

Main Topics Raised by the Financial Services Agency (FSA) at a Dialogue Meeting with the Industry Association

[Held on April 15, 2025 (dialogue meeting with major banks, etc.)]

1. Financial response based on the impact of U.S. tariff measures

- In response to U.S. tariff measures, the Financial Services Agency Comprehensive Task Force on U.S. Tariff Measures was established in the FSA on April 8, 2025, at the direction of Minister of State for Financial Services Kato.
- Prior to this, on April 3, along with the relevant ministries and agencies, the FSA made a request for public and private financial institutions to take measures in order to prevent serious financial difficulties at small and medium-sized enterprises affected by the U.S. tariff measures.
- We ask financial institutions to provide support to businesses affected by the U.S. tariff measures, such as offering consultation on business management.

2. Request for customer support for stable asset building

- On April 8, 2025, the FSA established the Financial Services Agency Comprehensive Task Force on U.S. Tariff Measures to comprehensively address the latest U.S. tariff measures.
- At the same time, in light of the statement by Minister of State for Financial Services Kato that financial institutions will be required to respond carefully to inquiries and consultations from individual investors, on April 11, the FSA requested financial institutions to implement the following measures: (1) respond carefully to individual investors by providing information, taking a proactive approach, and developing a consultation system, and (2) understand the current status of transactions through NISA accounts.

(Reference) The FSA “Customer support for stable asset building (request)” (published in April 2025)

<https://www.fsa.go.jp/news/r6/sonota/20250414/yousei.html> (Available in Japanese)

3. Response to U.S. tariff policy

- Given the uncertainty surrounding U.S. tariff measures, we urge financial

institutions to take all possible measures to manage risks.

- We also hope that financial institutions will exert their high-quality financial intermediary functions and fully support the Japanese economy by making further efforts to understand the actual status of their business partners.
- The FSA will confirm, as necessary, the actual status of large borrowers in each financial institution who have a particularly large impact on the financial condition of the institution.

4. Announcement of Revitalization and Re-Challenge Support Facilitation Package

- On March 17, 2025, the FSA, in the joint names of all concerned parties, compiled a package to facilitate business revitalization and re-challenge, which includes strengthening the system to support business revitalization, as the Revitalization and Re-Challenge Support Facilitation Package.
- We hope that financial institutions will promote the package to the front lines of their business operations and make even stronger efforts to improve their management and support business revitalization and re-challenge.

(Reference) The FSA “Thorough support for businesses based on the Revitalization and Re-Challenge Support Facilitation Package” (published in April 2025)

<https://www.fsa.go.jp/news/r6/ginkou/20250318/yousei.html> (Available in Japanese)

5. Financial measures in response to, etc. caused by forest fire wildfires that broke out on March 23, 2025

- With regard to disaster caused by forest fire wildfires that broke out on March 23, 2025, we request again that financial institutions operating in the affected areas provide detailed support to the victims of the disaster.

6. Thorough management of customer information in light of administrative actions against four non-life insurance companies

- On March 24, 2025, the FSA issued business improvement orders to four non-life insurance companies under the Insurance Business Act.
- In order to prevent inappropriate handling of customer information by employees seconded from the insurance company, etc., the FSA requested the insurance

companies to take appropriate measures regarding the environment for managing customer information at banks and insurance agents within the bank group.

7. Announcement of draft revision of Comprehensive Guidelines for Supervision of Major Banks concerning safety deposit box

- With a view to ensuring the appropriateness of safety deposit box operations by financial institutions, the FSA released a draft revision of the Comprehensive Guidelines for Supervision of Major Banks on March 27, 2025, and called for public comments.
- The FSA notes that financial institutions will revise their terms and conditions in accordance with the Japanese Bankers Association's revised model rules of safety deposit box.
- Given the impact on existing customers, the FSA urge financial institutions to dully inform their existing customers of the impact and changes.

8. Matching management personnel, etc. to medium-sized enterprises and SMEs

- REVICareer, a human resources platform that matches personnel from large enterprises as management personnel for medium-sized enterprises and SMEs in the region, has been revised in April so that major banks can flexibly participate as intermediaries.

9. Ensuring appropriate Mergers and Acquisitions support

- Recently, we've seen a string of problems with Mergers and Acquisitions caused by malicious buyers.
- In light of this situation, we urge financial institutions to be careful not to be involved or exploited by malicious buyers or Mergers and Acquisitions intermediaries when supporting Mergers and Acquisitions.

10. Study Session on the Utilization of Enterprise Value Charge provided by the Japanese Bankers Association

- The report on the Study Session on the Utilization of Enterprise Value Charge, for which the Japanese Bankers Association served as the secretariat, was released on March 27, 2025.

- We hope that financial institutions will continue to promote cash flow-based lending, taking advantage of this system as an option, while referring to the discussions on practical issues at the Study Session.

(Reference) Japanese Bankers Association, “Report on the Utilization of Enterprise Value Charge” (fiscal 2024)

<https://www.zenginkyo.or.jp/fileadmin/res/news/news370327.pdf> (Available in Japanese)

11. full digitalization of the bills and check functions and promotion of data-linkage in the invoices and payments

- The Japanese Bankers Association decided to abolish the exchange of bills and checks at the electronic clearing-house system from the beginning of fiscal 2027. Financial institutions are requested to take measures such as planned service changes and customer awareness.
- The replacement of ZEDI was completed in February 2025, but the number of ZEDI users remained low. In order to promote the data-linkage in the invoices and payments, we again request financial institutions to make efforts to support the digital transformation of their business partners.

(Reference) Japanese Banks’ Payment Clearing Network, operation experience video of ZEDI-compatible software (provided and published in January 2025)

<https://www.zengin-net.jp/zedi/start/> (Available in Japanese)

12. Informing the employees of the customer service policy

- The FSA has heard that some branches and consultation counters do not completely follow their customer service policy and provide sufficient service.
- The FSA requests that the financial institutions inform their employees of the customer service policy to take appropriate and courteous actions for their customers.

13. Interim verification of the Second Basic Plan for the Promotion of the Use of the Adult Guardianship System

- Regarding the Second Basic Plan for the Promotion of the Use of the Adult Guardianship System, which was approved by the Cabinet in March 2022, an interim review report was compiled in March 2025. It was reported at the Council for the

Promotion of the Use of the Adult Guardianship System.

- In the financial sector, the report said the government would promote the further introduction of Guardianship Support Deposits and Guardianship Support Trusts.
- We request each financial institution to provide financial services that appropriately respond to the needs of the elderly, etc. based on the results of the interim review.

14. Results of the questionnaire on the “Guideline for Handling of Money Left Behind, etc., in the Case of the Death of a Person with No Family”

- In July 2023, the Ministry of Health, Labour and Welfare and the Ministry of Justice revised the “Guideline for Handling of Money Left Behind, etc., in the Case of the Death of a Person with No Family” to clarify the legal basis for withdrawal of deposits by municipalities, etc. that paid for cremation, etc. for a person who has no family, and the FSA re-publicized the guideline to each association.
- As a result of the questionnaire survey on the implementation status of the guideline of each financial institution, it was found that the content of the guideline had been heeded to a certain extent and that many financial institutions are following the guideline. We request that financial institutions continue to take appropriate measures in accordance with the guideline.

15. Transition to post-quantum cryptography (PQC)

- With the realization of quantum computers, existing cryptography is at risk of being deciphered. Critical systems and services exposed to such risk need to make a transition to those that implement post-quantum cryptography (PQC).
- Since the transition to PQC is likely to require a great deal of time, human resources, and investment, it is inappropriate to postpone the preparation, and it must be addressed immediately.
- The FSA will promote and follow up on the progress of financial institutions and the financial industry as a whole toward the transition to PQC, including through inspections and monitoring.

(Reference) The FSA “Report of the Study Group on Deposit-Taking Institutions’ Response to Post-

Quantum Cryptography” (published in November 2024)

<https://www.fsa.go.jp/news/r6/singi/20241126.html> (Available in Japanese)

16. Start of the regular collection of granular loan level data

- We have started the collection of granular loan level data on a regular basis from the data for the reporting period ending in March 2025. We intend to share the insights taken from analyses and enhance our monitoring framework by using the granular data, which would bring benefits to financial institutions as well.

17. Publication of documents on the approach and dialogue on validation of the effectiveness of AML/CFT frameworks

- The Guideline for Anti-Money Laundering and Combating the Financing of Terrorism requires each financial institution to verify the effectiveness of its AML/CFT frameworks and to constantly review and improve them.
- In order to promote the efforts of financial institutions, the FSA published in March 2025 a collection of approaches and examples that can be used as reference when conducting effectiveness validation.
- With reference to these documents, we expect financial institutions to proceed with effectiveness validation under the leadership of their management.

18. Follow-up to request for strengthening measures to prevent account misuse, etc.

- Amid the growing sophistication and diversification of financial crime techniques, the FSA issued a request in August 2024 to strengthen measures against the misuse of deposit and savings accounts, including corporate accounts.
- The FSA will continue to check the status of responses to the request, and we hope that financial institutions, under the leadership of their management, will further strengthen and raise their level of countermeasures against account misuse.

19. Revision of “reference cases on suspicious transactions”

- The “reference cases on suspicious transactions” formulated and published by the FSA provides examples of cases to which each financial institution should pay special attention in fulfilling their obligation to report suspicious transactions.

- Based on recent trends in financial crime, the reference cases will be revised, mainly by adding specific viewpoints on non-face-to-face transactions.
- It is expected that financial institutions will deter financial crimes, etc. by referring to the revised cases.

20. Survey on NISA account usage

- On February 13, 2025, the FSA released a survey on NISA account usage (preliminary report at the end of December 2024). The number of NISA accounts was about 25.6 million and the total purchase price was about 52.7 trillion yen.
- In the future, we will examine the contribution of NISA to stable asset formation, taking into account the opinions of experts, and will consider further improvements such as the improvement of convenience, if necessary.
- Financial institutions are requested to continue to pay attention to the situation of their customers and make improvements as necessary.

21. J-FLEC and action policy for financial and economic education

- In order to improve financial literacy in each region, the FSA and the Local Finance Bureaus will conduct a nationwide tour to promote financial and economic education from the spring of 2025.
- We hope that financial institutions will cooperate to further promote financial and economic education by further enhancing their activities related to financial and economic education, cooperating with the nationwide tour, publicizing the activities of the J-FLEC to business partners, etc., and fostering J-FLEC certified advisors and other experts in financial and economic education.

22. Policies of Japan Weeks and Asset Management Forum

- Japan Weeks 2025 will be held in October 2025 as a series of finance-related events that will be held at the same time as an opportunity to effectively disseminate measures of Asset Management Nation and the attractiveness of the Japanese market to Japan and overseas, as well as to introduce valuable opinions and initiatives from financial institutions, investors, and others in Japan and overseas. The core week is from October 20 to 24, 2025.

- During the same period, the annual meeting of the Asset Management Forum will be held as a forum for dialogue on promoting the shift from savings to investment among Japanese households and reform of the asset management business.
- The themes of the subcommittee are (1) alternative investment, (2) enhancement of the value of Japanese companies and promotion of investment in Japan, including regional areas, (3) digital transformation of the asset management business, and (4) sustainable finance.

23. Subcommittee for the Promotion of an Asset Management Nation

- Under the Council for the Realization of New Capitalism, the Subcommittee for the Promotion of an Asset Management Nation, headed by Minister of State for Financial Services Kato, was established to evaluate the progress and effects of measures related to the Asset Management Nation from expert knowledge and to consider further measures. The first meeting was held on March 26, 2025.
- In preparation for Japan Weeks 2025 in October 2025, we plan to compile results, additional measures, and improvements and materialization of existing measures related to Asset Management Nation. We intend to deepen our consideration by listening to various opinions, including those of the financial industry.

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