

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

Held on September 16, 2025 (with the Japan Securities Dealers Association (JSDA))

1. Announcement of the FSA Strategic Priorities

- The FSA published the FSA Strategic Priorities for Program Year 2025 on August 29, 2025. This clarifies the priority measures implemented by the FSA in each program year.
- This year's Strategic Priorities provide a focused summary. We will steadily implement not only the measures outlined in these priorities but also those we have been continuously working on.
- We aim to use the Priorities as a starting point to share our understanding of challenges with each financial institution and foster meaningful communication. If you have any questions, concerns, or suggestions regarding the FSA's policies, please feel free to contact us.

2. Supervision and inspection policy for Program Year 2025

- Two points are explained regarding the supervision and inspection policies for securities companies in Program Year 2025, including the content of the Strategic Priorities.

A. Review of supervisory and inspection systems

- In Program Year 2025, the FSA has established a framework for conducting supervision and inspections that encompassed group-wide supervision of large financial groups. This involves integrating the supervisory divisions and monitoring bureaus to operate more integrally and effectively, while assigning the same deputy director general to oversee major banks and securities companies.
- Furthermore, from the perspective of looking at large financial groups operating in multiple business lines as a whole, we have established a system where information affecting the group's overall business and governance is consolidated within the bureau. This is achieved by strengthening coordination among relevant divisions such as the Securities Business Division and the Banking Business Division I.

- Regarding risks and challenges commonly faced by numerous financial institutions, the FSA will continue to issue various communications as it has done previously. However, to facilitate smoother responses by financial institutions, we would like to emphasize the importance of clearly defining the nature of these communications when issuing them. This includes specifying whether they represent a particular request from the Supervision Bureau, a general advisory notice, or information provided for reference purposes. If you have any questions or concerns regarding the nature of these instructions, please contact the Securities Business Division directly.
- Moreover, the current Supervision Bureau aims to reorganize into the Banking and Securities Supervision Bureau for Program Year 2026. This policy direction was adopted in light of the reality of large financial groups and the need to enhance supervision on a group basis. In any case, we do not believe that the manner in which the Supervision Bureau engages with individual securities companies will change significantly as a result of this review of the framework.

B. Supervisory viewpoints

- Amid these circumstances, monitoring of securities companies in Program Year 2025 includes the following:
 - Continuing to monitor compliance with laws and regulations, and self-regulatory rules concerning the structuring of financial instruments, sales solicitation systems, and related matters;
 - Discussing sustainable business models with each securities company, taking into account changes in the environment surrounding securities companies, such as the shift to online trading, lower transaction costs, and diversification of services;
 - Furthermore, in light of damages from unauthorized access and unauthorized transactions in Internet trading services, we will conduct focused monitoring on the status of security system implementation based on the supervisory guidelines scheduled for revision shortly; and
 - Additionally, for large securities companies, as they continue to expand their businesses domestically and internationally, we will continuously verify their

group and global governance and risk management frameworks.

- In particular, we are requesting each security company to take concrete and proactive measures regarding the establishment of security frameworks, and will continue to verify the status of these measures through various hearings and opportunities for opinion exchange.

3. Response to incidents of unauthorized access and transactions in Internet transactions

- On September 8, 2025, the FSA announced on its website the status of incidents of unauthorized access to securities accounts and unauthorized tradings as of the end of August. As incidents continue to occur, we request that securities companies continue to maintain a sense of urgency and alert investors and strengthen security measures.
- With regard to compensation for customers who have suffered damage, we ask securities companies to take sincere measures to rebuild an environment in which investments can be made with peace of mind. When proceeding, we encourage securities companies to carefully explain to customers and understand the circumstances of each customer, and then treat them fairly.
- We would like to ask each securities company to continue to recognize that the management has the responsibility for security measures and to make every possible effort to prevent the spread and recurrence of damage for customers.

4. Requests for Fiscal 2026 Tax Reform

- On August 29, 2025, we published our tax reform requests for fiscal 2026.
- Main requests include the following:

As measures to promote an Asset Management Nation, “Enhancement of the system, including expansion of NISA-eligible products,” “Simplification of NISA-related location verification procedures,” and “Review and extension of tax incentives for investment corporations”

As measures concerning crypto assets and insurance, “Revision of taxation related to crypto asset transactions,” “Permanent expansion of the life insurance premium deduction system, etc.”

As measures toward realizing an international financial center, “Revision of special taxation rules for foreign members,” “Revision of procedures under tax treaties, etc., to promote cross-border investment,” and “Unification of taxation on financial income.”

- While serious discussions are going to be held toward the year end, we would like to receive your continued cooperation in the securities industry.

5. Request regarding price pass-through and fair trade practices

- To promote price shifting and proper business transactions that secure funding for wage increases, we sent a request letter to the JSDA in April and August 2025.
- Specifically, we requested JSDA to inform the amendments to the Subcontract Act and the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises enacted in May 2025 and to consider making indirect expenses, such as security, building maintenance, and advertising, subject to price negotiations.
- The elimination of business practices that hinder price shifting is a government-wide initiative. We request top management to understand the intent and content of this request and take the lead in implement price shifting and proper business transactions steadily.

6. Whistleblowing Contact, etc.

- In recent years, amid a succession of frauds exploiting financial services and scandals and misconduct involving financial institutions and financial markets, it is crucial to restore trust in the fairness and safety of financial institutions and financial markets, as noted in these FSA Strategic Priorities.
- The FSA has established a contact for whistleblowing to receive information on so-called whistleblower reports and financial services. The information provided has been utilized to enhance financial institution monitoring, and we intend to make even greater use of it going forward.
- On the other hand, restoring trust in the fairness of financial institutions should fundamentally be achieved through the institutions' own proactive efforts. Each financial institution should continue to strive to thoroughly implement customer-centric business operations, provide employee training based on this premise, and

maintain and enhance personnel morale.

7. Human resource matching by regional financial institutions

- We introduce REVICareer, a human resources platform that matches professionals from large companies with mid-sized and small businesses in the region as management personnel.
- REVICareer is a talent platform enabling registration of personnel working at large corporations and searches by regional financial institutions to identify local talent needs. It is a subsidized project by the FSA and the Ministry of Economy, Trade and Industry designed to create a flow of people from large corporations to regional mid-sized and small businesses, thereby supporting regional companies in securing management personnel.
- We would like to express our sincere gratitude once again to the companies already registered as large enterprises. We appreciate their continued use of REVICareer for registering large enterprise talent and the various forms of support they have provided, primarily through their HR departments. Additionally, we would like to inform registered users that the training workshops, which had been suspended since October 2024, have resumed as of September 2025.
- Members working at large enterprises with capital of 1 billion yen or more or over 2,000 employees can register as job seekers. If they are hired as management personnel by regional companies, those companies can receive a subsidy of up to 4.5 million yen.
- At the exchange of views on Regional Revitalization 2.0 with economic associations held on May 16, 2025, Deputy Chief Cabinet Secretary Kazuhiko Aoki asked representatives of the economic organizations to utilize REVICareer, and the government as a whole is promoting the project. This system supports members' autonomous career design and second careers, covering not only transfers but also concurrent employment, side jobs, and secondment while remaining employed.
- If the capital or number of employees requirements are met, individuals may register as members. Alternatively, they may register with REVICareer as part of the HR department. When considering registration with the REVICareer program, we will provide individual guidance on the system and registration process, so please contact us.

- Regarding the REVICareer program’s current performance, as of August 14, 2025, the cumulative number of registered large-enterprise personnel reached 5,000, with 224 successful matches.

8. Cross-industry financial sector cybersecurity exercise (Delta Wall 2025)

- To enhance incident response capabilities across the entire financial industry, a cybersecurity exercise (DeltaWall 2025) is scheduled for October 2025.
- We encourage not only the IT and cybersecurity departments of participating financial institutions, but also senior management to actively take part in the initiative. After the exercise concludes, we encourage them to apply the lessons learned to concrete actions, such as revising their organization’s cyber incident manual. In particular, we encourage senior management to assess whether appropriate decisions were made and whether the organization’s contingency plans—including customer response and business continuity—were effective. Areas of deficiency should be identified and visualized, and consideration should be given to how improvements can be made across organizational frameworks, operational processes, budgeting, and human resource allocation.

9. G20 Finance Ministers and Central Bank Governors Meeting in July 2025

- The G20 Finance Ministers and Central Bank Governors Meeting was held in Durban, South Africa, from July 17 to 18, 2025. The main points related to the financial sectors of the communique issued after the meeting are as follows.
 - First, the commitment to promote an open, resilient, and stable financial system by addressing vulnerabilities, based on the consistent, full, and timely implementation of all agreed reforms and international standards, including Basel III, was reaffirmed.
 - Regarding non-bank financial intermediation (NBFIs), the Financial Stability Board’s (FSB) work to address NBFIs data availability and reporting, quality, use, and information sharing was supported. Furthermore, the FSB recommendations for addressing systemic risks from NBFIs leverage and encouraged implementation by jurisdictions were endorsed.
 - Regarding cross-border payments, the commitment to the effective implementation of the G20 roadmap was reaffirmed. Additionally, regarding

crypto assets and stablecoins, the upcoming FSB thematic peer review on the implementation of the high-level recommendations was noted. Furthermore, the importance of stepping up global efforts within the Financial Action Task Force (FATF) to enhance payments transparency and promote innovation in the virtual assets sector while mitigating illicit finance involving virtual assets using crypto assets were reiterated.

- Regarding sustainable finance, it was mentioned that members look forward to promoting flexible country-tailored solutions that address natural catastrophe insurance protection gaps by developing practical guidance and tools.

○ Additionally, on the margins of this meeting, the South African Presidency, in collaboration with the International Association of Insurance Supervisors (IAIS) and the World Bank Group, hosted a side event on addressing the natural catastrophe insurance protection gap.

- As the frequency and severity of natural catastrophe events increase globally, addressing insurance protection gaps has become increasingly important. In this context, we commend the South African Presidency for organizing this event in collaboration with the IAIS and the World Bank Group as a timely initiative.
- In this event, Mr. KATO Katsunobu, the Minister of Finance and the Minister of State for Financial Services, delivered a keynote speech along with Mr. Ajay Banga, President of the World Bank Group, and Mr. Andrew Bailey, FSB Chair and Governor of the Bank of England. The Minister outlined Japan's expectations for international organizations, authorities, and the insurance industry, and introduced Japan's efforts in addressing natural disasters. In addition, a panel discussion by Mr. Arizumi, Chair of the IAIS Executive Committee and Vice Minister for International Affairs of the FSA, and other senior panelists, was held. (As of July 18, 2025)
- The IAIS and the World Bank Group plan to continue their efforts to provide practical guidance and tools that assist policymakers and supervisors.

○ The next G20 Finance Ministers and Central Bank Governors Meeting is scheduled to be held in Washington, D.C. in October 2025. The FSA will continue to communicate with financial institutions and contribute to global discussions.

10. Asia Day

- On October 22, 2025, during Japan Weeks, the FSA, co-hosting with the JSDA, the Asian Development Bank (ADB) and others, will hold an event called Asia Day, designed to promote mutual investment in the Asian region. The event will feature opening remarks by Commissioner Ito and a keynote speech by ADB President Mr. Kanda. A wide range of high-level representatives from Asian financial regulators and the financial capital markets industry, including globally active asset management firms, will engage in holding speech and panel discussion.

11. Financial measures in response to the disasters that occurred between July and September

- We extend our deepest sympathies to all those affected by the disasters caused by Typhoon No. 8 of 2025, disasters related to the tsunami caused by the earthquake near Kamchatka Peninsula in 2025, disasters related to heavy rain caused by a low-pressure system and front starting on August 6, 2025, disasters related to heavy rain starting on August 20, 2025, disasters related to Typhoon No. 12 of 2025, disasters related to heavy rain starting on September 2, 2025, and disasters related to Typhoon No. 15 of 2025 and other events.
- In response to the application of the Disaster Relief Act to Okinawa, Iwate, Hokkaido, Aomori, Miyagi, Fukushima, Shizuoka, Mie, Ishikawa, Kagoshima, Yamaguchi, Kumamoto, Fukuoka and Akita Prefecture with respect to each disaster, the local finance bureaus and other entities with jurisdiction over the applicable area issued a Request for Financial Measures in joint names with the Bank of Japan to the relevant financial institutions.
- We ask again for financial institutions to take into consideration our requests and fully recognize the voices and needs of victims of the disasters for providing detailed support tailored from their viewpoint.

(Reference) Application of the Disaster Relief Act

○ Name of disaster			
Name of local public entity	Date of application of the Act (Date of publication by the Cabinet Office)	Competent Bureau	Request date for measures
○ Typhoon No. 8 of 2025			
Okinawa Prefecture	July 27 (July 28)	Okinawa General Bureau	July 28
○ Tsunami caused by the earthquake near Kamchatka Peninsula in 2025			
Iwate Prefecture	July 30 (July 30)	Tohoku Local Finance Bureau	July 30
Hokkaido	July 30 (July 30)	Hokkaido Local Finance Bureau	July 31
Aomori Prefecture	July 30 (July 30)	Tohoku Local Finance Bureau	July 31
Miyagi Prefecture	July 30 (July 30)	Tohoku Local Finance Bureau	July 31
Fukushima Prefecture	July 30 (July 30)	Tohoku Local Finance Bureau	July 31
Shizuoka Prefecture	July 30 (July 30)	Tokai Local Finance Bureau	July 31
Mie Prefecture	July 30 (July 30)	Tokai Local Finance Bureau	July 31
○ Heavy rain caused by a low-pressure system and front starting on August 6, 2025			
Ishikawa Prefecture	August 7 (August 7)	Hokuriku Local Finance Bureau	August 8
Kagoshima Prefecture	August 7 (August 8)	Kyusyu Local Finance Bureau	August 8
Yamaguchi Prefecture	August 10 (August 10)	Chugoku Local Finance Bureau	August 12
Kumamoto Prefecture	August 10 (August 11)	Kyusyu Local Finance Bureau	August 12
Fukuoka Prefecture	August 10 (September 8)	Fukuoka Local Finance Branch Bureau	September 9
○ Heavy rain starting on August 20, 2025			
Akita Prefecture	August 20 (August 20)	Tohoku Local Finance Bureau	August 21
○ Typhoon No. 12 of 2025			
Kagoshima Prefecture	August 21 (August 28)	Kyusyu Local Finance Bureau	August 29
○ Heavy rain starting on September 2, 2025			
Akita Prefecture	September 2 (September 2)	Tohoku Local Finance Bureau	September 3
○ Typhoon No. 15 of 2025 and other events			
Shizuoka Prefecture	September 5 (September 5)	Tokai Local Finance Bureau	September 5

Note: By date of publication by the Cabinet Office

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