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Extended Interview with MIYASHITA Ichiro, State Minister, Cabinet Office (Financial Affairs)

We spoke with MIYASHITA Ichiro, appointed State Minister of the Cabinet Office on September 13 as part of the second reshuffling of the Fourth Abe Cabinet, about his enthusiasm for, and thoughts on, financial administration.

Brief summary of interview

- ◆ **Determined to help advance finances as the engine of the Japanese economy**
- ◆ **Local financial institutions have an important role to play in business succession, etc.**
- ◆ **The Tsumitate NISA (Dollar-Cost Averaging NISA) program supports long-term diversified investment**
- ◆ **His hobbies are photography and magic**
- ◆ **This age of drastic change offers people the chance to make a name for themselves**

MIYASHITA Ichiro, State Minister,
Cabinet Office (Financial Affairs)

Born in August 1958, he was appointed Private Secretary to his father MIYASHITA Sohei, Director-General of the Japan Defense Agency, in 1991. After winning his first election in November 2003, he served in such positions as State Minister of Finance and Chairperson of the House of Representatives' Committee on Financial Affairs. His personal mottos are "integrity" and "think globally, act locally."



—— ***You were appointed State Minister on September 13;
can you tell us frankly how you feel now?***

First, I'd like to extend my deepest sympathy to all the victims of the recent Typhoon Hagibis and the earlier Typhoon Faxai, as well as to all the companies who have suffered losses from the outbreak of swine fever. The damage from Typhoon Hagibis was particularly extensive, and there are still numerous people living as evacuees. I will continue working to ascertain conditions in disaster-hit areas and provide the disaster victims with the specific support they need.

My recent appointment as State Minister of Cabinet Office has given me a very wide range of responsibilities. In performing my own duties as State Minister for Financial Affairs, and in assisting Minister (of State for Economic and Fiscal Policy) NISHIMURA Yasutoshi, I am in charge of a variety of areas, including economic revitalization, social security reforms that will benefit all generations, and domestic TPP measures, and I have gained a renewed sense of just how wide this scope extends. I see the Cabinet and the government having a significant role in addressing each of these issues.

I spent eight and a half years working at a bank and 12

years as a secretary and private secretary before becoming a member of the House of Representatives. My father MIYASHITA Sohei focused during the latter half of his political career on activities in the LDP Research Commission on the Tax System. I have also studied fiscal policy, the tax system and finance for quite some time. I won my first election in 2003, and I initially hoped for, and received, an assignment to the Financial Affairs Committee. Asking a question to then-Minister of Finance TANIGAKI during the first Diet session following that election was a very memorable experience indeed.

Later on, I served in the government as Parliamentary Secretary for Finance and State Minister of Finance, and in the Diet as Chairperson of the Committee on Financial Affairs. In the party as well, I was active in the Treasury and Finance Division, and even served as Chairperson of the Corporate Accounting Subcommittee of the Research Commission on the Finance and Banking Systems. As a member of a Diet caucus, more specifically, as Secretary-General of the Diet Caucus on Nurturing Securities and Other Markets, I have continued to study while supporting the Chairperson, KISHIDA Fumio, and keeping in regular touch with members of the securities industry.

Because of this, I am extremely grateful to have been appointed State Minister with responsibility for the Financial Services Agency, and I want to put to good use

the things I have learned thus far as well as the support and advice of others to help advance finance as the engine of the Japanese economy.

—— ***Regional revitalization is currently a major issue for the government as a whole. What measures do you believe are needed to promote regional revitalization?***

While serving as Director of LDP's Economy, Trade and Industry Division and holding positions on the Research Commission on Small and Medium-Sized Enterprise and Small Business and elsewhere, I have taken active part in supporting companies that actually underpin local economies. As one example, I have endeavored to build a new framework that would offer support through the tax system for business succession at unlisted companies and sole proprietorships by enhancing the business succession taxation scheme.

Business succession has become a key issue for local companies. I think it is extremely important to have local financial institutions involved as advisors and supporters in various ways, such as matching up interesting parties and arranging business succession through M&A. In many cases, business succession is used as an opportunity to enter new businesses or to reform management, and we should count on local financial institutions to play a supporting role in these as well.

Where I am from – Nagano Prefecture – credit unions, credit associations, regional banks, government-affiliated financial institutions, credit guarantee corporations, and other institutions are there for local companies, providing them needed support, and I believe this collaboration is working out quite well.

—— ***It would also seem important for the average citizen to be able to smoothly build asset. How do you think financial administration will need to be steered in future?***

In this era of low interest rates, it is rather difficult for the benefits stemming from growth in the economy as a whole to make themselves felt by individual members of society. We are in an era in which there is little tangible sense of growth. Naturally, economic development will be a positive for pension financing through GPIF investments and such, and economic growth will also bring about increased tax revenues and enhanced social capital, so it is more important than ever that we put in place a framework in which individuals, too, can enjoy the fruits of economic development in their asset building.

The Tsumitate NISA program is one such approach. NISAs, which include general NISA and Junior NISA, are a

means of helping individuals build asset, and I think that long-term diversified investment will be of vital importance from here on out.

Another necessary approach to investing defined-contribution pension funds is to have the financial sector provide products offering as stable a return as possible and then to invest pensions in these products in a diversified manner for the long run.

The Diet Caucus on Nurturing Securities and Other Markets conducted a study comparing the approaches taken overseas to capital markets and asset building with those taken in Japan. In the US and Australia, significant pension assets are used to support capital markets through investment trusts and other instruments, with asset growth coming back to individuals as returns, and this system seems to be working well. Unfortunately, that route is still very much a weak one in Japan.

To make it more robust, we must provide people with solid information about such investment vehicles and get people to understand the benefits of long-term diversified investment through financial education and guidance for newly-hired employees. At the same time, it is also critical that we get as many people as we can to understand that the government is eager to help them build asset through such programs as Tsumitate NISA, and have them make active use of these programs.

—— ***Please give us your thoughts on the future prospects for FinTech, in which new information technology is incorporated into providing financial services.***

I think that using FinTech to provide new services suited to the needs of individuals and companies will be of great significance in stimulating the economy and improving convenience.



(Photo: Mr. MIYASHITA being interviewed)

On the other hand, we must not forget the fundamental fact that financial institutions have made enormous investments in systems designed to protect assets. Unless such matters as how to create programs that improve convenience while ensuring reliability and how to allocate the costs are thoroughly discussed, such efforts will not be sustainable.

The fact that there have been cryptocurrency thefts means that cybersecurity must also be given due consideration, so we need to think about what to do to ensure both safety and convenience. Also important is determining how to carry out FATF policies and anti-money laundering measures.

We should work toward making our society as a whole a digital society. In doing so, we need to look at how to ensure security and how to use digital technology, including the My Number system, to improve convenience for individuals. The time has come to make major changes to improve convenience while ensuring security, and we in the government need to think about how we will support this.

—— ***Please tell us what prompted you to become a politician and a parliamentarian, and what you seek to accomplish while serving as a Diet member.***

My father became Director-General of the Defense Agency in November 1991, and I quit banking and jumped into the world of politics in order to help him out. While aiding my father over the next 12 years, I came to feel that the government has an extremely large role to play when things change or must change in a major way, and that this was work worth dedicating my entire life to. I therefore decided to throw my hat into the ring when my father retired in 2003.



(Photo: Mr. MIYASHITA at work)

Japan today is at a historical turning point as its population is beginning to rapidly drop for the first time in history, even as it is becoming a long-lived society in which more and more people will live to 100. Now is the time that, to pass down the many wonderful aspects of our country – its history, culture, technology, land, and so forth – and make these sustainable, we must contrarily make momentous changes. Work styles and lifestyles must also change, and we need to achieve a society in which all citizens are engaged, in which women play active roles, and in which healthy seniors can turn around and help out those less fortunate. We must utilize AI, robotics and other technologies to bring about Society 5.0, a digital society, and make the changeover to a society of fewer people but greater convenience. In those areas where we just do not have enough resources, we may find it necessary to seek support from foreigners as well. We have reached a point that requires such substantial changes to the way we do things.

Japan's population up through the Edo period was some 30-odd million, but it quickly increased to 128 million in the 140 years or so following the start of the Meiji period. Alongside this swelling of the population came a concentration of population in Tokyo. There has been a consistent pattern of people congregating to Tokyo and environs from around the country, and this trend remains intact today. We must undertake nation-building that reverses that flow, helps development blossom in outlying regions, increases the opportunities for young people to take on active roles, and encourages areas around the country to develop in ways that take advantage of their own unique features. Another measure we should implement to overcome the population decline is to increase what we call our "related population" and our "transient population." People coming and going between outlying regions and between urban and rural areas will stimulate these locales and share their wisdom with each other. This will invigorate Japan as a whole.

Furthermore, we must make genuine efforts to increase inbound tourism. Last year 30 million foreigners visited Japan, but we are planning to hit 40 million next year with the Olympics and Paralympics and reach 60 million by 2030. To accomplish this, we must ensure there are sufficient accommodation facilities, dining establishments and other infrastructure for these visitors to comfortably experience Japan, and we must make information available in multiple languages. Existing tourist sites cannot possibly handle the numbers of visitors we are anticipating, so we will have to create flows of people to regions that heretofore have not had many foreign visitors. Ensuring easy access to these regions is one of the many things we will need to do. Back in my home prefecture, we are building the San-en Nanshin Expressway to link up Nagano, Aichi and Shizuoka prefectures. We are also working hard to put other transport infrastructure in place, including linear Shinkansen service. In addition, we must

build up our national resilience against natural disasters such as the recent typhoons.

Indeed, we will need to deploy our full capabilities at this major turning point if Japan as a whole is to develop in a well-balanced and energetic manner in the midst of a population decline. Conversely, the hard work we put in now will pay off in the future. Now is the time for us to sow the seeds. To be a politician and have a Diet seat in such challenging times is something for which I am incredibly grateful. I want to work together with everyone to create a dynamic Japan, a Japan that can contribute to the development of the rest of the world.

——— ***With your remarkably busy schedule, what do you do to switch from work to personal time and back, and how do you relax on your days off?***

My schedule doesn't permit me to take off solid blocks of time, but I do enjoy going back to my hometown to view the seasonal landscapes and flowers and capture these in photos. When I do get some time off, my wife will drive us to various spots where we can walk around and get pictures, my wife with her smartphone and I with my mirrorless camera.

Magic has been a hobby of mine since I started out at three, and I have put on the occasional show at a get-together with senior citizens or at a wedding when asked. There is also a magic club back home in Iijima-machi that puts on magic shows, and I take part in those under the stage name "Mister M." (Laughs)

——— ***Finally, please give us a message to pass on to the general public and the employees of financial institutions.***

We are now at a major crossroads. In the business arena, such times are seen as incredible business opportunities, and this will be a very challenging era in many respects. I sincerely urge people to make significant contributions in their respective capacities toward making our communities, Japan and the world better places, and to continue taking on new challenges.

Professor MAENO Takashi of Keio University, whose research focuses on happiness, has said that happy people are those who are willing to give things a try, who feel gratitude, who are confident things will work out, and who see things as they really are. If people who are confident things will work out and are willing to give things a try value themselves and appreciate and team up with others around them, everyone will be able to enjoy happiness and to take on new challenges.

If there is anyone out there who thinks that, if they had



Top: Wataba, Nakagawa-mura, Kamiina-gun
Bottom: Lake Momiji, Minowa-machi, Kamiina-gun
Photos by Mr. MIYASHITA

been born around the time of the Meiji Restoration, they might be remembered by history for their deeds like the patriots in the last days of the Tokugawa Shogunate, or if they had been born amidst the devastation of a post-war Japan, they might have made a name for themselves like MATSUSHITA Konosuke and HONDA Soichiro, then I want to tell them that they are living in an age of dramatic change at this very moment. The toil and sweat we expend now in building a new world will unfailingly pay off in future, and we have an abundance of opportunities to leave our marks on the world. The opportunities are here now. We should all cheer on new approaches, and appreciate any support that local financial institutions might give the people pursuing these new approaches.

(Interviewer: WADA Yoshitaka, Director,
Public Relations Office)

Steady Wealth Building by Households

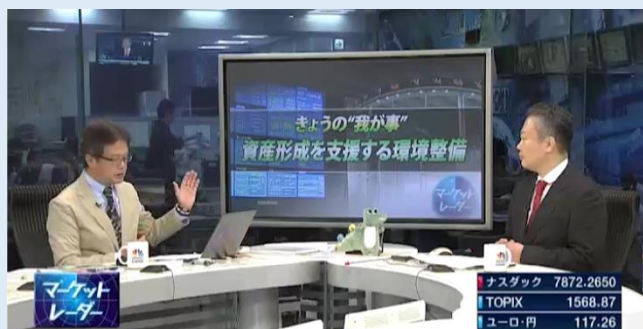
Recommending long-term, installment-type, diversified investment through Tsumitate NISA

MIURA Tomohiro, Strategy Planning Officer, Strategy Development Division,
Strategy Planning and Management Bureau

(*The opinions expressed in this piece are the personal views of the author and do not necessary reflect the views of the organization with which he is affiliated.)

October 4 of each year is Investment Day. As he did last year, MIURA Tomohiro, Strategy Planning Officer at the Financial Services Agency, appeared on Nikkei CNBC's "Market Leader", this time to discuss the topic of creating a supportive environment for wealth building, to describe approaches being taken to establish and popularize the Tsumitate NISA (Dollar-Cost Averaging NISA) program as a means for the Financial Services Agency to promote stable wealth building by households, and to explain points in the proposed 2020 revisions to the tax system that pertain to the NISA program.

The interview was conducted in a dialogue format by NAOI Atsushi, Deputy Chair of Nikkei CNBC's Economic Commentary Board. The essence of that interview is given below.



(NAOI)

This is your second appearance on this show, the first having been on last year's Investment Day on October 4. In working to create an environment supportive of wealth building, have there been any recent changes in the environment or other factors that trouble you?

(MIURA)

As some media outlets have reported, a growing number of people, especially young people, are coming to see building wealth as a personal concern. As you can see in this graph (Table 1), high percentages of people (in the 30-49% range), even those with no investment experience, feel that investment is necessary to build wealth, regardless of household annual income. Despite recognizing this need, though, many of them hesitate because they don't think they have enough money or enough knowledge and experience to get started. We at the Financial Services Agency want to encourage such people to start out by putting small amounts into long-term, installment-type, diversified investments and building portfolios that suit their particular needs.

(NAOI)

Would you say that long-term, installment-type, diversified investment should be the first step in building wealth?

(MIURA)

There are a variety of investment methodologies available, but we would recommend that persons with no investment experience or not accustomed to investing in particular start off with small amounts in long-term, installment-type, diversified investments so they can invest efficiently while holding down risk. As a simulation of long-term, installment-type, diversified investment, we imagined a person investing 10,000 yen per month in a typical index over the past 20 years. Despite the decline following the Lehman Shock, the person would have enjoyed a good performance no matter which index he invested in (Table 2). The Tsumitate NISA program is a good fit for this long-term, installment-type, diversified investment approach, and we hope investors will make effective use of it.

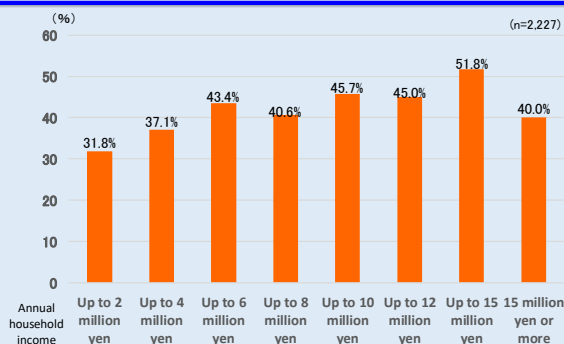
(NAOI)

In relative terms the Nikkei Average did not perform very impressively but, interestingly enough, an installment-type investment strategy using the Nikkei would have had a performance second only to a US index. How many Tsumitate NISA accounts have actually been opened since the program began in January 2018?



(Table 1)

Percentage of people feeling investment is necessary for building wealth
(from a survey of people with no investment experience)



(*) Total figures for persons who responded "I feel it extremely necessary" and "I feel it somewhat necessary"
(Source) Survey conducted by QUICK Corporation: "Opinion Survey on Individual Wealth Building" (November 2018)

(MIURA)

As of the end of June of this year, there were 1.47 million accounts with a total of 178.1 billion yen paid in, and these numbers are steadily rising. Looking by generation, we see that the general NISA is used primarily by seniors in their 50s or older, while the Tsumitate NISA is mostly used by relatively young people in their 20s, 30s or 40s. It may be that the Tsumitate NISA is easier to use for young people who still do not have much money at their disposal.

Incidentally, a comparison of the figures from the end of this past March and the end of this past June show an increase of 18.8% in the number of people in their 20s, which is now the largest segment by generation. The increase among people in their 60s or older was 12.3%, by no means a low figure, and rising use among seniors is extremely encouraging.

(NAOI)

I'm in my 50s, but I opened a Tsumitate NISA in 2018. The markets move up and down and make things a bit challenging, but Tsumitate NISA accounts are growing in number. What do you think is the reason for that?

(MIURA)

There are a variety of reasons the number of accounts is climbing, but of course I do think a growing number of people are taking an interest in building wealth. The FSA has also been holding events, making videos, and undertaking other publicity efforts that sometimes make use of "Tsumitate Wanisa" stuffed animals, clear file folders and other goods.

(NAOI)

"Tsumitate Wanisa" has been quietly making his case (here in the studio), and this character has become quite a familiar figure.

Although the number of Tsumitate NISA accounts is increasing, the NISA has a limited-time tax exemption. With proposals on the table to reform the tax system, what issues do you see from the government's perspective?

(MIURA)

Since building wealth should be a lifelong endeavor, we would like to change the NISA's current limited-time tax exemption and make it a permanent one along the lines of the UK's ISA to ensure the program's stability. With the Tsumitate NISA, investors who opened their accounts in 2018 can put in 400,000 yen each year for 20 years, giving them a total investment of eight million yen, but investors who start out next year (2020) will be limited to 400,000 yen per year for 18 years, restricting their total investment to 7.2 million yen. Consequently, we want to extend the end date for the Tsumitate NISA program in particular so that all investors can enjoy an accumulation period of 20 years regardless of when they start investing (Table 3).

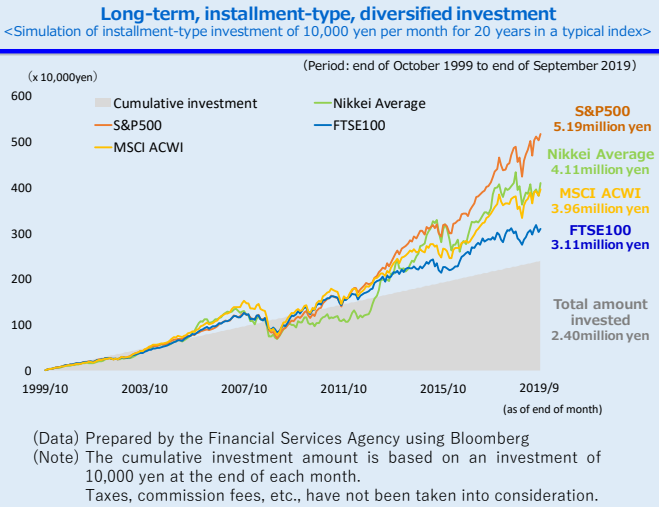
We are also seeking to apply tax exemptions to financial incentives for participating in the Tsumitate NISA program. There are some companies that offer small financial incentives of 1,000 yen a month or so to employees in the Tsumitate NISA program as part of their benefits packages. Studies have shown that even such small financial incentives are much more likely to motivate an employee to use a Tsumitate NISA than payments simply allocated through payroll deductions. While these financial incentives are effective in encouraging employees to engage in installment-type investment, they are currently taxed as salary income, and we want to make such incentives tax-exempt (Table 4).

(NAOI)

When it comes to small and medium-sized companies, they may want to help out their employees but are concerned about the burden this will entail, but they may take a different tack if they can incentivize their employees with small sums. Revisions to the tax system in this regard, too, are being proposed this year.

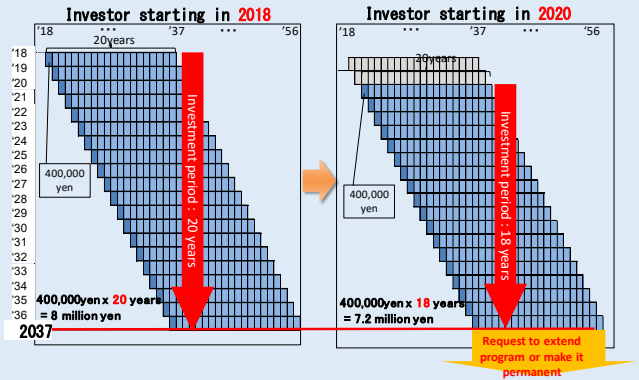
I still have many more questions I would like to ask you, but let me thank you very much for joining us here today, Mr. MIURA.

(Table 2)



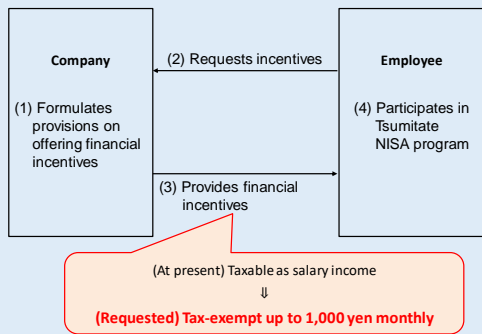
(Table 3)

Request to extend NISA program or make it permanent



(Table 4)

Tax exemption for Tsumitate NISA financial incentives



Revisions to the “Q&A on Insider Trading Regulations”

Functional Enhancement Office, Financial Markets Division, Policy and Markets Bureau

MORIOKA Kazuhiro, Assistant Director

SADAMORI Toshiaki, Assistant Director

(*The opinions expressed in this text are the personal views of the author and do not necessary reflect the views of the organization with which he is affiliated.)

The Financial Services Agency and the Securities and Exchange Surveillance Commission announced revisions to the “Q&A on Insider Trading Regulations” (hereinafter, “Q&A”) this past July 29. This article will present the background to, and an overview of, these revisions.

Background to revisions

Insider trading is generally defined as trading of a listed company’s shares by executives, employees and other personnel at that company privy to material facts about the company before these facts are made publicly available. If such trading becomes widespread, general investors not privy to these material facts will be put a distinct disadvantage, undermining the fairness and trustworthiness of securities markets. Insider trading regulations were established in recognition of the need to stop such unfair trading and allow securities markets to fully perform their functions.

Investments in stocks, including those made via investment trusts and ETFs, are ordinarily regarded as an effective means of steadily building wealth. Nevertheless, surveys on investment conducted in recent years have revealed that a significant percentage of company executives and employees have no investing experience and, as a consequence of insider trading regulations not being well understood and of the way in-house regulations are established, restrictions have even been placed on problem-free transactions. Questionnaire surveys of listed companies on in-house regulations conducted by such organizations as Japan Exchange Regulation have confirmed these issues, and it was thus decided to consider a fundamental overhaul of the Q&A.

The questionnaire surveys showed that some companies have established in-house procedures to prevent insider trading applicable to specific transaction types or persons in specific positions at the company whose shares are to be traded, while other companies have imposed a system requiring authorization for all trading of shares, even shares that do not present any problems (e.g., shares of a company that is neither a business partner nor a client and about which the party engaged in trading has no knowledge of material facts).

(See Figures 1 and 2)

Figure 1: Regulations on trading own company shares by executives and employees at listed companies

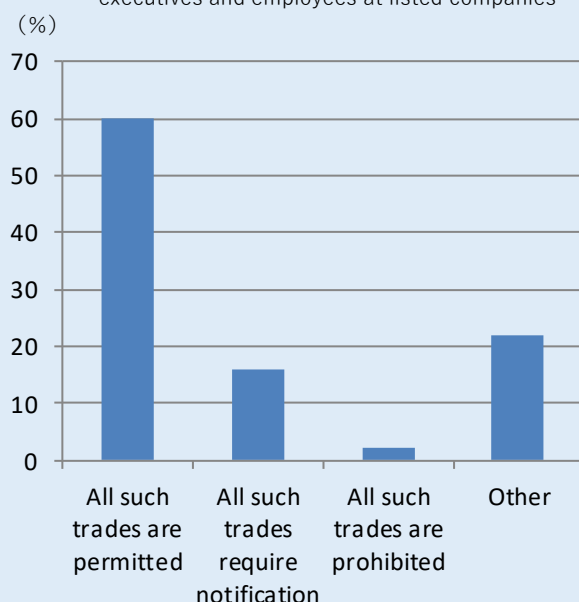
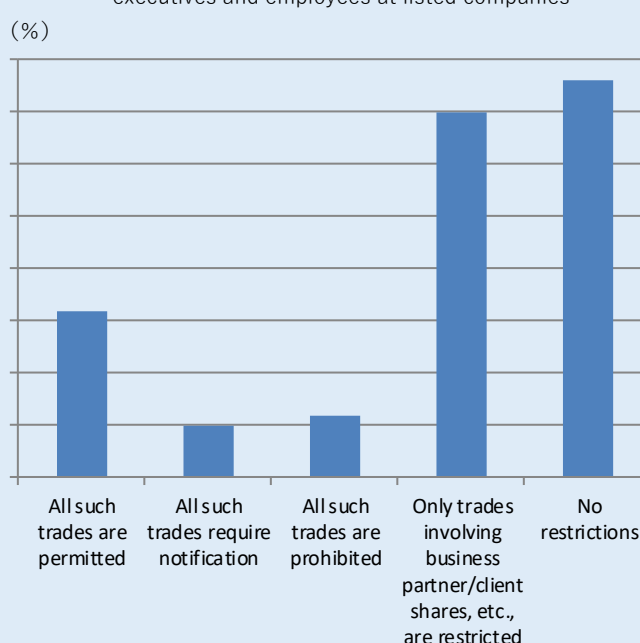


Figure 2: Regulations on trading other companies’ shares by executives and employees at listed companies



(Note for Figure 1) “All such trades” means all trades involving executives or employees. Figures are approximate.

(Note for Figure 2) “All such trades” means all trades involving shares of partner/client and non-partner/client companies. Figures are approximate.

(Source) Prepared by the Financial Services Agency using the “4th Nationwide Survey of Listed Company Insider Trading Management” by Japan Exchange Regulation et al. (October 2016)

The following comments were heard from executives and employees of listed companies interviewed by the FSA:

- ✓ Portions of the insider trading regulations are difficult to understand for the novice, so easy-to-comprehend explanations would be very welcome.
- ✓ We would appreciate having access to data showing the status of regulations at other companies as well as templates when reviewing in-house regulations.
- ✓ Executives and employees do not invest, so there are few opportunities for improving their financial literacy.
- ✓ There is a general sense that trading in shares is frowned upon, so we hope the authorities will send out a clear message that sound investments are a good thing.

In-house regulations that excessively restrict trading in shares and a lack of accurate knowledge about laws/ordinances and in-house regulations on share trading seem to be the key reasons that company executives and employees refrain from investing.

Given this background, it was decided in revising the Q&A that trading not deemed to be insider trading should be explained in a manner easy to understand for persons with little investment experience or knowledge, and that companies should be encouraged to ensure their executives and employees correctly understand the relevant regulations and to reexamine their own in-house regulations.

Overview of revisions

The revised Q&A comprised an “Introduction” including a clear message that restrictions on perfectly legitimate trades are unwarranted, and a “Basics” section (a total of seven questions) explaining legitimate trades in an easily comprehensible manner (the previous Q&A [a total of five questions] was incorporated as a “Practical Application” section primarily featuring guidelines on interpreting laws and ordinances).

More specifically, it was made clear that trading by executives and employees at listed companies privy to material facts would not contravene insider trading regulations if this involved (1) trading in shares carried out in the absence of any knowledge of material facts, (2) trading in shares carried out after material facts were made public, and (3) trading in ETFs or the majority of investment trusts generally available for sale (excluding J-REITs, etc.).

It was also suggested that listed companies reexamining their in-house regulations might find it useful to consider the following points:

- ◆ Companies choosing to place restrictions on trading in their own shares and those of business partners/clients should distinguish between executives and other personnel with ready access to material facts on the one hand and general employees on the other, and should make the restrictions on the latter looser than those on the former.
- ◆ Companies should not impose any special restrictions on trading the shares of non-business partners/clients for which material facts are not being managed by the companies, or on trading in ETFs and most investment trusts that are not subject to insider trading regulations.

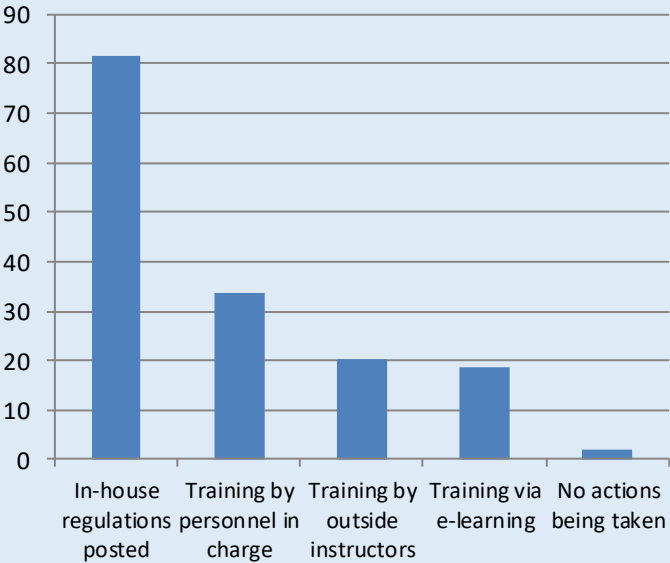
The Q&A provides information that can be used for this purpose.

To offer food for thought in considering wealth building, the Q&A also discusses investment rules applicable to FSA employees and efforts such as NISA to promote wealth building.

Working toward greater familiarization

Companies seeking to improve the financial literacy of their executives and employees and to encourage wealth building through share investment might find it useful to undertake educational activities at their companies (see Figure 3) and review their own in-house regulations. Understanding and leadership on the part of corporate management will be important in advancing these company efforts, and it is also important that the organizations responsible for overseeing the in-house regulations have a full understanding of them. Accordingly, the FSA, via economic organizations, will be offering explanations of these Q&A revisions to both corporate management and relevant in-house organizations and actively urging companies to step up their own efforts.

Figure 3: Educational activities on insider trading regulations and in-house regulations at listed companies (%)



(Note) Multiple responses allowed. Figures are approximate.
(Source) Prepared by the Financial Services Agency using the “4th Nationwide Survey of Listed Company Insider Trading Management” by Japan Exchange Regulation et al. (October 2016) (Available in Japanese)

FSA Commissioner attends “Let’s Bring Back Great Work Fair”; “3rd Regional Finance Meeting in Fukushima” to be held

■ FSA participates in 2019 “Let’s Bring Back Great Work Fair”

FSA Commissioner ENDO Toshihide attended the 2019 “Let’s Bring Back Great Work Fair” held the other day at the Tokyo International Forum, and took part in the celebratory opening of a sake barrel to kick off the event. A Regional Finance Meeting (Chiikin-kai)(*) exhibition booth informed visitors of the progress made thus far, and let them know that the “3rd Regional Finance Meeting in Fukushima” would be held for the first time outside Tokyo.



■ 3rd “Regional Finance Meeting in Fukushima” to be held on Saturday, November 9

In response to the enthusiasm shown by committed parties in Fukushima eager to energize their home prefecture, the 3rd Regional Finance Meeting is to be held on November 9 at the Fukushima-Minpo Head Office (a five-minute walk from Fukushima Station). The event will feature guest appearances and participant presentations, as well as a snack break that will give participants the opportunity to get to know each other better.

熱い想いを持った自治体職員・金融機関職員同士で、ありのままに語り合える出会いの場

第3回 ちいきん会 in 福島

<東北初開催!>




11/9 2019

14:00 → 18:00

*“Regional Finance Meeting (Chiikin-kai)” bringing together enthusiastic civil servants and financial sector representatives

“Regional Finance Meeting (Chiikin-kai)” (a name that reflects hopes for collaboration between local communities and financial institutions) is a meet-up venue for enthusiastic civil servants and employees of financial institutions to engage in constructive discussions without regard for rank or title. Comprising the Secretariat are the FSA’s Local Issue Resolution Support Team and other ministry/agency and 47-kai volunteers, as well as volunteers from financial institutions.

To the Victims of Typhoon Hagibis and Other Natural Disasters

The FSA is offering the support outlined below to help victims recover and rebuild following Typhoon Hagibis and other natural disasters.

❑ Toll-free FSA consultation hotline for victims of Typhoon Hagibis and Typhoon Faxai

The FSA has set up a toll-free FSA consultation hotline for victims of Typhoons Hagibis and Faxai that struck in 2019, and victims of these typhoons should feel free to consult with the FSA about their dealings with financial institutions or other concerns.

[0120-156811 (toll-free) [Weekdays, 10:00-17:00]]
 [*IP phone users should please call 03-5251-6813.] (available only in Japanese)

❑ Finely-tuned support by financial institutions

The FSA and Local Finance Bureaus, along with the Bank of Japan, have issued a joint request to financial institutions and insurance companies in Tokyo and the 13 prefectures to which the Disaster Relief Act has been applied(*) concerning the following items pertinent to recovery and rebuilding. Victims of natural disasters should consult with their financial institutions and insurance companies.

* Iwate, Miyagi, Fukushima, Ibaraki, Tochigi, Gunma, Saitama, Tokyo, Kanagawa, Chiba, Niigata, Yamanashi, Nagano and Shizuoka

- Financial institutions should take a flexible approach in refunding deposits (using some other practical method to confirm the identities of customers who do not have their bankbooks or official seals).
- Financial institutions should make concessions on loan repayments and accept other changes to agreement terms and conditions.
- Insurance companies should pay out life and non-life insurance claims as quickly as possible.

❑ To disaster victims with housing loans, etc.

Disaster victims hard pressed to meet mortgage payments, etc., because of the recent disasters are eligible for assistance in the form of mortgage payment exemptions/reductions under the “Guidelines for Restructuring Debts of Natural Disaster Victims.” Please consult with your financial institution to take advantage of this assistance.

❑ To disaster victims with life or non-life insurance policies

A number of insurance associations are accepting inquiries regarding customers in areas to which the Disaster Relief Act has been applied who have lost key documentation/information on the policies they have with insurance companies because their homes have been destroyed or washed away. Please make use of these inquiry services.

• Inquiries on life insurance

The Life Insurance Association of Japan - Center for Locating Life Insurance Contracts in Disaster Areas:
 0120-001731 (toll-free) (available only in Japanese)
 [Inquiry hours] Monday-Friday (excluding national holidays and year-end/new-year holidays), 09:00-17:00

• Inquiries on non-life insurance

The General Insurance Association of Japan - General Insurance Contracts Inquiry Center for Natural Disasters:
 0120-501331 (toll-free) (available only in Japanese)
 [Inquiry hours] Monday-Friday (excluding national holidays and year-end/new-year holidays), 09:15-17:00

Foreign Non-Life Insurance Association of Japan - General Insurance Contracts Inquiry Center for Natural Disasters: 03-5425-7850
 [Inquiry hours] Monday-Friday (excluding national holidays and year-end/new-year holidays), 09:00-17:00

❑ Dispatch of FSA/Local Finance Bureau personnel to disaster-hit areas to aid in recovery/rebuilding

Personnel will be dispatched as needed to Tokyo and 13 prefectures to make on-site assessments of damage and the needs of disaster victims. These personnel will learn of these needs directly from people in the disaster-hit areas, local financial institutions and business/industry groups, and will continue to provide assistance toward recovery/rebuilding.



Chikuma River, Ueda City (Ueda Electric Railway Bessho Line)



The Hachijuni Bank's Toyono Branch

* A special site has been set up on the FSA website offering a summary of relief measures available to disaster victims.
 See details here ⇒ <https://www.fsa.go.jp/en/ordinary/typhoon201910/press.html>

JFSA's Major Activities in October

(October 1 to October 31, 2019)



- [Stewardship Code : 269 institutional investors have signed up to the Principles for Responsible Institutional Investors as of September 30, 2019 \(October 1, 2019\)](#)
- [Living in Japan: How to Open a Bank Account and Send Money \(October 7, 2019\)](#)
- [FSB Workshop on Pre-Positioning, Ring-Fencing, and Market Fragmentation - Remarks by Himino Ryoza, Vice Minister for International Affairs \(October 9, 2019\)](#)
- [Eleventh Meeting of the "Council for Cooperation on Financial Stability" \(October 9, 2019\)](#)
- [Exchange of Letters on Cooperation in the area of banking resolution with the Single Resolution Board\(SRB\) \(October 11, 2019\)](#)
- [US NAIC-FSA Insurance Dialogue held in Washington DC \(October 11, 2019\)](#)
- [Joint EU-Japan financial regulatory forum \(October 15, 2019\)](#)
- [ASIFMA \(Asia Securities Industry & Financial Markets Association\) Annual Conference 2019 - Keynote Speech by Jun MIZUGUCHI, Senior Deputy Commissioner for International Affairs \(October 16, 2019\)](#)
- [ASIFMA \(Asia Securities Industry & Financial Markets Association\) Annual Conference 2019 - Keynote Speech by Commissioner Toshihide Endo \(October 16, 2019\)](#)
- [Opening Ceremony of World Investor Week 2019 - Opening Remarks by Commissioner Toshihide Endo \(October 16, 2019\)](#)
- [Development in Green, Social and Sustainability Bond Markets - Keynote Speech by Commissioner Toshihide Endo \(October 16, 2019\)](#)
- [Typhoon No.19 in 2019 \(Hagibis\) Information \(October 18, 2019\)](#)
- [Participation in the GBP SBP Advisory Council \(October 21, 2019\)](#)
- [EU-Asia Pacific Forum on Financial Regulation \(October 23, 2019\)](#)
- [Financial Industry-wide Cybersecurity Exercise \(Delta Wall IV\) \(October 28, 2019\)](#)
- [Publication of the finalized "Discussion Paper on Dialogues and Practices Regarding Financial Institutions' IT Governance" \(October 28, 2019\)](#)
- [Publication of analysis report on financial institutions' computer system failures \(October 28, 2019\)](#)
- [Publication of monitoring report on financial institutions' computer system integration and renewal \(October 28, 2019\)](#)
- [Game companies are required to notify the Japanese authority \(Local Finance Bureau\) in accordance with the Payment Services Act. \(October 28, 2019\)](#)
- [The Financial Sector Cybersecurity Report \(October 28, 2019\)](#)
- [2019 ISDA Annual Japan Conference - Speech by HIMINO Ryoza, Vice Minister for International Affairs \(October 29, 2019\)](#)
- [The Council of Experts on the Stewardship Code \(2019\): The Second Council \(October 31, 2019\)](#)

- FSA Weekly Review
<https://www.fsa.go.jp/en/newsletter/index.html>



- JFSA's official English Twitter account
https://twitter.com/JFSA_en



We are promoting
information
dissemination using
Twitter!

Editor's comment

Thank you for reading the October issue of Access FSA. This month we spoke with State Minister MIYASHITA, and were impressed to hear him speak so passionately about his wide-ranging experience and his thoughts on policy.

The next Regional Finance Meeting will be held in Fukushima on November 9, and we hope that as many people as possible will participate in this event to help energize the area.

WADA Yoshitaka, Director, Public Relations Office, FSA
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