JSDA’s Major Work Plans

- Invigorating financial and capital markets
- Promoting asset building through investment

July 2, 2018
Contributing to individuals’ medium- and long-term asset building

1. Further promoting the NISA schemes, particularly the Dollar-Cost Averaging NISA

- **Securing the 20-year installment period for the Dollar-Cost Averaging NISA**
  Work with related parties to ensure that the 20-year installment period for the Dollar-Cost Averaging NISA is systematically secured.

- **Making the NISA system permanent and more convenient**
  Work with related parties to build a concrete basis (such as a “NISA Law”) for the NISA system (NISA, Dollar-Cost Averaging NISA, Junior NISA) so that the NISA system can become permanent, as well as review and revise the system to make it more convenient for users. Additionally, look into ways to improve the environment for handling the Dollar-Cost Averaging NISA so that more member firms begin handling it.

- **Actively popularizing the Dollar-Cost Averaging NISA, etc.**
  To promote and spread the Dollar-Cost Averaging NISA, as well as NISA and Junior NISA, conduct PR activities targeted at a wide range of people (including those who are not interested in investment), to increase their awareness and understanding of the necessity of making investments.
Contributing to individuals’ medium- and long-term asset building

2. Deliberating and pursuing measures to promote medium- and long-term asset building

- **Promoting asset building in the workplace**
  Investigate and implement publicity activities aimed at companies and municipal bodies to promote the use of the Workplace Dollar-Cost Averaging NISA and the Defined Contribution Pension system, etc. to employees (including those who are not interested in investment). Also, to boost the DC Pension system (including iDeCo), look into improving its systems/operations and work with relevant parties.

- **Creating an environment for the smooth transfer of risk assets between generations**
  To facilitate the transfer of assets, conduct research and studies (including surveying the impact of taxation on asset building); review the valuations in the inheritance tax; and work with relevant parties.

- **Investigating and studying financial products and securities services that can respond to the needs of an aging society**
  To support the efficient management and use of assets and the smooth inheritance of assets between generations amid an aging society, conduct various studies of such items as ways to deliver advice from the perspective of the aged and the possibility of employing a similar system as the joint account structure in the United States.
Spreading and deepening financial and securities knowledge

1. Promoting financial and securities education

• **Carrying out initiatives associated with the revised school curriculum guidelines**
  Based on the revised school curriculum guidelines, work with and provide information to the parties concerned to expand financial and economic education in schools.

• **Conducting activities that consider the asset-building support systems such as NISA and iDeCo**
  Promote activities, such as dispatching lecturers and holding seminars for inexperienced and novice investors, in response to the spread of asset-building support systems such as NISA and iDeCo.

• **Enriching educational content targeting the younger generation**
  Improve online content and other sources, update website designs, and distribute practical information through SNS in order to stimulate interest in and foster understanding of securities investment among the younger generation, who have a low securities holdings ratio.

• **Supporting the SDGs**
  Deliberate on possible ways to promote the SDGs, using publicity and education, for the target populations.

• **Promoting information sharing on financial and securities educational activities**
  Promote information sharing on financial and securities education initiatives carried out by each member firm, and endeavor to further accelerate the financial and securities educational activities in the securities industry as a whole.
2. Implementing PR activities to prevent scams involving fake sales of stocks or corporate bonds

Carry out public street campaigns in major cities nationwide in collaboration with police, member firms, regional finance bureaus, and consumer agencies to warn people about scams involving the fraudulent sale of stocks or bonds.
Strengthening financial and capital markets’ functions and competitiveness

1. Undertaking initiatives related to FinTech

Examine possible initiatives to promote and disseminate information about securities investment to the “smartphone generation” through FinTech businesses. Participate in the FSA’s Study Group on the Virtual Currency Exchange Services, and endeavor to grasp the possible implications for and impacts on the securities business.

2. Shortening the settlement cycle for stocks, etc.

Continue to promote initiatives to facilitate a smoother transition to the shortened stock settlement cycle of T+2 (implementation date: July 16, 2019). Also, for government bond retail transactions and general bond transactions, continue to deliberate on the issues for shortening the settlement cycle to T+2, as well as discuss the practical timing and scope of applying T+2.

3. Improving the environment for expanding and diversifying the corporate bond market

Deliberate on and address corporate bond management issues among market stakeholders based on discussions of the Legislative Council’s Corporate Law Subcommittee. Continue to review the reporting and publishing systems for corporate bond transactions, examining their impacts on corporate bond liquidity.

4. Improving the institutional infrastructure for off-exchange transactions related to stocks

Conduct necessary systematic adjustments related to off-exchange stock transactions, such as revising self-regulatory rules for margin transactions through PTS based on reviews conducted by related parties.
5. Promoting the use of unlisted stock transactions

Investigate and study—through information exchange between related parties—further utilization of unlisted stock transactions including the shareholders’ community system, in order to facilitate a smoother supply of risk money and business succession, while concurrently invigorating local economies. Monitor and conduct awareness raising activities regarding the equity-based crowdfunding and shareholders community system to ensure appropriate use of these schemes.

6. Undertaking initiatives aimed at the sound introduction and expansion of use of the Social Security and Tax Number System

Work toward and deliberate methods to facilitate the expansion of understanding and further use in the private sector, etc. of the Social Security and Tax Number System. Also, conduct awareness activities to promote the submission of the Social Security and Tax Number to financial institutions by customers.

7. Promoting studies on financial and capital markets

By managing the JSDA Capital Market Forum and the Visiting Fellowship System, nurture young scholars, promote interaction between academic researchers and market experts, as well as support academic studies.

8. Implementing the “National Survey on Securities Investment”

In order to more thoroughly grasp the level of awareness and current securities holding status of every level of Japanese society as basic data that can be used to promote the spread of sound securities knowledge and understanding, implement the “National Survey on Securities Investment”.

Strengthening financial and capital markets’ functions and competitiveness
Undertaking initiatives for the entire securities industry

1. Further promoting the SDGs through the securities industry

In addition to furthering the four initiatives outlined in JSDA’s “Declaration in Support of SDGs”, deliberate on possible new initiatives.

- **Enacting initiatives to meet social challenges via the securities industry**
  
  Continue to deliberate on specific measures aimed at promoting the sale or development of financial products that contribute to the SDGs, in order to meet social challenges through the securities industry.

- **Establishing decent work environments and supporting women in the work-force of the securities industry**
  
  To further promote improvements in working conditions and women’s participation in the securities industry, implement such initiatives as the Meeting for Women in the Securities Industry (MWSI) and seminars, lectures, etc. for the officers and employees of member firms.

- **Supporting children, etc. who face harsh economic circumstances**
  
  Undertake various initiatives by the securities industry as a whole that support and nurture underprivileged children so they have hope for the future, such as participating in the “Used Book Sale Donations for Children’s Futures”, as well as creating a platform to connect member firms with NPOs, etc. that work on supporting children.

- **Enacting initiatives to increase awareness and understanding of the SDGs**
  
  In order to increase awareness of the SDGs among officers and employees of member firms, take actions such as distributing SDG badges or information leaflets.

  In order to increase awareness and understanding of the SDGs in and outside Japan, engage in activities such as working through the media to communicate information, as well as hosting/planning events.
1. Further promoting the SDGs through the securities industry (continued)

- **Fostering collaboration with international organizations including the UN**
  To enhance the presence of the Japanese securities industry in contributions to the SDGs and effectively carry out the various initiatives, actively engage in information sharing through such activities as participating in UN-organized events.
  Also, within the Asia-Pacific region, further initiatives promoting the SDGs in the Asia Securities Forum, as well as hold the second Green Bond Seminar (co-hosted with ICMA) in Tokyo.
  Actively undertake SDG-related initiatives at events or conferences outside of the Asia-Pacific region as well.

2. Spreading the significance of “Securities Investment Day”

Review the nature of “Securities Investment Day” as a catalyst for those who are not interested in investment to begin taking an interest in investing.

- **Raising awareness of “Securities Investment Day” among the officers and employees of member firms**
  Discuss and execute policies that will increase the awareness of “Securities Investment Day” among the officers and employees of member firms.

- **Conducting activities through “Securities Investment Day” that contribute to the SDGs and the improvement of society as a whole**
  To enhance the familiarity of securities firms by more people including those who are not interested in investment, deliberate on “Securities Investment Day” activities related to the SDGs or the corporate social responsibility (CSR) of member firms.
Improving intermediaries’ functions and credibility

1. Undertaking initiatives to foster customer-oriented business conduct, etc.

Give necessary support to ensure that member firms embrace the pursuit of customers’ best interests as part of a corporate culture, thereby achieving an increase in customer satisfaction and securing a stable customer base and profits.

Conduct initiatives related to and those that follow up on the consumer-oriented voluntary declaration, “Consumer-Oriented Declaration for Supporting Asset Building by the General Public.”

2. Studying and deliberating on the business management of member firms

Study and deliberate supportive measures to streamline member firms’ business management in every region to improve their roles as a market intermediary, in light of the trends in the financial and capital markets and the securities business environment.

3. Exercising effective self-regulatory functions

- **Making appropriate alterations to self-regulations based on changes to the financial services environment**
  Review the JSDA’s self regulatory functions in response to advancements of business models affected by environmental changes, including new technology and the emergence of new businesses, taking into consideration the diversification of the customer base in various life stages, diversified methods of advertisement and solicitation, and the revision of the Civil Law and Customer Contract Act, etc.

- **Conducting agile and effective inspections of member firms**
  Continue to conduct agile and effective inspections of the member firms looking at their businesses, status of assets, and other garnered information in order to verify and check compliance with laws and self-regulatory rules, as well as to check on their internal administrative framework.

- **Continuing initiatives to prevent insider trading**
  Continue to collaborate with market-related institutions to encourage listed companies to participate in the Japan Insider Registration & Identification Support System (J-IRISS).
Improving intermediaries’ functions and credibility

3. Exercising effective self-regulatory functions (continued)

- **Endeavoring to exclude anti-social forces from the capital markets**
  Endeavor to thoroughly eliminate anti-social forces from the securities market by using the “anti-social forces identification system” and other measures. In addition, prepare for the system replacement scheduled in FY2019.

4. Adopting initiatives to combat money laundering

Deliberate on and undertake all necessary initiatives for anti-money laundering and countermeasures against financing of terrorism, looking ahead to the revision of the Act on Prevention of Transfer of Criminal Proceeds and other laws, as well as the 4th Round of Mutual Evaluations of Japan by the FATF.

5. Finding and analyzing the details of troubles in the use of financial services

Deliberate effective measures to prevent troubles in the use of financial services by finding and analyzing their details, and then undertake necessary countermeasures.
Enhancing global outreach and cooperation

1. Actively conducting overseas public relations on the attractiveness and potential of the Japanese markets

   In order to further raise the global presence of the Japanese financial and capital markets, actively conduct PR activities by holding overseas events to update others on the current situation and steps being taken in the markets.

2. Enhancing cooperation and collaboration with relevant overseas organizations

   In order to provide member firms with information about overseas market trends and tackle common global issues, actively exchange information in a number of international forums such as the Asia Securities Forum (ASF), International Council of Securities Associations (ICSA) and International Forum for Investor Education (IFIE) as well as through contacts with other overseas organizations/entities. Exercise leadership to promote the role of the Asia Securities Forum (ASF), aiming to have the capital markets in the Asia-Pacific region contribute to sustainable economic development. Concurrently, enhance technical assistance given to related organizations in emerging economies by tapping into the Japanese markets’ expertise and experience.

3. Responding to global regulatory reform

   Actively participate in discussions in the International Organization of Securities Commissions (IOSCO) and other international forums as well as appropriately respond to and collect information about global regulatory reforms pertaining to financial and capital markets in collaboration with related domestic and international organizations.

4. Expanding the provision of information in English

   Provide more information in English regarding the JSDA’s public documents as well as boards and other consultative bodies.
Improving JSDA’s operations

1. Actively disseminating information about issues being tackled by the securities industry
   Actively disseminate information on the industry’s activities and efforts to maintain and increase the fairness and soundness of the financial and capital markets as well as social contributions through the JSDA website and other media. Also raise awareness of “Securities Investment Day.”

2. Renewing the JSDA Website
   Completely redesign the JSDA website to improve PR activities related to various initiatives undertaken by the JSDA and the securities industry and to realize user-friendly accessibility.

3. Developing and strengthening business continuity planning (BCP) and cybersecurity measures
   To respond to environmental changes including crises, reexamine key operations and business continuity planning (BCP) and conduct drills to ensure the effectiveness of BCP. Concurrently, in order to properly cope with cyber attacks, enhance cyber resilience against the recent surge in Targeted Email Attacks.

4. Fostering collaboration with local stakeholders
   Actively undertake JSDA’s initiatives in each local area, collaborating with a wide range of local stakeholders such as industry organizations, corporations, educational institutions, municipal governments and market participants.
Improving JSDA’s operations

5. Reviewing and improving organizational structure and operations

- **Undertaking measures related to office relocation**
  Relocate JSDA office in Autumn 2018 in accordance with the resolution made by the Board of Governors in January 2018.

- **Developing qualified human resources through strategic recruitment and training**
  Develop personnel who can contribute to international affairs and interactions as well as securities business by sending staff to overseas postgraduate schools. Also actively recruit female staff, aiming at women’s empowerment.

- **Improving staff members’ work-life balance**
  For every employee to fully demonstrate their capacity and continue to work with peace of mind, take steps to strike a balance between work and private life.