instruments
- Change to Separate Self-assessment Taxation for OTC Derivative Transactions, etc.
- Measures Required to Enhance Convenience of Designated Accounts
- Steady Implementation of the Financial Services ADR (Alternative Dispute Resolution)

Measures raised in the Action Plan will be implemented quickly one after another, starting with measures which can be executed immediately. The FSA will proceed to prepare for submission of a batch of bills to this year's ordinary session of the Diet. The FSA will also amend related Cabinet Orders and revise supervisory policies in advance as much as possible.

* For details, please go to the FSA web site and access [“The Action Plan for the New Growth Strategy” \(January 28, 2011\)](#) from the Press Releases section.

Extension of Expiration of Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.

The Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. was enforced in December 2009. This imposed the obligation on financial institutions to change loan conditions as much as possible when there are requests from small and medium-sized enterprises and housing loan borrowers. Consequently, since this Act was enforced, financial institutions have changed loan conditions in response to over 90% of requests from small and medium-sized enterprises, etc.

In this environment, looking at the current situation,

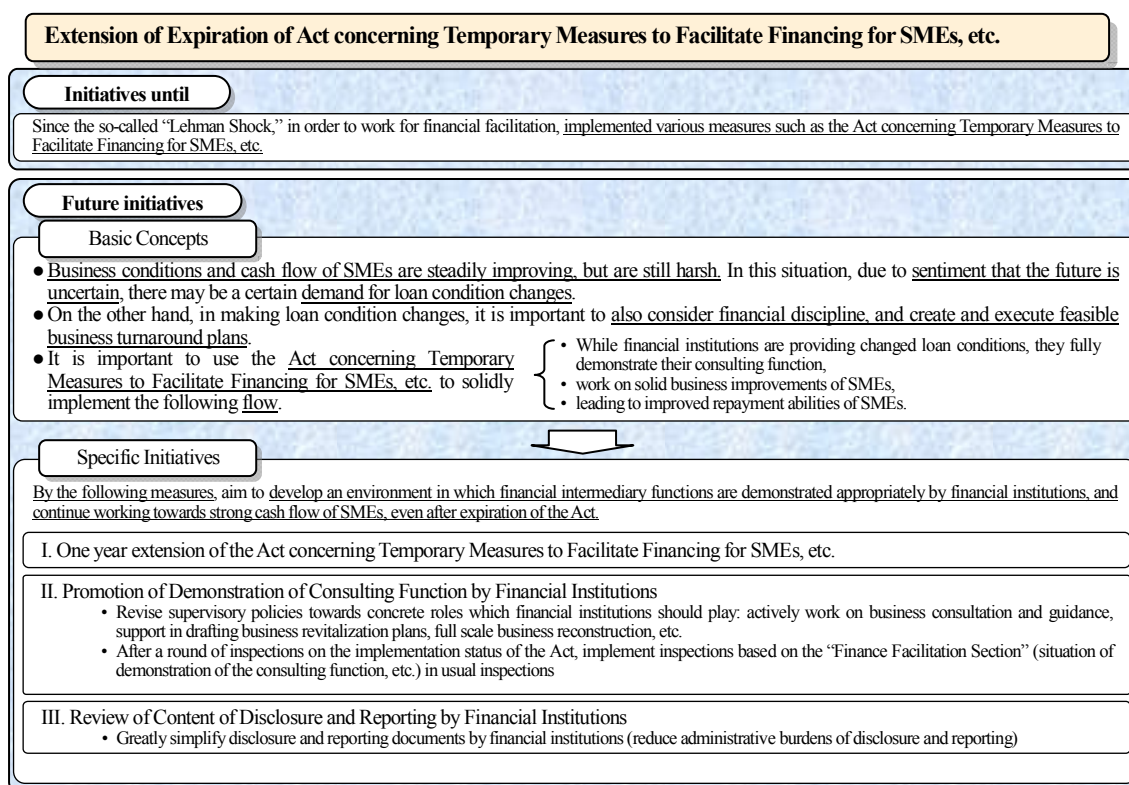
- Business conditions and cash flow of SMEs are steadily improving, but are still harsh, with sentiment that the future is uncertain. Therefore, there may be a certain demand for loan condition changes.
- In making loan condition changes, it is important to create and execute feasible business turnaround plans. While financial institutions make loan condition changes, it is important to solidly implement the flow of fully demonstrating their consulting function, leading to improved repayment abilities of SMEs.

Therefore, it was decided to take the following measures (published December 14, 2010).

1. Extend to March 31, 2012 the expiration of the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.
2. Revise supervisory policies to promote consulting functions by financial institutions.
3. Considering the Act's implementation situation until now, in order to reduce the clerical burden of financial institutions, work to greatly simplify the disclosure and reporting documents of financial institutions.

Of these, the amendment bill to extend the expiration of the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. was [submitted to the Diet after its Cabinet Decision on January 15](#).

By taking these measures, the FSA aims to use its inspection and supervision to create an environment with appropriate financial intermediation functions demonstrated by financial institutions, and strong cash flow of small and medium-sized enterprises, even after the Act expires.



※ For details, please go to the FSA web site and access [Extension of Expiration of Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.](#) from the [Press Releases](#) section, and "[Talk by Minister of State for Financial Services ~ Extension of expiration of Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.](#)" (both published December 14, 2010) from the [Speeches & Material](#) section. (Available in Japanese only)

Towards Enhanced Market Integrity ~ Policy Statement of New SESC ~

At the [Securities and Exchange Surveillance Commission](#) (SESC), Kenichi SADO was reappointed as Chairman and Shinya FUKUDA as Commissioner. Also, Masayuki YOSHIDA was newly appointed as Commissioner. The SESC entered the 7th term.

The SESC announces its Policy Statement every three years. This latest statement was made public on January 18, 2011 ~ [Policy Statement of New SESC](#) ~.

January 18, 2011

Securities and Exchange Surveillance Commission

Towards Enhanced Market Integrity - SESC's Policy Statement for the 7th Term -

1. Mission

The Securities and Exchange Surveillance Commission (SESC) is committed to pursuing the following mission:

- To ensure integrity of capital markets, and
- To protect investors

2. Policy Directions

The Japanese capital markets have been experiencing dynamic changes. Global efforts to rebuild the international regulatory frameworks are ongoing based upon lessons learned from the global financial crisis. A series of amendments have been made to the Financial Instruments and Exchange Act (FIEA). Innovations are continuing in financial products and trading methods. In response to this rapidly changing market environment, and to continue to be “feared by wrongdoers and trusted by ordinary investors”, the SESC is determined to pursue our mission through the following three policy directions.

(1) Market oversight with prompt and strategic actions

- ▶ Strategic use of our regulatory tools (e.g. market surveillance, inspection of securities firms and other regulated entities, administrative monetary penalty investigation, disclosure statements inspection and investigation into a criminal case) to make our actions more prompt and effective
- ▶ Timely and prompt response to changes in market environments, trends of violations, and international regulatory developments. Forward-looking and prompt response to emerging risks
- ▶ Enhanced cooperation with self-regulatory organizations (SROs) to increase the effectiveness of the multilayered market oversight activities

(2) Outreach activities for enhanced market integrity

- ▶ Contributing to the rule-making processes at the Financial Services Agency (FSA) and other relevant authorities by raising relevant regulatory issues identified through our market oversight activities
- ▶ Outreach to market participants, through SROs and other channels, to encourage their self-discipline for market integrity
- ▶ Closer communications with market participants, and more effective dissemination of information

(3) Response to the globalization of markets

- ▶ Closer cooperation with overseas regulators to conduct market oversight activities on a global basis, in response to growing cross-border transactions and international activities by investment funds and other market participants in today's highly-globalized markets
- ▶ More effective inspections of globally active and large-scale securities firms, utilizing the international supervisory frameworks
- ▶ Further developments of human resources and organizational structures at the SESC

The SESC believes that our efforts towards fair, transparent and quality capital markets should contribute to vitalizing the Japanese capital markets and their international competitiveness by implementing comprehensive and effective market oversight activities based on the policy directions set out above.

3. Policy Priorities

The SESC is determined to strategically mobilize its regulatory tools and resources with particular emphases on the followings in order to conduct effective and efficient market oversight.

(1) Comprehensive and proactive market surveillance

- ▶ Comprehensive and enhanced surveillance on both primary and secondary markets as well as on cross-border transactions in order to preclude any regulatory loopholes in market surveillance
- ▶ Extensive surveillance on suspicious transactions which, at first sight, do not appear to contravene rules and regulations
- ▶ Proactive market surveillance through collection of a wide range of information with analysis of backgrounds behind individual cases or market developments
- ▶ Taking appropriate actions against cross-border market abuse, through exchange-of-information frameworks amongst securities regulators, including investigation requests and enforcement action based upon information provided by overseas regulators

(2) Strict actions to market misconduct and false disclosure statements

- ▶ Taking strict actions against market abuse such as insider dealing, market manipulation, fraudulent means including abuse of financing in primary market, and false disclosure statements
- ▶ Contribution to the regulatory system related to market misconduct based upon surveillance results

(3) Timely and efficient inspections and investigations in response to disclosure violations

- ▶ Implementation of timely and efficient disclosure inspections and investigations in order to ensure that the market participants are fairly and equally provided with accurate corporate information without delay
- ▶ Encouraging a listed company or any other issuer, if it has made false disclosure statements, to exercise its initiatives for autonomous and timely disclosure of the accurate financial information to the market as well as encouraging the related parties to achieve such appropriate disclosure
- ▶ Taking appropriate actions against public offering of securities such as stocks and corporate bonds without filing securities registration statements, with enhancing cooperation with the FSA and the Local Finance Bureaus and, if necessary, seeking petitions for court injunctions (Article 192 of the FIEA)

(4) Enhanced use of administrative monetary penalty system

- ▶ Implementation of timely and efficient inspections and investigations, taking advantage of administrative monetary penalty system, for fraudulent trading, false disclosure statements and other violations
- ▶ Exercising initiatives in order to prevent market participants from committing violations by taking various measures such as proactive provision of information regarding case precedents of administrative monetary penalties

(5) Efficient and effective inspections corresponding to the characteristics of firms to be inspected

- ▶ Implementation of efficient and effective inspections through developments of knowledge and inspection techniques corresponding to the characteristics of firms to be inspected
- ▶ Implementation of inspections of globally active securities firms, verifying the appropriateness of their internal control and risk management systems from a forward-looking perspective, in response to the introduction of consolidated financial regulations
- ▶ Taking appropriate actions against malicious financial firms such as fund dealers and investment advisors, verifying their operations and compliance from the perspective of investor protection
- ▶ Taking appropriate actions against unregistered entities selling unlisted stocks or other securities, in close cooperation with the FSA, the Local Finance Bureaus and investigative authorities through petitions for court injunctions (Article 192 of the FIEA)

(6) Enhanced cooperation with SROs

- ▶ Further cooperation with SROs in areas including oversight of member firms, rule-making, as well as outreach to market participants and investors

Notices

● Use of KAN-FULL BLOG

In November 2010, as part of information delivery by the Prime Minister's Office, the KAN's Blog was created, with a section written by Prime Minister Kan and transmission of videos of the Prime Minister's speeches. This blog provides a wide variety of information.

The FSA also received a request from the Cabinet Public Relations Office to cooperate in utilizing the KAN's Blog. Its banner is shown on the FSA web site and the web sites of the Financial Research Center, SESC and the Certified Public Accountants and Auditing Oversight Board. (See below)



To get update information of the KAN's Blog in "the KAN's Blog" emails delivered (update notice email delivery registration), go to the URL below.

- the KAN's Blog
<http://kansblog.kantei.go.jp/>
- Reader registration (Update notice email delivery registration)
<http://www.mmz.kantei.go.jp/foreign/blog/index.html>

● e-Gov Electronic Application System use (Available in Japanese only)

As an initiative to improve convenience and service for the people, for applications and notices of the Financial Services Agency, you can use the [e-Gov Electronic Application System](#) to send electronic applications and notices, etc. Please take advantage of it.

To see which applications and notices etc. can be processed in this system, please check Search by List of Laws & Ordinances, on the page [Procedure Instructions for Applications & Notices, etc.](#)

To use this system, you must agree with the [e-Gov Electronic Application System Usage Agreement](#)

● Advantages of using the e-Gov Electronic Application System

Anytime

- You can do procedures 24 hours without time restrictions, even at night or on holidays.

Note: When this system requires maintenance, there can be times when the system stops working.

Anywhere

- You can do procedures via Internet at home, work, and even far away.

Note: For attached documents, when you must submit originals such as public institution certificates, you may have to send them separately by post, etc.

* For details on how to use the e-Gov Electronic Application System, see [Electronic Applications](#) on the [e-Gov home page](#).

- **Is That Money-Making Scheme Safe?
Beware of fraudulent investment solicitation!**

There have been frequent cases of fraudulent investment solicitation related to unlisted stocks and investment funds.

Please watch out for such fraudulent investment solicitation.

Warning about transactions related to “unlisted stocks” and “privately placed bonds”

- Generally speaking, it is inconceivable that a broad range of investors will be solicited to make transactions related to unlisted stocks and privately placed bonds.
→ As solicitation for such investments may be an illegal act, investors should take care never to be involved in such transactions.

Warning about “investment funds”

- Under law, only business operators registered with the FSA (or a Local Finance Bureau) are permitted to solicit a broad range of investors to invest in investment funds.
→ As solicitation made by an unregistered business operator may be an illegal act, investors should take care never to be involved in such cases.

It is important to make a decision as to whether or not to actually make an investment based on an adequate understanding of the contents of the transaction. If there are any suspicious points, we advise you to act cautiously, such as by refraining from making the transaction.

- On the FSA web site, you can obtain more detailed information and check whether the business operator soliciting you is registered with the FSA (or a Local Finance Bureau).
- Please note that even if business operators are registered with the FSA (or a Local Finance Bureau):
 - their creditworthiness is not assured; and
 - they are prohibited from making solicitation by suggesting the principal is guaranteed or the transaction is sure to bring profits, for example.

When you have detected suspicious solicitation activity, be sure to contact the FSA’s Counseling Office for Financial Services Users.

- Counseling Office for Financial Services Users (Phone calls are accepted from 10 a.m. to 4 p.m. on weekdays.
Phone No. (Navi Dial Service number): 0570-016811
*Phone calls from an IP phone or a PHS phone are to be made to 03-5251-6811.
FAX: 03-3506-6699

* For further details, please refer to the following FSA websites (available only in Japanese)

- [Watch Out for Suspicious Investment Solicitation, etc.](#)
- [List of licensed \(registered\) Financial Institutions](#)

● 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 2009, the SESC received 7,118 items of information.

Information on specific stocks

- Market manipulation (through “misegyoku” (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 allottees, etc.)
- Problems of internal control for listed companies ...etc.

Information on financial instruments business operators, etc.

- Wrongful acts by securities companies, foreign exchange margin (FX) traders, management firms, investment advisories/agencies, 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.) ...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.) ...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. (Available in Japanese only)



Poster calling on the general public to provide information

◆ SESC Securities Watch & Report Portal

Central Government Office Building No.7, 3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo, JAPAN 100-8922

Direct line: +81 (3) 3581-9909

Fax: +81 (3) 5251-2136

<https://www.fsa.go.jp/sesc/watch/>

● 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.



Press Releases in December

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|------------|------------------------|---|
| December 1 | Access | Financial administration internship system implemented at the FSA |
| December 2 | Access | “Results of the December 2010 meeting of the Basel Committee” published by the Basel Committee on Banking Supervision |
| December 3 | Access | FSA and AMF France exchanged the letters regarding credit rating agencies |
| | Access | “Designation of Company Accounting Standards Determined by the FSA Commissioner, as Stipulated in the Rules on Consolidated Financial Statement Terminology, Forms and Preparation Methods, etc.” published |
| December 6 | Access | Partial revision of Administrative Guidelines (Volume 3: Finance Company Related) |
| | Access | “Draft Cabinet Ordinance for Partial Amendment of the Ordinance for Enforcement of the Act on Investment Trust and Investment Corporations” – Measures taken after receipt of public comments |
| December 7 | Access | The Action Plan for the New Growth Strategy” (Interim Draft) published, and opinions solicited on that plan (Interim Draft) |
| | Access | “2nd Disclosure System Working Group” to be held |
| | Access | “Project Team on Issues Surrounding Payments to Deposit Insurance Corporation Stipulated in the Act on Furikome Fraud Relief” 3rd hearing to be held |

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| December 8 | Access | “Project Team on Issues Surrounding Payments to Deposit Insurance Corporation Stipulated in the Act on Furikome Fraud Relief” 3rd hearing notice |
| | Access | “2nd Disclosure System Working Group” held |
| December 9 | Access | Decision on order to pay an administrative monetary penalty for false statements in annual securities reports etc. relating to JVC KENWOOD Holdings Inc. |
| December 10 | Access | Publication of Interim Draft for “The Action Plan for the New Growth Strategy” |
| | Access | Business Sentiment etc. of Small and Medium-sized Enterprises - Questionnaire Survey Results Summary |
| | Access | Overview of regional banks’ financial results as of end-September, 2010 |
| | Access | Overview of major banks’ financial results as of end-September, 2010 |
| | Access | Revision of business revitalization plans |
| | Access | “Symposium on Life Planning and Asset Management” to be held (Tokyo) |
| | Access | Report on Content of Measures Taken to Dispose of Bankrupt Financial Institutions, etc. |
| | Access | “Project Team on Issues Surrounding Payments to Deposit Insurance Corporation Stipulated in the Act on Furikome Fraud Relief” - 4th hearing to be held |
| December 13 | Access | “Project Team on Issues Surrounding Payments to Deposit Insurance Corporation Stipulated in the Act on Furikome Fraud Relief” - 4th hearing to be held |
| December 14 | Access | Extension of Expiration of Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. |
| December 15 | Access | “Insurance Manual Revision (draft)” published |
| December 16 | Access | “3rd Disclosure Working Group” to be held |
| | Access | Decision on order to pay an administrative monetary penalty for insider trading by a CPA belonging to BDO Toyo & Co. |
| | Access | Disciplinary action against CPAs |
| | Access | “Project Team on Issues Surrounding Payments to Deposit Insurance Corporation Stipulated in the Act on Furikome Fraud Relief” - 4th hearing |
| December 17 | Access | Main FSA related items in FY2011 Tax Reform Basic Policy |
| | Access | Administrative disciplinary action against Tokiwa Investments Inc. |
| | Access | “ ‘FSA Disclosure System Working Group Report’ ~ Expansion of Scope of Disclosures in English” ~ published |
| | Access | FSA publishes registration of credit rating businesses |
| | Access | Hearing on “The Action Plan for the New Growth Strategy” |
| | Access | Decision to commence trial procedures concerning order to pay an administrative monetary penalty against Citigroup Global Markets Limited and three other companies |
| | Access | Administrative disciplinary action against Invest Master Co., Ltd. |
| | Access | “3rd Disclosure Working Group” documents (held December 17, 2010) |
| | Access | Additional Q&A on Basel II published |
| | Access | “Final Report on the Assessment of the Macroeconomic Impact of the Transition to Stronger Capital and Liquidity Requirements” published by Financial Stability Board and Basel Committee |
| December 20 | Access | Certification of business restructuring plans of The Juroku Bank, Ltd. and The Gifu Bank, Ltd. based on the Act on Special Measures for Industrial Revitalization and Reform of Industrial Activities |
| | Access | Administrative disciplinary action against SunFlower Investment Co., Ltd. |
| | Access | Administrative disciplinary action against SunFlower Investment Co., Ltd. |
| December 21 | Access | Consultative document by the Basel Committee on Banking Supervision: “Capital charges for bank exposure to settlement institutions” published |
| | Access | Draft government ordinance and draft cabinet office ordinance, etc. concerning the 2010 Financial Instruments and Exchange Act Amendment – Measures taken after receipt of public comments |
| | Access | Decision on order to pay an administrative monetary penalty for non-submission of annual securities report for ZECs Co., Ltd. |

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| December 22 | Access | Administrative disciplinary action against Okayama Prefecture Bank Association |
| | Access | Status of progress on initiatives by market participants to reduce securities settlement risks |
| | Access | “Cabinet Office Ordinance on Disclosure of Corporate Information, etc. (draft)” – Measures taken after receipt of public comments |
| | Access | Administrative disciplinary action against Rights Trust Inc. |
| | Access | “Guidebook to Avoid Harm from ‘Unlisted Stocks’ Learned from Examples” |
| | Access | “Cabinet Office Ordinance for Partial Amendment of the Order for Enforcement of the Insurance Business Act (draft)”, etc. – Measures taken after receipt of public comments |
| | Access | “Cabinet Office Ordinance Partially Revising the Rules on Quarterly Consolidated Financial Statement Terminology, Forms and Preparation Methods, etc. (draft)” published |
| December 24 | Access | Solicitation of examples for efficient internal controls reporting practices |
| | Access | “Audit Standards and Evaluation of Internal Controls concerning Financial Reporting, and Implementation Standards for Audits and Evaluation of Internal Controls concerning Financial Reporting” (public draft) published |
| | Access | FSA budget, organization and staff quota for FY2011 |
| | Access | Integrated Exchange Study Team Interim Arrangement of Issues |
| December 27 | Access | “The Action Plan for the New Growth Strategy” (Final Version) published |
| | Access | FY2010 Achievement Award for Spreading Financial Knowledge |
| | Access | Situation of changes in lending conditions based on the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. |
| | Access | Press release on work update of the International Financial Reporting Standards (IFRS) Foundation Monitoring Board Governance Review Working Group |
| | Access | Notice of International Conference on The Role of the Financial Sector in Promoting Economic Growth in Asia |
| | Access | Execution status report on business revitalization plans |
| | Access | Decision on order to pay an administrative monetary penalty for insider trading by person who received information from a person performing stock conversion ratio calculation assistance work related to shares of SBI Futures Co., Ltd. (1) |
| | Access | Decision on order to pay an administrative monetary penalty for insider trading by person who received information from a person performing stock conversion ratio calculation assistance work related to shares of SBI Futures Co., Ltd. (2) |
| | Access | Decision on order to pay administrative monetary penalties for false statements in annual securities reports of Lawson Entermedia, Inc. |
| | Access | Enactment of FSA Regulatory Notice concerning designation of related corporations of credit rating agencies (group designation concerning explanation items of unregistered ratings) |
| December 28 | Access | Develop and Strengthen System of Support for Entry into Asia by Small and Medium-sized Enterprises, through Cooperation of Japanese financial institutions, Japan Bank for International Cooperation, Japan External Trade Organization, etc. |
| | Access | “Comprehensive Guidelines for the Supervision of Major Banks, etc.” and “Comprehensive Guidelines for the Supervision of Regional Financial Institutions” published |
| | Access | Money Lending Business Related Statistics updated |
| | Access | “Draft Cabinet Office Ordinance Partially Revising the Ordinance for Enforcement of the Banking Act, etc.” – Measures taken after receipt of public comments |
| | Access | Draft notice partially revising the “Determination of standards for whether a company carrying on a dependent business is mainly carrying it on for an insurance company or an insurance holding company or for their subsidiary, based on provisions of the Insurance Business Act, Article 106, Paragraph 7” – Measures taken after receipt of public comments |

Access is a link to the publication web page.

Web Pages Most Accessed in December

This section shows the December Press Releases web pages which were accessed the most.

To see the web pages most accessed in the past, go to the FSA web site's [Most accessed web pages \(past data, etc.\)](#)
(Available in Japanese only)

- Financial Institutions Being Inspected by FSA
http://www.fsa.go.jp/receipt/k_jyouhou/fsa.html
- Financial Facilitation Measures for Small and Medium-sized Enterprises
<http://www.fsa.go.jp/policy/chusho/enkatu.html>
- Extension of expiration of Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.
<http://www.fsa.go.jp/news/22/ginkou/20101214-1.html>
- List of Licensed (registered) Financial Institutions
<http://www.fsa.go.jp/menkyo/menkyo.html>
- “The Action Plan for the New Growth Strategy” (Interim Draft) published, and opinions solicited on that plan (Interim Draft)
<http://www.fsa.go.jp/news/22/sonota/20101207-2.html>
- Business Accounting Council
http://www.fsa.go.jp/singi/singi_kigyuu/top.html
- “Insurance Manual Revision (draft)” published
<http://www.fsa.go.jp/news/22/hoken/20101215-1.html>
- “Audit Standards and Evaluation of Internal Controls concerning Financial Reporting, and Implementation Standards for Audits and Evaluation of Internal Controls concerning Financial Reporting” (public draft) published
<http://www.fsa.go.jp/news/22/sonota/20101222-7.html>
- Main FSA related items in FY2011 Tax Reform Basic Policy
<http://www.fsa.go.jp/news/22/singi/20101217-8.html>
- Draft government ordinance and draft cabinet office ordinance, etc. concerning the 2010 Financial Instruments and Exchange Act Amendment – Measures taken after receipt of public comments
<http://www.fsa.go.jp/news/22/syouken/20101221-3.html>