

RULES CONCERNING HANDLING OF DOCUMENTS DELIVERY, ETC. THROUGH ELECTROMAGNETIC METHOD

(March 30, 2001)

(Purpose)

Article 1 The purpose of the Rules Concerning Handling of Documents Delivery, etc. Through Electromagnetic Method (hereinafter referred to as “Rules”) is to define methods, etc. used in the case where an Association Member delivers matters to be stated in a document, in a way using an electronic data processing system (an electronic data processing system that connects a computer used by the Association Member, etc. with that used by a customer, etc. (a customer and any person who saves a customer file (a file that is exclusively used by such customer; the same shall apply hereinafter) in a computer operated by such person under an agreement with such customer; the same shall apply hereinafter) through an electric telecommunication line; the same shall apply hereinafter) or other ways using information and telecommunication technology (hereinafter referred to as the “Electromagnetic Method”) in lieu of delivery etc. of such document, and methods, etc., used in the case where the Association Member receives matters to be stated in a document in the Electromagnetic Method in lieu of collection etc. of such document.

(Method of Delivery, etc. in the Electromagnetic Method)

Article 2 An Association Member may, in lieu of delivery etc. of a document, deliver matters to be stated in such document in the Electromagnetic Method that are set forth in each of the following Items (excluding the method set forth in Item (1)(iv) in case of documents that are separately set forth in the Annex):

- (1) The following methods that use an electronic data processing system;
 - (i) A method transmitting the matters to be stated in a document (hereinafter referred to as the “Description Matters”) through an electric communication line that connects a computer used by the Association Member, etc. (including a person who saves files in a computer operated by himself/herself, and provides it for the use by such customer or the Association Member under an agreement with the Association Member who provides Description Matters in the Electromagnetic Method; the same shall apply hereinafter) with a computer used by customer, etc., and recording the Description Matters in a customer file saved in a computer used by the customer, etc.
 - (ii) A method providing the Description Matters that are recorded in a file saved in a computer used by the Association Member, etc. through an electric communication line for review by a customer, and recording such Description Matters in a customer file of such customer that is saved in a computer used by the customer, etc.
 - (iii) A method providing the Description Matters that are recorded in a customer file saved in a computer used by the Association Member, etc. through an electric communication line for review by a customer.
 - (iv) A method providing the Description Matters recorded in a Review File (a file that is saved in a computer used by the Association Member, etc. and records the Description Matters for review by several customers at the same time; the same shall apply hereinafter) through an electric communication line for review by a customer.
- (2) A method delivering a file that is prepared by using media such as a magnetic disc, CD-ROM, or other similar objects that can surely record certain matters, and that records the Description Matters.

(Standards for Delivery, etc. in the Electromagnetic Method)

Article 3 The methods set forth in each Item of the preceding Article must conform to the standards set forth in each of the following Items:

- (1) It enables the customer to prepare a document by outputting a record contained in a customer file or a Review File;
- (2) In the case of method set forth in the preceding Article, Items (1)(i), (iii), or (iv) (excluding the method of recording the Description Matters in a customer file saved in a computer used by a customer), it can notify the customer that the Description Matters will be or were recorded in a customer file or a Review File. Provided, however, that this provision shall not apply if it has already been confirmed that the customer actually reviewed such Description Matters;
- (3) In the case of method set forth in the preceding Article, Items (1)(iii) or (iv), it cannot delete or modify the following matters within five years from the date when the last transaction set forth in the Description Matters was conducted (in the case where a complaint on the Description Matters is submitted before the expiration date of such five-year period, such period is expired on the later of the time when such five-year period is expired or when the complaint is solved). Provided, however, that such Description Matters may be deleted in the case where an Association Member provides the Description Matters for review by a document, provides them with the consent of the customer (the consent obtained in a way prescribed in Article 5) in a method set forth in the preceding Article, Item (1)(i), (ii), or the same Article, Item (2), or if the customer instructs the Association Member to delete the Description Matters;
 - (i) Regarding the method set forth in the preceding Article, Item (1)(iii), the Description Matters recorded in a customer file;
 - (ii) Regarding the method set forth in the preceding Article, Item (1)(iv), the Description Matters recorded in a Review File.
- (4) The method prescribed in the preceding Article, Paragraph 1(iv) shall meet the standards set forth below:
 - (i) It records information in a customer file that is necessary for a customer to review a Review File;
 - (ii) Until the expiration of the period prescribed in the preceding Item, it maintains the connectivity that enables a customer to review a customer file that saves the information necessary for a customer to review a Review File that is prescribed in the provision of preceding (i) and the Review File itself through an electric communication line. Provided, however, that this provision shall not apply if the customer who is to review the files notifies that it is not necessary to maintain the connectivity.

(Method of Collection, etc. through the Electromagnetic Method)

Article 4 The Association Member may, in lieu of collection etc. of such document, collect matters to be stated in a document in the Electromagnetic Method that are set forth in each of the following Items (limited to those in which the Association Member can prepare a document by outputting the record contained in the file):

- (1) The following methods that use an electronic data processing system;
 - (i) A method transmitting the matters to be stated through an electric communication line that connects a computer used by the Association Member with a computer used by a customer, and recording the matters to be stated in a file saved in a computer used by a receiver;
 - (ii) A method providing the matters to be stated in a document recorded in a file saved in a computer used by the Association Member through an electronic telecommunication line for review by the customer, and recording the matters to be stated in a document in a file saved in a computer used by the Association Member.
- (2) A method collecting a file that is prepared by using media such as a magnetic disc, CD-ROM, or other similar objects that can surely record certain matters, and that records the matters to be stated in a document.

(Consent of Customer)

Article 5 In the case where the Association Member intends to deliver or receive the matters to be stated in a document in the Electromagnetic Method, it shall in advance indicate to a customer the following matters relating to the Electromagnetic Method it plans to use, and must obtain the consent of the customer in writing or in the Electromagnetic Method:

- (1) The method set forth in Article 2 or 4 and used by the Association Member;
- (2) The method of recoding in a file.

(Withdrawal of Consent, etc.)

Article 6 In the case where the Association Member who obtained the consent prescribed in the preceding Article receives a notice from a customer in writing or in the Electromagnetic Method that he/she will no longer receive or deliver the matters in the Electromagnetic Method, the Association Member may neither deliver nor receive the matters to be stated in a document in the Electromagnetic Method for such customer. Provided, however, that this provision shall not apply if the customer gives consent again pursuant to the preceding Article.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) These Rules are based on the version in effect as of January 1, 2017.

This translation is solely for the convenience of those interested therein, and accordingly all questions that may arise with regard to the meaning of the words or expressions herein shall be dealt with in accordance with the original Japanese text
--

Annex

Documents to be provided by methods other than the one set forth in Article 2, Item (1)(iv)

1. Individual Transaction Statement prescribed in Article 5, Paragraph 2 and 3 of the “Rules Concerning Handling of Borrowing and Lending Transaction for Share Certificates, etc.”;
2. Contract prescribed in Article 8, Paragraph 1 of the “Rules Concerning Acceptance, etc. of Deposit of Securities” (hereinafter referred to as the “Deposit, etc. Rules”);
3. Notice of Reconciliation prescribed in Article 11, Paragraph 3 of the Deposit, etc. Rules;
4. Document to be Delivered When Concluding a Contract prescribed in Article 13, Paragraph 1 of the Deposit, etc. Rules;
5. Notice concerning the relevant foreign securities futures transactions, etc. prescribed in Article 25, Paragraph 1 of the “Rules Concerning Foreign Securities Futures Transactions, etc.”;
6. Individual Transaction Statement prescribed in proviso of Article 6, Paragraph 2 of the “Rules Concerning Handling of Sale and Purchase of Bonds with Options” (hereinafter referred to as the “Sale and Purchase of Bonds with Options Rules”);
7. Receipt of option price prescribed in Article 10 of the Sale and Purchase or Transactions of Bonds with Options Rules;
8. Statement of Exercise of Option of Sale and Purchase of Bonds with Options prescribed in proviso of Article 11, Paragraph 3 of the Sale and Purchase of Bonds with Options Rules;
9. Statement of Offsetting Sale and Purchase of Bonds with Options prescribed in proviso of Article 12, Paragraph 2 of the Sale and Purchase of Bonds with Options Rules;
10. Individual Transaction Statement prescribed in Article 4, Paragraph 2 of the “Rules Concerning Handling of Conditional Sales and Purchases of Bonds, etc.” (hereinafter referred to as the “Conditional Sale and Purchase of Bonds, etc. Rules”);
11. A document describing the delivery date of Ending Transaction prescribed in Article 4, Paragraph 5, Item (10) of the Conditional Sale and Purchase of Bonds, etc. Rules;
12. A document describing the sale or purchase unit price of Ending Transaction prescribed in Article 4, Paragraph 5, Item (11) of the Conditional Sale and Purchase of Bonds, etc. Rules;
13. A document describing the transaction value of Ending Transaction prescribed in Article 4, Paragraph 5, Item (12) of the Conditional Sale and Purchase of Bonds, etc. Rules;
14. Individual Transaction Statement prescribed in Article 3, Paragraph 2 of the “Rules Concerning Handling of Transactions of Bonds, etc. with Delayed Settlement, etc.”;
15. Individual Transaction Statement prescribed in proviso of Article 5, Paragraph 2 of the “Rules Concerning Handling of Short Sale and Lending Transactions of Bonds”.