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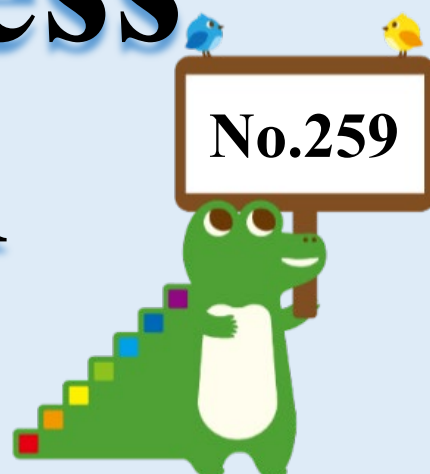
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Access FSA



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Global Money Week 2025

Holding of Financial and Economic Education Event - Minister of State for Financial Services Kato Attended -

As part of the OECD's Global Money Week, which is an international awareness campaign to promote financial education and financial inclusion for children and young people, the FSA, jointly with the Tokyo metropolitan government, held an event targeting children and their parents titled "Let's Learn Together! What is Money?" at Futako Tamagawa Rise on Saturday, March 22, 2025.

On the day, Minister of State for Financial Services Kato and Vice-Governor Nakamura of Tokyo (on behalf of Governor Koike) attended the opening of a stage show and delivered greeting speeches. The FSA's official character, "Deputy Director-General,

WANISA" and comedians, Joyman, Banbino, and Yoneda 2000, jointly showed materials concerning money, presented quizzes, or otherwise entertained both participating children and their parents.

In addition to the stage show, there were exhibition booths set up to introduce a variety of materials, such as a popular learning material series called "Unko Money Drill" and financial and economic education content using gamification provided by a cooperative company. The event welcomed many visitors, including families with children.



(Photo: Minister of State for Financial
Services Kato delivering a greeting speech)



(Photo: Exchange of business cards between Deputy
Director-General, WANISA and Vice-Governor Nakamura
of Tokyo on behalf of Governor Koike
(Source) Yoshimoto Kogyo)



(Photo: Stage show
(Source) Yoshimoto Kogyo)

* Global Money Week 2025

<https://www.fsa.go.jp/news/r6/sonota/20250110/20250110.html> (Available in Japanese)

(List of relevant initiatives nationwide)

<https://www.fsa.go.jp/news/r6/sonota/20250317/20250317.html> (Available in Japanese)

During the event



Photo: Event booth



Photo: Unko Money Drill class



Photo: Children during the class



Photo: Minister of State for Financial Services Kato observing the Unko Money Drill class

Joint session of the 54th general meeting of the Financial System Council and the 42nd meeting of Sectional Committee on Financial System

The Joint Session of the 54th general meeting of the Financial System Council and the 42nd meeting of Sectional Committee on Financial System was held on February 19 this year.*1

At the Joint Session, State Minister of Cabinet Office Seto delivered a speech, followed by the election of the Chair. Then, reports by the Working Group on Regulatory System Especially for Non-Life Insurance Business and the Working Group on Payment Services System, etc. were published, and members discussed the application of the Trust Business Act with regard to the new system for charitable trusts.



Photo: State Minister of Cabinet Office Seto delivering a greeting speech

1. Mutual election of the Chair

At the joint meeting, which was held for the first time after the election of new members on January 25, 2025, Mr. KANSAKU Hiroyuki was elected as the Chair of the Financial System Council and the Sectional Committee on Financial System.

2. Reports on the matters under consultation

Reports were made on the “consideration of measures to ensure credibility and sound development in the insurance market” and the “consideration of the payment services system,

etc.,” regarding which consultation was held at the joint session of the 53rd general meeting of the Financial System Council and the 41st meeting of Sectional Committee on Financial System on August 26, 2024.

Matters under consultation

- *In light of the recent cases of fraudulent insurance claims and cartels on insurance premiums in the non-life insurance industry, consideration should be given to measures necessary to ensure credibility and promote the sound development of the market by realizing customer-oriented business conduct and a sound competitive environment.*
- *Based on the expansion of users and usage patterns for remittance, payment, and credit services, and the emergence of new financial services, consideration should be given to appropriate regulatory framework while taking user protection, etc. into account.*

Reports on these matters are outlined below. We will develop relevant systems as required based on the content of the reports.

(1) Report of the “Working Group on Regulatory System Especially for Non-Life Insurance Business”^{*2}

In order to prevent the recurrence of cases of fraudulent insurance claim cases and insurance premium adjustment cases in the non-life insurance industry, the Working Group made recommendations on measures necessary to ensure credibility and promote the sound development of the market, such as the strengthening of internal management and compliance systems large-sized shared agents, prohibition of excessive provision of convenience to policyholders by insurance companies, promotion of the use of insurance brokers, and improvement of the deficit structure of fire insurance.^{*3}

*1 Agenda and delivered materials: https://www.fsa.go.jp/singi/singi_kinyu/soukai/siryoku/20250219.html (Available in Japanese)

*2 Full text of the report: https://www.fsa.go.jp/singi/singi_kinyu/tosin/20241225.html (Available in Japanese)

*3 Policy commentary (Access FSA No.257): <https://www.fsa.go.jp/access/r6/257.pdf> (Available in Japanese)

(2) Report by the Working Group on Payment Services System, etc.*4

While new services are appearing in the fields of remittance and payment services and crypto-assets and electronic payment instruments (stablecoins) with the advancement of digital technologies, the Working Group made recommendations for developing a favorable environment as required for the purpose of promoting innovation while ensuring user protection, such as enabling the authorities to order crypto-asset exchange service providers or electronic payment instruments service providers to retain their assets within Japan, creation of a new registration system for intermediaries engaging in the brokerage of trading and exchange of crypto-assets and stablecoins, and review of regulations on some of the cross-border receiving agent services.*5

3. Other matters for deliberations

Under the Act on Charitable Trusts (promulgated in May 2024 and scheduled to come into effect in April 2026), a system of authorization and regulations on trustees for charitable trusts by the administrative agency are to be established. Therefore, it was reported that the relation between the Act on Charitable Trusts and the Trust Business Act will be clarified and measures will be taken so that the Trust Business Act does not apply to the acceptance of charitable trusts for the purpose of facilitating smooth utilization of charitable trusts. From now, we will develop required systems based on the deliberations held at the Financial System Council.



(Photo: General meeting of the Financial System Council)

*4 Full text of the report: https://www.fsa.go.jp/singi/singi_kinyu/tosin/20250122.html (Available in Japanese)

*5 For details, also refer to the “Policy Commentary” corner from the following page.

Outline of the Report by the Working Group on Payment Services System, etc. under the Financial System Council

SASAKI Eri, Deputy Director

MEKADA Ayumi, Officer

KATO Kazunori, Section Chief

NOMURA Rise, Section Chief

TAKAHASHI Ibuki, Section member

Office of Director for Banking, Payment and Insurance Regulations, Planning and Management Division, Policy and Markets Bureau

The Working Group on Payment Services System, etc. under the Financial System Council (Chairperson: Morishita Tetsuo, Professor, Faculty of Law, Sophia University) wrapped up a report.*¹

The background and the main points of the report are as described below.

1. Background

Around 10 years have passed since the term “Fintech” came into use. Cashless payment services, for example, have been developing into the infrastructure of the people’s lives, as shown by the increase in the number of users to tens of millions of people. Regarding cryptoassets and electronic payment instruments (stablecoins) as well, in recent years, the FSA has taken measures such as strengthening the regulation of cryptoasset exchange service providers and creating the electronic payment instrument exchange service provider category from the viewpoint of promoting sound innovation while thoroughly implementing measures such as the protection of users and anti-money laundering measures.

On the other hand, in a broad range of fields, including remittance and payment services and the provision of credit, various services that are different from the types of services to which the existing financial regulation has typically been assumed to be applied are now provided and used following economic and social changes. Seven rounds of deliberation have been held since September 2024 to consider what measures to take in order to promote the sound development of those services while sufficiently taking account of the actual business circumstances and the effects of the application of non-financial regulations in addition to the need to secure equitability with the service providers to which financial regulation is applied and to protect users without fail.

2. Issues related to remittance and payment services

(1) Diversification of methods for refunding users’ funds at the time of failure of funds transfer service providers

The methods for funds transfer service providers to protect users’ funds that are allowed under the current law are depositing, the provision of guarantee by banks, etc., and the use of trusts. However, under either of those methods, funds are refunded to users through the deposit procedure by the government at the time of failure of a funds transfer service provider, and as a result, the refunding process takes at least 170 days. Therefore, the need for methods that enable more prompt refunding to users has been pointed out.

In light of this situation, the report stated that it is appropriate to make available the following methods as new refunding options in addition to the current method of refunding funds via depositing: (i) direct refunding to users from a guarantee organization in cases where guarantee is provided by banks, etc.; and (ii) direct refunding to users through trust companies, etc. in cases where funds are protected by trusts.

(2) Regulation of cross-border payment collection agency service providers

Regarding payment collection agency services, the report by the Working Group on Regulations for Payment Services Providers and One-Stop Financial Services Brokers under the Financial System Council *² (December 20, 2019) explicitly prescribed that some types of receiving agent services that handle payments between individuals are equivalent to exchange transactions. On the other hand, regarding other payment collection services, the report stated that “judgment as to whether or not it is necessary to apply regulations concerning exchange transactions should be made with attention paid to the functions and actual state of individual services.”

*¹ Publication of the report by the Working Group on Payment Services System, etc. under the Financial System Council https://www.fsa.go.jp/singi/singi_kinyu/tosin/20250122.html (Available in Japanese)

*² Publication of the report by the Working Group on Regulations for Payment Services Providers and One-Stop Financial Services Brokers under the Financial System Council

5 https://www.fsa.go.jp/singi/singi_kinyu/tosin/20191220.html (Available in Japanese)

In the meantime, in recent years, regarding fund transfers between Japan and other countries that are conducted in the form of a receiving agent service (hereinafter “cross-border receiving agent service”), cases in which the service was used for activities such as overseas online casinos and overseas capital investment fraud have been pointed out. In addition, a report issued in December 2024 by the Financial Stability Board (FSB)*3 stated that risk-proportionate regulation and supervision are necessary regarding activities conducted by banks and nonbanks, so measures based on the recommendations should be taken

with respect to the protection of users and risks, such as money laundering.

In light of this situation, the report stated that in the case of cross-border receiving agent services that are considered to perform functions similar to those performed by cross-border remittances made by banks and funds transfer service providers, which are subject to regulations regarding exchange transactions, it is appropriate to apply those regulations as risk-proportionate ones while taking care to avoid excessive regulation.

Outline of the report by the Working Group on Payment Services System, etc.	
(i) Remittance and payment services	
Provisional Translation	
Funds transfer service	
Diversification of methods for refunding users' funds at the time of failure	Regulation of cross-border receiving agent service
At the time of bankruptcy of a funds transfer service provider, the government should implement the procedure of refunding protected funds to individual users through the deposit procedure, and the procedure of refunding to users takes at least 170 days.	Regarding a cross-border receiving agent service, registration for a funds transfer service is not necessarily required under the current framework. However, as there have been cases where cross-border receiving agent services were used for activities such as overseas online casinos and overseas capital investment fraud, it is necessary to take measures based on the recommendations by the Financial Stability Board (FSB) in order to protect users and deal with money laundering and other risks.
The following refunding methods should be made available as new options. (i) Direct refunding from guarantee organizations in addition to the existing refunding method of refunding via depositing in cases where guarantee is provided by banks, etc. (ii) Direct refunding from trust companies, etc. in addition to the existing method of refunding via depositing in the case of trusts.	Regarding cross-border receiving agent services conducted by persons not involved in the conclusion of transactions concerning products and services, regulations concerning funds transfer service providers should be applied in principle. (*) “Cross-border receiving agent services” refers to funds transfers between Japan and other countries that are conducted in the form of a payment collection agency service.
Easing of the restriction on the retention of funds by Type I funds transfer service providers	Use of prepaid payment instruments (prepaid cards) for donations
Regarding the extremely strict restriction on the retention of funds imposed on Type I funds transfer service providers, which are capable of making high-value remittances, there are problems from the viewpoint of user convenience, among other matters. (*) Under the current framework, funds may be retained only during a period of time necessary for implementing administrative procedures concerning funds transfers.	Prepaid payment instruments are not allowed to be used as a common means of remittance and they therefore cannot be used for donations.
The following revisions should be made in view of the purpose of the restriction on the retention of funds from the viewpoint of improving user convenience. (i) Allow user funds to be retained for two months at a maximum in cases where the abovementioned new refunding methods available at the time of failure have been adopted. (ii) Allow the designation of not only the date of remittance but also the period of remittance.	The use of prepaid cards for donations worth up to around 10,000 to 20,000 yen each should be allowed for donation recipients, such as the national and local governments and government-authorized corporations, with due consideration given to risks, such as money laundering and fraud.

3. Cryptoassets and electronic payment instruments (issues related to stablecoins)

(1) **Prevention of outflows of assets to other countries at the time of bankruptcy, etc. of cryptoasset exchange service providers, etc.**

Currently, many cryptoasset exchange service providers conduct only spot trading of cryptoassets. Under the current regulatory framework, it has been pointed out that when cryptoasset exchange service providers conducting only spot trading have gone into bankruptcy, etc. , an order to retain

assets within Japan cannot be issued to those service providers even if there is a risk that their assets may flow out to other countries.

Following the point raised, the report stated that a provision for preventing the assets of cryptoasset exchange service providers, etc. from flowing out to other countries should be introduced under the Payment Services Act in reference to the provision for the issuance of an order for financial instruments business operators to retain assets within Japan.

*3 “Recommendations for regulating and supervising bank and non-bank payment service providers offering cross-border payment services: Final Report” by the Financial Stability Board (FSB) (December 2024)
<https://www.fsa.go.jp/inter/fsf/20241219-2/20241219-2.html> (Available in Japanese)

(2) A new registration system for intermediaries engaging in the brokerage of trading and exchange of cryptoassets, etc.

Under the current regulatory framework, when business operators conduct “brokerage” for the purchase and sale, or exchange of cryptoassets, etc. as a business, they need to obtain registration for cryptoasset exchange service, etc. On the other hand, it has been pointed out that regulations introduced from the viewpoint of protecting users’ assets and the obligation, imposed under the Act on Prevention of Transfer of Criminal Proceeds, to implement AML/CFT measures even if the conduct of business operators is limited to “brokerage” for cryptoassets, etc. require an excessive burden on business operators.

The report stated that from the viewpoint of developing regulations that are flexible and proportionate to the characteristics of the business and reconciling the promotion of innovation with the protection of users, it would be appropriate to create a new category of intermediaries for business operators that conduct only brokerage for the purchase and sale, or exchange of cryptoassets, etc. as a business without accepting deposits of user assets under the Payment Services Act as well in reference to the fact that, under the Financial Instruments service and Exchange Act, the financial instruments intermediary service providers category has been introduced for business operators only conducting brokerage for purchase and sale, etc.

(3) Flexibilization of management and investment of backing asset provided against the issuance of specified trust beneficiary rights (Type III electronic

payment instrument)

Under the current regulatory framework, the full amount of backing assets provided against the issuance of specified trust-beneficiary rights is required to be managed in the form of demand deposits held at banks, etc. that meet the criteria concerning soundness in order to ensure value linkage with legal tender and redemption at face value.

The report proposed the idea of introducing flexibility and expanding the scope of methods of managing and investing backing assets provided against the issuance of specified trust beneficiary rights to include methods other than the use of demand deposits in light of the fact that in major jurisdictions, such as the United States and the EU, a regulation that allows investment in assets other than deposits, including government bonds, as backing assets of stablecoins has been introduced or a draft regulation to that effect has been presented. Specifically, the report stated that it would be appropriate to allow up to 50% of the issue amount to be invested in Japanese government bonds (U.S. Treasuries in the case of U.S. dollar-denominated stablecoins) with a maturity or remaining term of three months or less and time deposits that meet certain requirements.

4. Conclusion

In addition to presenting the abovementioned points of discussion, this report puts forward a great variety of recommendations in a broad range of fields, including remittance and payment services and the provision of credit. The FSA will proceed with the development of necessary institutional frameworks in light of the contents of the recommendations.

Outline of the report by the Working Group on Payment Services System, etc.	
(ii) cryptoassets and electronic payment instruments (stablecoins)	
Cryptoassets	Electronic payment instruments (stablecoins)
<p>Prevention of outflows of assets to other countries at the time of bankruptcy, etc. of cryptoasset exchange service providers, etc.</p> <p>In cases where cryptoasset exchange service providers, etc. have gone into bankruptcy, etc., an order for them to retain assets within Japan cannot be issued.</p> <p>(*) In the case of cryptoasset exchange service providers handling cryptoasset derivatives, an order to retain assets within Japan can be issued under the Financial Instruments and Exchange Act (FIEA) because those service providers have obtained registration under the act.</p>	<p>Flexibilization of management and investment of backing assets provided against the issuance of specified trust beneficiary rights (Type III electronic payment instruments)</p> <p>Regarding backing assets provided against the issuance of specified trust beneficiary rights, the full amount is required to be managed in the form of demand deposits held at banks, etc.</p> <p>(*) Electronic payment instruments hold value linked to legal tender and promise redemption at face value.</p>
<p>In order to ensure the return of assets to domestic users, the regulation should be revised to enable the issuance of an order for cryptoasset exchange service providers, etc. to retain assets within Japan.</p>	<p>The regulation should be revised to allow a certain amount of backing assets to be invested in Japanese government bonds (U.S. Treasuries in the case of U.S. dollar-denominated stablecoins) with a maturity or remaining term of three months or less and time deposits that meet certain criteria (the upper limit on the ratio of backing assets allowed to be invested in those assets should be set at 50%).</p>
<p>A new registration system for intermediaries engaging in the brokerage of trading and exchange of cryptoassets, etc.</p> <p>Even in cases where business operators act as a go-between to connect cryptoasset exchange service providers, etc. with users and conduct only brokerage for the purchase and sale, or exchange of cryptoassets, etc., it is necessary for those business operators to obtain registration for cryptoasset exchange service providers, etc.</p>	<p>Application of the travel rules to specified trust beneficiary rights</p> <p>Regarding specified trust beneficiary rights, trust companies, etc. do not have access to information on holders of the rights in cases where there is not a beneficiary rights register.</p>
<p>A new category of intermediary service for business operators conducting only brokerage for the purchase and sale, or exchange of cryptoassets, etc. should be created and a necessary minimum level of regulation should be applied.</p>	<p>Regarding specified trust beneficiary rights for which there is not a beneficiary rights register, appropriate supervision should be conducted by requiring electronic payment instruments service providers, etc. to provide information on originator and beneficiary through the application of the travel rule.</p> <p>(*) The travel rule requires electronic payment instruments service providers to provide information on senders and recipients at the time of transfer of electronic payment instruments.</p>

Financial and Economic Education Event in Hiroshima

- Learn at Peace Wing! Money Class for the Future -

On Sunday, March 9, 2025, the FSA held a financial and economic education event, “Money Class for the Future,”* in Hiroshima City, Hiroshima. It was the first event that the FSA held outside the capital area. At the soccer stadium (Edion Peace Wing Hiroshima), the FSA organized a stage show, established experience-based booths, held financial and economic education classes by target and the like to motivate participants to learn and obtain correct knowledge on how to use and save money and how to build assets.

The event attracted many people, including children and their parents, and they seemed to enjoy learning about money.

The FSA will continue planning diverse events also outside the capital area in this manner and providing people with learning opportunities for enhancing their financial literacy.



Photo: Opening ceremony



Photo: Stage show



Photo: Event booth (quiz rally)



Photo: Event booth (WANISA quoits)

* Dedicated webpage for the event, “Learn at Peace Wing! Money Class for the Future”
<https://www.fsa.go.jp/policy/nisa2/hiroshima2025/index.html> (Available in Japanese)



JFSA's Major Activities in February (February 1 to February 28, 2025)

- The FSA publishes the status of loans held by all banks as of the end of September 2024, based on the Financial Reconstruction Act (February 28)
- The third meeting of the Expert Panel on the Stewardship Code (2024) (February 19)
- Updated : Initiatives by the financial industry to enhance their asset management businesses (February 17)
- Joint session of the 54th general meeting of Financial System Council and the 42nd meeting of Sectional Committee on Financial System (February 12)
- Released the meeting materials of "The First Working Group on Improving Internal Audits of Financial Institutions" (February 7)
- We have updated the "Cold Calling" list (as of December 31, 2024). (February 7)
- The first meeting of the Expert Study Group on Assurance of Sustainability-related Financial Information (of the Financial System Council) (February 5)
- Publication of summary of " FSA Analytical Notes (2025.1) vol.1: Analysis of Japanese Stock Market Turbulence in Early August 2024" (February 4)
- Publication of "FSA Analytical Notes (2025.1) vol.2: I. Analysis of Borrower Classifications, and II. Attributes of Housing Loans." (February 4)
- "the Code of Conduct for ESG Evaluation and Data Providers" : 28 ESG Evaluation and Data Providers have endorsed the "Code of Conduct" as of December 31, 2024 (February 3)

JFSA's official English X(formerly Twitter) account
https://x.com/JFSA_en



**We are promoting
information dissemination
using X (formerly Twitter) !**

Contributions by the Financial Services Agency Employees

The Financial Services Agency has been writing about the status of its activities, including the introduction and explanation of measures taken by the Agency, in various publications, and publishing such writings on the website of the [Financial Research Center](#). This article covers some of these writings.

—Introduction of recently published contributions—

- ◆ [Importance of creating a sound corporate culture in consideration of misconduct – Organizational climate that allows unfettered communication creates the foundation for a sound corporate culture –](#)

(provisional English title) [available only in Japanese]

YASHIKI Toshinori, Director-General, Strategy Development and Management Bureau,
Financial Services Agency

(Published in the March 4 issue of the Kinzai Weekly Financial Affairs)

- ◆ [Latest financial policy measures to ensure customer-oriented business conduct – Aiming to achieve customers' best interests through a combination of rules and principles –](#)

(provisional English title) [available only in Japanese]

YOSHIZAWA Masato, Deputy Director, TERAOKA Kazuma, Deputy Director,
Financial Markets Division, Policy and Markets Bureau, Financial Services Agency

(Published in the March 4 issue of the Kinzai Weekly Financial Affairs)

👉 For other contributions, please visit the website of the Financial Research Center.
<https://www.fsa.go.jp/frtc/kikou/index.html>



Editorial Postscript

Each of the ministries and agencies has a department in charge of public and media relations and there is a meeting where directors of such departments gather at an Izakaya, or a Japanese-style bar, once every two months to talk about their worries and exchange views on recent topics. This “Meeting among Directors of PR Offices of Kasumigaseki” is very meaningful and helps us to understand our differences and notice many things. The meeting was ended due to the spread of COVID-19. However, Ms. Tashiro, who was the Deputy Director of the PR Office of the Ministry of Justice before the outbreak of COVID-19, had seen that the then Director regularly participated in the meeting, and when she assumed office of the Director, she felt sorry that the meeting had been ended and restarted the meeting in July 2024 in cooperation with Ms. Ochi, Director of the Domestic Public Relations Division of the Ministry of Foreign Affairs. I would like to enhance the FSA’s functions regarding public and media relations through horizontal cooperation among ministries and agencies by participating in the meeting.

(WANISA and MYAKU-MYAKU)



By the way, EXPO 2025 Osaka, Kansai, Japan starts in April. The FSA also plans to hold an event derived from this month’s FIN/SUM in May in Osaka. This EXPO will be the first fully cashless EXPO in the world.

I missed the chance to visit the 2005 World Exposition, Aichi, Japan held twenty years ago. I definitely want to take several days off to visit EXPO 2025.

HONDA Koichi, Director of the Public Relations Office, FSA
Edited and issued by the Public Relations Office, FSA