

# **DETAILED RULES RELATING TO THE RULES CONCERNING QUALIFICATION AND REGISTRATION, ETC. OF SALES REPRESENTATIVES OF ASSOCIATION MEMBERS**

**(July 14, 1992)**

## **(Purpose)**

**Article 1** The Detailed Rules Relating to the Rules Concerning Qualification and Registration, Etc. of Sales Representatives of Association Members (hereinafter referred to as “Detailed Rules”) shall prescribe the matters deemed necessary with respect to the enforcement of the “Rules Concerning Qualification and Registration, Etc. of Sales Representatives of Association Members” (hereinafter referred to as “Rules”).

## **(Acts of Sales Representative relating to Margin Transactions by Class-2 Sales Representative)**

**Article 2** The matters to be prescribed in the Detailed Rules pursuant to Article 2, Item 4 of the Rules shall be those related to margin transactions, etc. (referring to margin transactions and “When-issued” transactions), and orders thereof shall be accepted in the presence of an accompanying Class-1 Sales Representative or Margin Transaction Sales Representative of an Association Member to which Class-2 Sales Representative belongs (including cases where Class-1 Sales Representative or Margin Transaction Sales Representative confirms the relevant business activity by Class-2 Sales Representative if such acts are conducted at a business outlet or office).

## **(Matters to be Stated in Registry)**

**Article 3** The matters to be prescribed in the Detailed Rules pursuant to Article 3, Paragraph 1 of the Rules shall be as follows:

- (1) Trade name or corporate name of an Association Member Applying for Registration;
- (2) The matters with respect to Sales Representative set forth below:
  - (a) Name, date of birth, gender, and ID number;
  - (b) Whether he/she is officer or employee;
  - (c) Class of Sales Representatives (“Class-1 Sales Representative,” “Margin Transaction Sales Representative,” “Class-2 Sales Representative,” “Special Member’s Class-1 Sales Representative,” “Special Member’s Class-2 Sales Representative,” or “Special Member’s Class-4 Sales Representative” prescribed in Article 2 of the Rules), the method by which the Sales Representative Qualification was obtained and the date thereof;
  - (d) Whether or not the person has been registered as Sales Representative (including Sales Representative prescribed in Article 2, Item 6 of the “Rules Concerning Financial Instruments Intermediary Service Providers”); for those who have been registered previously, the trade name, corporate name, or personal name of the applicant for registration or Financial Instruments Intermediary Service Provider, and the period for which he/she was registered;
  - (e) In cases where suspension of the Business of Sales Representative was imposed under the provisions of Article 64-5, Paragraph 1 of the Financial Instruments and Exchange Act (hereinafter referred to as “FIEA”) or Article 11, Paragraph 1 of the Rules, the date of such suspension, the reason and the period of the suspension; and
  - (f) Whether or not the person has experience in conducting the Financial Instruments Intermediary Service; for those who have such experience, the period of which he/she was

conducting such business.

**(Matters Described in the Application for Release of Action Prohibiting Business of Sales Representative)**

**Article 4** Matters to be prescribed in the Detailed Rules pursuant to Article 6-4 of the Rules shall be as follows:

- (1) The trade name or corporate name of the Association Member who intends to make an application for release of Action Prohibiting Business of Sales Representative (as prescribed in Article 6, Paragraph 1 of the Rules (including cases where it applies *mutatis mutandis* to Paragraph 6 of the same Article); the same shall apply hereinafter);
- (2) The following matters on the Person subject to Action Prohibiting Business of Sales Representative (as prescribed in Article 6, Paragraph 2 of the Rules) who is involved in the application for release:
  - (a) Name, date of birth, and gender;
  - (b) Details on and date of the decision of the Action Prohibiting Business of Sales Representative;
  - (c) Reason for application for release; and
  - (d) Date of application for release.

**(Procedures of Application for Registration, Etc.)**

**Article 5** An applicant of the application for registration, etc. (application for registration and Notification prescribed in Article 10, Paragraph 1 of the Rules; the same shall apply hereinafter) shall be a Regular Member Representative, Special Member Representative, or Specified Business Member Representative.

2. If Regular Member Representative, Special Member Representative, or Specified Business Member Representative submits a letter of attorney to the Association in advance, indicating that a head of the section in the headquarters organization (hereinafter referred to as the “Headquarters Section”) is authorized to make the application for registration, etc., it is allowed to have the head of the Headquarters Section make the application for registration, etc.

3. A document prescribed in the Detailed Rules that is set forth in Article 7, Paragraph 2 of the Rules shall be a document that shows the commitment by the Association Member who made the application for registration and the Sales Representative that the Sales Representative whose registration applied for does not fall under any of Items of Article 64-2, Paragraph 1 of the FIEA.

4. When an Association Member makes an application for registration by submitting a written document as prescribed in Article 7, Paragraph 3 of the Rules, it shall make prior application by using a prescribed form. Provided, however, that this provision does not apply in the case of suspension or trouble of an electronic information processing system.

5. When an Association Member makes an application for registration by using an electronic information processing system as prescribed in Article 7, Paragraph 3 of the Rules, and it is then asked by the Association to submit an original document prescribed in Paragraph 3, it must submit the original document without delay.

6. In the case that an Association Member makes an application for registration by using an electronic information processing system as prescribed in Article 7, Paragraph 3 of the Rules, the original document prescribed in Paragraph 3 shall be retained in five years from the date of making the application for registration.

7. Matters other than those prescribed in the Detailed Rules that are necessary for the application for registration, etc. shall be prescribed separately.

**(Application for Registration, Etc. Using Electronic Information Processing System)**

**Article 6** In the case that an Association Member makes an application for registration, etc. by using an electronic information processing system, the Association Member must input the following matters as separately prescribed by the Association from a computer to be used by the Association Member:

(1) Matters that should be described in a document, etc. in the application for registration, etc. (excluding the matters set forth in the following Item); and

(2) When making the application for registration, matters that are described or that should be described in the paper and documents prescribed in Article 7, Paragraph 2 of the Rules (hereinafter referred to as the “Attached Document”).

2. Pursuant to the preceding Paragraph, if matters described in the Attached Document are input using a scanner, the Association Member must record the matters described in the Attached Document using a scanner in the file. The Association Member must also record the date and time when the matters are recorded in the file and the statement that there is no difference between the matters described in the Attached Document and the matters recorded in the file.

3. A person who makes the application for registration, etc. must put an electronic signature (as prescribed in Article 2, Paragraph 2, Item 1 of the “Ordinance for Enforcement of the Act on Utilization of Information and Communications Technology in Administrative Procedure, Etc. Pertaining to Finance Related Laws and Regulations Under the Jurisdiction of the Cabinet Office” (hereinafter referred to as the “Enforcement Ordinance on Utilization of Online”); the same shall apply hereinafter) on the information to be input pursuant to the provision of Paragraph 1, and must send such information with an electronic certificate (electronic certificate as prescribed in Article 2, Paragraph 2, Item 2 of the Enforcement Ordinance on Utilization of Online that can be certified (certified as prescribed in Article 3, Paragraph 3 of the Enforcement Ordinance on Utilization of Online) from the computer used by the Association; the same shall apply hereinafter) that is for such electronic signature and that meets either of the following Items below:

(1) Electronic certificate prepared by a registrar pursuant to Article 12-2, Paragraphs 1 and 3 of the Commercial Registration Act (including the cases where these provisions apply *mutatis mutandis* to other laws and regulations); or

(2) Electronic certificate (excluding those prescribed in the preceding Item) that is defined in the notification by the Financial Services Agency Commissioner and prepared by the certificate authority which has a mutual certification with a bridge certificate agency in the Government Public Key Infrastructure and which is not a certificate agency consisting of the Government Public Key Infrastructure.

4. The application for registration, etc. that is made pursuant to the provision of Paragraph 1 is deemed to have arrived at the Association when it is recorded in a file located in a computer used by the Association.

5. The Association shall take measures that are necessary to certify the electronic certificate prescribed in Paragraph 3.

**(Notification by Electronic Information Processing System)**

**Article 7** When the Association makes a notification prescribed in Article 8, Paragraph 2 of the Rules through an electronic information processing system, it shall input the fact that the registration is made pursuant to the provision of the same Article, Paragraph 1 and other matters that the Association deems necessary from a computer used by the Association, put an electronic signature on the information in such notification, and record the notification in a file located in a computer used by the Association along with

the electronic certificate for such electronic signature.

2. The notification sent pursuant to the provision of the preceding Paragraph deems to arrive at an Association Member when it is recorded in a file located in a computer used by the Association Member.

**(Procedures for Hearing, Etc.)**

**Article 8** The Association shall, when conducting hearing prescribed in Article 9 Paragraph 2 of the Rules, give notice of the date and place of hearing and the matters to be heard by a document to the Regular Member Representative, Special Member Representative or Specified Business Member Representative.

2. The Association shall, when holding a trial prescribed in Article 11, Paragraph 2 of the Rules, give notice of the matters set forth below by a document to the Regular Member Representative, Special Member Representative or Specified Business Member Representative:

- (1) The type of the disciplinary action to be imposed and the provisions of laws and regulations on which it is based;
- (2) The fact that is the cause for the disciplinary action;
- (3) The date and place of the trial; and
- (4) The name and location of the organization in charge of the trial.

3. In conducting the hearing in the provision of Paragraph 1 or holding the trial prescribed in the provision of the preceding Paragraph, the attendance of Regular Member Representative, Special Member Representative, or Specified Business Member Representative shall be requested. Provided however that, in cases where the Regular Member Representative, Special Member Representative, or Specified Business Member Representative cannot attend, the Internal Administration Supervisor or an Internal Administration Assistant Supervisor (Internal Administration Supervisor or Internal Administration Assistant Supervisor under the provision of “Rules concerning Internal Administrators, etc., of Association Members”) may act as an agent(s). In these cases, the agent(s) concerned must bear power of attorney to the effect that he/she is the representative(s) of an Association Member with respect to the hearing or trial.

4. Regardless of the provisions of the preceding Paragraph, when the trial set forth in Paragraph 2 is held, the Regular Member Representative, Special Member Representative or Specified Business Member Representative may submit statements or documentary evidence(s) or physical evidence(s) by the trial date in substitution for attendance.

**(Exceptional Cases for Training Courses for Qualification Renewal)**

**Article 9** The persons to be prescribed in the Detailed Rules pursuant to proviso of Article 18, Paragraph 1 and proviso of Paragraph 2 of the same Article of the Rules shall be the person set forth in each Item below:

- (1) A person who passed the Qualification Examination prescribed in each Item of Article 3 of the “Rules Concerning Qualification Examination for Sales Representatives, Etc.” (hereinafter referred to as “Examination Rules”) within 2 years from the first day of the period prescribed in Article 18, Paragraph 1 and 2 of the Rules (hereinafter referred to as “Period of Obligatory Participation”);
- (2) A person who completed the Training Courses for Qualification Renewal under the provisions of Article 18, Paragraph 1 and 2 of the Rules within 2 years before the first day of the Period of Obligatory Participation;
- (3) A person who passed the Qualification Examination prescribed in each of the Items of Article 3 of the Examinations Rules within the Period of Obligatory Participation;
- (4) A person who is a Regular Member Representative, Special Member Representative, Specified

Business Member Representative, or any other person equivalent to the above, who is recognized by the Association as deemed appropriate, and who completed a training course designated by the Association during the period specified by the Association; and

- (5) A person for whom the Association permits his/her absence in the Training Courses for Qualification Renewal due to a justifiable reason (provided, the Association may impose a certain conditions for such permission).

#### **SUPPLEMENTARY PROVISIONS [Omitted]**

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

<p>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.</p>
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