

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

[Held on November 11, 2025 (dialogue meeting with major banks, etc.)]

1. Response to the ASBJ's exposure draft of the Proposed Accounting Standard for Financial Instruments and related matters

- The Accounting Standards Board of Japan (ASBJ) has been reviewing the accounting standard for the impairment of financial assets based on an expected credit loss model that incorporates the content of IFRS 9 *Financial Instruments*. The ASBJ published an exposure draft on October 29, 2025, and is conducting a public comment period with a deadline of February 6, 2026.
- Under the proposed new accounting standard, it will be necessary to calculate at the reporting date the expected credit losses over either a 12-month period or the lifetime of the instrument, based on changes in the risk of default since initial recognition of receivables and similar assets and taking into account forward-looking information.
- This revision concerns lending practices, and its application could affect not only financial accounting, such as the calculation and disclosure of expected credit losses, but also credit management and revenue management. Accordingly, it will be necessary to consider establishing organizational arrangements, including on the systems side.

2. Publication of the survey results on initiatives to accommodate persons with disabilities and others

- On November 7, 2025, the results of a questionnaire survey as of the end of March 2025 on the status of measures to accommodate persons with disabilities at deposit-taking financial institutions were published.
- The FSA has received feedback regarding procedures for reading aloud or writing on behalf of visually impaired individuals or those with difficulty writing by hand. The feedback stated that “even when consulting about difficulties with procedures due to disability, no alternative methods are offered, or it takes an excessive amount of time before alternatives are provided.” It is crucial not only to establish internal regulations but also to thoroughly ensure awareness and enhance the response capabilities of on-site personnel staff through internal training and other means.

- The FSA requests that each financial institution refer to the results of this survey and further enhance its efforts to improve accessibility for persons with disabilities and others.

3. Publication of the survey results on the introduction of Guardianship Support Deposits and Guardianship Support Trusts

- On November 10, 2025, the results of a questionnaire survey as of the end of March 2025 on the actual status of introduction of Guardianship Support Deposits and Guardianship Support Trusts at each financial institution were published.
- The proportion of financial institutions that have introduced the Guardianship Support Deposits and Guardianship Support Trusts stands at approximately 73 percent, showing a slight increase. However, some financial institutions have not introduced these products due to reasons such as difficulties in establishing operational systems and limited customer demand.
- To make the adult guardianship system more reliable and secure, it is important to have mechanisms to prevent misconduct by guardians and to ensure that the assets of wards are properly managed and used. The FSA requests that each financial institution reconsider the introduction of Guardianship Support Deposits and Guardianship Support Trusts. The FSA also expects the Japanese Bankers Association to actively support its member institutions.
- Furthermore, the FSA urges financial institutions that have already introduced these products to further promote understanding of the adult guardianship system and rights protection support, and to advance efforts to provide financial services that accurately meet the needs of the elderly and others.

4. Release of the report of the Multilateral Sanctions Monitoring Team (North Korea-related)

- In October 2025, the Multilateral Sanctions Monitoring Team (MSMT) released its second report on the theme of “the Democratic People’s Republic of Korea’s (DPRK) cyber and information technology (IT) worker activities.”
- The report which primarily covers cases found, contains specific information regarding North Korea’s cyber activities, including cryptocurrency theft, and its laundering and use, foreign currency earnings generated by IT workers, and information theft.

- During the reporting period (January 2024–September 2025), North Korea stole at least USD 2.8 billion in cryptocurrency.
 - North Korea relied upon foreign-based facilitators, including in China, Russia, Argentina, Cambodia, Vietnam, and the UAE, to launder stolen digital assets into fiat currency.
 - Stablecoins were used in procurement-related transactions, including the sale and transfer of military equipment.
- The FSA requests that financial institutions continue strengthening cybersecurity measures and anti-money laundering controls, referring to the report.

5. Initiatives regarding cybersecurity

- Recent cyberattacks have become increasingly severe, with incidents that can significantly disrupt business operations occurring more frequently. Cybersecurity is a critical management issue for safeguarding business continuity and customer trust. The FSA requests that financial institutions continue to address it at the management level.

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

- To enhance incident response capabilities across the entire financial industry, the FSA conducted a cybersecurity exercise (Delta Wall 2025) in October 2025.
- Among the participating financial institutions, active involvement was secured not only from their IT and cybersecurity departments but also from their management. The FSA requests that they not be satisfied merely with participating in the exercise, but instead make use of the results of it. In particular, The FSA requests that they reflect on whether management made appropriate decisions and whether the organization’s contingency plans and other areas were effective, and that visualize what has not been achieved and consider improvement measures encompassing organizational structure, business processes, budget, and personnel.

Cybersecurity Self-Assessment (CSSA)

- In this CSSA, a self-assessment based on the “Guidelines on Cybersecurity for the Financial Sector” was conducted for the first time. The FSA plans to provide the individual results to each financial institution in November 2025. The FSA will also share more detailed analyses and sector-wide insights at a later date. The FSA

encourages the financial institutions to make active use of these findings in your future initiatives

Transition to post-quantum cryptography (PQC)

- The transition to PQC is an unavoidable step toward ensuring future security. The FSA urges financial institutions to steadily advance preparations such as establishing appropriate organizational frameworks, setting system priorities, and creating crypto inventories, while also referencing to the “PQC transition guide for Japanese financial institutions” developed by the Financial ISAC.

6. Follow-up on request concerning the unauthorized use of bank accounts

- The FSA has once again requested enhanced countermeasures in September 2025, adding requirements for verification during Internet banking application and when raising usage limits into the August 2024 request.
- The FSA plans to issue a questionnaire in November 2025 to confirm each financial institution’s response to this request.
- For financial institutions whose measures remain incomplete, the FSA requests that management take the lead in examining future response plans to ensure that users and the financial institutions themselves are not exposed to the risk of unauthorized account use for an extended period due to the continued delay in implementation.

7. About REVICareer

- Regarding REVICareer, 99 matches have already been achieved since the start of fiscal year 2025, proceeding at roughly twice the pace of the previous fiscal year. Furthermore, registrations of large-company personnel and job postings are also advancing at a pace exceeding that of the previous year. In addition, with respect to registered financial institutions, all regional banks and second-tier regional banks have completed their registrations, and the number of registrations by credit associations (shinkin banks) and credit cooperatives (shinkumi banks) is also increasing; the FSA expects matchings to be generated across the country.

8. Initiatives to implement Enterprise Value Charge

- In preparation for the enactment of the Act on the Promotion of Cash Flow-Based Lending on May 25, 2026, the FSA continues to improve the environment for

implementing Enterprise Value Charge through study sessions and other activities with motivated financial professionals.

- Through these sessions, the FSA will support lending initiatives that reflect the policy rationale for introducing the Enterprise Value Charge and uphold high standards of credit quality. The FSA encourages those who are considering advancing initiatives with specific use cases in mind to notify the FSA.

9. Establishment of the Payment Innovation Project

- The FSA established the FinTech Trial Hub in September 2017 to alleviate the hesitations and concerns that fintech companies and financial institutions tend to face when attempting unprecedented trials. The Hub has supported such trials by providing clarification on the interpretation of relevant laws and regulations, as well as by helping identify issues related to compliance and supervisory expectations.
- Recently, both domestically and internationally, the FSA has seen progress in enhancing payment systems through blockchain technology, such as streamlining cross-border remittances and Delivery versus Payment (DvP) settlements for security tokens. Some of these initiatives are now moving into trial stages. Given the rapid pace of technological advancement in this field, challenges are expected to arise regarding how such trials should be carried out, including the interpretation of relevant laws and regulations.
- Based on these perspectives, on November 7, 2025, the FSA launched the Payment Innovation Project (PIP)—a specialized initiative within the FinTech Trial Hub focused on the payment sector. As the first initiative under the PIP, the FSA selected a project concerning the joint issuance of stablecoins by the financial group of three banks. The PIP will prioritize assigning personnel with deep expertise in the payment sector, including blockchain technology, relevant regulations, and international developments, to support individual trial initiatives.
- When considering initiatives to enhance payment systems, the FSA encourages you to explore using the PIP.

10. Further promoting Japan as a Leading Asset Management Center.

- Under the Takaichi Cabinet inaugurated in October 2025, the government will continue and further advance initiatives aimed at channeling household savings into

productive investments, thereby promoting Japan as a Leading Asset Management Center and accelerating Japan's Growth Strategy by leveraging the power of finance.

- Specifically, the FSA will promote initiatives to enhance corporate value through corporate governance reform, strengthen the supply of growth capital and risk money to companies, support steady asset building by households, advance asset management services and improve the capabilities of asset owners.
- Furthermore, the FSA aims to bring together essential financial capital, human capital, and expertise for the benefit of companies and local communities by leveraging the power of finance. To this end, the FSA will develop a comprehensive financial strategy — including the “Regional Financial Power Enhancement Plan” to be formulated within this year — and implement such strategy in close collaboration with the private sector.
- By so doing, the FSA will support the strengthening of Japan's supply structure through investments that enhance growth and resilience against potential crises in the strategic fields from a financial perspective, thereby bringing about an economy that invites trust from investors around the globe. This will give rise to a virtuous cycle in which capital from around the world flows into Japan.

11. Regional Financial Power Enhancement Plan

- The FSA plans to develop a Regional Financial Power Enhancement Plan within this year. The FSA will consolidate relevant measures to help various stakeholders, including regional financial institutions, collaborate and leverage the potential of regional finance to contribute to regional economies — referred to as “regional financial power.”
- The FSA believes that the sustainable development of regional businesses and economies requires collaboration with various stakeholders, not limited to regional financial institutions. The FSA would appreciate your continued interest in the Regional Financial Power Enhancement Plan.

12. Japan Weeks 2025

- During Japan Weeks in October 2025, nearly 90 financial-related events were held, which exceeds the 70 held in 2024. With participation of foreign financial institutions and authorities, the FSA believes that international awareness of Japan Weeks has

been strengthened. Especially, the Japanese Bankers Association successfully hosted the grand event “MUSUBU! JAPAN DAY -Connecting to Japan’s Markets-” on October 23.

13. G20 Finance Ministers and Central Bank Governors Meeting in October 2025

○ The G20 Finance Ministers and Central Bank Governors Meeting was held in Washington D.C, from October 15 to 16, 2025. The main points related to the financial sector are as follows.

- First, members reaffirmed the importance of implementing all agreed reforms and international standards, including the Basel III framework. The Financial Stability Board (FSB) published an interim report which reviewed the implementation of G20 financial reforms over the past 15 years. The report points out that the implementation of key reforms such as Basel III remains incomplete, and delays and inconsistencies across jurisdictions pose risks to the global financial system.
- Furthermore, the FSB released a peer review report that assessed progress in implementing its global regulatory framework for crypto-assets and global stablecoins (GSCs). While regulatory development remains incomplete in many jurisdictions, Japan, alongside the EU and Hong Kong, was highly regarded for having completed regulatory frameworks for both crypto-assets and stablecoins. Regarding the issues pointed out, such as the partial implementation of stress testing for stablecoin issuers, the FSA will utilize them in future regulatory and supervisory considerations.
- On non-bank financial intermediation (NBFI), members supported the work by the FSB and standard-setting bodies (SSBs) to address data challenges and vulnerabilities related to NBFI, including hedge funds.
- On cross-border payments, members reaffirmed their commitment to the effective implementation of the G20 Roadmap.
- On sustainable finance, most members supported 2025 G20 Presidency and the Sustainable Finance Working Group (SFWG) Co-chairs' Sustainable Finance Report, welcoming its findings and voluntary recommendations. Recommendations include integrating climate resilience into transition plans, improving risk assessments, and addressing natural catastrophe insurance

protection gaps.

- The FSA will continue to communicate with financial institutions and contribute to global discussions.

14. IOSCO Board Meeting

- On October 27–28, 2025, International Organization of Securities Commissions (IOSCO) held its board meeting in Madrid, Spain. The IOSCO Board discussed a wide range of topics, including the 2026 Work Program, fintech, and the valuation of collective investment schemes, and approved the publication of various final reports and consultation documents. Among the matters pertaining to banks, the FSA would like to specifically address the final report on pre-hedging.
- The report on pre-hedging sets out the definition of pre-hedging, together with recommendations concerning its implementation and the management of related conduct risk. In particular, it calls for the establishment of appropriate policies, procedures, and governance frameworks for pre-hedging, clear disclosure to clients, and the obtaining of prior consent from clients.
- The FSA would like to continue working closely with the Japanese Bankers Association toward the domestic implementation of the recommendations.

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