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2026

April

Monthly magazine

Financial Services Agency Newsletter

Access FSA

No.272

Contents

Access the online version here
https://www.fsa.go.jp/en/newsletter/index.html

金融庁

Held from February 24 to March 6, 2026

Japan Fintech Week 2026 and FIN/SUM 2026

1. Outline of Japan Fintech Week 2026

In order to demonstrate the advantages of the Japanese fintech sector to the rest of the world and create business opportunities for further development of fintech, the FSA held Japan Fintech Week 2026, the 3rd edition of the event, over the two weeks from Tuesday, February 24 to Friday, March 6, 2026.

During the event, more than 60 events of a great variety cooperatively hosted by local governments, industry organizations, fintech companies, etc., including FIN/SUM 2026 co-hosted by Nikkei Inc. and the FSA, were held and attracted a total of around 20,000 participants from more than 70 countries and regions.

👉Special webpage
Japan Fintech Week 2026 | FSA

2. Outline of FIN/SUM 2026

The FSA and Nikkei Inc. held FIN/SUM 2026, the largest fintech conference in Japan, for the four days from March 3 to March 6, 2026. At FIN/SUM 2026, the 10th edition of the event (the first FIN/SUM was held in 2016), starting with a message by Prime Minister Takaichi (read by Parliamentary Vice-Minister Kaneko) and greetings (video message) by Minister of State for Financial Services Katayama, discussions were held on such themes as generative AI, agentic AI, stablecoins, tokenization, regional finance, and InsurTech, from various viewpoints.

The total number of visitors exceeded 4,300 people, the same level as last year, when the number hit a record high.

■Highlights

- Under the theme of "The New Financial Ecosystem Shaped by AI and Blockchain," the ideal form of finance that supports the creation of new value and challenges to be faced in achieving that were discussed in consideration of the current situation where the dissemination of generative AI and agentic AI and blockchain-based financial infrastructure are drastically transforming economic activities.
- The FSA hosted 9 sessions.

■FIN/SUM 2026 major programs (examples)

- A speech by Prime Minister Takaichi (read by Parliamentary Vice-Minister Kaneko on her behalf)
- A speech by Minister of Finance / Minister of State for Financial Services Katayama (video message)[1]
- A keynote speech by FSA Commissioner Ito
- Closing remarks of the first day by Parliamentary Vice-Minister Kaneko[2]
- Panel discussions hosted by the FSA
  - Current and Future Prospects of AI Utilization in the Insurance Industry｜Nozaki, Deputy Director-General
  - Crypto-Assets and Tokenization: Regulatory Thinking and Global Coordination: Inoue, Director-General, Policy and Markets Bureau
  - International Regulatory Pathways to Scalable Stablecoin Adoption｜Ozaki, Vice Commissioner for International Affairs
  - Cybersecurity Challenges and Countermeasures in Crypto Assets｜Imaizumi, Deputy Director-General for Cryptoassets, Blockchains, and Innovation
  - From AI Adoption to AI Transformation: Redesigning the Future of Financial Services｜Shimazaki, Deputy Director-General
- Award ceremony : 4th Financial Data Utilization Challenge by FDUA｜A speech by Horimoto, Director-General of the Strategy Development and Management Bureau

Photo: Minister Katayama delivering a speech (video message)

Photo: Parliamentary Vice-Minister Kaneko delivering a speech

Photo: Commissioner Ito delivering a keynote speech

1 Video message by Minister Katayama at FIN/SUM 2026 (Available in Japanese)
2 Closing remarks by Parliamentary Vice-Minister Kaneko at FIN/SUM 2026 (Available in Japanese)

3. Roundtable sessions

At the roundtable sessions held on various themes at this time as well, the Chatham House Rule[3] was adopted in order to encourage constructive discussions among panelists, and frank and free discussions were held among officials from national authorities and financial institutions, etc.

- FSA Blockchain Roundtable 2026 in GFTN Forum, Japan
- FSA AI Roundtable in FIN/SUM 2026
- FSA × Fintech Association of Japan JFW Roundtable
- Bank of Japan Roundtable
- GFTN Insights

Photo: FSA Blockchain Roundtable 2026 in GFTN Forum, Japan

Photo: FSA AI Roundtable

4. Collaborative events

During Japan Fintech Week 2026, a total of 63 Fintech-related events of a great variety cooperatively hosted by various public and private organizations, including 17 new events, were held (including those held in weeks before and after Japan Fintech Week). Some of them are introduced below.

■GFTN Forum Japan 2026

Date | Tuesday, February 24 to Friday, February 27

Venue | Bellesalle Tokyo Nihonbashi

Host organization | GFTN

Major programs |

- Expert Dialogue (Iwata, State Minister of Cabinet Office[4]; Shimazaki, Deputy Director-General)
- Founders Day (Miyoshi, Vice Minister for International Affairs)
- GFTN Insights
- FSA Blockchain Roundtable 2026 in GFTN Forum, Japan

Photo: GFTN Forum Japan 2026

[3] Under this rule, participants in a discussion session are free to share what was discussed there with other people but are not allowed to reveal the identity or the affiliation of the speakers.

[4] Keynote by IWATA Kazuchika, State Minister for Financial Services, GFTN Forum Japan 2026 (in English)

■Outline of collaborative events (examples)

○Digital assets / Stablecoins

- Digital Currency Conference
  | Host organization: N.Avenue
- MoneyX 2026
  | Host organization:
  WebX Executive Committee
- Tokyo Metropolitan Government Digital Securities Symposium 2026
  | Host organization:
  Tokyo Metropolitan Government

○Insuretech

- ITC Japan 2026
  | Host organization:
  Clarion Events Japan & Plug and Play Japan
- Future of Insurance 2026
  | Host organization: GuardTech Community

○Pitch events

- FINOPITCH2026
  | Host organization: FINOLAB
- Ceremony for Tokyo Financial Award 2025
  | Host organization:
  Tokyo Metropolitan Government
- Ceremony for Impact Pitch Award
  | Host organization: Nikkei Inc.

○Local communities

- FUKUOKA FinTech Visit 2026
  | Host organization: Fukuoka Prefecture
- Osaka Finance Forum vol.8
  — Fintech Fusion 2026
  | Host organization:
  Osaka Prefecture and Osaka City
- Fukuoka Meetup in Tokyo
  — Can Fukuoka Become a Fintech City?
  | Host organization: Fukuoka City and
  Financial IT Association (FITA)

Photo: State Minister Iwata delivering a speech (Tokyo Financial Award)

In addition to the abovementioned collaborative events, various other networking events were held during the period of Japan Fintech Week 2026.

Photo: JFW Reception

5. FinTech Support Desk (during the period of Japan Fintech Week 2026)

In 2015, the FSA established the FinTech Support Desk as a one-stop contact point for inquiries and exchange of information on FinTech. FinTech Support Desk accepts a wide-range of inquiries on various matters in finance, including those related to specific businesses and business plans, from persons who are currently operating or intend to start FinTech businesses with innovative ideas.

This year, the Cabinet Secretariat and JPX jointly opened a booth for an on-site inquiry service at the venue of GFTN Forum Japan 2026.

Usually, the FinTech Support Desk receives inquiries by phone as below.

👉**Inquiry hours:**
9:30 a.m. to 6:15 p.m. **on weekdays**

👉**Phone:** 03-3506-7080
(FSA FinTech Support Desk)

26th NIKKEI STOCK LEAGUE Award Ceremony
— Participation of Parliamentary Vice-Minister Kaneko —

On Saturday, March 14, 2026, the 26th NIKKEI STOCK LEAGUE Award Ceremony (hosted by Nikkei Inc. and specially co-sponsored by Nomura Holdings) was held at the Nikkei Hall (Otemachi, Tokyo), with the participation of Parliamentary Vice-Minister Kaneko.

The NIKKEI STOCK LEAGUE is a financial and economic education contest targeting junior high school, high school, and university students. Participating teams individually set an investment theme, considering corporate analyses and their investment strategies, build a stock portfolio in line with the theme, and compile the details of the portfolio into a report.

A report titled “OUTLIER: Dawn of Growth (third and fourth-year students of the Shuto Akinobu Seminar, Economic Faculty, the University of Tokyo)” won the Most Excellent Award and the Minister of State for Financial Services Award. The team’s idea of selecting companies that will create high added value in the growth market by combining mathematical models and financial and governance analyses was highly evaluated.

At the ceremony, Parliamentary Vice-Minister Kaneko conferred the Minister of State for Financial Services Award.

Photo: Parliamentary Vice-Minister Kaneko delivering a speech at the ceremony

Photo: Parliamentary Vice-Minister Kaneko delivering a speech at the convivial party

Photo: Students who won the Minister of State for Financial Services Award and Parliamentary Vice-Minister Kaneko

Held on March 27, 2026

Urgently Held Meeting for Exchange of Opinions on Promotion of Support for Business Operators and Facilitation of Finance

In consideration of the recent situation in the Middle East, the FSA urgently held a Meeting for Exchange of Opinions on Promotion of Support for Business Operators and Facilitation of Finance on March 27, 2026. The meeting was attended by government officials, including Minister of State for Financial Services Katayama, State Minister of Cabinet Office Iwata, and Parliamentary Vice-Minister of Cabinet Office Kaneko, and representatives of financial organizations.

At the meeting, Minister of State for Financial Services Katayama requested financial organizations to make every effort to meticulously provide support from the viewpoint of business operators, many of whom are still facing a harsh business environment due to rising prices, labor shortages, and the impact of the U.S. tariff measures, so that they will not suffer serious difficulties in business or financing while being affected by the recent situation in the Middle East.

Photo: Minister of State for Financial Services Katayama, speaking at the meeting

Photo: State Minister of Cabinet Office Iwata, speaking at the meeting

Photo: Parliamentary Vice-Minister of Cabinet Office Kaneko, speaking at the meeting

Upon the urgent holding of the meeting, the FSA issued a written request dated March 27, 2026, to financial organizations, regarding their efforts for the following:

- thorough, meticulous financing support tailored to the individual needs of each business;
- facilitation of the utilization of special counseling services by the Japan Finance Corporation, etc. and safety-net loans, for which the coverage eligible for lower interest rates was expanded; and
- facilitation of the utilization of the FSA's hotline.

[Financial institutions and related organizations participating in the meeting for exchange of opinions]

- Japanese Bankers Association
- Regional Banks Association of Japan
- The Second Association of Regional Banks
- The National Association of Shinkin Banks
- Shinkumi Banks Association of Japan
- Trust Companies Association of Japan
- National Association of Labour Banks
- The Norinchukin Bank
- Japan Finance Corporation
- Okinawa Development Finance Corporation
- Shoko Chukin Bank
- Development Bank of Japan
- Japan Federation of Credit Guarantee Corporations
- Japan Housing Finance Agency

* "Promotion of Support for Business Operators and Facilitation of Finance" (published on March 27, 2026)
https://www.fsa.go.jp/news/r7/ginkou/20260327.html (Available in Japanese)

Outline of Special Measures for Regulations in Special Provisions on Venture Capital Funds in Relation to Specially Permitted Services for Qualified Institutional Investors under the National Strategic Special Zone System

FUKUHARA Ryosuke, Officer, Financial Markets Division,
Policy and Markets Bureau

With regard to the special provisions on venture capital funds in relation to specially permitted services for qualified institutional investors, special measures for regulations on investment restrictions were prescribed under the National Strategic Special Zone System on November 18, 2024, and special measures for regulations on fund audit requirements were newly added on April 21, 2026.[1] An outline of these special measures is provided below.

1. Outline of the special provisions on venture capital funds in relation to specially permitted services for qualified institutional investors

Under the Financial Instruments and Exchange Act, registration to engage in the financial instruments business needs to be obtained in principle for self-placements and self-investments of funds (interests in collective investment schemes). However, with regard to funds targeting one or more qualified institutional investors and 49 or less investors in a certain range (funds targeting professionals), special provisions are prescribed to permit self-placements and self-investments of those funds only by filing a notification (specially permitted services for qualified institutional investors).

Those 49 or less investors in a certain range are specified based on their capacity to make investment decisions and their close association with the relevant business operators.

In this regard, for venture capital funds that provide growth capital, the range of investors is set wider than usual on the premise of limiting investment targets and ensuring governance, etc. (special provisions on venture capital funds).

More specifically, the special provisions on venture capital funds are applicable when the following requirements are all satisfied. However, the amount of investments by investors that are newly included under the special provisions on venture capital funds is limited to less than half of the total amount of capital contributions of the relevant fund.

- Investments in unlisted shares, etc. account for over 80%.
- In principle, funds are not borrowed, and there is no debt guarantee and no early redemption.
- The obligation to receive audits or other matters relating to governance are prescribed in an investment contract.
- By the time of concluding an investment contract, a document, etc. stating the fact that these requirements are satisfied is to be delivered to the relevant investor.

[1] Article 2 of the Cabinet Office Order Specifying Measures Concerning FSA-related Special Provisions of the Cabinet Office Order on Projects Pertaining to Regulations Prescribed by Cabinet Order, etc. Provided for in Article 26 of the Act on National Strategic Special Zones

Investors Covered Under Specially Permitted Services for Qualified Institutional Investors

Qualified institutional investors (professionals)
Type I business operators and investment management business operators
Investment corporations and foreign investment corporations
Banks and other deposit-taking institutions (Credit unions: [Notification])
Insurance companies and foreign insurance companies, etc.
Regional Economy Vitalization Corporation of Japan
Corporation for Supporting the Revitalization of Business Entities Damaged by the Great East Japan Earthquake
Entities managing and investing fiscal loan funds
GPIF
Japan Bank for International Cooperation, etc.
Development Bank of Japan
Call brokers
Stock companies lending funds and engaging in the acquisition, etc. of corporate bonds and share options (with stated capital of 500 million yen or more) [Notification]
Investment limited partnerships
Organization for Promoting Urban Development
Trust companies and foreign trust companies [Notification]
Corporations (with an outstanding amount of securities of 1 billion yen or more) [Notification]
Certain specified purpose companies [Notification]
Individuals (with an outstanding amount of securities of 1 billion yen or more and who opened a brokerage account more than one year ago) [Notification]
Managing partners of the partnership (with an outstanding amount of securities of 1 billion yen or more) [Notification]
Foreign financial institutions, etc. and governments, etc. [Notification]
Pension Funds (with assets (excluding current liabilities, etc.) of 10 billion yen or more) [Notification] and Pension Fund Association

[Notification]: Those who can become qualified institutional investors by filing a notification with the FSA

Investors covered by the special provisions (semiprofessionals)
National government, Bank of Japan, and local governments
Certain public interest incorporated associations, etc., such as special corporations and incorporated administrative agencies
Certain asset management companies
Specified purpose companies
Listed companies and corporations (with stated capital or net assets of 50 million yen or more)
Foreign corporations
Financial instruments business operators, etc. (other than Type I business operators and investment management business operators) and business operators engaging in specially permitted business
Pension Funds (with investable financial assets of 10 billion yen or more)
Corporations (with investable financial assets of 100 million yen or more)
Individuals (with investable financial assets of 100 million yen or more and who opened a brokerage account more than one year ago)
Managing partners of the partnership, etc. (with investable financial assets of 100 million yen or more)
Subsidiaries, etc. and affiliated companies, etc. of financial instruments business operators, etc. and listed companies and corporations (with net assets or stated capital of 50 million yen or more)
Certain foreign partnerships, etc.
Closely related persons of business operators engaging in specially permitted business
Officers and employees of those business operators engaging in specially permitted business, and parent companies, etc. of those business operators engaging in specially permitted business and their officers and employees
Subsidiaries, etc., fellow subsidiaries, etc., management companies, and investment advisers of those business operators engaging in specially permitted business and their officers and employees(*)
Relatives within the third degree of kinship of those business operators engaging in specially permitted business, etc.(*)

(*) Investors subject to restrictions limiting the amount of investments to less than half of the total amount of capital contributions

Investors covered by special provisions on venture capital funds
[i] Officers of listed companies
[ii] Officers of companies that submit annual securities reports (with net assets or stated capital of 50 million yen or more)
[iii] Officers of managing partners of the partnership (corporations) (with investable financial assets of 100 million yen or more)
[iv] People who used to fall under any of [i] to [iii]
[v] People falling under [iv] or [v] who acquired equities in the business subject to investment issued by the same issuer
[vi] People who used to be managing partners of the partnership (corporations) (with investable financial assets of 100 million yen or more)
[vii] People who have experience in M&As, IPOs, etc. (people who served as an officer, employee, consultant, etc. of a company and engaged in affairs concerning the incorporation of a company, capital increase, issuance of share options, launch of new businesses, formulation of operational strategies, corporate financial affairs, investment business, operation of general shareholders' meetings and board of directors' meetings, acquisitions, or stock listing, etc. for a certain period of time)
[viii] Top 50 shareholders in securities registration statements (at the time of listing)
[ix] Top 10 shareholders in annual securities reports, etc.
[x] Certified business innovation assisting organizations (lawyers, accountants, etc.)
[xi] Companies, etc. (including subsidiaries, etc. and affiliated companies, etc.) wherein individuals falling under any of [i] to [v] or [vii] to [x] hold over 50% of voting rights and companies, etc. wherein such individuals hold 20% to 50% of voting rights
[xii] Subsidiaries, etc. or affiliated companies, etc. of companies, etc. falling under any of [i] to [x]

(*) All investors above are subject to restrictions limiting the amount of investments to less than half of the total amount of capital contributions.

2. Special measures for regulations on investment restrictions

Startup companies generally seek various chances for raising capital, including investments by angel investors, but are apt to disfavor increases of individual shareholders from the perspective of shareholder management. Accordingly, centralizing investments by angel investors in a fund was considered as a means to make investments in startup companies, but investment restrictions under the special provisions on venture capital funds were cited as an obstacle.

The Policy Package to Achieve Special Zones for Financial and Asset Management Businesses, which the FSA published on June 4, 2024, states the easing of investment restrictions under the special provisions on venture capital funds in a limited area, based on a proposal presented by Fukuoka City. In response, special measures were prescribed on November 18, 2024.

The relevant special measures exempt investors, out of those that are newly included under the special provisions on venture capital funds, who mostly satisfy the attributes of angel investors intending to make investments and have considerable capacity to make investment decisions regarding the business management of venture companies (those who have experience in M&As, IPOs, etc.) from the restrictions limiting the amount of investments to less than half of the total amount of capital contributions.

These special measures are applied when a business operator that is specified in a zone plan (approved by the Prime Minister) as an entity to engage in a business of making self-placements and self-investments of venture capital funds targeting professionals actually engages in that business at its place of business or office within a National Strategic Special Zone. At present, two business operators in Fukuoka City are specified as entities to engage in a business in zone plans for Fukuoka City and Kitakyushu City.

3. Special measures for regulations on fund audit requirements

As one of the requirements under the special provisions on venture capital funds, funds must receive audits. However, funds targeting seed and early-stage startup companies do not have sufficient fund-raising capacity, and audit costs often accumulate as a long period is generally required until making an exit. It has been pointed out that funds are thus apt to incur large audit costs compared to their fund-raising capacity.

Therefore, based on another new proposal presented by Fukuoka City, special measures for regulations on fund audit requirements were added to the special provisions on venture capital funds on April 21, 2026.

Audits of funds are for ensuring the reliability of financial statements, preventing misconduct by business operators, screening funds, or the like. The relevant special measures for regulations exempt business operators from fund audit requirements by imposing the following alternative requirements.

- Other than qualified institutional investors, etc., only investors that have experience in M&As, IPOs, etc. are to be investors.
- A fund is to provide explanations on the fact that it does not receive audits to all investors and obtain their consent.
- The total amount of capital contributions of a fund is less than 100 million yen.

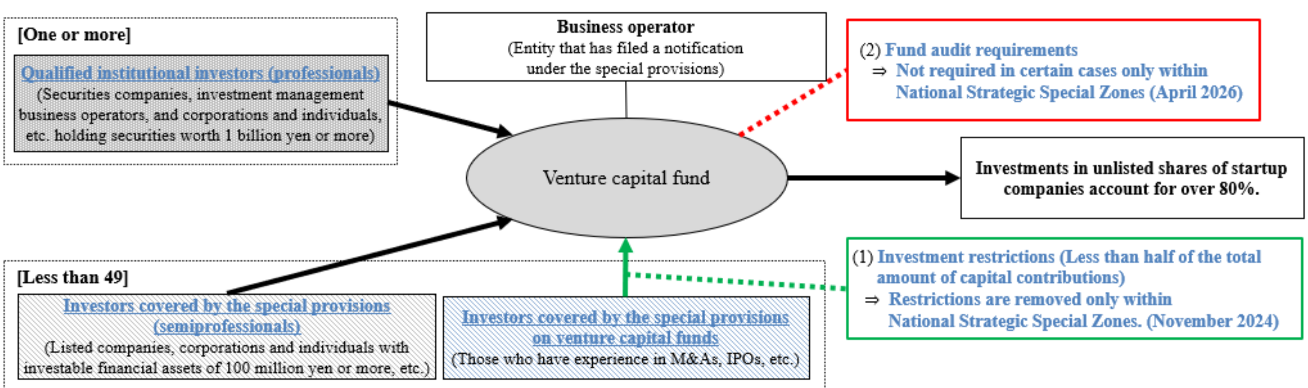
In the same way as 2. above, these special measures are applied when a business operator that is specified in a zone plan (approved by the Prime Minister) as an entity to engage in a business of making self-placements and self-investments of venture capital funds targeting professionals actually engages in that business at its place of business or office within a National Strategic Special Zone.

4. Conclusion

It is expected that these special measures will facilitate the provision of growth capital to startup companies.

Outline of the Special Measures for Regulations in the Special Provisions on Venture Capital Funds Targeting Professionals under the National Strategic Special Zone System

- ☐ Under the Financial Instruments and Exchange Act, registration to engage in the financial instruments business needs to be obtained in principle for the sale and investment of funds, but **funds targeting professionals** (one or more professionals and 49 or less semiprofessionals) are permitted to conduct the sale and investment **only by filing a notification** (specially permitted services for qualified institutional investors).
- ☐ For **venture capital funds targeting professionals** that provide growth capital, the **range of investors** (professionals and semiprofessionals) **is set wider than usual**, but from the perspective of investor protection, (1) **investment restrictions (less than half of the total amount of capital contributions for investors other than professionals and semiprofessionals)** and (2) **fund audit requirements**, etc. are prescribed.
- ☐ Regarding (1), based on a proposal presented by Fukuoka City, **special measures for easing investment restrictions by limiting the applicable areas to National Strategic Special Zones**(Note) were prescribed (November 2024).
  (Note) Special measures to exempt those who have experience in M&As, IPOs, etc. from investment restrictions
- ☐ Regarding (2), based on another new proposal presented by Fukuoka City, the special provisions were amended to **exempt** business operators satisfying the following requirements **from fund audit requirements by limiting the applicable areas to National Strategic Special Zones** (April 2026).
  - ■ Other than qualified institutional investors, etc., investors are limited to **investors that have experience in M&As, IPOs, etc.**
  - ■ A fund **provides explanations on the fact that it does not receive audits** to all investors and obtains **consent** from them.
  - ■ The total amount of capital contributions of a fund is **small (less than 100 million yen)**.



Creation of Framework for Sharing Information on Fraudulently Used Accounts Among Deposit-Taking Institutions

SEKIYA Kota, Deputy Director,
MORI Masaki, Assistant Director,
Financial Crimes Office, Risk Analysis Division,
Strategy Development and Management Bureau

The FSA publicly sought applicants for subsidies regarding the Project to Promote the Enhancement of Countermeasures against Fraudulent Use of Deposits and Savings Accounts with the aim of backing up relevant initiatives by financial institutions, and decided on a subsidized business operator on March 23, 2026.[1] On March 27, the FSA commenced the Public Consultation on the draft Order Partially Amending the Ordinance for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds, etc.[2] The background and key points are explained below.

1. Background

At present, damage caused by online and telephone scam, SNS-based investment scam and romance scam is extremely serious, and deposit and savings accounts, etc. that illegally traded are used for transferring the proceeds from such scams.

Financial institutions have monitored deposits and savings accounts and transaction histories, and have endeavored to prevent further criminal activities by freezing criminals' accounts when detecting such accounts and to prevent the expansion of damage by contacting victims when detecting remittances of suspected scam proceeds. However, information available to individual financial institutions is limited, making it difficult for them to individually detect criminals' accounts and remittances of suspected scam proceeds holistically.

Given such circumstances, the national government formulated Comprehensive Measures to Protect People from Fraud 2.0 (decision by the Ministerial Commission on Crime Control in April 2025), which incorporates, as one of the measures, advancing the creation of a framework for sharing information on fraudulently used accounts among deposit-taking institutions and thereby enabling prompt freezing of such accounts.

Furthermore, on December 26, 2024, the Japanese Bankers Association (JBA) established the panel for Sharing Information on Fraudulently Used Accounts,[3] deliberated on issues concerning practical operations, systems, laws and regulations, etc. for information sharing, and published an outline of the report, which states its launch of designing and development of a system for sharing information on fraudulently used accounts,[4] on March 31, 2025.

2. Project to Promote the Enhancement of Countermeasures against Fraudulent Use of Deposits and Savings Accounts

(1) Purpose of the project

The FSA decided to implement the Project to Promote the Enhancement of Countermeasures against Fraudulent Use of Deposits and Savings Accounts with the aim of promoting the enhancement of countermeasures against fraudulent use of deposits and savings accounts by subsidizing(*) part of the expenses for subsidized entities' development and implementation of a system for sharing information on fraudulent use of accounts among deposit-taking institutions. On January 9, 2026, the FSA announced publicly the call for applications for the subsidy.

(*) Under the Supplementary Budget for FY2025, approx. 0.32 billion yen was allocated.

1 https://www.fsa.go.jp/news/r7/sonota/20260109-2/20260109.html (Available in Japanese)
2 https://www.fsa.go.jp/news/r7/sonota/20260327/20260327.html (Available in Japanese)
3 https://www.zenginkyo.or.jp/news/2024/n122601/ (Available in Japanese)
4 https://www.zenginkyo.or.jp/news/2025/n033101/ (Available in Japanese)

(2) Major requirements for a subsidized entity

An entity to be subsidized needs to satisfy the following requirements so that the intended policy purposes are achieved.

- An entity must have knowledge on financial practices and technologies for developing an information sharing system that is targeted for the subsidy, and for operating it properly.
- An entity is to formulate a not-for-profit business plan, premised on the participation of all deposit-taking institutions, including the setting of low usage fees.
- In the case of an entity also engaging in other businesses, it must not take advantage of the provision of services to user financial institutions using the subsidized information sharing system in winning contracts for those other businesses.
- An entity must have the capacity to formulate rules for handling information under this framework and monitor user financial institutions' compliance properly.

(3) Screening results (decision of a subsidized entity), etc.

As a result of the rigorous screening of submitted proposals by external experts, the Cooperation Agency for Anti-Money Laundering, which is the JBA's fully owned subsidiary, was selected as an eligible entity.

The company plans to complete the development of an information sharing system by March 2027 and start its operation in April 2027.

3. Public Consultation on the draft Order Partially Amending the Ordinance for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds, etc.

(1) Outline

In order to ensure that financial institutions can proactively share information based on legal grounds, the Ordinance for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds (Ordinance for Enforcement of the APTCP) and the Comprehensive Guidelines for Supervision of Major Banks, etc. are to be amended to provide for legal provisions that serve as the grounds for information sharing among financial institutions.

(2) Outline of the amendments

(i) Draft amendment to the Ordinance for Enforcement of the APTCP

The following obligations to make efforts are prescribed for deposit-taking institutions.

(a) To provide information necessary for taking measures, such as identification and verification at the time of transactions regarding accounts that are found to be used or likely to be used for crime and the transfer of criminal proceeds to other deposit-taking institutions with implementing measures for ensuring the proper handling and safe management of such information, and

(b) To compile and analyze the provided information and take the measures required for preventing the transfer of criminal proceeds as necessary

(ii) Draft amendments to the Comprehensive Guidelines for Supervision of Major Banks, etc.

As part of the countermeasures against the fraudulent use of accounts, it is newly prescribed that financial institutions participate in the information sharing framework, and (a) provide information on fraudulently used accounts and (b) take appropriate risk mitigation measures by using the provided information.

(3) Enforcement date

After completing the Public Consultation process and required procedures, the relevant Ordinance for Enforcement of the APTCP and the Comprehensive Guidelines will be promulgated and come into effect on April 1, 2027.

Sharing of Information on Fraudulently Used Accounts Among Deposit-Taking Institutions

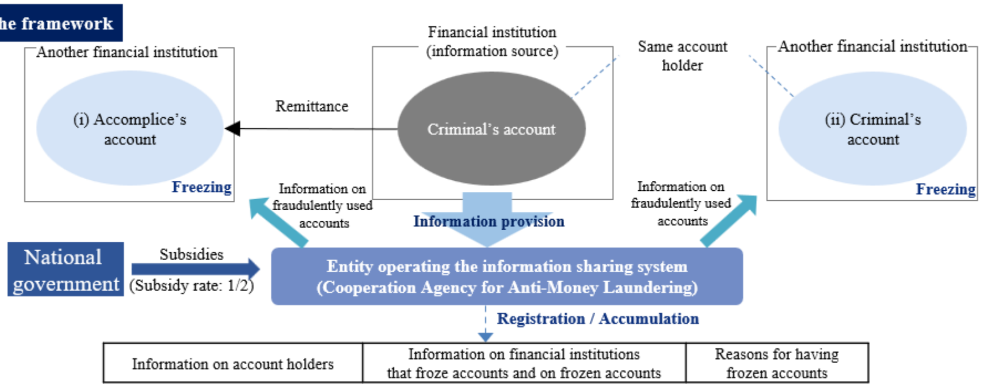
Policy Backgrounds

- Given the fact that bank accounts are fraudulently used to transfer proceeds of scams, etc., the JBA established a panel for creating a **framework for sharing information on fraudulently used accounts among financial institutions** in December 2024. A report compiling issues concerning practical operations, systems, laws and regulations, etc. was published in March 2025.
- In April 2025, the same measures were also incorporated in **Comprehensive Measures to Protect People from Fraud 2.0** (decision by the Ministerial Commission on Crime Control).

  > 1. Measures against SNS-based investment scams and romance scams / 2. Measures against online and telephone scams
  > (omitted) In order to prevent withdrawals of criminal proceeds by criminal group members and recover damages, advancing **the creation of a framework for sharing information on fraudulently used accounts among deposit-taking institutions and thereby enabling the prompt freezing of accounts**.

- Additionally, **subsidies for part of the expenses for the creation of a system** for sharing information on fraudulently used accounts were prepared under the Supplementary Budget for FY2025 (approx. 0.32 billion yen).
  In March 2026, the Cooperation Agency for Anti-Money Laundering (the JBA's fully owned subsidiary) was selected as an eligible entity.
- Legal provisions that serve as the grounds for information sharing among financial institutions were prescribed by **amending the Ordinance for Enforcement of the APTCP and the Comprehensive Guidelines** in order to mitigate litigation risks, etc. to be faced by financial institutions.

Illustration of the framework



Serial Feature: FSA Staff Members Frankly Talked about Financial Administration! — FinTech-Related Departments Series 2

This feature introduces the organization and the affairs of the FSA in an easy-to-understand manner through interviews with senior officials and staff members in charge. Following the March issue, FinTech-related departments that are in charge of initiatives for responding to new types of financial services utilizing new digital technologies are introduced in detail.

* The interview was transcribed with the cooperation of Ms. Anzai Yurina and Mr. Nitta Rin of the University of Tokyo.

< Participants >

HATTORI Takahiro:	Project Associate Professor, Graduate School of Public Policy, the University of Tokyo
SHIMAZAKI Masao:	Deputy Director-General of the Strategy Development and Management Bureau, FSA
KISHIMOTO Kosuke:	Director for Supervision on Payment Services, Payment Services Supervision Office, Risk Analysis Division, Strategy Development and Management Bureau, FSA
NATORI Hiroyuki:	Director for Innovation Strategy, Risk Analysis Division, Strategy Development and Management Bureau, FSA
TOMITA Ayako:	Deputy Director, Office of Director for Blockchains and Innovations, Cryptoasset Exchanges Service Providers Supervision, Risk Analysis Division, Strategy Development and Management Bureau, FSA
SUGINO Takaya:	Deputy Director, Innovation Strategy Office, Risk Analysis Division, Strategy Development and Management Bureau, FSA

Payment Services Monitoring Office

Hattori: What are the duties of the Payment Services Monitoring Office, which is part of Payment Services Supervision Office?

Kishimoto: The Monitoring Office is primarily responsible for the supervision and monitoring of funds transfer service providers and issuers of prepaid payment instruments.

Various companies engage in various funds transfer services. The most widely recognized are providers of mobile payment services such as PayPay, au PAY, Rakuten Pay, and Merpay. Prepaid payment instruments, commonly known as prepaid cards, include well-known services such as Suica, PASMO, WAON, and nanaco.

Some companies providing these services have been designated as critical infrastructure operators under the Act on the Promotion of Ensuring National Security Through Integrated Implementation of Economic Measures. In this respect, funds transfer services and prepaid payment instruments can be regarded as part of the essential infrastructure supporting people's daily lives.

In addition to major payment service providers, many other companies are engaged in funds transfer services. For example, JPYC, which became the first company in Japan to issue a Japanese-yen-denominated stablecoin, is also registered as a funds transfer service provider. Other providers specialize in remittance services, enabling foreign workers in Japan to send money they have earned to their families and home countries upon request.

As these examples illustrate, funds transfer services encompass a wide variety of business models and services.

Hattori: For example, the number of registered users of PayPay has exceeded 70 million and the service seems to have become considerably widespread.

Kishimoto: Traditionally, funds transfer services were used mainly for money remittances in the conventional sense, such as sending money to family members in one's hometown. However, with the emergence of new payment services such as

[1] https://www.fsa.go.jp/news/r5/economicsecurity/tokuteishakaikiban.pdf (Available in Japanese)

PayPay, funds transfer services have also come to be used as a means of paying for goods and services.

Today, these new payment services have become one of the primary payment methods used by the general public. As mentioned earlier, they now function as part of the essential infrastructure that supports everyday economic activity and people's daily lives.

Hattori: From the viewpoint of service users, such and such pay services and credit card services seem to be similar as neither charges fees basically. What do you think?

Kishimoto: Without going into the details, funds transfer services and credit card services share a number of similarities. For example, both generate revenue primarily by charging fees to merchants rather than to service users. However, there are also important differences between them. Funds transfer service providers receive and hold funds deposited by users, such as balances maintained in digital payment wallets, whereas credit card issuers do not perform this function.

In addition, funds transfer service providers are required to maintain at least 100 percent of users' deposited funds through mechanisms designed to ensure bankruptcy remoteness. Consequently, even if a funds transfer service provider were to become insolvent, users would be entitled to recover the full amount of their deposited funds. Thus, while funds transfer services and credit card services share many characteristics, each is subject to a consumer protection framework tailored to its particular features and risks.

In any event, payment service providers such as PayPay and credit card companies alike continue to make every effort to gain acceptance among both users and merchants. For example, PayPay Corporation actively conducted sales and market-development activities in order to expand its merchant network and increase the adoption of its services. As a result of these efforts, the company has established the strong market presence today. Financially, it has also achieved profitability and announced plans to expand overseas, demonstrating its commitment to further growth. Although PayPay is only one example, other payment service providers are likewise supporting people's daily lives as important social infrastructure while leveraging their respective strengths.

In my view, healthy competition among companies across different business sectors, while maintaining appropriate safeguards for user protection and anti-money laundering measures, will ultimately improve the quality of Japan's payment systems and benefit all stakeholders, including consumers and merchants. Because virtually all economic activity involves the movement of money, advancements in payment systems help facilitate economic transactions more broadly and contribute to strengthening Japan's economy as a whole. Payment mechanisms are so deeply embedded in everyday life that they often go unnoticed, yet they have a direct impact on economic vitality and national competitiveness. In this sense, they are of great importance.

Payment services are provided not only by mobile payment operators but also by banks and other financial institutions. In Japan, the FSA serves as a single authority responsible for overseeing these various types of financial institutions. Such an arrangement is not necessarily common globally. In many jurisdictions, supervisory responsibilities are divided among separate authorities, with banks, broker-dealers, and other financial institutions regulated by different agencies according to their business sectors. It is relatively uncommon for payment-related activities to be supervised comprehensively across sectors by a single authority, as is the case in Japan. This integrated supervisory framework may be regarded as one of Japan's strengths, and it reflects the foresight of those who designed the country's financial regulatory structure.

PayPay Corporation's business model and stablecoins

Hattori: Stablecoins are issued by funds transfer service providers and are being monitored by the same department that monitors such and such pay service providers, which are also included in the category of funds transfer service providers.

Kishimoto: At first glance, mobile payment services such as PayPay and the issuance and redemption of stablecoins may appear to be entirely different types of economic activity. On closer inspection, however, both can be viewed as mechanisms for transferring value or assets.

For example, in the case of a mobile payment service, Hattori-san deposits ¥10,000 with a payment service provider and then uses the service to make a ¥10,000 payment at a merchant. As a result, the payment service provider transfers the corresponding amount to the merchant. In other words, Hattori-san instructs the payment service provider to remit ¥10,000 to the merchant on Hattori-san's behalf.

The process involving stablecoins is conceptually similar. Hattori-san pays ¥10,000 to the JPYC, inc. and, in return, receives stablecoins with an equivalent value. When Hattori-san subsequently transfers or sells those stablecoins to another person, the stablecoins issued by JPYC, inc. begin to circulate in the market. Through this circulation, value is transferred between market participants.

After circulating in the market for some time, those stablecoins may eventually come into my possession, and I may request redemption in Japanese yen from JPYC, inc. JPYC, inc. would then pay me ¥10,000 in exchange for the stablecoins. From a broader perspective, this can be viewed as Hattori-san initially providing ¥10,000 to JPYC,inc., with that same value ultimately reaching me through the circulation of stablecoins. In economic terms, this is analogous to Hattori-san transferring ¥10,000 to a merchant or to another individual through an intermediary mechanism.

Accordingly, stablecoin-related services can also be regarded as a form of funds transfer service, much like mobile payment services such as PayPay. Although the underlying mechanisms differ, both facilitate the transfer of value from one party to another and therefore perform a similar economic function.

Hattori: In the case of using banks, when I deposit money to a bank and transfer 10,000 yen to Mr. Kishimoto's bank account, the balance in his bank account changes, which means the same in terms of economic functions.

Kishimoto: That is correct. Legally, this type of transfer of funds is referred to as *Kawase Torihiki*.

As I explained in the previous session, *Kawase Torihiki* was historically performed by only banks. Over time, however, the view emerged that entities other than banks should also be allowed to conduct *Kawase Torihiki*, provided that appropriate safeguards were in place. As a result, when the Payment Services Act came into force in 2010, registered funds transfer service providers were legally authorized to engage in *Kawase Torihiki*.

Currently, *Kawase Torihiki* may be conducted by both banks and funds transfer service providers. This arrangement has promoted innovation and competition in the payments sector while maintaining appropriate safeguards for users.

Hattori: Compared with supervision over banks, etc., what are the characteristics of supervision over funds transfer services?

Kishimoto: In my view, the regulatory framework strikes a reasonable balance between banks and funds transfer service providers. Banks are permitted to perform the function of credit creation, but in exchange they are subject to more stringent requirements, including capital adequacy requirements and other prudential regulations.

Funds transfer service providers, by contrast, are not permitted to engage in credit creation. As a result, they are generally subject to a less burdensome regulatory regime. This does not mean, however, that they operate without regulation. They are still required to maintain a sound financial base, implement appropriate user protection measures, and establish effective anti-money laundering and counter-terrorist financing controls. Subject to these requirements, funds transfer service providers are able to pursue new business opportunities with greater flexibility. For example, they are not subject to the same restrictions on ancillary or concurrent business activities that apply to banks. This allows them to respond more quickly to changing market needs and to experiment with innovative services.

Table 1 Outline of Regulations on Funds Transfer Service Providers and Issuers of Prepaid Payment Instruments

Outline of Regulations on Funds Transfer Service Providers and Issuers of Prepaid Payment Instruments

		(Reference) Banks	Funds transfer service providers (Type II)	Issuers of prepaid payment instruments (for third-party business) [Traffic system IC cards, etc.]	Issuers of prepaid payment instruments (for own business) [Gift vouchers that can be used solely at their own shops, etc.]
Entry Form		License	Registration	Registration	Notification When the unused balance on the base date exceeds 10 million yen
Upper limit for remittance, etc. (per case)		No limit	1 million yen	No limit	No limit
Acceptance of funds from service users	Upper limit for acceptance	No limit (Deposits)	No limit Required to develop a system to confirm, when accepting funds exceeding 1 million yen, that the funds are to be used for exchange transactions	No limit	No limit
	Preservation method	Deposit insurance system under which deposit insurance premiums are used for user protection	Required to make a deposit, etc. (in full amount) A deposit exceeding the maximum amount required for security deposits for providing funds transfer services on each business day in a certain week must be made within three business days from the base date (10 million yen at the minimum).	Required to make a deposit, etc. (in half amount) A deposit exceeding half the unused balance on the base date (the end of March and the end of September) must be made within 2 months from the day following the base date. (when the unused balance on the base date exceeds 10 million yen)	Required to make a deposit, etc. (in half amount) A deposit exceeding half the unused balance on the base date (the end of March and the end of September) must be made within 2 months from the day following the base date. (when the unused balance on the base date exceeds 10 million yen)
Financial basis		- Minimum capital (2 billion yen) - Capital adequacy requirements - Early warning system / Early corrective action	Financial basis as found necessary for proper and reliable performance	Minimum net assets: 100 million yen or more	Nothing in particular
Cashing availability		Can be cashed	Can be cashed	Cannot be cashed	Cannot be cashed
Anti-money laundering measures		Required to ensure customer due diligence under the Act on Prevention of Transfer of Criminal Proceeds, etc.	Required to ensure customer due diligence under the Act on Prevention of Transfer of Criminal Proceeds, etc.	Issuers of high-value electronically transferable prepaid payment instruments are required to ensure customer due diligence under the Act on Prevention of Transfer of Criminal Proceeds, etc.	Nothing in particular

Accordingly, the Payment Services Monitoring Office examines matters such as the financial soundness of service providers, as well as their user protection and anti-money laundering measures. At the same time, however, the Office frequently provides consultations when funds transfer service providers seek to launch new services.

In such consultations, we explain potential legal issues that may arise in connection with the proposed services and provide guidance regarding the FSA’s views on matters about which service providers have concerns. To respond appropriately to these inquiries, we have to continuously study new developments in the payments industry. As the range of services being contemplated by funds transfer service providers continues to expand, we are frequently reminded of the remarkable breadth and diversity of ideas emerging in this field.

One area that requires particular attention during these consultations is the design of user interfaces. Because mobile payment services are generally operated through smartphone applications, the way information is presented to users is an important aspect of supervision. This may be regarded as one of the distinctive features of overseeing funds transfer services. Government administration is often associated with written documents and formal procedures. In practice, however, understanding how users perceive and interact with a service is also essential to effective monitoring. This is one of the interesting and challenging aspects of supervising businesses that rely heavily on digital technology.

Whenever we identify a user interface that may be misleading or likely to cause confusion, we bring the issue to the attention of the relevant service provider and encourage appropriate improvements. At the same time, we often encounter exceptionally well-designed interfaces, which allow us to see firsthand how increasingly convenient and innovative services are being developed one after another.

Hattori: Does the Payment Services Monitoring Office also check the soundness of funds transfer service providers?

Kishimoto: Funds transfer service providers are required to protect users' funds by maintaining safeguarding arrangements covering at least 100 percent of the amount entrusted by users. Ensuring compliance with this requirement is one of our most important supervisory responsibilities, and we examine it thoroughly.

In addition, we closely monitor whether funds transfer service providers maintain a sufficiently sound financial position to avoid financial distress and whether they have established effective anti-money laundering and counter-terrorist financing (AML/CFT) frameworks. These areas are subject to particularly careful scrutiny given their importance to user protection and the integrity of the financial system. We also engage with businesses that wish to obtain registration as funds transfer service providers. The FSA and the Regional Finance Bureaus work together on these responsibilities with sharing roles and coordinating closely with one another.

Hattori: How do you collaborate with other departments and offices?

Kishimoto: As I mentioned earlier, funds transfer service providers often seek to launch innovative new services that may be related to other business area. Accordingly, we cooperate with other divisions on a case-by-case basis. In particular, we work closely with the Office for Monitoring Digital Banking and Financial Services, which is responsible for supervising internet banking groups. For example, the PayPay group includes PayPay Bank, PayPay Securities, and other affiliated companies, forming a broader financial group. To gain a proper understanding of PayPay's business, it is not sufficient to look at PayPay Corporation alone; we must also take into account the operations of PayPay Bank and other group entities. In practice, PayPay frequently provides services in collaboration with PayPay Bank. For this reason, we pay close attention to coordination among the relevant departments within the FSA on a day-to-day basis.

Hattori: For example, if I intend to establish a company like PayPay Corporation, what processes should I follow?

Kishimoto: Since funds transfer services are governed by the Payment Services Act, a thorough understanding of that Act, in addition to other relevant regulations, is essential. You must clearly define its business model and operational details, ensure that all relevant legal and regulatory requirements are satisfied, obtain any necessary registrations or licenses, and then commence operations.

Sugino: However, it may often be the case that you have ideas for new services but do not understand what licenses are required or what procedures are necessary for obtaining them by only reading legal provisions. Or there may be many companies that would like to consult with the FSA regarding legal interpretations or procedures for obtaining licenses before moving on to the stage of taking concrete action. In that case, we would like them to casually use the FinTech Support Desk[2] of the Innovation Strategy Office. The FinTech Support Desk has staff members, including lawyers, who can provide consultations on ideas at any stage. If someone has an idea for a wonderful service but wonders whether it is necessary to consult with the authority in the first place and gives up launching that service in the end, the general public cannot receive that wonderful service, which lead to a loss for the nation as a whole. The desk functions to address such problems.

The Innovation Strategy Office has also established the FinTech PoC Hub,[3] in addition to the FinTech Support Desk. A responsible team has been formed within the FSA with the aim of offering ongoing support for solving practical issues concerning legal interpretations with regard to FinTech companies' Proof-of-Concept experiments for launching innovative services. Companies intending to receive ongoing support from the FSA while conducting PoC experiments are recommended to consider utilizing the FinTech PoC Hub. Furthermore, in November 2025, the Payment Innovation Project (PIP)[4] specialized in the payment-related area was established in the FinTech PoC Hub. PIP is a framework to support companies by forming a team in charge of PoC experiments concerning payment innovation utilizing blockchains.

Photo: Deputy Director Sugino

In order to launch new services, it is often necessary to identify legal issues before going on to procedures for registering licenses. We would like to support companies in their processes of launching services based on innovative ideas through various approaches, such as the FinTech Support Desk and FinTech PoC Hub.

Hattori: You talked about the Innovation Strategy Office. Does the office have any impressive policies?

Natori: You may expect me to introduce some "flashy" policies in association with the term "innovation," but in reality, the office endeavors to ravel out individual companies' business ideas one by one while offering support through the FinTech Support Desk and FinTech PoC Hub, as Mr. Sugino explained. We consider that continuing such processes, which may seem low-profile, is really important.

So far, I have also worked to revise regulations. If any regulation has become obsolete and unreasonable due to technological innovation or other reasons, reviewing it on a timely basis to prevent it from hindering innovation is one of the important roles that can be played only by the FSA, which holds jurisdiction over financial regulations. On the other hand, when starting any innovative initiatives, regulations or rules do not always lead to a solution. Rather, there are many business owners that worry about what points to note in creating new services in unprecedented areas, what practices are preferable, or whether there are any insufficiencies in their deliberations. The Innovation Strategy Office responds to each of those worries meticulously. I believe that the accumulation of these efforts will vitalize the overall industry.

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2 https://www.fsa.go.jp/en/news/2018/20180717.html
3 https://www.fsa.go.jp/en/news/2022/20221031-2/20221031.html
4 https://www.fsa.go.jp/news/r7/sonota/20251107-2/01.html (Available in Japanese)

Prominent initiatives may be necessary for attracting people's attention to innovative activities, but I think that the accumulation of small efforts I have explained is important in reality in order to materialize innovation in the real world.

Photo: Director Natori

Kishimoto: Indeed, more detailed issues are examined during the registration review process. For example, we may point out deficiencies in a company's terms and conditions, raise questions regarding weaknesses in its governance framework, or discuss the adequacy of the measures it has put in place to address such issues. Once we have confirmed that all of the necessary requirements have been satisfied and that the relevant issues have been appropriately addressed, we proceed with the registration process. To provide greater transparency regarding the requirements applicable to funds transfer service providers, both at the registration stage and in post-registration supervision, the FSA has established the Guidelines for Administrative Processes. These guidelines set out the supervisory expectations and standards that funds transfer service providers are generally expected to meet.

Hattori: Have the guidelines been published?

Kishimoto: Yes.[5] The FSA and the Regional Finance Bureaus share responsibility for the registration review and ongoing supervision of funds transfer service providers. To ensure consistency in the quality of registration reviews and supervisory activities, the FSA has developed and published the Guidelines for Administrative Processes. These guidelines are based on supervisory experience gathered from across the country, and are intended to promote a uniform understanding of legal and regulatory requirements among supervisory staff while maintaining a consistent standard of administration nationwide, including at the Regional Finance Bureaus. The guidelines also serve as a useful reference for businesses. By reviewing them, companies can gain a deeper understanding of the relevant laws, regulations, and supervisory expectations. Ideally, this will help improve regulatory compliance and strengthen their user protection and anti-money laundering measures. From this perspective, the publication of the guidelines is intended not only to support supervisory consistency but also to encourage voluntary compliance by service providers. In that sense, the guidelines may be regarded as a form of soft law..

Table 2 Regulations by Type of Funds Transfer Services

Intensity of regulations → / Amount of remittance →	**Type III funds transfer service providers** (small-amount type) [Registration]	**Type II funds transfer service providers** (conventional type) [Registration]	**Type I funds transfer service providers** (large-amount type) [**Authorization**]
Upper limit for remittance	Up to 50,000 yen/case	**Up to 1 million yen**/case	**No upper limit**
Retention of service users' funds	Allowed to retain However, the upper limit for acceptance is 50,000 yen.	Allowed to retain However, a system needs to be put in place to prevent the retention of funds not to be remitted when the accepted amount exceeds 1 million yen.	**Not allowed to retain, in principle** **Accept funds only when the amount, the date, and the destination of the remittance are clear, and conduct a remittance immediately**
Method of preserving service users' funds	In lieu of the methods on the right, service users' funds may be managed as deposits.	**Reserve the full amount in the form of a deposit with an official depository, a guarantee, or a trust**	
	Calculate the required amount at least once a week and preserve funds within three business days		Calculate the required amount every business day and preserve funds within two business days
Other	Provide service users with information on policies for compensation in the event of unauthorized use by a third party		

* Service users' funds accepted by funds transfer service providers must be those to be remitted.

5 https://www.fsa.go.jp/common/law/guide/kaisya/e014.pdf
(14. Guideline for Supervision of Funds Transfer Service Providers)

Hattori: Regarding new matters, there may be gaps in knowledge among staff members.

Kishimoto: One of the purposes of the guidelines is to eliminate such gaps. Regarding hot topics, the FSA holds briefing sessions for Regional Finance Bureaus, while I consider it necessary to further increase communication between the FSA and Regional Finance Bureaus with a view to maintaining the quality of supervisory activities on such new topics and also the FSA can gather experiences of individual Regional Finance Bureaus and disseminate it nationwide.

Hattori: Is it difficult for the FSA to handle everything regarding funds transfer services itself?

Kishimoto: The number of funds transfer service providers is quite large. In the Kanto region alone, there are nearly 75 registered providers[6]. Given these numbers, it would not be practical for the FSA to handle all registration and supervisory activities on its own. In reality, many funds transfer service providers operate in highly specialized market segments. For example, when a foreign worker in Japan wishes to send money to family members in their home country, a bank may initially come to mind as the most obvious option. However, the intended recipient may not necessarily have a bank account. In some countries, only a relatively small proportion of the population has access to formal banking services. In such cases, remittance services offered by specialized providers can play an important role. Under these arrangements, a funds transfer service provider receives the remitted funds in the destination country, and the recipient collects the cash from one of the provider's local outlets or agents. Many providers have developed expertise in particular regions, such as Southeast Asia or South America, reflecting the need to comply with the laws and regulations of each destination country and to build local payment networks. From an international perspective, ensuring access to financial services, that is "financial inclusion", is a highly important policy objective, even though it may not be something that people in Japan regularly think about. Funds transfer services contribute to this objective by enabling individuals who may have limited access to traditional banking services to participate in the financial system and transfer money efficiently and safely. Accordingly, the significance of funds transfer services extends beyond convenience and payment efficiency. They also play an important role in promoting financial inclusion.

Prepaid payment instruments

Hattori: Please tell us about prepaid payment instruments.

Kishimoto: Prepaid payment instruments are based on a fundamentally different concept from funds transfer services. In the case of funds transfer services, users can transfer the value stored in their accounts to other individuals. By contrast, with prepaid electronic money services such as Suica, the stored balance generally cannot be transferred to another person. The basic premise of a prepaid payment instrument is that it serves solely as a means of payment for the holder. Some people may have come across notices referring to the Payment Services Act while playing online or social networking games, for example when purchasing or obtaining in-game currency. Depending on the structure of the service, in-game currency or points may be classified as prepaid payment instruments under the Act. In such cases, service providers are required to implement user protection measures in accordance with the relevant legal requirements.

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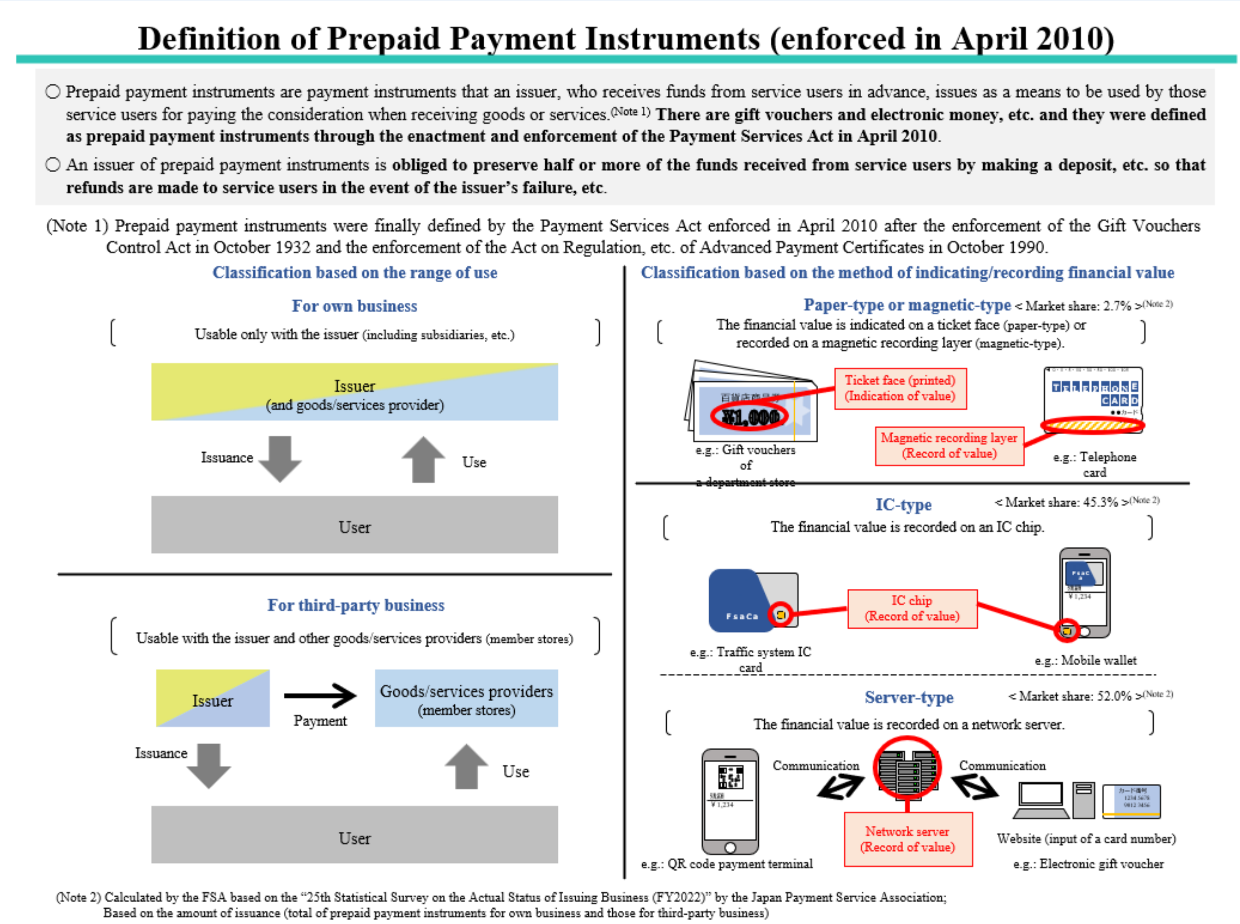
6 https://www.fsa.go.jp/menkyo/menkyoj/shikin_idou.pdf (Available in Japanese)

Figure 3 Definition of Prepaid Payment Instruments



Hattori: Remittances to other people are not possible with regard to prepaid payment instruments. So, how do you typically supervise issuers of prepaid payment instruments?

Kishimoto: Prepaid payment instruments play an important role in facilitating payments. Accordingly, a key objective of our supervision is to ensure that this function is not impaired. While prepaid payment instruments come in many different forms, making broad generalizations difficult, many of them are widely used by the general public in their daily lives. Transportation IC cards such as Suica and PASMO are good examples. If these services were to become unavailable, they could have a significant impact on people's everyday lives. Any major system disruption could cause considerable inconvenience and economic loss. For this reason, we strive to identify even minor issues at an early stage and, where necessary, provide guidance to issuers to ensure the stable operation of their services. From this perspective, I believe it is essential for supervisors to keep pace with technological developments. In fact, there was once a case in which a security vulnerability was discovered in a widely used technology employed by a number of issuers of prepaid payment instruments. The FSA, the Regional Finance Bureaus, and the companies using the technology worked together to assess whether the vulnerability could result in harm to users, what measures would be necessary to prevent such harm, and what additional responses might be required even after preventive measures had been implemented, particularly if the existence of the vulnerability itself were to encourage fraudulent or other malicious activity. Fortunately, no actual incident occurred. However, the discussions made it clear that an accurate understanding of the underlying technology was indispensable. The financial industry has increasingly become a technology- and systems-driven industry in which sophisticated technologies are deployed on a large scale. As regulators, FSA staff must continuously learn from experts and deepen our understanding of technological and operational systems in order to conduct effective supervision. Moreover, in the event of a major disaster such as an earthquake, the continued availability of payment services that can be used at supermarkets and other retailers would be extremely valuable during an emergency. Accordingly, the FSA maintains ongoing dialogue with in particular major service providers, regarding how the functions of prepaid payment instruments can be sustained in the event of a large-scale disaster.

On-the-job training being held in the FSA

Kishimoto: Our office seems to attract attention among the FSA staff. Supervision on payment services that are widely and regularly used by general public sounds interesting, doesn't it?

Hattori: Indeed. I would like to experience the duties of your office.

Kishimoto: The FSA's monitoring departments operate an on-the-job training program for junior staff members. Under this program, young officials are given the opportunity, upon request, to spend approximately two weeks working in another division, allowing them to learn through practical experience. In fact, several junior staff members from other offices recently joined our team as part of this program. During their training, we involved them in a wide range of activities, including interviews with financial institutions and participation in various events, so that they could broaden their perspectives and gain first-hand experience of supervisory activities. We also entrusted them with responsibility for handling certain aspects of actual cases under appropriate guidance and supervision.

Hattori: How many staff members can experience on-the-job training?

Kishimoto: Our office received a considerable number of applications and finally decided to accept two staff members from other offices.

Hattori: Specifically, what did they do?

Kishimoto: Most recently, we assigned a case to a trainee. Our office members fully supported the trainees and had her deal with their assigned cases. The final goal for the trainee is to brush up their ideas in the process of giving explanations to their superiors, obtain certain conclusions and complete the cases.

Hattori: Are trainees all staff members of the FSA?

Kishimoto: Junior staff of the FSA and the Kanto Regional Finance Bureau can currently apply to the program. Trainees are given a break from their routine duties so as to enable them to concentrate on the training. The OJT program may be popular among young staff members as a way to feel refreshed.

(To be continued.)

Notice

A Nationwide Campaign, Financial and Economic Education Caravan

— "Learn with Wanisa: Money Class for the Future," Deputy Director-General, WANISA, Busy Making Courtesy Visits! vol.12 —

Event in Okinawa on March 14, 2026

Event in Ishikawa on May 23, 2026

■ **Date and time: 10:00 a.m. to 4:30 p.m. on Saturday, May 23, 2026** (tentative)

■ **Venue: AEON MALL Hakusan** (5001 Yokoecho, Hakusan-shi, Ishikawa) 1F West COURT

■ **Performers: COWCOW, Borujuku, Bunbunbowl,**
Taketo (master of ceremonies)

■**Major content**

➢ **Stage show**

* Attack by Warusa!? Guide the World to Peace with Correct Knowledge on Money!?

* Learn about Money!
Happy Family with All Members Together

* *Unko* Money Drill: Life Edition
(targets: first to third graders)

➢ **Mini lecture programs**

* *Unko* Money Drill: Economy Edition (targets: fourth to sixth graders)

＼ワニーサとなかまたちも来るよ！／

At the venue, various exhibition booths on money-related themes will be established by cooperating companies and associations.

*** For details, please access the official website below. (Available in Japanese) ***
https://wanisa-caravan.fsa.go.jp/event/ishikawa/

Please also keep an eye out for the following events in the days ahead!

Deputy Director-General, WANISA, visits prefectural governors and people in the finance sector to ask for cooperation in further enhancing financial and economic education.

Videos of Wanisa's courtesy visits are posted on the official X account (@Wa_nisa_FSA)

▶Courtesy visit to Oita Governor Sato (delivered on March 10)

▶Courtesy visit to Hiroshima Governor Yokota (delivered on March 24)

▶Courtesy visit to President Kiyomune of the Hiroshima Bank (delivered on March 26)

▶Courtesy visit to President Yamashiro of the Okinawa Bank (delivered on March 30)

▶Courtesy visit to Miyazaki Governor Kono (delivered on April 7)

I have carried out activities for promoting financial and economic education in many areas nationwide!
FSA WANISA's Financial and Economic Education
Please also visit the Website! (Available in Japanese)

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* Appointment of "Deputy Director-General, WANISA"
https://www.fsa.go.jp/en/newsletter/accessfsa2025/258.pdf (Access FSA No. 258)
(Note) Deputy Director-General, WANISA, is not an official position but a fictional role as part of the mascot character's setting.

JFSA's Major Activities in March (March 1 to March 31, 2026)

- Updated：Trends in High-Speed Trading (March 31, 2026)
- Revision of "Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism" (March 31, 2026)
- The third meeting of the Expert Panel on the Revision of the Corporate Governance Code (2025-2026) (March 27, 2026)
- Hosting Overseas Regulatory Officials at the Global Financial Partnership Center (28th Program: 12 Banking Regulatory Authorities) (March 26, 2026)
- The fourth meeting of the Japan-UK Financial Regulatory Forum (March 19, 2026)
- The Japan-Bermuda bilateral meeting on insurance (March 19, 2026)
- Publication of "FSA Analytical Notes (2026.3): An Empirical Examination toward a Multi-faceted Understanding of the OTC Derivatives Market" in Japanese (March 6, 2026)
- Publication of AI Discussion Paper (Version 1.1) (March 3, 2026)

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

Employees of the Financial Services Agency have been contributing writings about the status of the Agency's activities, including the introduction and explanation of its measures, to various publications. Such writings are published on the website of the Financial Research Center. This article covers some of these writings.

— Introduction of recently published contributions —

◆ Adventure Travel Initiative in Tsurui Village, Hokkaido, in Collaboration with Regional Revitalization Support Officers (provisional English title) [Available in Japanese]

YANO Tomofumi, General Policy Coordinator, Strategy Development Division, Strategy Development and Management Bureau, and Deputy Chief Sustainable Finance Officer
(Published in the March issue of The Finance, a monthly public information magazine published by the Ministry of Finance)

◆ Viewpoints in the Monitoring of the Issuance of Stablecoins by Funds Transfer Service Providers (provisional English title) [Available in Japanese]

AMANO Fumio, Deputy Director, Office of Director for Payment Services Supervision, Risk Analysis Division, Strategy Development and Management Bureau
(Published in the March 17 issue of the Kinzai Weekly Financial Affairs)

◆ Exercise of Regional Financial Power Expected of Regional Financial Institutions (provisional English title) [Available in Japanese]

KONNO Osamu, Director of the Strategy Development Division, Strategy Development and Management Bureau
(Published in the March issue of the Ginko Jitsumu)

◆ Outline of the Report by the Working Group on Crypto-Asset Systems, Financial System Council (provisional English title) [Available in Japanese]

SAITO Masahiko, Director, TOMINAGA Miyuki, Deputy Director, TAKEOKA Naohiro, Deputy Director, Financial Markets Division, Policy and Markets Bureau
(Published in the February 25 issue of the Financial Law Journal)

◆ Current Status and Challenges Regarding Domestic LBO Loans (provisional English title) [Available in Japanese]

OGASAWARA Norito, Director, Office of Inspection on Risk Management, NAKAYAMA Tatsuo, Credit Risk Management Team Head, OZAWA Gaku, Deputy Director, Risk Analysis Division, Strategy Development and Management Bureau
(Published in the February 25 issue of the Financial Law Journal)

◆ Outline of the Amendment of the Payment Services Act in 2025 (provisional English title) [Available in Japanese]

TAKAMI Shu, Lawyer, Deputy Director, MEKADA Ayumi, Officer, Office of Director for Banking, Payment and Insurance Regulations, Planning and Management Division, Policy and Markets Bureau
(Published in September 29, 2025 issue of Yuhikaku Online)

👉 For other contributions, please visit the website of the Financial Research Center. (Available in Japanese)

Editorial Postscript

Thank you for reading Access FSA. This month's issue features reports on conferences, such as Japan Fintech Week 2026 and a Meeting for Exchange of Opinions on Promotion of Support for Business Operators and Facilitation of Finance, and introduces recent initiatives concerning the special provisions on venture capital funds in relation to specially permitted services for qualified institutional investors under the National Strategic Special Zone System, and the creation of a framework for sharing information on illegally used accounts among deposit-taking institutions. I hope you enjoy them.

Now in April, many of you may be starting life in a new environment with yourself or a family member going on to higher education, finding a job, or being transferred to another position. As I mentioned in the editorial postscript of the January issue, at the FSA, we basically work in a program-year cycle starting from July and ending at the end of June next year. Accordingly, for us, April is not a start of a new fiscal year but is the final phase of a program year. Nevertheless, we feel a renewed sense of responsibility when welcoming new staff members. While looking forward to seeing their positive activities, we recall how we felt when we started working for the FSA and adopt a more positive attitude in our daily duties.

Kume Hitoshi, Director of the Public Relations Office, FSA
Edited and issued by the Public Relations Office, FSA

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

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