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Financial Services Agency Newsletter

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Contents

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金融庁

Held on April 20

Minister KATAYAMA meets Mr. Hernández de Cos, General Manager of the BIS

Photo: Minister Katayama (right) and Mr. Pablo Hernández de Cos, General Manager of the Bank for International Settlements (BIS) (left)

On April 20, 2026, Ms. Katayama, Minister of Finance and Minister for Financial Services of Japan, met with Mr. Pablo Hernández de Cos, General Manager of the Bank for International Settlements (BIS). During the m eeting, they exchanged views on recent developments in the financial sector, with a particular focus on digital finance, including the advancement of artificial intelligence (AI) and the evolution of digital assets such as sta blecoins. They also shared their recognition of the potential impact of these technological innovations on the fi nancial system, as well as the importance of international dialogue and cooperation.

Mr. Hernández de Cos visited Japan following his participation in the International Monetary Fund (IMF) and World Bank Spring Meetings held in Washington, D.C. in April. During his stay in Japan, he also visited the Bank of Japan, where he delivered a speech on stablecoins.

1 A news release titled "Minister KATAYAMA meets Mr. Hernández de Cos, General Manager of the BIS, in Tokyo" was published on the FSA's official website on April 21, 2026. https://www.fsa.go.jp/en/news/2026/20260421/20260421.html

Meeting of Local Finance Bureau Directors-General
— Speech by State Minister of Cabinet Office Iwata —

On Wednesday, April 23, 2026, the fourth meeting of the Local Finance Bureau Directors-General[*1] in the current program year was held, and State Minister of Cabinet Office Iwata delivered a speech before the participants.

Photo: State Minister of Cabinet Office Iwata delivering a speech

< Summary of the speech by State Minister of Cabinet Office Iwata >

The Bill to Partially Amend the Act on Special Measures for Strengthening Financial Functions and Other Related Acts and the Bill to Partially Amend the Financial Instruments and Exchange Act and the Payment Services Act were approved at Cabinet meetings held on February 27 and April 10, respectively, and were submitted to the current session of the Diet.

The former bill forms part of efforts to develop an environment in which regional financial institutions can strengthen their business foundations and fully perform their roles in contributing to regional economies amid population decline and other environmental changes. To this end, the bill extends and expands the system for capital participation by the Government in regional financial institutions seeking to strengthen their capital bases, as well as the system for the provision of grants by the Government to regional financial institutions undertaking mergers and business integrations.

The latter draft Act aims to facilitate the implementation of measures, such as the review of regulations on transactions of crypto-assets, the development of systems regarding disclosure of sustainability-related financial information and audit certification for companies, the review of the disclosure system in relation to the expansion of the provision of growth capital to startups, and the review of the calculation methods for administrative monetary penalties for unfair trading, for the purpose of expanding the provision of growth capital, securing the fairness, transparency of the markets, and investor protection, while properly responding to changes in the financial and capital markets in Japan. We will make the utmost efforts to achieve the enactment of these two Acts by the end of the current session of the Diet, with a view to strengthening the management bases of regional financial institutions, etc., securing the fairness and transparency of the markets and investor protection, and expanding the provision of growth capital.[*2]

Regarding the NISA program, the new program was launched in January 2024, and at present, one out of four people aged 18 or older holds a NISA account. Certain positive results have thus been achieved. Under the Tax Reform Act in FY2026, which was enacted at the end of this March, further improvements were made to enable all generations to build up their assets in line with their individual life plans.

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*1 The FSA has delegated some of the authorities related to the inspection and supervision of regional private-sector financial institutions to the 11 Local Finance Bureaus (Local Branch Offices) of the Ministry of Finance and other organizations (including the Okinawa General Bureau). In order to ensure sufficient cooperation between the FSA and those organizations, senior officials from those organizations, including Local Finance Bureau Directors-General, and from the FSA get together and hold a meeting every three months.

*2 The Act Partially Amending the Act on Special Measures for Strengthening Financial Functions and Other Related Acts was promulgated on May 7 and fully enforced on June 25, 2026.

More specifically, the age requirements for the *Tsumitate* (Installment) investment quota were eliminated, the annual investment quota for those aged 0 to 17 was set at 600,000 yen, and the upper limit on the value of tax-exempt holding was set at 6 million yen, with the aim of promoting asset building of the next generations and helping them secure funds necessary for their life events after reaching adulthood through long-term stable investments. Furthermore, from the perspective of making it easier for the young and the elderly to start investments, financial instruments for the *Tsumitate* (Installment) investment quota were expanded, such as increasing investment trusts mainly consisting of bonds and making certain additions to designated stock indices for the *Tsumitate* (Installment) investment quota. Considering the purpose of these system reforms, Local Finance Bureaus are expected to continue efforts for ensuring the smooth dissemination and appropriate operation of the new NISA program.

Toward the enforcement of the Act on the Promotion of Cash Flow-Based Lending on May 25, 2026, we had had discussions on practical affairs with front-line personnel of financial institutions on 11 occasions in total, so that the purpose and ideas of the system would be sufficiently understood and shared among front-line personnel. As outcomes of these discussions, public consultation procedures were commenced for a draft document titled “Basic Ideas on Cash Flow-Based Lending Based on the Relationship of Trust between Businesses and Financial Institutions” on April 10, and recently, a document titled “Key Points for Utilizing the Enterprise Value Charge” was issued by the Japanese Bankers Association to its member financial institutions. The enterprise value charge will not be broadly accepted easily, and persistent efforts will be required. We think it important to start small and steadily foster the relevant system while placing an emphasis on securing front-line personnel’s full understanding. Local Finance Bureaus are expected to have dialogues sufficiently with financial institutions under their jurisdiction, in collaboration with the FSA, to ensure that the purpose of this system will be firmly rooted among those working on the front lines.

Amid drastic changes in the environment surrounding finance, meticulous responses and continued dialogues on the front lines are essential, and roles of Local Finance Bureaus will become more and more important. We would like to continue our utmost efforts in close collaboration with Local Finance Bureaus. We appreciate your understanding and cooperation.

At the meeting of Local Finance Bureau Directors-General, the State Minister delivered a speech and the Local Finance Bureau Directors-General and senior officials of the FSA exchanged opinions on the immediate challenges for financial administration and the FSA’s initiatives. The FSA officials shared their perspective on those challenges with the Local Finance Bureau Directors-General and affirmed that the FSA and Local Finance Bureaus will continue to work as one in addressing them.

Photo: The meeting of Local Finance Bureau Directors-General

Public-Private Coordination Meeting on Strengthening Cybersecurity Measures in the Financial Sector Against AI-Related Threats

On Apri 24, the FSA held the Public-Private Coordination Meeting on Strengthening Cybersecurity Measures in the Financial Sector Against AI-Related Threats.

[Participants]

KATAYAMA Satsuki, Minister of State for Financial Services
ITO Yutaka, Commissioner, FSA
YANASE Mamoru, Vice Commissioner, FSA
UEDA Kazuo, Governor, Bank of Japan
KAMIYAMA Kazushige, Executive Director, Bank of Japan
KADOMATSU Takashi, Director-General, National Cybersecurity Office
KATO Masahiko, Chairperson, Japanese Bankers Association, and President and CEO, Mizuho Bank, Ltd.
TERAI Osamu, Managing Executive Officer, Mizuho Bank, Ltd.
YAMAJI Hiromi, Director and Representative Executive Officer, Group CEO, Japan Exchange Group
TAKURA Satoshi, Senior Executive Officer & CIO, Japan Exchange Group
FUKUTOME Akihiro, President and CEO, Sumitomo Mitsui Banking Corporation
SHIBUYA Hidetoshi, Group CISO, Sumitomo Mitsui Banking Corporation
OSAWA Masakazu, President and CEO, MUFJ Bank, Ltd.
MATSUSHITA Shinobu, Deputy CIO, MUFJ Bank, Ltd.

Photo: Public-Private Coordination Meeting

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< Minister Katayama's opening remarks at a press conference (summary) >

*Provisional Translation

We have just concluded ~~a~~ the Public-Private Coordination Meeting on Strengthening Cybersecurity Measures in the Financial Sector Against AI-Related Threats. The meeting was attended by Governor Ueda of the Bank of Japan, a representative from the National Cybersecurity

Office, the heads and Chief Information Security Officer of the three megabanks, and Mr. Yamaji of the Tokyo Stock Exchange together with the executive officer responsible for cybersecurity. I stated that, in light of recent discussions at the G7, the G20, and the IMF, this is a threat that is already upon us. The financial industry expressed the same view. In other words, as advances in AI bring change to the financial sector, new forms of preparation are required, and management judgment will become even more important. More specifically, the financial system is highly interconnected and operates in real time. I am not suggesting that other industries need not take action; that is not my point. However, the scale of potential spillovers is not comparable to that in other sectors. A cyberattack could therefore quickly spill over into market impacts and a loss of confidence. As financial institutions perform critical infrastructure functions, I believe it is more important than ever to accelerate the process from obtaining information on vulnerabilities to applying patches, as well as to strengthen preparedness for incidents when they occur.

At today's meeting, in order for the financial industry, the government, the Bank of Japan, and others to share a common understanding and consider forward-looking responses, I proposed establishing an official-level working group to deepen discussions going forward, which one might call a Japanese version of Project Glasswing for the financial sector. All participants agreed, and the group has accordingly been established. As the Takaichi administration aims to build a strong economy, we must also prevail in the battle over AI. Going forward, we intend to proceed swiftly with our deliberations, centering on this working group. [1]

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A working group was established based on the discussions at this meeting, and it held a meeting on May 14 with the aim of deepening discussions among working-level personnel in order to share an understanding of new threats due to the advancement of AI technologies among the financial industry, IT businesses, the national government, the Bank of Japan, etc. and jointly consider countermeasures. For participating organizations, etc., see the FSA's website.[2]

Photo: Minister Katayama, speaking at the Public-Private Coordination Meeting

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1 Outline of the press conference of Minister of State for Financial Services, KATAYAMA
https://www.fsa.go.jp/en/conference/minister/2026/20260424-2.html

2 "Working Group under the Public-Private Coordination Meeting on Strengthening Cybersecurity Measures in the Financial Sector Against AI-Related Threats"
https://www.fsa.go.jp/en/news/2026/20260514/20260514.html

Outline of the Monitoring Report on Regional Banks' Provision of Structured Loans (2026)

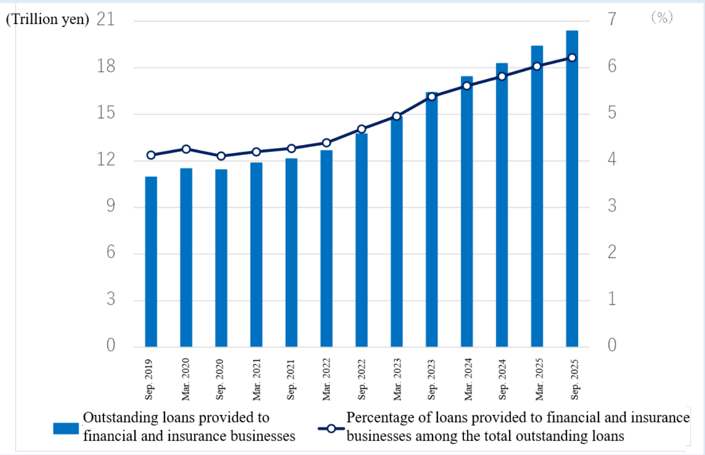
MATSUI Shota, Chief Deputy Director
AKACHI Fumiaki, Financial Securities Inspector
TANAKA Tatsunori, Staff member
Office of Director for Regional Finance Monitoring,
Banking Business Division II, Supervision Bureau

On March 31, 2026, the FSA published the Monitoring Report on Regional Banks' Provision of Structured Loans (2026).[1] An outline is provided below.

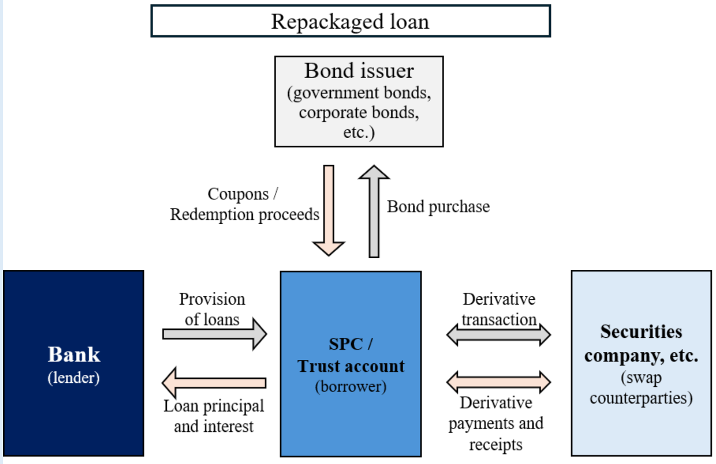
1. Background

In recent years, regional banks are increasing loans to companies engaging in financial business or insurance business (Figure 1). It is considered that a considerable amount of structured loans that incorporate derivatives with securities as back-up assets (Figure 2) is included in those loans. However, it should be noted that the actual status concerning structured loans is hard to ascertain due to their complexity, as their detailed information is not disclosed externally, unlike general securities. Accordingly, the FSA compiled an overview of the status of structured loan initiatives that are being implemented and points to note regarding their nature, which it has grasped through monitoring, as well as important points when regional banks and other financial institutions take measures for strengthening their risk management systems and enhancing information disclosure.

[Figure 1] Regional banks: Loans provided to financial and insurance businesses (Trillion yen, %)



[Figure 2] Scheme of a major structured loan

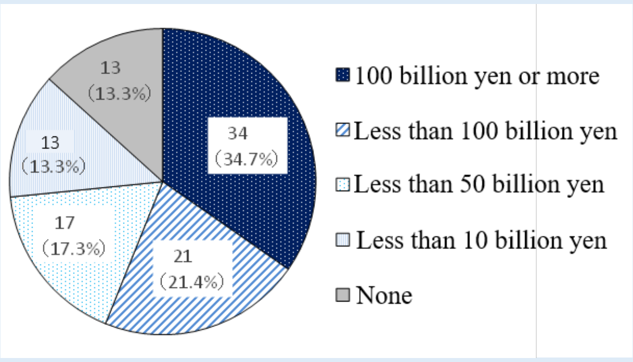


[1] Monitoring Report on Regional Banks' Provision of Structured Loans (2026), FSA (March 31, 2026)
https://www.fsa.go.jp/news/r7/ginkou/20260331/20260331.html (Available in Japanese)

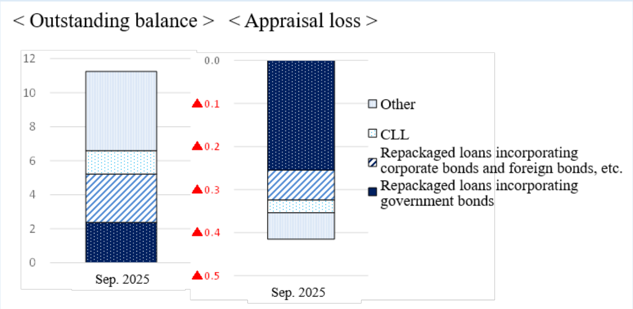
2. Status of regional banks' provision of structured loans

Based on data collected from regional banks, the FSA tabulated the status of their provision of structured loans as of the end of September 2025. As a result, it was found that more than 80% of regional banks have provided structured loans and the total outstanding balance has reached around 11 trillion yen, of which nearly 50% are repackaged loans incorporating Japanese government bonds and corporate bonds, as well as foreign bonds. Due to price declines of back-up assets (bonds, etc.) accompanying recent money market rate increases and other reasons, appraisal losses are arising, centered on financial instruments with longer remaining periods (Figures 3 and 4).

[Figure 3] Number of regional banks providing structured loans



[Figure 4] Outstanding balance and appraisal loss of structured loans (Trillion yen)



3. Major issues in monitoring

With regard to structured loans, the following points need to be noted in terms of their nature and the following responses are required for financial institutions in consideration of those points to note.

[Development of risk management systems]

- Structured loans have a complicated and composite risk structure, as a result of incorporating derivatives and changing securities to loans by the use of special purpose companies (SPCs), etc. Accordingly, there are points to note in managing risks due to the following facts: [i] it is difficult to ascertain the risk profiles of financial instruments; [ii] additional transaction costs arise; and [iii] their low liquidity inhibits flexible asset management and implementation of an action plan under financial stress.
- Therefore, financial institutions need to develop their organizational structures, properly ascertain and manage risks upon initial screening and interim management, or otherwise put in place an effective risk management systems suited to the complicated nature of structured loans.

[Appropriateness and enhancement of information disclosure]

- The provision of structured loans is substantially the same as securities investments, but the relevant amount is to be disclosed as loans in an accounting book, due to which the following points need to be noted upon information disclosure: [i] the provision of structured loans may be adopted mainly for the purpose of superficially increasing the outstanding loans and avoiding market valuation of assets; and [ii] it becomes difficult for external stakeholders to ascertain the actual status.
- Therefore, financial institutions should preferably disclose information appropriately to external stakeholders, etc., such as the outstanding loans, market price information, and their future policies and risk management systems, when they may exert a certain influence on their finance.

Additionally, the FSA ascertained the actual status of regional banks from the perspective of the development of risk management systems and the appropriateness and enhancement of information disclosure, and compiled cases that give cause for concern (concerning cases) and cases to be referenced (reference cases) (Figure 5).

[Figure 5] Major cases ascertained through monitoring

< Major cases ascertained through monitoring >

Concerning cases	Reference cases
(Positioning in business strategies and organizational structure) ▲ A bank started to provide structured loans for the purpose of achieving an annual lending goal and conducting bond investments without conflicting with the upper limit for loss or other internal rules (for the purpose of avoiding market valuation of assets). ▲ A bank's lending division is in charge of structured loans, but does not sufficiently collaborate with its market division, etc. that have knowledge on securities investments and derivatives transactions, etc. (Initial screening) ▲ Analyses have not been conducted as to whether returns commensurate with costs and risks are secured for structured loans, compared with securities that have a similar nature. ▲ Interest-rate risks, liquidity risks, swap counterparty risks, non-linear risks of options, etc. are not sufficiently measured. (Interim management) ▲ A bank only ascertains market price information and has yet to set the upper limit for loss or specifically consider the necessity of disposing of issues with appraisal losses (elimination of negative spreads). ▲ A bank's management team is not informed of the amount of interest-rate risks and appraisal profits or losses, and the bank has not sufficiently developed an organizational structure to ascertain the current status of the issues it holds. etc.	(Positioning in business strategies and organizational structure) ● A bank has a structure wherein the front-line division that conducts transactions consists of staff members with expertise and work experience (such as a structured finance division), and the second-line risk management division creates a check list based on the nature of structured loans and holds the front-line division in check. ● Prior to commencing the provision of structured loans, a bank developed its internal rules and manuals. (Initial screening) ● A bank has set the upper limits for holding assets by risk category and by financial instrument. ● A bank measures interest-rate risks in consideration of credit risks and non-linear risks of options regarding targets for capital allocation. (Interim management) ● A bank verifies the validity of prices by comparing market prices obtained from a securities distributor and internally calculated market prices. ● A bank has set the upper limit for loss, including that from structured loans, alarm points, and an action plan, and performs stress tests. (Appropriateness and enhancement of information disclosure) ● A bank discloses changes in outstanding loans, its future policies, calculation method for market prices, the status of its risk management system based on the nature of financial instruments, and other information in its disclosure brochure. etc.

4. Future monitoring policy

Regional banks and other financial institutions are expected to make efforts to strengthen their risk management systems and enhance information disclosure, while referring to this monitoring report. Based on the monitoring results compiled in the report, the FSA will regularly collect information from individual financial institutions about how they are providing structured loans and how they are disclosing their outstanding loans and market price information, etc., and will continue encouraging them to develop their risk management systems and enhance information disclosure through monitoring, including inspections.

Report of the Study Group on Promoting Corporate Risk Management

ADACHI Takashi, Duputy Director
FUJII Takafumi, Section Chief
MAKI Koyuki, Staff member
Insurance Business Division, Supervision Bureau

1. Introduction

While the environment surrounding companies is changing rapidly, the enhancement of risk management has become an urgent challenge for companies doing business domestically and internationally. In this context, the FSA and the Ministry of Economy, Trade and Industry (METI) jointly held meetings of the Study Group on Promoting Corporate Risk Management from December 2025 and compiled and published a report on April 17, 2026.[1]

The background and major points of the report are introduced below.

2. Background

In recent years, the business environment surrounding companies is rapidly becoming complicated due to increases in new types of risks, such as the rising frequency and severity of natural disasters, heightening geopolitical risks, progressing social inflation, cyber risks, and misuse of AI. These environmental changes may exert direct influences on companies' business continuity and earnings structures, and the importance of companies' risk management is further increasing.

In the meantime, when looking at the non-life insurance market, reinsurance rates are rising and underwriting conditions are becoming stricter with the expansion of insurance losses and exposures, and risk transfers under conventional conditions are often difficult at present. Under such circumstances, companies definitely need to ascertain risks and take strategic measures to reduce, transfer, and hold risks in an appropriate manner.

Additionally, in the capital market, business management in consideration of capital cost and medium to long-term growth investments for enhancing corporate value have come to be further prioritized. Companies have started to position risk management not as a mere defensive management task but as an essential element that supports their growth investments through the stabilization of cash flows and the reduction of capital cost.

With these in mind, the METI and the FSA served as the secretariat and held meetings of the Study Group on Promoting Corporate Risk Management in FY2025. This report compiles challenges and future directions regarding risk management enhancement from the perspective of backing up companies' voluntary efforts, based on discussions among related parties, including people from insured companies and from the non-life insurance industry as well as insurance brokers, etc., at the Study Group meetings.

[1] https://www.fsa.go.jp/news/r7/singi/20260417-2.html (Available in Japanese)

3. Current status and challenges regarding companies' risk management

This report points out some structural challenges regarding the current status of risk management by Japanese companies, such as Japanese companies' tendency to consider taking out non-life insurance merely as cost and prioritize the reduction of insurance fees, their risk management overemphasizing ex post facto responses, insufficient internal sharing of risk information, and weak involvement of top management.

In addition, as another challenge, this report points out that companies have generally failed to manage risk finance (risk transfer and financial preparation), risk control (preventive measures and damage mitigation measures), and resilience (recovery capability and adaptability when a risk materializes), which are important elements for risk management, in an integrated manner, which makes it difficult for them to take strategic measures based on their individual company-wide risk assessment. These circumstances, together with underwriting conditions in the insurance market that are becoming increasingly stricter, create a vicious circle wherein companies face difficulties in stably securing required compensation.

On the other hand, outside of Japan, diverse risk financing techniques utilizing capital markets, such as captive insurance and catastrophe bonds, are employed and advanced risk management is being implemented depending on individual companies' risk profiles. This report introduces these initiatives in foreign countries and compiles viewpoints to be referenced by Japanese companies when they intend to take actions for enhancing their risk management.

4. Shift to the global standard

Against the background of environmental changes surrounding overall companies, non-life insurance companies have made underwriting conditions stricter and have lowered the maximum underwriting amounts mainly for large-scale cases and for high-risk businesses. Under such circumstances, for achieving a shift to a global standard as requested in international reinsurance markets, both non-life insurance companies and insured companies definitely need to each make efforts.

More specifically, it is important for insured companies to accurately ascertain their own risks and share risk information with non-life insurance companies and positively disclose their risk management systems, etc. Non-life insurance companies are required to make efforts to enhance their underwriting operations based on detailed and elaborate risk information.

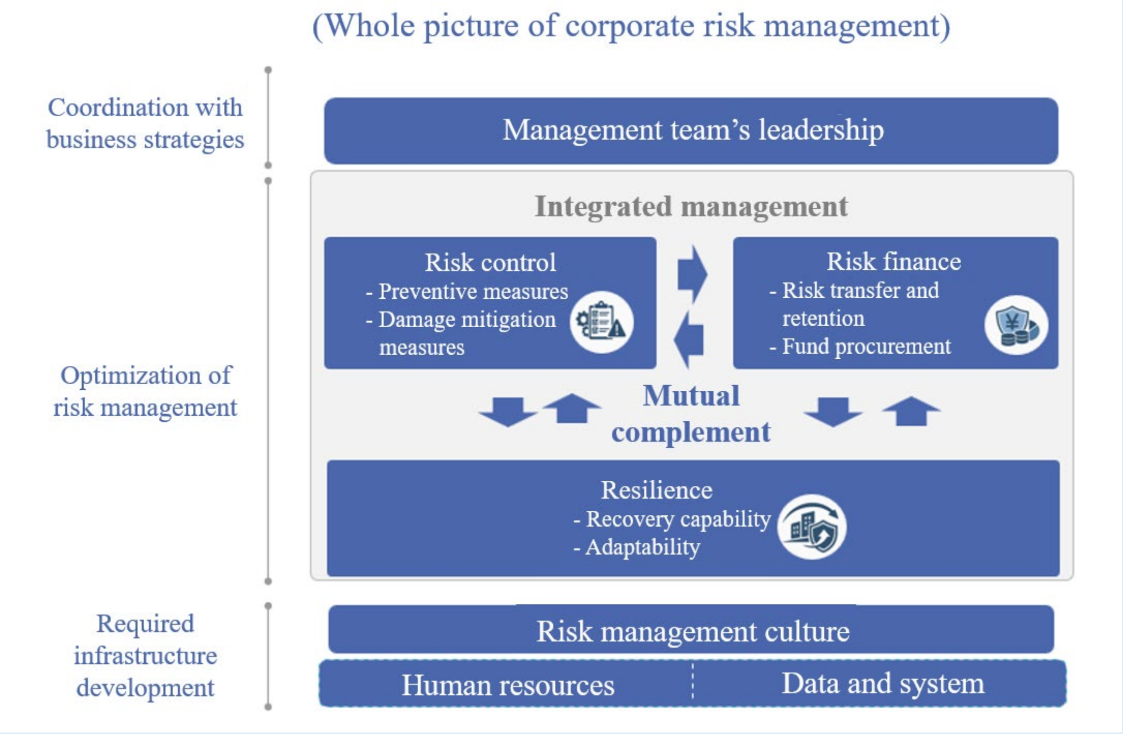
	Conventional business practices unique to Japan	Global standard
Relation between an insurance company and an insured company	An insurance policy share is apt to be determined based on **how an insurance company has given favors, etc.**	An insurance company and an insured company are in an **equal** but **tense relationship**.
Insurance company's stance	**A medium to long-term relation** premised on an annual renewal is prioritized. Relatively **moderate underwriting**	An insurance company prioritizes **appropriate risk sharing with an insured company** (businesslike decisions on underwriting), not premised on underwriting or a contract renewal. **Request for the disclosure of detailed risk information** and **strict underwriting**
Insured company's stance	Arrangements for insurance policies, etc. are **left to a lead arranger**. **An objective evaluation** of the current insurance conditions is **not known**.	An insured company has to **explicitly highlight its advantages** based on the needs of an insurance company. An insured company can ascertain its evaluation from the insurance market and **utilize that knowledge in enhancing its risk management**.

5. Major points in enhancing risk management

The core of this report is a recommendation to establish an integrated risk management framework based on an idea of considering three elements, namely, risk finance, risk control, and resilience, as a unit.

The report states that it is important for companies to reconstruct an insurance program based on a company-wide risk assessment, strengthen preventive measures and damage mitigation measures, and develop effective BCP/BCM, and that it is also effective to quantitatively ascertain and evaluate their own efforts for risk management by using such indicators as the Total Cost of Risk (TCoR) and Key Risk Indicator (KRI).

In addition, the report states that it is definitely necessary for companies' management teams to be proactively involved and position risk management as part of their business strategies. They are expected to create a system for prompt and consistent decision making through ongoing risk review at management meetings and clarification of roles of CRO, etc.



As the risks surrounding companies are becoming increasingly sophisticated and diverse due to increases in natural disasters and new types of risks, non-life insurance companies are further required to ensure underwriting operations based on elaborate risk assessments and appropriate underwriting decisions depending on risk characteristics. Furthermore, it is becoming more and more important for them to take into account insured companies' business content and characteristics of projects, and have dialogues from the initial stage of project planning and offer support so that insured companies can smoothly transfer risks as required.

Insurance brokers are expected to play a role to properly ascertain insured companies' risks and needs and conduct risk analysis or provide sophisticated advice on risk finance as professional partners who support companies' efforts to enhance their risk management. For that purpose, they need to strengthen their capability to make proposals based on knowledge on domestic and international insurance markets and reinsurance markets, and improve their expertise through human resource development.

From the perspective of backing up these efforts, the FSA will proceed with institutional and operational development to facilitate activities of insurance brokers and will also endeavor to develop an environment to expand options for companies' risk management and risk finance, such as direct insurance from abroad and captive insurance.

6. Conclusion

In light of changes in the risk environment surrounding overall companies, this report states that the enhancement of risk management may contribute to improving corporate value and promoting growth investments through the effects of the improvement of companies' ability to continue business and the stabilization of cash flows. In order to facilitate these efforts, it is important that all related parties, including insured companies, the insurance industry as a whole, insurance brokers, and the national government, respectively fulfill their own roles and mutually collaborate with one another.

It is expected that ideas and viewpoints presented in this report will serve as a reference for companies' voluntary efforts and will contribute to enhancing the risk management of Japanese companies and further stabilizing the entire Japanese economy.

Report of the Study Group on Promoting Corporate Risk Management (major points)

Major environmental changes surrounding **non-life insurance**

Materialized **increases in new types of risks**, such as the **rising frequency and severity of natural disasters**, **heightening geopolitical risks**, upsurge of insurance claims due to increases in lawsuits (**social inflation**), and cyber risks

Major environmental changes surrounding **corporate management**

The heightening importance of companies' **medium to long-term growth investments**, constructive dialogues between companies and shareholders (**shareholder accountability**), and **business management in consideration of capital cost**, etc.

Importance of the enhancement of corporate risk management

Challenges and responses on the part of non-life insurance companies and insurance brokers

- **Non-life insurance companies** need to **further enhance their underwriting operations**, **set insurance premiums commensurate with risks**, and respond to new types of risks.
- **Insurance brokers** need to **ascertain companies' risks and needs**, **offer support to companies**, and **foster human resources**.

Challenges and responses on the part of domestic companies

- Companies need to ensure optimal company-wide risk transfer (**achievement of risk finance**) and **risk control**, and **strengthen** their capacity for early restoration and adaptability (**resilience**).
- Companies need to create new value by the use of risk information (**development** of an aggressive **risk management culture**) and ensure that their **management teams fulfill their leadership role**.

Responses by the national government (FSA and METI)

- The national government needs to consider the **facilitation of insurance brokers' activities**, **operational improvement** for direct insurance from abroad, and **utilization of captive insurance**.
- The national government will **publish pioneering initiatives as best practices**, **promote the provision of relevant data** on companies, and **encourage companies to positively publish and disclose information**.

Serial Feature: FSA Staff Members Frankly Talked about Financial Administration! — FinTech-Related Departments Series 3 —

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 and April issues, 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. This is the last part of the FinTech-Related Departments Series.

* 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

Cybersecurity measures by the FSA

Hattori: Mr. Sugino, you are rather young compared to the other participants today. I understand that you were temporarily transferred to Georgetown University and have been studying blockchains from a young age. The FSA has regularly sent staff to Georgetown University, but what concerns and awareness lie behind this initiative?

Sugino: The FSA sent staff to Georgetown University for the first time in 2018. Around that time, when transactions of cryptoassets based on blockchain technologies were becoming increasingly active, the FinTech Office, which was established in the Strategy Development Division, Strategy Development and Management Bureau, had already recognized the need to consider how the roles of financial regulations will change when P2P finance, without the involvement of financial institutions as an intermediary, further spreads as a mid- to long-term issue.

It is difficult to sufficiently understand matters concerning cryptoassets without ascertaining overseas trends. Accordingly, the FSA commenced the initiative to send staff to Georgetown University to have them study the future of financial regulations, while learning about blockchain technologies under the instruction of experts, and feed their study results back to the FSA. Since then, the content of the studies has been changing in accordance with the development of the cryptoasset industry, but the FSA continues to send staff.

Even before I was sent to Georgetown University, I became interested in blockchain technologies and decentralized finance when studying at an overseas graduate school, and I participated in a community of my peers interested in the same fields. Since then, I had been aware of the FSA's staff dispatching system. I applied and, fortunately, I was given a chance to study at Georgetown University. At the university, I studied broadly about the possibility and problems concerning decentralized finance, based on existing issues in the field of financial regulations, such as cybersecurity, AML/CFT, and financial stability. In particular, the major subject of my study was cybersecurity, and I have been engaged in the planning of cybersecurity measures concerning cryptoassets since I came back to the FSA.

The missions to be fulfilled when sent to Georgetown University include participation in and contribution to international specialized communities, mainly those in the United States, in addition to studies and intelligence activities. For example, in 2020, Professor Matsuo (Shinichiro) of Georgetown University established a non-profit organization named Blockchain Governance Initiative Network (BGIN). I engaged in the planning of discussions at BGIN and the preparation of deliverables. Many people specialized in cryptoassets or cybersecurity participated in the discussions and other activities of the community, and it was not easy for me, as a young man with limited knowledge, to win the trust of those specialists in cryptoassets or cybersecurity. I continued steady efforts for two years to build a relationship of trust and contribute to the community.

Hattori: With regard to cybersecurity for cryptoassets, how does the FSA evaluate its efforts so far?

Sugino: The failure of Mt. Gox in 2014 triggered deliberations on the institutional handling of cryptoassets, and the importance of cybersecurity measures for the system came to be recognized. Then, the amended Payment Services Act was put into effect in 2017 and the registration system was introduced for cryptoasset exchange services. System management, the development of internal rules, separate management of assets, etc. came to be legally required from the perspective of user protection.

However, an outflow of cryptoassets occurred at a domestic service provider in 2018 and the importance of properly managing signing keys was recognized anew. In response, rules on cryptoassets were developed so as to require service providers to comply with cybersecurity standards equivalent to those for existing financial institutions, in addition to taking measures against risks unique to cryptoassets, such as managing private keys properly.

Hattori: In these developments, cryptoassets were positioned in the Payment Services Act and were made subject to supervision by the FSA.

Sugino: Furthermore, in 2024, a large-scale outflow of cryptoassets occurred again. Before that, the major cause of outflow was the leakage of signing keys themselves, but in this case, keys were not stolen directly. The outflow was caused by social engineering, wherein the outsourcee's system was hit by a phishing attack and the transaction information was falsified.

This incident strengthened the FSA's awareness concerning the need to have cryptoasset exchange service providers comprehensively develop their cybersecurity systems at a level equivalent to those of existing financial institutions, in addition to have them take measures against risks unique to cryptoassets, such as managing signing keys properly.

Hattori: Regarding cryptoassets, the Japan Virtual and Crypto Assets Exchange Association (JVCEA) was established in 2018, but the FSA does not directly regulate cryptoasset exchange service providers. Instead, the FSA made service providers create rules themselves, and it supervises the association established by them.

Sugino: At present, we are preparing for an amendment to the Guideline for Supervision ahead of the possible enactment of the draft amendment to the Financial Instruments and Exchange Act (FIEA), which have already been submitted to the Diet, and are strengthening our efforts to ascertain the current status of individual service providers' cybersecurity measures. Additionally, we are planning to conduct a threat-based penetration test to simulate a cyberattack from the viewpoint of an attacker with the FSA's budget. Furthermore, we have also conducted research to show ways to utilize existing cybersecurity standards based on an analysis of past cases of outflow of cryptoassets. As a policy package including these, the FSA published the Policy Approaches to Strengthen Cybersecurity for Cryptoasset Exchange Services in April 2026.[1]

1 https://www.fsa.go.jp/news/r7/sonota/20260403/20260403.html (Available in Japanese)

Figure 1 Outline of the "Policy Approaches to Strengthen Cybersecurity for Cryptoasset Exchange Services" (published on April 3, 2026)

Policy Approaches to Strengthen Cybersecurity for Cryptoasset Exchange Services

- **Domestic and foreign investors have come to position cryptoassets as investment targets**. In the meantime, since the emergence of Bitcoin, a number of cyberattacks causing the outflow of cryptoassets have occurred worldwide.
- In particular, in recent years, cases involving the outflow of cryptoassets are not necessarily caused by the theft of signing keys, but **the trend of employing various other ingenious tactics, including indirect attacks, such as a social engineering attack and intrusion into outsourcees, has become prominent**. In addition, the occurrence of cyberattacks suspected of involving some national governments for the purpose of acquiring foreign currencies is also pointed out. Under such circumstances, **a report by the Working Group on the Cryptoasset System points out the need for cryptoasset exchange service providers to work hard to enhance their cybersecurity**.
- **In order to further strengthen cryptoasset exchange service providers' cybersecurity**, **the FSA** decided to encourage individual service providers to make self-help efforts and the industry as a whole to make mutual assistance efforts, and to take certain support measures from the perspective of public assistance efforts, and compiled and **published** those efforts **as the policy approaches**.

Steady implementation of self-help efforts

The FSA will encourage individual cryptoasset exchange service providers to steadily take cybersecurity measures (self-help efforts).

- To intensively monitor individual service providers' cybersecurity systems and ascertain and analyze the current situation in a cross-industrial manner
- To consider raising the levels of cybersecurity expected by the Guideline for Supervision of Crypto-Asset Exchange Service Providers (e.g. levels of the personnel structure relating to cybersecurity, external audits, and management of outsourcees, etc.)

Promotion of mutual assistance efforts

In light of the existence of problems regarding cybersecurity that cannot be handled by individual cryptoasset exchange service providers alone, the FSA will encourage efforts by the entire industry (mutual assistance efforts).

- To recommend the self-regulatory organization to strengthen its system for enhancing its capability to develop self-regulatory rules on cybersecurity and to supervise its members
- To recommend cryptoasset exchange service providers to positively participate in information sharing organizations (such as JPCrypto-ISAC), thereby strengthening the information sharing functions of the industry as a whole

Public assistance efforts

The FSA will also offer support as necessary (public assistance efforts).

- To conduct analytical surveys of past cyberattacks against cryptoasset exchange service providers inside and outside Japan (Blockchain Multilateral Joint Research Project)
- To continue improving the scenario for cryptoasset exchange service providers in the Financial Industry-Wide Cybersecurity Exercise (Delta Wall), which is organized and implemented by the FSA
- To conduct Threat-Led Penetration Testing (TLPT) targeting several cryptoasset exchange service providers and demonstrate its effectiveness

Hattori: You mean that cryptoasset exchange service providers are also required to develop systems equivalent to those for other business categories in the financial sector, right? Is there any opposition from service providers due to the additional cost imposed by the requirement?

Sugino: Yes, some service providers consider it as additional cost. However, the safe management of customers' assets has become a cybersecurity business itself. There is a risk of causing an outflow of a large amount of customers' assets if sufficient measures are not taken. Therefore, cybersecurity should be positioned as one of the most important managerial challenges.

Hattori: Are cybersecurity measures generally being taken from the perspective of protecting investors?

Sugino: On one hand, cybersecurity measures are positioned as efforts to be made from the perspective of protecting investors, but that is not all. Cybersecurity measures are required also from the perspective of preventing national wealth from being robbed by attackers with the suspected involvement of foreign governments aiming to acquire foreign currencies, etc. Additionally, cryptoassets are characterized by the fact that they can be transferred instantly on the internet at a cheaper cost compared to conventional financial assets. Therefore, when an illegal outflow occurs, cryptoassets are transferred to a number of addresses in a short time and the relevant assets move via multiple countries and regions. In those processes, technologies to make it difficult to track and recover money may be used. Due to these characteristics, preventive measures are extremely important for cryptoassets, not limited to ex post facto measures.

Engaged in the system from a supervisory viewpoint

Hattori: In what ways are you involved in policies, specifically, Ms. Tomita?

Tomita: The Office of Director for Blockchains and Innovations, Cryptoasset Exchanges Service Providers Supervision is in charge of supervision of businesses dealing in cryptoassets and stablecoins. As a point of contact, I mainly compile cases of individual lines in the office and make adjustments for cases to be handled with other offices.

For example, at the Working Group on the Cryptoasset System of the Financial System Council, of which the Financial Markets Division takes charge, I compiled the office's views as a department supervising cryptoasset exchange service providers and worked in collaboration with the Financial Markets Division. The office has gained knowledge about the cryptoasset-related industry through its supervisory activities, and has staff with specialized knowledge on blockchain technologies, like Mr. Sugino. We talked about cases of the outflow of cryptoassets earlier, but it is necessary to incorporate the awareness of issues on cybersecurity, for example, in deliberations on the amendment of the FIEA. I think that this is the field where our knowledge on past cases as a supervisory department is especially needed.

When the FIEA is amended, our office will amend the Guideline for Supervision of Crypto-Asset Exchange Service Providers (Guideline). Detailed rules are to be incorporated into the Guideline in many places, and an understanding of laws and regulations is required. Accordingly, we have engaged in deliberations on the amendment of the FIEA.

Hattori: What do you think is the difference between overseas regulations and regulations in Japan?

Tomita: Japan became the first country in the world to introduce a system concerning cryptoassets in 2017 and a system concerning stablecoins in 2023. The systems are in line with the international standards formulated by the Financial Stability Board (FSB). In the report published by the FSB last October,[2] Japan is evaluated as a jurisdiction where regulations on both cryptoassets and stablecoins are most advanced. Cryptoassets and stablecoins characteristically cross borders easily, and also from the perspective of preventing regulatory arbitrage (a practice of doing business activities in jurisdictions with weak regulations, thereby slipping through regulatory cracks), basically, the development of consistent regulations globally is needed. However, in reality, there are differences depending on the circumstances of individual jurisdictions.

For example, with regard to stablecoins issued in a foreign country, the Japanese Payment Services Act does not regulate foreign issuers directly, but it does regulate brokers dealing in the relevant foreign stablecoins (electronic payment instruments service providers) on the premise that foreign issuers are subject to foreign regulations equivalent to Japanese regulations. On the other hand, in the EU, distributed stablecoins are premised to be issued within the EU, and therefore, foreign issuers also need to have a business base within the EU. In the case of the United States, foreign issuers need to be subject to regulations equivalent to those in the United States, which is similar to the approach adopted by Japan, but specific operations are to be prescribed after detailed rules of the GENIUS Act are formulated and put into effect.

One of the examples of stablecoins issued overseas is USDC, which a Japanese service provider has started to deal in. For supervising transactions of USDCs, it is important to ascertain foreign regulations and supervisory trends. For example, USDCs had been issued only in the United States, but due to the regulations in the EU as mentioned above, they came to be also issued in the EU recently. However, because of the way in which they are distributed on a blockchain, it is not possible to tell whether they were issued in the United States or in the EU. There is the possibility that USDCs issued in the United States may be distributed and redeemed in the EU, and an increased need for international collaboration between the authorities and discussions on the differences in regulations among jurisdictions is pointed out. The idea is generally called the multi-jurisdictional issuance model, which often comes up in talks with foreign authorities.

Hattori: Ms. Tomita belonged to the Office of International Affairs until last year, but what did you think when you actually started to engage in supervisory work?

Tomita: At the Office of International Affairs, I followed up discussions at large committees and international organizations, such as G20, FSB, and IMF, and therefore, I could broadly understand international discussions on the FSA's policy measures. While working at the office, I was able to learn many things from my seniors in the international department regarding ways of communicating at international conferences in consideration of other countries' standpoints and ways of presenting issues from Japan (agenda setting).

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2 https://www.fsa.go.jp/inter/fsf/20251023/20251023.html (Available in Japanese)

After starting to work at the department supervising cryptoassets and stablecoins, I am sometimes asked to correspond with foreign authorities or survey trends on more practical, specific issues. For example, regarding stablecoins, while various efforts are being made in individual countries as I said earlier, the positioning of stablecoins issued in foreign countries under the Japanese Payment Services Act are not necessarily clear in some cases. In those cases, we need to collaborate with the authorities of the relevant countries and correctly understand the regulations and actual statuses of those stablecoins. In addition, we sometimes collaborate with the planning department to consult on legal interpretations and discuss the need to clarify how to handle the relevant stablecoins by Cabinet Office Orders or Guidelines as required.

Hattori: Has the office that Ms. Tomita belongs to actually amended any Cabinet Office Order or Guideline?

Tomita: Yes. We once discussed the handling of stablecoins issued in foreign countries and worked for legal amendments in collaboration with the planning department.

Hattori: Ms. Tomita, with your background as a science student, what was your impression when you started working on legal affairs in the FSA?

Tomita: I had had no direct contact with laws and had thought that I was not suited to working on them. I majored in science at university, and studied data science when I was a graduate student. I basically like to ascertain the current situation as accurately as possible through analysis using figures and data, which is like taking a snapshot of where things stand at that point in time. Regarding laws, I had the impression that rules created based on past cases are being implemented and I think that I did not understand concretely how to respond to ever-changing circumstances.

Photo: Deputy Director Tomita

After starting to work at the supervisory department, which is in charge of work related to the field of FinTech, in which new services are created one after another, I often have opportunities to hear discussions among experts, such as lawyers, in the office. I have come to understand the thought processes for legal interpretations and legal amendments little by little and have become able to envision those things more clearly, and now I feel interested. In addition, I also have many opportunities to see foreign laws and regulations concerning cryptoassets and stablecoins, and have discovered new things, such as the existence of various approaches to a single issue, and I feel that my understanding of international discussions is deepening through comparison with foreign laws and regulations and among various approaches.

Future actions of the FSA

Hattori: Deputy Director-General Shimazaki seems to have been providing lectures in various places recently. In March, Japan Fintech Week 2026 was held.

Shimazaki: I often provide lectures on stablecoins and blockchains.

Backgrounds to the recent spread of the use of blockchains include the fact that blockchain records cannot be falsified, and many stakeholders can confirm that.

For example, many stakeholders, such as freight owners, logistics companies, financial institutions, and administrative organs, are involved in trading. Some companies started to develop a mechanism wherein trade-related documents and information are exchanged via a blockchain and can be centrally managed and referred to among various stakeholders. This is an example showing the advantage of centrally managing correct information by a number of stakeholders. Such advantage will become increasingly important in logistics and retailing, not only trading. Furthermore, if places of origin, marketing channels, and other information of agricultural products and foodstuffs are preserved as records that cannot be falsified, consumers can purchase them without concern.

Programmability is also an important characteristic of blockchains. This characteristic makes tasks easy by using a smart contract to create a mechanism to automate subsequent actions when a certain condition is satisfied. Then, by utilizing this function, it is possible to create a mechanism for commercial transactions and trading to automate payments immediately or in a few days after goods or documents arrive. Recently, in addition to the advantage of low remittance cost and rapidity, the possibility of such use of blockchains in combination with business information has started to be pointed out.

The usefulness of blockchains started to be recognized in the late 2010s in association with cryptoassets. However, after a temporary boom, there has been no conspicuous movement regarding blockchains for some time. It is only quite recently that in-depth discussions on blockchains started in relation to the settlement of stablecoins. I think there is a possibility that discussions will expand to the use of blockchains for the settlement of securities.

Hattori: I am especially interested in that point. There was news about the tokenization of MMF.

Shimazaki: This issue is being addressed in the project called “Payment Innovation Project (PIP),”[3] which we talked about in Series 2. The first project launched last November is a Proof-of-Concept (PoC) experiment in which megabanks jointly issue stablecoins with the aim of making cross-border remittances by a large trading company more efficient. The second project is to utilize blockchain technologies in transferring rights via book-entry transfer account registers of various securities, including government bonds and corporate bonds.

Natori: When financial institutions seek to conduct pilot experiments for new businesses, they may face difficulties in interpreting the provisions of relevant laws and regulations, as they are venturing into uncharted territory where few precedents exist. PIP provides a framework to support such businesses in conducting such experiments by offering assistance with the interpretation of relevant laws and regulations and other regulatory matters.

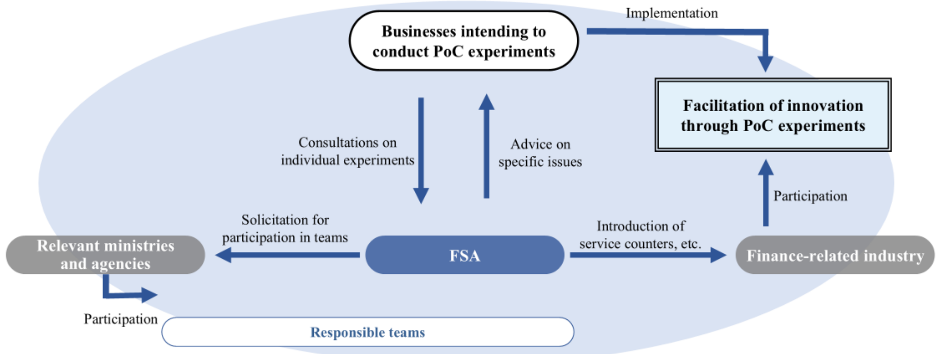
In recent years, there has been growing momentum both in Japan and abroad toward enhancing payment systems through the use of blockchain technology, including initiatives to improve the efficiency of cross-border payments and enable Delivery versus Payment (DvP) settlement of security tokens. I understand that many businesses are considering conducting pilot experiments in these areas.

While such experiments may evaluate a variety of aspects including technical feasibility, commercial viability, and customer experience and usability, regulatory compliance is also one of the key considerations.

Figure 2 FinTech PoC Hub and Payment Innovation Project

FinTech PoC Hub and Payment Innovation Project (PIP)

- The FSA opened the FinTech PoC Hub on September 21, 2017, with a view to eliminating hesitation and worries that Fintech companies and financial institutions are likely to have when intending to conduct unprecedented Proof-of-Concept experiments.
- For each experiment, a responsible team is formed in the FSA, and each team compiles risks regarding compliance and responses to supervision, as well as issues in legal interpretations that may arise when providing relevant new services to general users, in collaboration with relevant ministries and agencies as required, and offers ongoing support to facilitate innovative challenges.
- In November 2025, the FSA established the Payment Innovation Project (PIP) within the FinTech PoC Hub and started offering support for initiatives for enhancing payment procedures by using blockchain technologies, etc.



3 https://www.fsa.go.jp/news/r7/sonota/20251107-2/01.html (Available in Japanese)

Hattori: For example, what are the hurdles to the utilization of blockchain technologies for securities?

Shimazaki: We need to consider carefully how to interpret legal provisions, etc. in the case of utilizing blockchain technologies in recording and managing book-entry transfer account registers, but I think it is possible to make adjustments. However, before undergoing the process from making an agreement on a securities transaction through to completing the settlement more smoothly, it is necessary to consider the whole process. When I conduct an interview, many people say that the cross-checking of transactions after making agreements is most time-consuming. Therefore, if the cross-checking of transactions can be streamlined by using blockchain technologies, the settlement process for securities as a whole is expected to be improved.

Hattori: Indeed, there are various patterns for cross-checking and human errors may lead to a failure. Even now, bond transactions are conducted verbally by sales personnel. After an agreement is made, the agreed details are sent to a back office. In these various stages, there are possibilities of human errors. Do you have connections with the Japan Securities Depository Center, Inc. (JASDEC)?

Shimazaki: We have connections with people not only at JASDEC but also at other related organizations, such as the Bank of Japan and the Tokyo Stock Exchange. Attitudes toward new technologies vary by player, but I think that they all agree that it is important to watch technology trends.

Some FSA staff, like Mr. Sugino, have acquired technological knowledge through their experience in foreign countries. I think they have big chances to take an active part in this field, but when it comes down to it, people in private companies generally have superior technological knowledge. Our mission is to consider how to offer support from the viewpoint of public administration, or what system is required or how the financial system and intermediary functions should be developed for protecting investors and service users.

We are always aware of how important it is to back up the positive efforts of private businesses and to convey this stance of the FSA externally. In addition, we should point out what we need to say from the perspective of protecting investors and service users or otherwise securing the public interest, as I mentioned earlier. I think that our duties are to contribute to the development of the economy while satisfying the requirements expected for financial administration, which is like solving an equation that balances those two considerations.

Notice

A Nationwide Campaign, Financial and Economic Education Caravan

— Event to Be Held in Yokohama on June 20 / Deputy Director-General, WANISA, Busy Making Courtesy Visits! vol.13 —

The Financial Services Agency has been working on the promotion of financial and economic education, and has launched a nationwide campaign, Financial and Economic Education Caravan, led by its official mascot character, "Wanisa," in collaboration with Local Finance Bureaus, local governments, financial institutions, non-financial companies and others, with the aim of expanding financial and economic education throughout Japan.

On Saturday, June 20, the following event will be held in **Kanagawa Prefecture** as the 11th event.

■**Date and time: 11:00 a.m. to 4:30 p.m. on Saturday, June 20, 2026** (tentative)

■**Venue: Queen's Square YOKOHAMA** (2-3, Minatomirai, Nishi-ku, Yokohama City)
1F Queen's Circle (stage events and exhibition booths)

■**Performers: Murakami Tomoko (Morisanchu), Member, Aoki Maccho, Kurita Kohei (OCTPATH), Yotsuya Shinsuke (OCTPATH), Ahomild Sakamoto, and Taketo (master of ceremonies)**

■**Major content**

➢ **Stage shows**
- * "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)

➢ **Lecture programs**
- * "Aim to be a Shareholder King: Shareholding Recommendations by Takanotsume Dan!"
  — a program for learning about shares in the form of a game while watching an animated film —
  [Provided by Nomura Holdings]
- * Learn using Minecraft – Quest of Finance – Knowledge on Money, the Valiant's Weapon
  [Provided by the SMBC Group]
  *** NOT OFFICIAL MINECRAFT PRODUCT. NOT APPROVED BY OR ASSOCIATED WITH MOJANG**

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/yokohama/

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 Wakayama Governor Miyazaki (delivered on April 9) (Available in Japanese)

▶Courtesy visit to Kochi Governor Hamada (delivered on April 21) (Available in Japanese)

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!

* 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 April (April 1 to April 30, 2026)

- Minister KATAYAMA meets Mr. Hernández de Cos, General Manager of the BIS, in Tokyo (April 21, 2026)
- Updated : Human Capital Disclosures (April 17, 2026)
- Publication of "FSA Analytical Notes (2026.3): An Empirical Examination toward a Multi-faceted Understanding of the OTC Derivatives Market" (April 17, 2026)
- Publication of "FSA Analytical Notes (2026.2): Analysis of Human Resource Support by Regional Banks and Shortages of Managerial Talent at Firms" (April 17, 2026)
- International Forum of Independent Audit Regulators published the Report on 2025 Survey of Inspection Findings (April 13, 2026)
- Draft revisions to the Corporate Governance Code for public consultation (April 10, 2026)
- Human Capital Disclosures (April 9, 2026)
- Publication, the English version of Japanese Roadmap for sustainability disclosures and assurance (April 9, 2026)
- Interview Article "Supervisory cooperation in a fragmented world: The IAIS work agenda" in The Eurofi Magazine (March 2026) (April 8, 2026)
- Twenty-fourth Meeting of the "Council for Cooperation on Financial Stability" (April 8, 2026)
- We have updated the "Cold Calling" list (as of March 31, 2026). (April 7, 2026)
- Publication of the Research Report, "Strengthening the Management of Third-Party Cybersecurity Risks by Financial Institutions" (April 3, 2026)
- The Expert Panel on the Revision of the Corporate Governance Code (3rd meeting) Material (April 2, 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.

— Recently published contributions — [All available in Japanese]

◆ Recent Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the December 25 issue of the Monthly Journal of the Japan Audit & Supervisory Board Members Association)

◆ Recent Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the November 1 issue of the Monthly Journal of the Institute of Internal Auditors-Japan)

MAEDE Tomomi, Assistant Director, Monitoring and Inspection Division, CPAAOB Secretariat

◆ Recent Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the December 10 issue of the Financial Law Journal)

OKAMURA Kenji, Senior Deputy Director for Office of Monitoring and Inspection, Monitoring and Inspection Division, CPAAOB Secretariat

◆ Recent Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the December 4 issue of the Accounting)

◆ Matters Recently Pointed out in Inspections of Audit Firms (published in the October 27 issue of the Weekly Keiei Zaimu (Digital Version))

◆ Recent Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the October 20 issue of the Weekly Keiei Zaimu (Digital Version))

◆ Recent Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the October 5 issue of the Shoji Houmu Issued Every 10 Days)

ITODA Hideto, Director of the Monitoring and Inspection Division, CPAAOB Secretariat

◆ Matters Recently Pointed out in Inspections of Audit Firms (published in the December 1 issue of the Monthly Journal of the Institute of Internal Auditors-Japan)

◆ Matters Recently Pointed out in Inspections of Audit Firms (published in the November 25 issue of the Monthly Journal of the Japan Audit & Supervisory Board Members Association)

AIZAWA Masaki, Senior Inspector, Monitoring and Inspection Division, CPAAOB Secretariat

◆ Publication of Monitoring Activities of the Certified Public Accountants and Auditing Oversight Board (published in the November 15 issue of the Accounting and Audit Journal)

AOKI Masaaki, Chairperson, CPAAOB

👉 For other contributions, please visit the following website. (Available in Japanese)
Certified Public Accountants and Auditing Oversight Board
https://www.fsa.go.jp/cpaaob/sonota/keisai/r07.html

Editorial Postscript

Thank you for reading Access FSA. This month's issue outlines the Public-Private Coordination Meeting on Strengthening Cybersecurity Measures in the Financial Sector Against AI-Related Threats and the Meeting of Local Finance Bureau Directors-General held recently, and introduces the Monitoring Report on Regional Banks' Provision of Structured Loans and the report of the Working Group for the Enhancement of Corporate Risk Management. Please read them.

Since May began, the temperature has often exceeded 25℃ or even 30℃ in many areas in Japan. According to the definitions by the Japan Meteorological Agency, days with the highest temperature exceeding 25℃, 30℃, 35℃, and 40℃ are called summer days, midsummer days, heat days, and scorching days, respectively. I intuitively felt that the number of hot days has clearly increased from when I was a child, so I checked the number of summer days in Tokyo in May based on data held by the Japan Meteorological Agency. There were 4 summer days 40 years ago (1986), 7 summer days 20 years ago (2006), 17 the year before last (2024), and 11 last year (2025). I was correct—the number of hot days has indeed been increasing over the years. Please be careful regarding summer heat.

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.)

https://www.fsa.go.jp/index.html