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Visit by Parliamentary Vice-Minister Suzuki to the Cross-Sectoral Exercise Held by the NISC

On December 9, 2022, Parliamentary Vice-Minister Suzuki (in charge of financial services) visited the venue of the cross-sectoral exercise held by the National Center of Incident Readiness and Strategy for Cybersecurity (NISC) under the Cabinet Secretariat.

NISC's cross-sectoral exercise is held every year as an opportunity for the NISC, government ministries and agencies that are responsible for critical infrastructures. The objective of the exercise is to enhance cooperation, examine and improve the effectiveness of the institution-wide incident response capabilities in critical infrastructure operators that are designated based on the Cybersecurity Policy For Cybersecurity of Critical Infrastructure.*¹ The government agencies are expected to reflect in cybersecurity-related policies lessons learnt from challenges that were identified in the exercise.*²



Photo: Parliamentary Vice-Minister Suzuki (left) visiting the exercise venue.

Among other participants, the participants from the financial sectors were: banks, credit unions, credit cooperatives, securities companies, insurers and payment service providers, in addition to the FSA

and other ministries and agencies that are responsible for critical infrastructures. Parliamentary Vice-Minister Suzuki received a briefing from NISC officials on the purpose of the exercise and the exercise scenarios.



Photo: Parliamentary Vice-Minister Suzuki (left) receiving a briefing on the exercise.

He also visited the venue where the infrastructure operators were participating in the exercise and exchanged opinions with experts who took part in the exercise. He shared the importance of cooperation between the public and private sectors for enhancing cybersecurity.



Photo: Parliamentary Vice-Minister Suzuki (left) exchanging opinions with experts on cross-sectoral exercises.

*¹ The Cybersecurity Policy sets the basic framework for actions that should be taken by both the government and critical infrastructure operators in order to protect critical infrastructures based on the Basic Act on Cybersecurity and the Cybersecurity Strategy.

*² Regarding the cross-sectoral exercise (FY2022) held by NISC, see the following website:
https://www.nisc.go.jp/pdf/policy/infra/NISC_enshu_20221209.pdf (available in Japanese)

Inaugural Interview with Chairman Nakahara of the Securities and Exchange Surveillance Commission



The Securities and Exchange Surveillance Commission (“SESC”) is a collegiate organization founded in 1992 consisting of the chairman and two commissioners appointed by the Prime Minister to ensure the fairness and transparency of the market and to protect investors.

We interviewed NAKAHARA Ryoichi, who took office as the SESC's sixth chairman on December 13, 2022, and asked him about his resolve as the chairman, among other matters.

NAKAHARA Ryoichi

Chairman, Securities and Exchange Surveillance Commission

Born in November 1959

Serving as the SESC chairman since December 2022 after stints as Superintendent Prosecutor of the Hiroshima High Public Prosecutors Office and Superintendent Prosecutor of the Fukuoka High Public Prosecutors Office.



— *Please tell me about what you have resolved to do as the SESC chairman.*

"Ensuring the fairness and transparency of the market through proper and appropriate market oversight and protecting investors," which is the SESC's mission, is very crucial given the importance of the capital market for modern economic activities.

I worked as a prosecutor for many years, and because I was in charge of a fairly large number of investigations and court cases in which the SESC filed criminal charges, I assume that among prosecutors in general, I am relatively well-experienced in such cases.

While I will refrain from providing details related to individual cases, the cases in which I was involved include those that attracted social attention and those which set important precedents in terms of legal theories related to the Financial Instruments and Exchange Act (the former Securities and Exchange Act).

Because of my experience of those cases, I have already been aware of the importance of the mission that the SESC has upheld, and I have the sense that as

a prosecutor, I was able to cooperate in executing that mission.

When I was in charge of the SESC criminal charge cases as a prosecutor, I never imagined that I would become the SESC chairman. However, now that I have assumed chairmanship, I am resolved to do my utmost to ensure that the SESC fulfill its mission.

Because of the advance of digitalization and globalization, the market has come to move fast and wildly, so in the future, incidents that we have not foreseen until now could occur in the market. Therefore, those who are in charge of market oversight are required to cultivate the ability to constantly adapt to changes and handle unprecedented incidents.

To that end, I would like to develop the SESC into an organization that is capable enough to be called a group of professionals in market oversight as well as to deliver results by exercising those capabilities.

– ***Please tell me about the impression you had of the SESC, if any, before assuming chairmanship.***

As I mentioned earlier, I have been involved in the SESC criminal case investigations since the early 1990s, immediately after the SESC's establishment, so naturally, I have been aware of its role, not to mention its existence, to some extent.

As I accumulated experience as a prosecutor, I came to be put in charge of investigating the SESC criminal cases as a chief prosecutor, and as a result, I frequently talked directly with the SESC officials in charge.

In the course of events, I asked the SESC officials in charge to collect evidence based on their expert knowledge, and I also cooperated with them in examining cases. Therefore, in the fields where market-related expert knowledge is required in particular, I had the sense that they were powerful partners upon whose skills I could rely on when conducting investigations.

Among the staff of the SESC Executive Bureau, perhaps because of the backgrounds to the SESC's establishment, there are many people who have various expertise such as people transferred on loan from the Public Prosecutors Office and the National Tax Agency's Criminal Investigation Department etc., lawyers and certified public accountants.

While cooperating with the SESC staff in investigating the SESC criminal cases, I had the impression that regardless of their career backgrounds, they were all partners eagerly doing their jobs with professionalism as market oversight experts.

Since assuming the SESC chairmanship, I have been greatly uplifted and encouraged by the sight of the SESC staff who I worked together in investigating the SESC criminal cases still working for the SESC and playing an active role.

– ***Please look back on the work you did as a prosecutor and tell me about your thoughts on the future.***

I worked as a prosecutor for around 37 years and three months.

During three years of that period, I worked at the Executive Bureau of the Fair Trade Commission on a loan basis. At that time, because my post involved a prosecutor's duties, I was put in charge of handling lawsuits seeking cancellation of decisions and

examination and criminal cases, so that job was not very different from the primary work of a prosecutor, such as investigation and judicial work.

In other words, I have almost consistently been involved in investigation and judicial work, directly or as a supervisor, whether the post be a prosecutor at the Supreme Public Prosecutors Office, a high public prosecutors office, or a regional prosecutors office.



Photo: Chairman Nakahara being interviewed

I have gained much from my long years of experience as a prosecutor, and I would like to talk about what I am thinking about the future as the SESC chairman based on that.

First, we must cultivate the ability to identify what is at the bottom of incidents with which we are dealing. While that is always important, it is particularly important when we deal with new sorts of incidents. We can acquire such ability only by making constant efforts and continuing to exercise resourcefulness without being constrained by past experiences.

Secondly, we must deal with matters at hand with an open mind and with a broad perspective. Caesar is said to have stated: "Not every human being can see the whole of reality. Many people see only the bits of reality that they want to see." This remark may be interpreted in various ways, but it is true that we cannot accurately identify problems or find appropriate solutions if we see only what we want to see and hear only what we want to hear.

Thirdly, for an organization to fully exercise its functions, communication is important. There are limits to what individual human beings can do alone, and there are also limits to what individual organizations can do alone. Appropriate cooperation and division of work make it possible to achieve results that cannot be done alone, and communication is the basis for cooperation between people and between organizations. It is said that good communication is not something that can be conducted automatically but that it is formed by mutually respecting each other's personality and by behaving toward each other in a considerate manner. At the SESC as well, communication is conducted on various occasions, including within the Commission, within the Executive Bureau, and between the Commission and the Executive Bureau. I strongly hope that the SESC will gain the public's trust as a market oversight expert organization by facilitating full communication, by developing a good workplace environment and by exercising its strong institutional abilities.

（ Organization Chart of the SESC ）



– Please mention books that you would like to recommend to younger generations.

I would like to recommend four books from among those that I have read. Although they were published some time ago, they are easily available even now because they have been long sellers.

The first book is *Soshiki Senryaku no Kangaekata* (written by Numagami Tsuyoshi; published in 2003 by Chikumashobo). Younger people may not necessarily have strong interest in organization management, but a good workplace environment is important for doing successful jobs. This book provides hints for performing a higher level job from the viewpoint of organizational theory.

The second book is *Nippon wo Tsukutta Juninin* (12 People Who Founded Japan) (written by Sakaiya Taichi; published in 1996 by PHP). The 12 people were selected based on the Sakaiya Taichi's unique historical outlook. This book deepens our understanding on how the structure of Japan as a nation was created and on the various characteristics of human beings. It also provides suggestions for thinking about what course Japan and the Japanese people should take in the future.

The third book is *Fermat's Last Theorum* (written by Simon Singh; published in 2000 by Shinchosha). The parts of the book that are related to advanced mathematical theories are not easy to understand. However, even if you skip over such difficult parts, you will be impressed with how great it is to devote oneself whole-heartedly to accomplishing something.

The fourth book is *The Name of the Rose* (written by Umberto Eco; published in 1990 by Tokyo Sogensha). I recommend this book not because it would contribute to performing a job. Well known among mystery buffs, this is a thick two-volume book that is well worth reading. For people interested in this genre, this book will provide much pleasure.

(Interviewer: FUKUDOME Tsukasa, Director for Market Oversight, Planning and Management Division)

* The interview was held while due consideration was being given to infection prevention, with appropriate ventilation and person-to-person distance maintained.

Overview of the Doubling Asset-based Income Plan

ADACHI Takashi, Director for Strategic Development, Strategy Development Division,
Strategy Development and Management Bureau

At a meeting of the Council of New Form of Capitalism Realization on November 28, 2022, the Doubling Asset-based Income Plan was determined.

Below, an overview of the plan is provided.

1. Basic Concept

More than half of Japan's 2,000 trillion yen in household financial assets are held in cash and low-yielding deposits. Even after accounting for pensions, insurance and other indirect holdings, the total amount invested in stocks, investment trusts and bonds is 244 trillion yen, with only about 20 million investors. On the other hand, in the United States and the United Kingdom, an environment has been created in which even the middle class can easily invest in listed stocks and investment trusts. Household financial assets have increased 3.4 times in the United States and 2.3 times in the United Kingdom over the last 20 years, but only 1.4 times in Japan. Therefore, it is important to increase incomes from financial assets as well as earned income by developing an environment in which the middle class finds it easier to make investments and by inducing the investment of cash and deposits held by households.

Furthermore, if households incomes from financial assets are increased and household funds become a source of funding for corporate growth investment, it would stimulate corporate growth and increase corporate value. If corporate value rises, households income from financial assets will increase further,

resulting in a “virtuous circle of growth and asset-based income.”

2. Goals

Among the goals of the Doubling Asset-based Income Plan, the government aims to double the total number of NISA accounts (ordinary and installment-type accounts) from the current 17 million to 34 million and the amount of NISA account purchases from the current 28 trillion yen to 56 trillion yen in five years.

Following that, the government aims to double the investment amount among households. The government will implement policy measures with a view to doubling asset-based income itself as a long-term goal through achieving these goals.

3. Direction of the Plan

According to a questionnaire survey, the common reason inexperienced people have for not investing is “I don't have knowledge about asset management” and “Because I feel uneasy about purchasing/holding investments”. Therefore, in addition to making the NISA system simple, easy-to-understand and easy-to-use, it is also necessary to make efforts to eliminate the lack of knowledge and dispel concerns about making investment.

Based on this, the following seven pillars will be promoted as part of an integrated effort toward doubling asset-based income.

Seven pillars of efforts under the Doubling Asset-based Income Plan

Pillar 1: Major expansion of and making permanent NISA to shift household financial assets from savings to investment

The NISA system will be made permanent. At the same time, the tax-exempt holding period will be made indefinite, and the tax-exempt limit will be raised.

Pillar 2: Reform of the iDeCo system, such as raising the eligibility age

The participation eligibility age for participating in iDeCo will be raised to 70 years old. Regarding raising the iDeCo contribution limits and raising the upper limit of age eligibility to start receiving benefits, a conclusion will be reached in conjunction with the Financial Verification of Public Pension Plan in 2024.

Pillar 3: Creating a system to encourage the provision of neutral and reliable advice to consumers

A new public organization for financial and economic education will certify neutral advisors. The registration requirements for investment advisory businesses (for example, limiting the scope of advice to installment-type NISA and iDeCo) will be eased.

Pillar 4: Enhancing asset formation for employees

Companies will be encouraged to utilize neutral certified advisors in the workplace.

Pillar 5: Enhancing financial and economic education to spread the importance of stable asset formation

A new public organization for financial and economic education will be established as a neutral body. A “Fundamental Policy” as a national strategy in order to comprehensively and systematically promote measures for the entire country will be formulated.

Pillar 6: Realization of an international financial center open to the world

The government will comprehensively promote revitalization of the financial and capital markets that will contribute to new growth, globalization of financial administration and tax systems and improvement of the living and business environment that supports highly skilled foreign workers and the effective dissemination of information.

Pillar 7: Ensuring customer-oriented business conduct

The “Principles for Customer-Oriented Business Conduct” will be reviewed and necessary rules will be developed.

Outline of the Interim Report from the "Customer-Oriented Business Conduct Task Force" of the Working Group on Capital Market Regulations under the Financial System Council

YAMAGUCHI Jumpei, Deputy Director, Financial Markets Division, Policy and Markets Bureau

1. Introduction

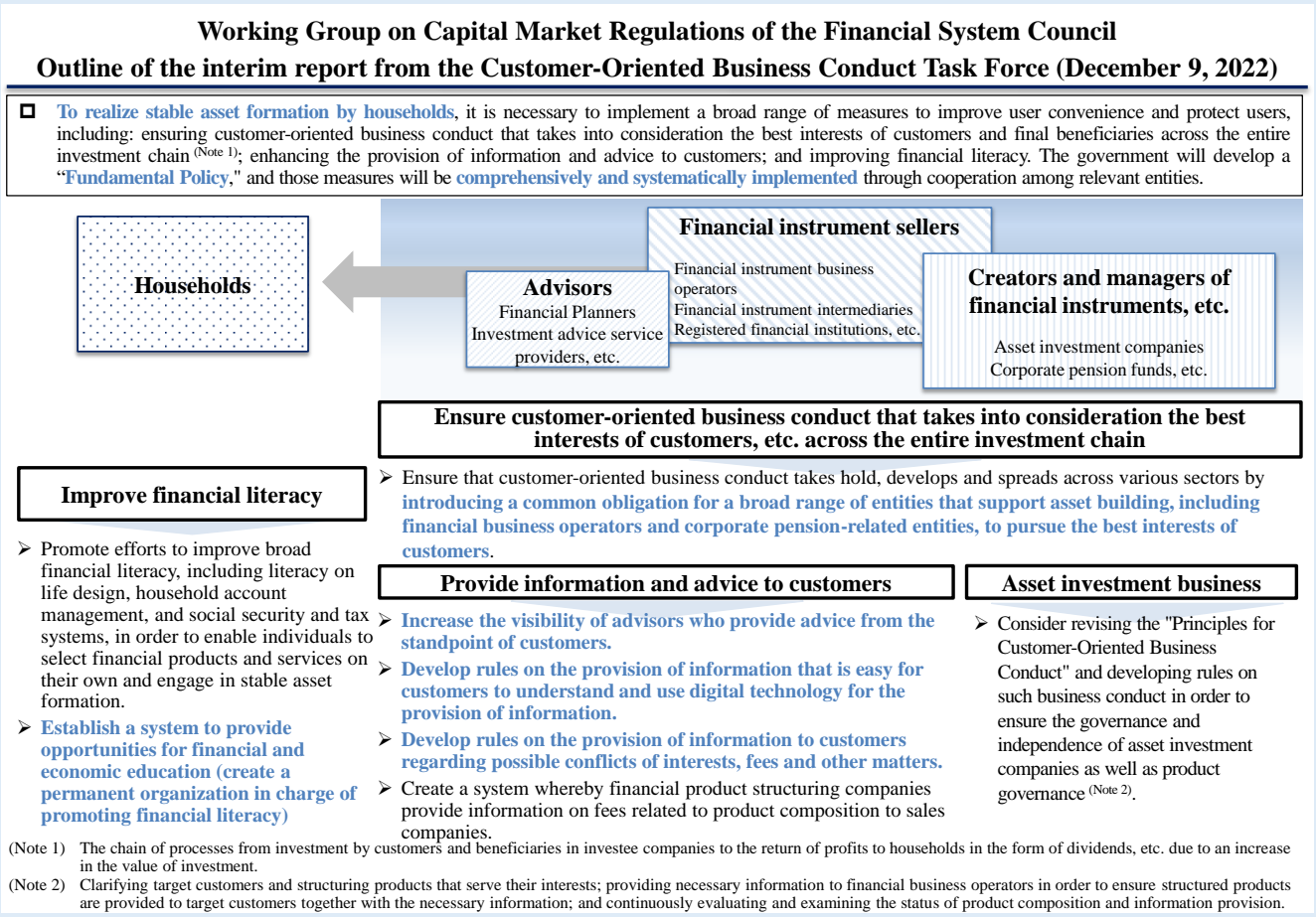
The “Customer-Oriented Business Conduct Task Force” of the Working Group on Capital Market Regulations“ of the Financial System Council held discussion on financial and economic education and customer-oriented business conduct, among other matters, in order to realize stable asset formation by households in Japan and compiled a report (hereinafter referred to as the ”Interim Report“)*¹ (Figure 1). Furthermore, on a government-wide basis, under the slogan of boldly and drastically promoting the shift from savings to investment, the Doubling Asset-based Income Plan (hereinafter referred to as the "Plan") was determined at the Council of New Form of Capitalism Realization under the Cabinet Secretariat.*²

While the Plan calls for comprehensive implementation of seven pillars of efforts to double the amount of asset-based incomes, the discussion held by the Customer-Oriented Business Conduct Task Force was related to the following pillars in particular:

- Pillar 3: Creating a system to encourage the provision of neutral and reliable advice to consumers.
- Pillar 5: Enhancing financial and economic education to spread the importance of stable asset formation.
- Pillar 7: Ensuring customer-oriented business conduct.

Below, the key points of the Interim Report and the relevant contents of the Plan are described.

Figure 1: Outline of the Interim Report from the Customer-Oriented Business Conduct Task Force



2. Improving Financial Literacy

For individual people to appropriately select financial products and services suited their respective life designs and engage in stable asset formation, it is important to improve financial literacy. Until now, the government and relevant financial industry organizations have implemented various measures related to financial and economic education, but various surveys have shown that the number of people who have received financial and economic education is small. In addition, it has been pointed out that recipients of such education, mainly working adults, are resistant to education providers, such as financial industry organizations and financial institutions.

The Interim Report recommended that a permanent public organization responsible for promoting efforts to provide opportunities for financial and economic education related to asset formation from a neutral standpoint for the entire country should be established. Specifically, the Plan called for the following measures:

- Establish a new public organization as a neutral body responsible for strategically implementing financial and economic education through cooperation between the public and private sectors;
- Transfer the functions of the Central Council for Financial Services Information to the new organization and obtain cooperation not only from

the government and the Bank of Japan but also from private-sector organizations, such as the Japanese Bankers Association and the Japan Securities Dealers Association, in developing a system to operate the organization and in securing necessary funds for the establishment and operation of the organization.

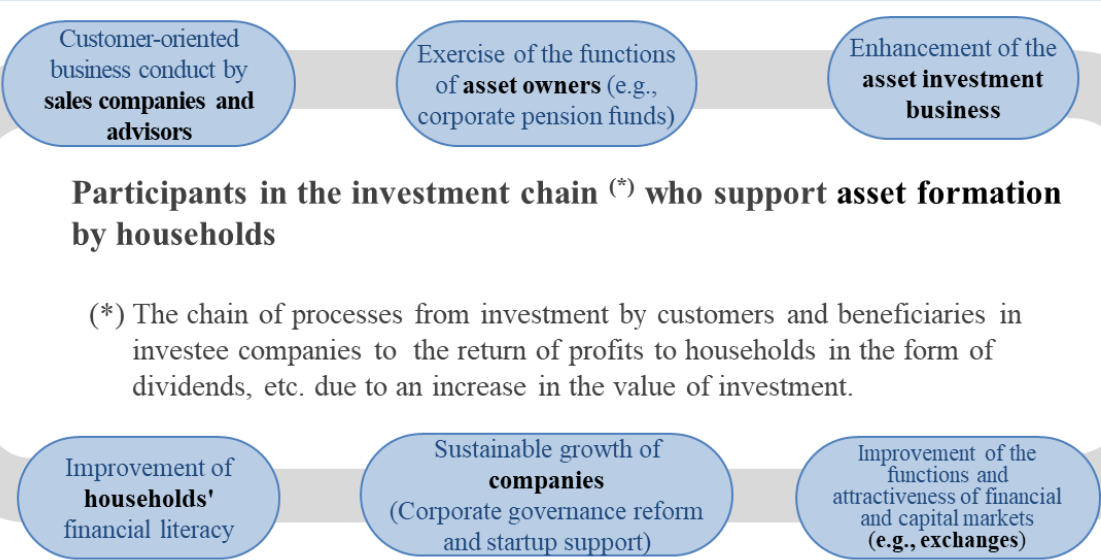
Under the Plan, the new public organization will play the central role in implementing financial and economic education on a nationwide basis in an efficient and effective manner through cooperation between the public and private sectors, including providing visiting lectures to schools and companies and holding symposiums.

3. Ensuring Customer-Oriented Business Conduct

- (i) Ensuring customer-oriented business conduct that takes into consideration the best interests of customers and final beneficiaries

In order to realize stable asset formation by households, it is important that all entities participating in the investment chain, including financial institutions and asset owners such as corporate pension funds fully exercise their functions in order to maximize the interests of customers and final beneficiaries. (Figure 2)

Figure 2: Exercise of the investment chain's functions that support asset building by households



Although all financial institutions, etc. involved in sales, advice, and development of financial instruments (hereinafter referred to as "financial business operators") have made some progress in implementing customer-oriented business conduct since the development of the "Principles for Customer-Oriented Business Conduct" in March 2017, it has been pointed out that there are problems related to awareness-establishing about optimizing customers' investment assets as a whole. In addition, corporate pension funds, which play an important role in the administration and management of individuals' assets, have been identified as having problems such as a lack of use of investment experts.

The Interim Report recommended ensuring that customer-oriented business conduct takes hold and develops among all financial business operators by introducing a common obligation for a broad range of financial business operators to pursue the best interests of customers. It also recommended to ensure that business conduct that takes into consideration the best interests of customers and final beneficiaries spreads further across various sectors by subjecting corporate pension-related entities to the obligation as well. The Plan calls for developing an environment that encourages efforts necessary for promoting the abovementioned measures.

- (ii) Developing rules on the provision of information to customers regarding possible conflicts of interests, fees and other matters

For customers to select appropriate financial products, it is important to provide information on possible conflicts of interests with customers and fees paid by customers, among other matters. However, it has been pointed out that the status of introduction of the Key Information Sheet, which is used to provide such information, varies across sales companies.

The Interim Report recommended that rules on the provision of information to customers regarding possible conflicts of interests, fees and other matters should be developed. The Plan calls for further promoting "Customer-Oriented Business Conduct" by increasing visibility over fees and other costs as well as over conflicts of interests.

- (iii) Using digital technology for the provision of information

In order to realize stable asset formation by households, it is important for financial business operators to provide customers with necessary

information in an easy-to-understand manner. Regarding the provision of information before and at the time of contract conclusion, the Interim Report recommended that financial business operators should enable customers to choose freely to receive information either in a paper document or in an electronic form the viewpoint of customer-oriented business conduct. It also recommended that in consideration of differences in the level of digital literacy among customers, it should be legally prescribed that substantial explanations be provided to customers through a method and to an extent necessary for customers' understanding.

- (iv) Advisors who provide advice from the standpoint of customers

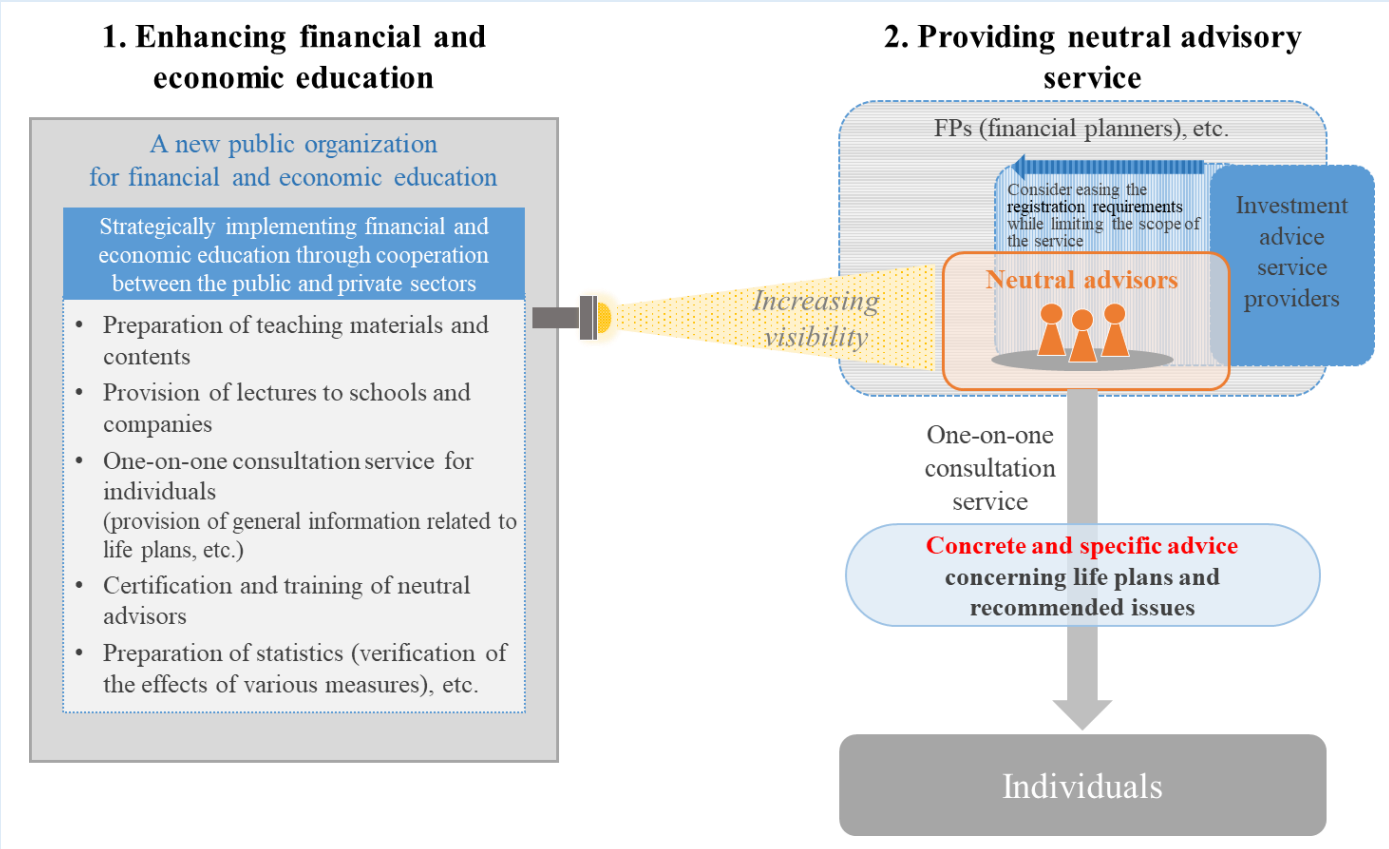
In realizing stable asset formation by households, advisors who help customers make decisions when dealing with sales companies play an important role. However, it has been pointed out that there are cases in which advisors, while proclaiming to take the standpoint of customers, provide advice in a manner that unduly favors particular financial business operators or financial instruments.

As a way to address this problem, the Interim Report recommended measures to increase the visibility of advisors who provide advice from the standpoint of customers, such as compiling and publishing a list of advisors who meet some criteria, including (i) not concurrently engaging in the business of selling financial instruments and therefore being in a position to provide advice related to a broad range of financial instruments and (ii) receiving compensation only from customers.

On this point, the Plan advocates "Creating a system to encourage the provision of neutral and reliable advice to consumers" as a pillar of efforts and, to be more specific, it proposes that a new public organization for financial and economic education should certify advisors who provide advice from the standpoint of customers and provide support so that such advisors can continuously provide high-quality services. (Figure 3)

In addition, the Interim Report and the Plan mention the need to consider easing the registration requirements for investment advisory businesses limiting the scope of advice in order to increase opportunities for customers to receive advice concerning individual products.

**Figure 3: Role of a Financial and Economic Education Promotion Agency (tentative name)
(conceptual drawing)**



Solicitation for Acquisition of Membership Rights of Limited Liability Companies

1. Introduction

The limited liability company is a form of company created under the Companies Act, which was put into force in May 2006. Equity owners of this form of company are subject to limited liability—that is, they are held liable only up to the amount of funds contributed—and they may flexibly set internal rules for the company. The membership right of a limited liability company, which refers to the right of an equity owner (partner) of the limited liability company, is treated as a security under the Financial Instruments and Exchange Act because the right is considered to have some characteristics of an investment instrument.

In recent years, the FSA has received many complaints and requests for consultation with respect to membership rights of limited liability companies. Below, the FSA's perspective on and handling of this matter are explained.

2. Inappropriate solicitation for acquisition of membership rights of limited liability companies

Regarding membership rights of limited liability companies, the FSA has received many requests for consultation from people alleging that they heard inappropriate words of solicitation, such as: "As soliciting for the acquisition of membership rights does not require registration for financial instrument business, this is not illegal"; "You will receive a commission if you introduce your friends or some other people to us"; and "We invest funds abroad, and until now, invested funds have never underperformed and are certain to deliver high returns."

Some people complained that after responding to such solicitation, they lost contact with those who had solicited them or that although dividends were initially paid as scheduled, dividend payments have been put off since then, with invested funds remaining unrecovered. We think there are some cases that the invested funds are not returned.

When solicitation for the acquisition of securities is conducted by people other than the issuers of the securities (in the case of membership rights of limited liability companies, people other than the executive officers of the limited liability companies), in principle, those people need to be registered as financial instrument business operators based on the Financial Instruments and Exchange Act. It is possible that the

abovementioned inappropriate solicitation activities were conducted without the necessary registration, so it is important for customers to check whether those who are soliciting them are registered as financial instruments business operators.

In light of this situation, in November 2022, the FSA issued an alert on its website about membership rights of limited liability companies ("Be Careful about Solicitation for Acquisition of Membership Rights of Limited Liability Companies!") in order to protect investors from financial damage and prevent the existing damage from expanding.

<https://www.fsa.go.jp/ordinary/chuui/syainnken.html>

(Available in Japanese)

令和4年11月28日
金融庁

合同会社等の社員権の取得勧誘にご注意ください！

合同会社等※の社員権の勧誘において、このような勧誘を受けたことはありませんか？

- 「社員権の募集は、金融商品取引業の登録は不要だから違法じゃありません。」
- 「友人など誰かを紹介すれば、自身にマージンが入ります。」
- 「資金は海外で運用していて、今まで負けたことがない！高利回りは確実！」

※合同会社、合名会社または合資会社のことを指します。

- 合同会社等の社員権の勧誘は、電話やSNSなどのインターネット、投資セミナー等様々な手段が用いられており、投資者の年齢層も高齢者から若年層まで幅広く広がっています。
- 高利回りを謳った勧誘に応じた結果、当該勧誘者と連絡が取れなくなる事例、勧誘時に押われていた利回りで運用されず、投資した資金自体も回収されない事例などが認められるほか、投資対象や契約内容を理解しないまま契約した旨の相談も多数寄せられています。
- さらに、退社を申し出ても返金が引き延ばされたり、返金されないといった相談も多数寄せられています。
- 合同会社等の社員権の取得勧誘を業務執行社員以外の者が、裏として行う場合、金融商品取引業の登録が必要となります。**合同会社等の社員権の取得勧誘を受けた際は、慎重にご判断ください。**
- 金融商品取引業の登録を受けている業者は、**こちら**で確認できます。
- 無登録で金融商品取引業を行っているとして、金融庁(財務局)が警告を行った者は、**こちら**で確認できます。

(ご参考)

「合同会社」による社員権の取得勧誘については、近年、事業実態が不透明な合同会社が、その業務を必ずしも把握していない多数の使用人(従業員)を通じて、多数の投資家に対し、不適切な投資勧誘を行っているという相談や苦情が多数寄せられたことを受け、証券取引等監視委員会より金融商品取引業の登録が必要な範囲を拡大するなどを求める建議がなされました。

これを踏まえ、金融庁では、合同会社等の使用人(従業員)による社員権の取得勧誘の適正化を図るため、社員権の発行者に関する内閣府令の見直しを行い、令和4年10月3日より施行しております。

本改正後の合同会社等の社員権については、その取得勧誘に使用人(従業員)を含む、業務執行社員以外の者が関与するときは、当該使用人(従業員)等が行う取得勧誘が裏として行うものと認められる場合、金融商品取引業の登録が必要となります。

The alert posted on the FSA's website

The FSA and Local Finance Bureaus have published a list of registered financial instrument business operators. When a business operator engaging in financial instrument business without registration has been found, the FSA issues an alert to the business operator and announces the issuance of the alert. (Even when business operators are registered as financial instrument business operators, that does not mean that their creditworthiness is guaranteed.)

- The list of registered financial instrument business operators

<https://www.fsa.go.jp/menkyo/menkyoj/kinyushohin.pdf> (Available in Japanese)

- The names of business operators engaging in financial instrument business without registration (announcement of the issuance of alerts to business operators engaging in financial instrument business without registration)

<https://www.fsa.go.jp/ordinary/chuui/mutouroku.html>

(Available in Japanese)

3. Conclusion

Regarding membership rights of limited liability companies, as mentioned above, there are cases in which solicitation is conducted in ways that describe the acquisition of the rights as an attractive investment that promises a high return. If you easily trust words of solicitation and make investment, you may be entangled in a problem and lose the money. Instead of taking words of solicitation at face value, it is important to carefully consider and judge whether the business of the limited liability company in question is really a credible one.

Consulting the FSA's Counseling Office for Financial Services Users is effective in helping to make that judgement.

<Counseling Office for Financial Services Users>

Call reception hours: 10 a.m. to 5 p.m. on weekdays

Phone (Navi Dial): 0570-016811

* When using an IP phone, please call: 03-5251-6811.

* Calls to the Counseling Office are recorded in order to ensure that requests for consultation are clearly understood.

* Contact is also possible via document (postal mail) or the internet.

<https://www.fsa.go.jp/receipt/soudansitu/index.html>

(Available in Japanese)

Recent Requests for Consultation Received by the Counseling Office for Financial Services Users

In order to make financial services more convenient and to make effective use of received information for financial administration, the FSA has opened the Counseling Office for Financial Services Users (hereinafter referred to as the "Counseling Office"), which is a one-stop window for handling inquiries, requests for consultation and opinions received from users with respect to financial services.

The items of consultation and the number of requests for consultation received from users are disclosed on a quarterly basis. On November 30, 2022, information regarding requests for consultation received in the quarter from July to September 2022 was disclosed.

Below, an overview of requests for consultation received recently by the Counseling Office is provided.

Regarding deposits and loans, the number of requests for consultation received by the Counseling Office with respect to "ongoing due diligence regarding money laundering" is increasing because financial institutions themselves neglect to fulfill their accountability responsibilities in response to customers' inquiries due to a lack of guidance and awareness on the part of their employees and refer the inquiries to the FSA.

In addition, there were several requests for consultation from consumers complaining about financial institutions' refusal to meet requests for rescheduling of loan repayments due to the deterioration of business conditions caused by the COVID-19 crisis.

Regarding investment, there were requests for consultation from consumers complaining that they were unable to recover funds invested in crypto assets and FX transactions in response to solicitation from people with whom they had become acquainted through a matching app or an SNS and that they were also asked to make payments under various pretexts.

Regarding insurance, there were requests for consultation received with respect to delays in payments of hospitalization benefits in relation to COVID-19 insurance products.

In addition, requests for consultation were received with respect to fraud cases in which the fraudsters impersonated themselves as FSA employees, and two of those cases are described below as a reminder for consumers. (The reminder notice "Beware of FSA Impersonators" has been posted on the FSA's official Twitter account.)

<Case 1>

- There were cases in which people pretending to work at fictitious FSA bureaus and departments or using real FSA employees' names sent e-mail messages to a large number of unspecified people promoting an opportunity to win a large amount of prize money, with some people who received the emails being deceived into making fee payment in cash or crypt assets.
- In one recent case, a request for consultation was received from a consumer who reported that a person claiming to be an FSA employee in charge of a contact office regarding special benefits related to COVID-19 had offered to provide 750 million yen via bank transfer if a fee of 2,000 yen was paid via a prepaid card and asked for the bank account number.

At the FSA, there is no such contact office. The FSA never sends e-mail messages to individual people, nor does it deliver a large amount of prize money.

<Case 2>

- There were cases in which people claiming to have been commissioned by the FSA to conduct a questionnaire survey concerning the asset status visited individual people's houses and tried to collect replies.
- According to the information received by the FSA, in addition to visiting individual people's houses and asking about the asset status while pretending to be conducting a questionnaire survey, the fraudsters persistently solicited the visited people to receive consultation service regarding asset building or to reconsider insurance policies.

FSA employees never visit individual people's houses to ask about the asset status, nor does it commission business operators to do so on its behalf.

When you encounter cases like those above or other suspicious cases, be careful not to provide personal information or pay money but contact the police or the FSA's Counseling Office for Financial Services Users.

<https://www.fsa.go.jp/receipt/soudansitu/index.html>
(Available in Japanese)

JFSA's Major Activities in December (December 1 to December 28, 2022)



- [Tentative decisions on the fundamental elements of the economic value-based solvency regulation \(December 28, 2022\)](#)
- [Financial Industry-Wide Cybersecurity Exercise \(Delta Wall VII\) \(December 23, 2022\)](#)
- [Call for Public Comment on Proposed Partial Amendments to the Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc. regarding ESG Investment Trusts \(December 19, 2022\)](#)
- [Finalization of “the Code of Conduct for ESG Evaluation and Data Providers” \(December 15, 2022\)](#)
- [Guideline for Supervision of Issuers of Prepaid Payment Instruments \(December 15, 2022\)](#)
- [Guideline for Supervision of Funds Transfer Service Providers \(December 15, 2022\)](#)
- [Guideline for Supervision of Crypto-Asset Exchange Service Providers \(December 15, 2022\)](#)
- [Administrative Actions against FTX Japan, Inc. \(December 9, 2022\)](#)
- [Finalization of the "Guidelines for Creating, Recordkeeping and Reporting of Transaction Information specified in Article 4\(1\) of the Cabinet Office Order on the Regulation of Over-the-Counter Derivatives, etc." \(December 9, 2022\)](#)

- JFSA's official English Twitter account
https://twitter.com/JFSA_en



**We are promoting
information dissemination
using Twitter!**

- Please send your opinions using the following email address to the Public Relations Office's personnel in charge of Access FSA.

E-mail : fsa_kouhou@fsa.go.jp

Editorial Postscript

Happy New Year.

We look forward to your continued support this year.

At the FSA, we frequently use the program year (from July to June the following year), as well as the calendar year (from January to December) and the fiscal year (from April to March the following year), as a standard one-year period.

The program year is a period based on the timing of regular personnel transfer (around July each year). I remember having at first felt odd about this one-year period after joining the FSA. However, having worked for the FSA for nearly 20 years, I have got so used to it that I feel January is more the start of the second half of the program year rather than the beginning of a new (calendar) year. This feeling has been apparently becoming stronger year after year, although, of course, the arrival of the new year brings a sense of refreshment.

Generally speaking, in the second half of the program year, government employees are expected to perform better than in the first half as they get used to their new work after transfer. Therefore, I am resolved to strive hard to live up to that expectation (I make such resolution every year).

We appreciate your continued readership of Access FSA.

MORIYA Takayuki, Director,
Public Relations Office, FSA