

Japan-UK Financial Regulatory Forum Joint Statement 2026

Summary

Japan and the United Kingdom (UK) held the fourth meeting of the Financial Regulatory Forum on 18 March 2026, in Tokyo. In order to facilitate a deep and meaningful exchange across a broad set of economic, fiscal and financial regulatory discussion points, joint sessions with the seventh meeting of the Financial Dialogue were also held. Three joint sessions were held on the Macroeconomic/Fiscal Situation, Digital Finance and Sustainable and Climate Finance, followed by separate Financial Regulatory Forum sessions on Asset Management and Other Policy Developments, AI, Cyber and Operational Resilience, International Banking and NBFIs, and Women in Finance.

On the Japanese side, the Financial Services Agency (FSA) was led by Masaaki Iizuka, Deputy Commissioner for International Affairs. On the UK side, His Majesty's Treasury (HMT) was led by Rohan Lee, Director for International Financial Services, the Bank of England (BoE) was led by Michael Hatchett and the Financial Conduct Authority (FCA) was led by Rob Ward.

Digital Finance

In the area of digital finance, participants updated on developments in crypto assets, stablecoins, and Central Bank Digital Currencies. The UK provided updates on recent legislation delivering the UK's financial services regulatory regime for cryptoassets, the Wholesale Financial Markets Digital Strategy, the Digital Pound project, its work to renew retail payments infrastructure and the BoE's evolving approach to systemic stablecoin regulation. Japan presented the FSA's ongoing review of the regulatory frameworks for cryptoassets, as well as the current circulation status of stablecoins. Participants also acknowledged the importance of global cooperation and the role of the Financial Stability Board (FSB) and IOSCO, in tackling remaining frictions in cross-border payments and information sharing and cooperation on supervisory and authorisation issues in supporting the development of a sound global digital assets market. Both countries exchanged views on how to harness digital finance to support open, efficient and resilient cross-border payments.

Sustainable and Climate Finance

On sustainable and climate finance, Japan and the UK shared recent developments on transition finance as well as the evolution of regulatory frameworks on reporting, assurance and labelling. The FSA provided an overview of recent progress on transition finance and on the development of the roadmap for the sustainability-related financial disclosure and assurance. The FSA will mandate reporting based on the SSBJ (Sustainability Standards Board of Japan) Standards, which are functionally aligned with the ISSB Standards, as well as third-party assurance for listed companies through a phased-in approach. The FSA also highlighted recent progress on transition finance, including Japan's work to strengthen the credibility and transparency of transition finance through key guidance and sector-level tools. The UK provided updates on the finalisation of UK Sustainability Reporting Standards

(UK SRS) including the FCA's consultation, the introduction of a regime for ESG rating agencies, the successful implementation of Sustainability Disclosure Requirements, updated supervisory expectations for managing climate-related risks and various initiatives underway to support the scaling of transition finance. Participants discussed how Japan and the UK can coordinate efforts to increase interoperability between international sustainability reporting standards. Both countries recognised the value of deepening bilateral cooperation and coordinating their engagement in multilateral fora.

Asset Management and Other Policy Developments

Japan and the UK exchanged updates on recent reforms in asset management and retail investment, recognising the importance of the sector in supporting efficient capital allocation and enhancing the competitiveness of their respective financial centres. The FSA provided updates on the initiatives to strengthen Japan's asset management sector and corporate governance reform, as well as ongoing work of developing a new comprehensive financial services strategy by summer 2026. The UK shared progress on the implementation of the Financial Services Growth and Competitiveness Strategy and highlighted work undertaken under the regulators' Secondary Growth objective. Participants also shared views on opportunities for cross-border business in their respective asset management sectors and committed to continuing cooperation to encourage Japan-UK market entry.

AI, Cyber and Operational Resilience

Both sides discussed sector developments related to Artificial Intelligence (AI) and approaches to promoting innovation. The UK provided an update on the activities of the BoE's and FCA's joint AI consortium launched last year, whilst Japan shared developments on the FSA's AI Discussion Paper and the AI Public-Private Forum. The UK highlighted the FCA's AI Lab, including AI Live Testing, which helps firms test AI in a safe and controlled environment. Participants also exchanged views on the evolving cyber and operational risk landscape. Japan provided updates on the country's cybersecurity policy framework for the financial sector, and the UK shared perspectives on cyber and operational resilience initiatives affecting the financial sector and broader economy. Both countries also discussed risks associated with critical third-party service providers. The UK presented progress on the implementation of the Critical Third Parties Regime, whilst Japan outlined its approach to managing third-party risks and safeguarding financial stability.

International Banking and NBF

Participants offered an overview of developments in their domestic banking systems and banking regulation. Japan shared its experience since implementing the Basel III framework, whilst the UK confirmed that it has legislated for its implementation and published its rules. Both sides reaffirmed the significance of strong prudential standards for banks and discussed the importance of full, timely and consistent implementation of the Basel III framework. Participants also discussed crisis management and banking resolution frameworks, reaffirming the importance of robust coordination mechanisms. On Non-Bank Financial- Intermediation (NBF), both sides exchanged views on recent policy developments and ongoing international initiatives, including work at the FSB and its implementation.

Members emphasised the importance of measures to monitor and address potential systemic risk in the NBFIs sector, advancing international discussions, and maintaining close bilateral and multilateral engagement.

Women in Finance

The UK provided an update on progress under the Women in Finance Charter and ongoing initiatives to promote gender balance across the financial services sector. Japan outlined current policies and initiatives aimed at improving gender balance in financial institutions, including industry-wide efforts to eliminate gender-based wage gaps. Participants exchanged views on approaches to improving gender balance in senior leadership positions.

Conclusion

Participants reaffirmed their commitment to continued close cooperation between Japan and the UK to support open, innovative and resilient financial systems. Members looked forward to the next meeting of the Financial Regulatory Forum in London.