

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

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

### 1. Financial measures in response to disasters, etc.

- Financial institutions operating in disaster-affected areas are once again requested to provide meticulous support in response to disaster victims such as the disaster caused by a road collapse accident due to a damaged basin sewer pipe, the disaster caused by the heavy snow on the Sea of Japan side from February 17, 2025, and the disaster caused by a large-scale fire outbreak in Ofunato City, Iwate Prefecture, 2025.

(Reference) Application of the Disaster Relief Act

○Name of disaster			
Name of municipality	Date of application of the Act (date of publication by the Cabinet Office)	Competent Bureau	Request date for measure
○Road collapse accident due to a damaged basin sewer pipes			
Saitama Prefecture	January 29 (February 11)	Kanto Local Finance Bureau	February 12
○Heavy snow on the Sea of Japan side from February 17, 2025			
Niigata Prefecture	February 20 (February 20)	Kanto Local Finance Bureau	February 21
Aomori Prefecture	February 25 (February 25)	Tohoku Local Finance Bureau	February 25
○Large-scale fire outbreak in Ofunato City, Iwate Prefecture, 2025			
Iwate Prefecture	February 26 (February 26)	Tohoku Local Finance Bureau	February 27

Note: By date of publication by the Cabinet Office

### 2. Response based on the current international situation

- Amid heightened uncertainty in the global economy, we hope that financial institutions will not only appropriately control financial risks but also be able to provide customers with high-quality financial intermediary functions even in times

of stress.

- In addition, amid heightened geopolitical risks, we hope that financial institutions will not only prevent cybersecurity-related system failures but also enhance organizational resilience, including early recovery of operations in the event of a business suspension and mitigation of the impact on customers.

### 3. Interest rate risk in the banking book (IRRBB)

- In the current program year, we conducted monitoring on the current yen interest rate risk management system of three major banks.
- At present, there are no major problems, but on the other hand, for the measurement of core deposits, each bank builds models under the constraints of data available during the period of rising interest rates, and it is necessary to continuously improve the measurement by accumulating data in the future. In doing so, it is necessary to keep in mind the shift from savings to investment, the spread of Internet banking, and changes in the demographic and other environments.

### 4. Cross-sectoral publicity for financial crime prevention

- On March 8, 2025, we published a full-page, public-private cooperative, cross-sectoral, newspaper advertisement in which we asked the users of financial institutions to understand and cooperate in ongoing customer due diligence.
- In addition to ongoing customer due diligence, we hope that financial institutions will continue to cooperate in public-private joint relations activities to combat financial crime, such as the eradication of account trading.

### 5. Publication of draft amendments to the Ordinance for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds (review of methods for non-face-to-face identity verification)

- In recent years, falsified identity verification documents have been misused for non-face-to-face identity verification, which has become a major security issue.
- In response to this situation, the National Police Agency calls for a public comment (from February 28, 2025 to March 29, 2025) on draft amendments to the Ordinance

for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds in order to eliminate the methods for non-face-to-face identity verification that pose a high risk of impersonation through falsified identity verification documents.

- Methods for face-to-face identity verification will also be considered in the future.

## 6. Publication of AI Discussion Paper

- On March 4, 2025, the FSA published the AI Discussion Paper to support businesses' efforts toward sound AI utilization and to organize issues for constructive dialogue. We look forward to the progress made by financial institutions in their efforts to improve customer convenience and operational efficiency.
- Based on the perspectives presented in the AI Discussion Paper, the FSA intends to continue to strengthen dialogue with stakeholders and flexibly deepen consideration of specific measures.
- If you have any comments or suggestions on this Discussion Paper, please feel free to consult us.

(Reference) Publication of AI Discussion Paper

- Website: <https://www.fsa.go.jp/en/news/2025/20250304/aidp.html>
- Send comment to: Innovation Promotion Office, Risk Analysis Division, Strategy Development and Management Bureau, Financial Services Agency
- Email: [ai.survey@fsa.go.jp](mailto:ai.survey@fsa.go.jp)

## 7. Japan Fintech Week 2025

- The FSA held Japan Fintech Week 2025 from March 3 to 7, 2025 as a core week to create business opportunities for the further development of fintech.
- In 2026, Japan Fintech Week 2026 will be held from March 2 to March 6 as a core week.
- We hope that this event will further expand business opportunities for people in the fintech business and contribute to solving their problems.

(Reference) Japan Fintech Week 2025

[https://www.fsa.go.jp/policy/japanfintechweek/2025/index\\_en.html](https://www.fsa.go.jp/policy/japanfintechweek/2025/index_en.html)

## 8. Outcomes of the G20 Finance Ministers and Central Bank Governors Meeting in February

- The G20 Finance Ministers and Central Bank Governors Meeting was held in Cape Town, South Africa, from February 26 to 27, 2025. Major outcomes related to the financial sector in the Chair's Summary published after the meeting are outlined below.

Generally, members:

- Recalled the G20 commitment to ensuring a stable financial system through the full and timely implementation of agreed international reforms and standards, including Basel III, was mentioned. Discussed that the Financial Stability Board (FSB), with the assistance of standard setting bodies (SSBs), will conduct a comprehensive review of monitoring the implementation of financial reforms established over the past 15 years. Furthermore, it was mentioned that the finalization of the Insurance Capital Standard (ICS) marks an important juncture in implementing financial reforms.
- On nonbank financial intermediation (NBFI), planned to continue enhancing the resilience of NBFI and looked forward to the FSB's final recommendations for addressing risks from NBFI leverage, as well as the work program to address non-bank data availability, use and quality. Emphasized the importance of the FSB, the Bank for International Settlements (BIS), and SSBs' work on enhancing cross-border payments and implementing the FSB crypto-asset recommendations. Supported ongoing work to revise the Financial Action Task Force's (FATF's) Standards on payment transparency as well as the implementation of its standards on virtual assets. On sustainable finance, looked forward to the development of practical recommendations to enable countries to address natural catastrophe insurance protection gaps.
- The next G20 Finance Ministers and Central Bank Governors Meeting is scheduled to be held in Washington, D.C., in April 2025. The FSA will continue to communicate with financial institutions and contribute to global discussions.

## 9. Commencement of second public consultation on the proposed revisions of FATF Recommendation 16 (cross-border remittances)

- At the end of February, the Financial Action Task Force (FATF) conducted the second round of public consultation on the proposed revisions of Recommendation 16 on payment transparency in cross-border remittances (due in mid-April).
- The revision of the Recommendation is aimed at securing measures against money laundering, etc. and was reviewed by the FATF again, taking into account the opinions of the industry gathered at the first round of public consultation conducted in early May last year.
- We will carefully request relevant parties for feedback and suggestions and participate in discussions toward finalization.

(End)