

**RULES CONCERNING FILING OF COMPLAINTS ON DISCIPLINARY ACTION UNDER  
SELF-REGULATORY RULES IMPOSED ON EMPLOYEE, ETC. OF ASSOCIATION  
MEMBER**

**(January 16, 2018)**

**CHAPTER I GENERAL PROVISIONS**

**(Purpose)**

**Article 1** The purpose of the Rules Concerning Filing of Complaints on Disciplinary Action under Self-regulatory Rules Imposed by the Association on Employee, etc. of Association Member (hereinafter referred to as the “Rules”) is to define simple, prompt, and fair procedures for filing complaints by an Association Member or an employee of an Association Member on Disciplinary Action under self-regulatory rules imposed on the employee of the Association Member, which conform to the Request for Review under the Administrative Complaint Review Act (hereinafter referred to as the “Act”).

**(Scope)**

**Article 2** The Rules shall apply to the filing of complaints on Disciplinary Actions under self-regulatory rules imposed by the Association on an Employee, etc. of an Association Member.

**2** In the case of Disciplinary Actions pursuant to Article 64-5 of the Financial Instruments and Exchange Act (including the case to which Article 66-25 of the same Act applies mutatis mutandis), the provisions under the Act shall apply and the Rules shall not apply.

**(Definitions)**

**Article 3** In the Rules, “Disciplinary Action under Self-Regulatory Rules” shall mean those set forth in each Item below:

1. Determination to Treat a Person as the Perpetrator of an Inappropriate Act prescribed in Article 12, Paragraph 1 of the “Rules Concerning Employees of Association Members” (hereinafter referred to as the “Employee Rules”);
2. Determination to Prohibit the Business of Sales Representative prescribed in Article 6, Paragraph 1 of the “Rules Concerning Qualification and Registration, etc. of Sales Representatives of Association Members”;
3. Determination to Prohibit Allocation of Sales Manager prescribed in Article 17, Paragraph 1 of the “Rules Concerning Internal Administrators, etc. of Association Members” (hereinafter referred to as the “Internal Administrators Rules”);
4. Determination to Prohibit Allocation of Internal Administrator prescribed in Article 18, Paragraph 1 of the Internal Administrators Rules
5. Determination to Prohibit the Business of Sales Representative prescribed in Article 29, Paragraph 1 of the “Rules Concerning Financial Instruments Intermediary Service Providers”

**(Filing of Complaints)**

**Article 4** A person who is an addressee of a Disciplinary Action under self-regulatory rules or who is actually imposed a Disciplinary Action under self-regulatory rules and who has complaints on the Disciplinary Action under self-regulatory rules may file complaints to the Association.

## **CHAPTER II FILING OF COMPLAINTS**

### **SECTION 1 PERSONS CONCERNED WITH PROCEEDINGS**

#### **(Review Officer)**

**Article 5** If the Association receives complaints that are filed pursuant to the provisions of the preceding Article, the Association shall appoint a person among its employee who will conduct the procedures for proceedings as prescribed in Section 3 (hereinafter referred to as the “Review Officer”) and notify the person who filed the complaints (hereinafter referred to as the “Complaint Petitioner”) to that effect; provided, however, that this provision shall not apply if the filing of complaints is dismissed pursuant to the provision in Article 13.

**2** The qualifications of the Review Officer who is appointed pursuant to the provision in the preceding Paragraph shall conform to Article 9, Paragraph 2 of the Act.

#### **(Representative Member)**

**Article 6** If several people jointly file complaints, the people are allowed to elect their Representative Member. In this case, the Representative Member shall conform to the provisions of Article 11 of the Act.

#### **(Filing of Complaints by Agent)**

**Article 7** Filing of complaints may be made by an agent. In this case, the filing by the agent shall conform to the provisions of Article 12 of the Act.

#### **(Intervenor)**

**Article 8** A person who is not a Complaint Petitioner but is found to have an interest in the Disciplinary Action under self-regulatory rules to which the filing of complaints relates may participate in the filing of complaints with the approval of the Review Officer. In this case, the person who participates in the filing of complaints (hereinafter referred to as the “Intervenor”) shall conform to the provisions of Article 13 of the Act.

#### **(Succession of Procedures for Proceedings)**

**Article 9** A person who succeeds the rights related to the Disciplinary Action under self-regulatory rules that is a purpose of the filing of complaints shall succeed the position of Complaint Petitioner. In this case, the succession of such positions shall conform to the provisions of Article 15 of the Act.

### **SECTION 2 PROCEDURES FOR FILING COMPLAINTS**

#### **(Period for Filing Complaints)**

**Article 10** The period during which complaints may be filed on a Disciplinary Action under self-regulatory rules shall conform to the provisions of Article 18 of the Act.

#### **(Submission of Written Complaint)**

**Article 11** Complaints must be filed to the Association by submitting a written complaint that conforms to the provisions of Article 19 of the Act.

#### **(Correction of Written Complaint)**

**Article 12** If the written complaint breaches the provision in the preceding Article, the Association shall specify an appropriate period of time and demand the Complaint Petitioner to correct the written complaint within the relevant period of time.

#### **(Dismissing a Request without Prejudice, without Going through Proceedings)**

**Article 13** In the case of the preceding Article, if a Complaint Petitioner fails to correct the written complaint within the relevant period of time as prescribed in the same Article, the Association may

dismiss such filing of complaints without prejudice by its determination pursuant to the provision in Article 31 without procedures for proceedings as prescribed in the following Section.

- 2 The preceding Paragraph also applies if the filing of complaints is unlawful and cannot be corrected.

**(Non-Stay of Execution)**

**Article 14** Filing of complaints shall not preclude the effect of the Disciplinary Action under self-regulatory rules, execution of the Disciplinary Action under self-regulatory rules, or continuation of procedures.

**(Withdrawal of Filing of Complaints)**

**Article 15** A Complaint Petitioner may withdraw the filing of complaints any time until a determination therefor is made.

- 2 The withdrawal of filing of complaints must be made in writing.

**SECTION 3 PROCEDURES FOR PROCEEDINGS**

**(Well-Organized Progress of Procedures for Proceedings)**

**Article 16** The Complaint Petitioner, the Intervenor, and the Association, as well as the Review Officer must cooperate with one another in the proceedings and strive to facilitate well-organized progress of the procedures for proceedings for the purpose of achieving simple, fast, and fair proceedings.

**(Submission of a Written Explanation)**

**Article 17** A Review Officer shall specify an appropriate period of time and demand the Association to submit a written explanation.

- 2 The Association shall describe the details of and the grounds for the Disciplinary Action under self-regulatory rules on the written explanation prescribed in the preceding Paragraph.
- 3 If the Association has the following documents, the Association shall attach them to the written explanation:
  1. The record prescribed in Article 19, Paragraph 1 of the “Rules Concerning Procedures for Disciplinary Action on Sales Representative, etc. of Association Members” (hereinafter referred to as the “Disciplinary Action Rules”) and the report prescribed in Paragraph 3 of the same Article of the Disciplinary Action Rules
  2. The written explanation prescribed in Article 10, Paragraph 1 of the Disciplinary Action Rules
- 4 When a Review Officer receives a written explanation from the Association, the Review Officer shall send it to the Complaint Petitioner and the Intervenor.

**(Submission of a Written Counterargument)**

**Article 18** A Complaint Petitioner may submit a document that describes counterargument on the matters mentioned in the written explanation that was sent pursuant to the provision in Paragraph 4 of the preceding Article (hereinafter referred to as the “Written Counterargument”). In this case, if a Review Officer specifies an appropriate period of time during which a Written Counterargument should be submitted, the Complaint Petitioner must submit a Written Counterargument within the relevant period of time.

- 2 An Intervenor may submit a document that describes its opinion on the incident to which the filing of complaints relates (hereinafter referred to as the “Written Opinions”). In this case, if a Review Officer specifies an appropriate period of time during which the Written Opinions should be submitted, the Intervenor must submit the Written Opinions within the relevant period of time.

- 3 If a Review Officer receives the Written Counterargument from the Complaint Petitioner, the Review Officer must send it to the Intervenor and the Association, or if a Review Officer receives Written Opinions from the Intervenor, the Review Officer shall send it to the Complaint Petitioner and the Association, respectively.

**(Stating an Opinion Orally)**

**Article 19** When a petition has been filed by a Complaint Petitioner or an Intervenor, the Review Officer must give the said Complaint Petitioner or the Intervenor an opportunity to orally state opinions on the incident to which the filing of complaints relates. In this case, the oral statement of opinions shall conform to the provisions of Article 31 of the Act.

**(Submission of Documentary Evidence, etc.)**

**Article 20** A Complaint Petitioner or an Intervenor may submit documentary evidence or articles of evidence.

- 2 The Association may submit documents that prove the fact causing the Disciplinary Action under self-regulatory rules and other articles.
- 3 In the case of the preceding two Paragraphs, if a Review Officer specifies an appropriate period of time during which documentary evidence or articles of evidence, or documents and other articles should be submitted, these must be submitted within the relevant period of time.

**(Demand for Submission of Articles)**

**Article 21** A Review Officer may specify an appropriate period of time and demand that the owner of the relevant documents or other articles submit them within the relevant period of time, upon filing of a petition by a Complaint Petitioner or an Intervenor or by its authority. In this case, the Review Officer may keep the articles thus submitted.

**(Demand for Witnesses' Statements and Expert Opinions)**

**Article 22** A Review Officer may demand a person found appropriate to state the facts that the person knows as a witness or seek expert opinions, upon filing of a petition by a Complaint Petitioner or an Intervenor, or by its authority.

**(Observation)**

**Article 23** A Review Officer may conduct an observation at places as necessary, upon filing of a petition by a Complaint Petitioner or an Intervenor, or by its authority.

- 2 When a Review Officer intends to conduct an observation as set forth in the preceding Paragraph upon a petition filed by a Complaint Petitioner or an Intervenor, the Review Officer must give a notice in advance to inform the person who has filed the petition of the date and places of the observation and give the relevant person an opportunity to attend the observation.

**(Questions to Intervenor and the Association)**

**Article 24** A Review Officer may ask questions concerning the case wherein the complaint has been filed to the Complaint Petitioner, the Intervenor, and the Association, upon filing of a petition by a Complaint Petitioner or an Intervenor or by its authority.

**(Well-Organized Pursuit of Procedures for Proceedings)**

**Article 25** With regard to the case wherein the complaints have been filed, if a Review Officer finds it necessary to pursue the procedures for proceedings specified in Article 19 to the preceding Article in a well-organized manner in order to ensure prompt and fair proceedings, in light of the complexity of the case due to the large number of matters to be examined being confusingly tangled or any other circumstances, the Review Officer may specify the date and venue to gather the Complaint Petitioner, the Intervenor, and the Association, and hear their opinions on the petition

for the procedures for proceedings in advance. In this case, the hearing shall conform to the provisions of Article 37 of the Act.

**(Inspection of Submitted Documents by Complaint Petitioner, etc.)**

**Article 26** Until the procedures for proceedings are concluded, the Complaint Petitioner or the Intervenor may request the Review Officer to permit the inspection of submitted documents, etc. (meaning the documents set forth in each item of Article 17, Paragraph 3, or the documents and other articles submitted pursuant to the provisions of Article 20, Paragraph 1 or 2, or Article 21), or to deliver copies of these documents. In this case, the inspection of submitted documents, etc. or the delivery of copies thereof shall conform to the provisions of Article 38 of the Act.

- 2 When the Association delivers copies of the submitted documents, etc. prescribed in the preceding Paragraph to the Complaint Petitioner or the Intervenor, the Association may claim an amount equivalent to the actual cost in advance that is separately prescribed by the Association.

**(Consolidation or Separation of Procedures for Proceedings)**

**Article 27** When found necessary, a Review Officer may consolidate procedures for proceedings for multiple filing of complaints, or separate procedures for proceedings for consolidated multiple filing of complaints.

**(Conclusion of Procedures for Proceedings)**

**Article 28** When a Review Officer finds that necessary proceedings have been completed, the Review Officer is to conclude the procedures for proceedings. In this case, the conclusion of the procedures for proceedings shall conform to the provisions of Article 41 of the Act.

**(Review Officer's Written Opinion)**

**Article 29** When a Review Officer has concluded the procedures for proceedings, the Review Officer shall prepare a written opinion concerning the determination to be made by the Association (hereinafter referred to as the "Review Officer's Written Opinion") without delay.

- 2 When a Review Officer has prepared the Review Officer's Written Opinion, the Review Officer shall promptly submit it to the Association, together with the case record.

**SECTION 4 DETERMINATION**

**(Timing of Making Determination)**

**Article 30** When the Association receives the Review Officer's Written Opinion, the Association shall make a determination without delay.

**(Dismissal with or without Prejudice of Filing of Complaints with Regard to Disciplinary Action under Self-Regulatory Rules)**

**Article 31** When a filing of complaints with regard to a Disciplinary Action under self-regulatory rules has been filed after the period for filing the complaints as prescribed in Article 10 has elapsed, or the filing otherwise breaches the Association rules, the Association is to dismiss the relevant filing of complaints without prejudice by its determination.

- 2 When there are no grounds for the filing of complaints with regard to a Disciplinary Action under self-regulatory rules, the Association is to dismiss the relevant filing of complaints with prejudice on the merits by its determination.

**(Upholding of Request for Review with Regard to Disciplinary Action under Self-Regulatory Rules)**

**Article 32** When there are grounds for a filing of complaints with regard to a Disciplinary Action under self-regulatory rules, the Association is to revoke the relevant Disciplinary Action under self-regulatory rules in full or in part or alter it by its determination.

**(Prohibition of Adverse Alteration)**

**Article 33** In the cases of the preceding Article, the Association may not alter the relevant Disciplinary Action under self-regulatory rules in a manner disadvantageous to the Complaint Petitioner.

**(Method of Making Determination)**

**Article 34** A determination must be made with a written determination on which the Association has affixed its name and seal. The matters contained in the written determination shall conform to the provisions of Article 50 of the Act.

**(Occurrence of Effects of Determination)**

**Article 35** A determination comes into effect when it is served to the Complaint Petitioner.

**2** A determination is to be served by sending a transcript of the written determination to the person to whom the determination is to be served; provided, however, that if the determination does not reach the person even if the Association sent it to the address or the place of living that is described on the written complaints submitted by the Complaint Petitioner, the determination shall be deemed to have been served when it is sent.

**3** The Association shall send a transcript of the written determination to the Intervenor.

**(Return of Documentary Evidence)**

**Article 36** When it has made a determination, the Association shall promptly return the documentary evidence or articles of evidence, documents or other articles submitted pursuant to the provisions of Article 20, Paragraph 1 or 2, and the documents or other articles submitted in response to a demand for submission under Article 21 to the persons who have submitted them.

**SUPPLEMENTARY PROVISIONS [Omitted]**

(Note) This rule is based on the version in effect as of April 1, 2018.

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.
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