

Achievement of a securities market that
contributes to the **SDGs**

Promote individual financial asset building capable of supporting
the 100-year life

- Promote medium- and long-term asset building through the NISA schemes, etc.
- Respond to the diversifying demands of the world’s foremost aging society
- Continue efforts on financial and securities education that contribute to promoting securities investment

Work toward the sustainable growth of the
securities industry

- Carry out initiatives that bolster the fairness and transparency of the markets
- Carry out measures that ensure customer-oriented business conduct
- Deliberate and implement measures to streamline and increase the efficiency of securities firms’ businesses
- Undertake initiatives to adapt to the age of Digital Transformation

Further materialize the efforts towards the
SDGs

- Promote the development and proliferation of financial instruments and services contributing to the SDGs
- Support alternative workplace environment such as teleworking, and promote the empowerment of women
- Support the economically vulnerable
- Implement efforts to contribute to the SDGs through collaboration with universities, etc.

Undertake initiatives to respond to COVID-19 and to secure a brighter future

1. Facilitate the transition to paperless and digitalized processing of, and document handling related to, securities transactions
2. Utilize digital/virtual platforms for conferences/events related to PR, financial and securities education, training for member firms, and other meetings.
3. Promote information exchange and international collaboration related to COVID-19

4. Promote COVID-19 responses under the efforts toward the SDGs
 - Promote SDG bonds, including social bonds
 - Promote changes in working styles in the securities industry based on preventive measures against infection
 - Support economically vulnerable children in light of the changes to the environment

Promote asset building capable of supporting the 100-year life

1. Promote medium- and long-term asset building
 - Endeavor to achieve wider use of the NISA schemes (such as "Tsumitate NISA") and make these schemes permanent and more convenient
 - Undertake initiatives to further develop the defined contribution (DC) pension plan system
 - Promote asset building in the workplace
2. Promote the expansion of securities investment
 - Conduct PR activities for asset building through stock investment
 - Undertake initiatives to promote the provision of services that respond to diverse needs
 - Work toward the integration of financial income taxation (i.e. aggregation of profits and losses including derivatives)
 - Conduct PR activities to increase interest in securities investment
3. Create an environment that promotes the smooth transfer of risk assets between generations

Investors
(Individuals)

Further materialize the efforts towards the SDGs

1. Promote the proliferation of financial instruments contributing to the SDGs (SDG bonds)
2. Promote the creation of a fulfilling workplace environment and the empowerment of women
3. Support economically vulnerable children
4. Bolster partnerships with both Japanese and overseas parties towards the achievement of the SDGs

Market
Intermediaries
(Members)

Improve intermediaries' functions and credibility

1. Carry out measures to ensure customer-oriented business conduct
2. Undertake initiatives toward providing financial services that are fit for an aging society
3. Exercise effective self-regulatory functions
 - Make appropriate alterations to self-regulatory rules based on changes to the financial services environment
 - Conduct agile and effective inspections of member firms
 - Further endeavor to prevent insider trading
4. Review self-regulatory rules based on the principle-based approach
5. Respond to the revisions to regulations regarding cross-sectoral financial services intermediaries
6. Facilitate the transition to paperless and digitalized processing of, and document handling related to securities transactions

Spread and deepen financial and securities knowledge

1. Promote financial and securities education in schools
2. Promote financial and securities education for working adults

Strengthen financial and capital markets' functions and competitiveness

1. Respond to financial innovation
2. Increase the use of unlisted stock
3. Undertake initiatives for expanding and diversifying the corporate bond market
4. Collaborate with the promotional activities of the Organization of Global Financial City Tokyo (FinCity.Tokyo)
5. Undertake initiatives aimed at the smooth introduction of the system for requesting a paper copy under the electronic provision of shareholders meeting materials
6. Undertake initiatives aimed at solidifying the acceptance and expanding the use of the Social Security and Tax Number System

Market
(Infrastructure)

Enhance global outreach and cooperation

1. Conduct PR activities aimed at overseas investors/issuers on the attractiveness and potential of Japanese markets
2. Enhance international cooperation and collaboration, including support for emerging markets
3. Respond to the global regulatory agenda
4. Further enrich the provision of information in English

Overseas

Improve JSDA's operations

1. Make business operations more efficient by utilizing new technologies
2. Strengthen business continuity planning (BCP) and cybersecurity measures
3. Strategically develop qualified human resources and improve staff members' work life balance

JSDA



日本証券業協会
Japan Securities Dealers Association

JSDA's Major Work Plans (2020-2021)

July 1, 2020

Undertake initiatives to respond to COVID-19 and to secure a brighter future

1. Facilitate the transition to paperless and digitalized processing of, and document handling related to, securities transactions

Promote initiatives in the securities industry with regard to going paperless (including eliminating seals on paper documents), in line with the progress in administrative and other procedures in the government.

With a view to limiting unnecessary contact between customers and the employees of member firms, as well as realizing swift and efficient administrative procedures, work with related bodies to further the development of digitization of documents submitted for taxation purposes, etc.

2. Utilize digital/virtual platforms for conferences/events related to PR, financial and securities education, training for member firms, and other meetings

In order to increase the understanding of the social significance and objectives of securities investment among those who are not interested in investment (especially younger people), conduct PR activities mainly through the internet or social media outlets.

Regarding the dissemination of financial and securities knowledge, further strengthen activities through the internet.

Introduce online training programs as possible alternatives to conducting training courses physically, and further enhance training videos and DVDs to support member firms' internal training programs.

Improve the efficiency of JSDA's internal operations, as well as its operations for conferences/events, by utilizing new technologies such as digital conference platforms.

Undertake initiatives to respond to COVID-19 and to secure a brighter future

3. Promote information exchange and international collaboration related to COVID-19

With respect to initiatives related to COVID-19, engage and collaborate with related organizations overseas, with a view to contributing to maintain and strengthen the functioning of the global financial and capital markets.

Provide feedback to related parties in Japan regarding relevant information such as measures taken at related overseas organizations.

Exercise leadership to promote information exchange and cooperation between the members of the Asia Securities Forum (ASF), including measures in response to COVID-19 and initiatives for the SDGs, with the aim of fostering financial and capital markets in the Asia-Pacific that can contribute to achieving a sustainable economy and society.

Undertake initiatives to respond to COVID-19 and to secure a brighter future

4. Promote COVID-19 responses under the efforts toward the SDGs

- Promote SDG bonds, including social bonds

Undertake initiatives to proliferate financial instruments contributing to the SDGs (including social bonds related to COVID-19), in order to contribute to solving social challenges through the securities business.

- Promote changes in working styles in the securities industry based on preventive measures against infection

Deliberate on and promote working styles in line with preventive measures against COVID-19, which contribute to the business continuity of member firms.

Plan and conduct seminars, lectures, etc. for the executives and employees of member firms (including the Women's Network) to bolster the empowerment of women in the industry.

- Support economically vulnerable children in light of the changes to the environment

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 continuing to participate in the “Used Book Sale Donations for Children's Future.”

Through the “Securities Industry Network for Supporting Children,” a platform that connects member firms with NPOs supporting children in need, deliberate on the ways of support for children in light of the changing environment and strive for a framework that can provide appropriate support.

1. Promote medium- and long-term asset building

- Endeavor to achieve wider use of the NISA schemes (such as “Tsumitate NISA”) and make these schemes permanent and more convenient

Conduct PR activities to promote medium- and long-term asset building targeting a wide range of people, including online advertisements for the *Tsumitate* (dollar-cost averaging) NISA.

In order to promote people’s asset building, work with related parties to expand the NISA schemes and improve their usability and to secure their permanence based on a “NISA law” (tentative name).

- Undertake initiatives to further develop the defined contribution (DC) pension system

Work with related parties to improve the system/operations related to the DC pension system, in order to facilitate its broader use.

- Promote asset building in the workplace

In order to promote asset building in the workplace (including those who are not interested in investments) using vehicles such as the *Tsumitate* NISA and the DC pension system, conduct PR activities involving companies and municipalities.

2. Promote the expansion of securities investment

- Conduct PR activities for asset building through stock investment

Deliberate on and implement measures to spread the benefits of holding stocks, such as shareholder incentives or dividend yield. Through the JSDA website or social media outlets, implement publicity activities targeted at a wide range of people specifically highlighting the appeal of stock investments to promote asset building.

- Undertake initiatives to promote the provision of services that respond to diverse needs

- *“Committee for Thinking about the Future of the Securities Business rooted in Regional Communities”*

Conduct discussions from a broad perspective at the Committee (consisting of member firms with JSDA as secretariat), including securities firms’ responses to the aging society, and provision of new services that can contribute to regional communities, with the aim of responding to the needs of investors in regional communities where aging is prevalent.

- *Conduct training programs to respond to a diverse range of investors*

Conduct training programs to raise the knowledge and skills of employees of securities firms, to enable them to provide useful information and advice in line with investors’ diverse lifestyles and needs.

2. Promote the expansion of securities investment

- Work toward the integration of financial income taxation (i.e. aggregation of profits and losses including derivatives)

In order to increase investment options, as well as provide for more flexible risk-hedge investments, work with related parties to integrate financial income taxation.

- Conduct PR activities to increase interest in securities investment

In order to increase the understanding of the significance and objectives of securities investment among those who are not interested in investment (especially younger people), conduct PR activities mainly through the internet or social media outlets.

3. Create an environment that promotes the smooth transfer of risk assets between generations

To facilitate the transfer of assets between generations, further the research on inheritance tax valuations, and work with relevant parties.

Following the research into the joint account system in the United States, conduct further studies regarding the challenges for effective management and use of assets, as well as the smooth inheritance of assets between generations in the aging society.

Deliberate on the response to the increased flexibility of asset management under the adult guardianship system.

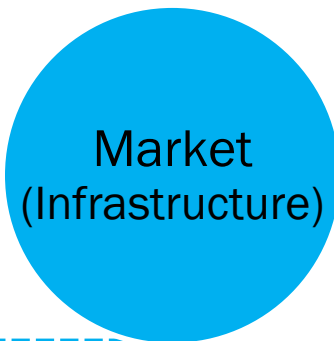
1. Promote financial and securities education in schools

Promote financial and securities education in schools, taking into account the start of classes based on the new National Curriculum Standards, which feature increased teaching on finance and securities.

Develop and provide information and supplementary materials to educators, while keeping up with the advancing use of Information and Communications Technology (ICT) in the classroom.

2. Promote financial and securities education for working adults

Conduct promotional and dissemination activities targeted at inexperienced and novice investors, with an emphasis of further developing activities conducted online against the backdrop of the COVID-19 pandemic.



1. Respond to financial innovation

Conduct discussions and respond as necessary from the perspective of investor protection and the sound development of the markets, including securities (such as stocks and bonds) utilizing blockchain technology.

Based on trends in financial innovation, collect information in collaboration with related parties, and conduct further research and studies on the impact on the securities industry.

2. Increase the use of unlisted stock

Review the regulations for solicitation of unlisted stocks from the perspective of facilitating smoother supply of risk money into venture companies, while paying due attention to investor protection.

3. Undertake initiatives for expanding and diversifying the corporate bond market

Continue to assess the impacts of reporting and publishing rules for corporate bond transactions on market liquidity, and review the rules as necessary.

In preparation for the end of the publication of LIBOR, conduct necessary deliberations on the handling of financial instruments (such as bonds) that currently refer to LIBOR in calculating interest.

Regarding the determination process of corporate bond issuance conditions, conduct discussions for the introduction of a framework (“Transparency”) in which the issuer and lead underwriting securities firm(s) can share information related to investor demands and sales destinations.

4. Collaborate with the promotional activities of the Organization of Global Financial City Tokyo (FinCity.Tokyo)

In order to increase the international presence of the Japanese financial and capital markets, collaborate with the Organization of Global Financial City Tokyo (FinCity.Tokyo), in which the JSDA has been participating as a voting / board member.

5. Undertake initiatives aimed at the smooth introduction of the system for requesting a paper copy under the electronic provision of shareholders meeting materials

Under the system for electronic provision of shareholders meeting materials, which is to be newly introduced under the Revised Companies Act, continue to deliberate on the method for the request for a paper copy of said materials.

6. Undertake initiatives aimed at solidifying the acceptance and expanding the use of the Social Security and Tax Number System

While paying close attention to the progress of the Social Security and Tax Number (My Number) acquisition scheme through JASDEC, continue to conduct awareness activities to facilitate the submission of My Number by customers.

1. Promote the proliferation of financial instruments contributing to the SDGs (SDG bonds)

Undertake initiatives to further proliferate financial instruments contributing to the SDGs (including social bonds related to measures against COVID-19), in order to contribute to solving social challenges through the securities business.

2. Promote the creation of a fulfilling workplace environment and the empowerment of women

Deliberate on and promote working styles in line with preventive measures against COVID-19, which contribute to the business continuity of member firms.

Plan and conduct seminars, lectures, etc. for the executives and employees of member firms (including the Women's Network) to bolster the empowerment of women in the industry.

3. Support economically vulnerable children

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 continuing to participate in the “Used Book Sale Donations for Children’s Future.”

Through the “Securities Industry Network for Supporting Children,” a platform that connects member firms with NPOs supporting children in need, deliberate on the ways of support for children in light of the changing environment and strive for a framework that can provide appropriate support.

4. Bolster partnerships with both Japanese and overseas parties towards the achievement of the SDGs

To enhance the presence of the Japanese securities industry in relation to contributions to the SDGs and effectively carry out the various initiatives, actively engage in information gathering and dissemination.

Actively participate and undertake SDG-related initiatives in international conferences.

Manage the “Shareholders Incentives Endowment Fund for the SDGs” that utilizes social contribution-type shareholder incentives, and collaborate with universities, etc. to foster new partnerships.

1. Carry out measures to ensure customer-oriented business conduct

Based on the current state of “Customer-Oriented Business Conduct,” consider/implement necessary responses.

2. Undertake initiatives toward providing financial services that are fit for an aging society

Undertake initiatives as necessary to further promote intermediaries' initiatives to provide financial services that are fit for elderly customers.

3. Exercise effective self-regulatory functions

- **Make appropriate alterations to self-regulatory rules based on changes to the financial services environment**

Given the recent increase in the trading volumes of foreign stocks, especially US listed stocks, deliberate on self-regulatory rules toward the introduction of margin transactions of these foreign stocks, in order to provide investors with more diverse investment opportunities and methods.

In light of the diversification of the Type I Financial Instruments Business, begin the deliberation toward the introduction of general qualification examinations across business categories to obtain basic knowledge under a common standard.

- **Conduct agile and effective inspections of member firms**

Continue to conduct agile and effective inspections of the member firms, targeting their businesses, status of assets, and other garnered information in order to check and verify compliance with laws and self-regulatory rules, as well as the appropriateness of their compliance framework.

- **Further endeavor to prevent insider trading**

Continue to collaborate with market-related entities to encourage listed companies to participate in the Japan Insider Registration & Identification Support System (J-IRISS). Also, continue to deliberate on and implement further initiatives to prevent insider trading.

4. Review self-regulatory rules based on the principle-based approach

Review self-regulatory rules based on the general recommendations by the “Council on Reviewing Self-Regulatory Rules based on the Principle-Based Approach.”

5. Respond to the revisions to regulations regarding cross-sectoral financial services intermediaries

While keeping a close watch on the establishment of the new legal framework concerning cross-sectoral financial services intermediaries, work with related parties to ensure that investor protection is secured at a level comparable to that of financial instruments business operators under the current FIEA.

Also, through considering how the said new financial services intermediaries should be positioned in relation to the purview of the JSDA, coordinate and respond as necessary from the viewpoint of investor protection.

6. Facilitate the transition to paperless and digitalized processing of, and document handling related to, securities transactions

Promote initiatives in the securities industry with regard to going paperless (including eliminating seals on paper documents) in line with the progress in administrative and other procedures in the government.

With a view to limiting unnecessary contact between customers and the employees of member firms, as well as realizing swift and efficient administrative procedures, work with related bodies to further the development of digitization of documents submitted for taxation purposes, etc.

1. Conduct PR activities aimed at overseas investors/issuers on the attractiveness and potential of Japanese markets

Conduct PR activities to update overseas market participants on the current situation and steps being taken in the markets to further raise the global presence of the Japanese financial and capital markets.

2. Enhance international cooperation and collaboration, including support for emerging markets

Actively engage international fora, such as Asia Securities Forum (ASF), International Council of Securities Associations (ICSA) and International Forum for Investor Education (IFIE), to respond to common challenges and provide domestic feedbacks as necessary. In particular, exercise leadership to foster interactions between the ASF members, including measures in response to COVID-19 and initiatives for the SDGs.

Enhance technical assistance to related organizations in emerging markets by tapping into Japanese expertise.

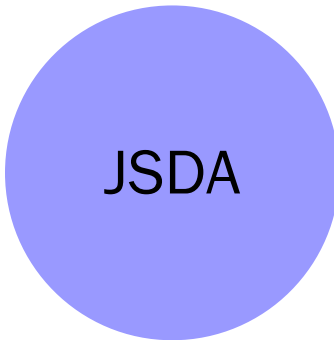
Undertake initiatives regarding cooperation between the Japanese and Chinese securities markets in collaboration with other related entities, including the bilateral cooperation with the Securities Association of China (SAC),

3. Respond to the global regulatory agenda

Actively participate in discussions and investor protection initiatives in the International Organization of Securities Commissions (IOSCO), etc. Follow the global regulatory agenda pertaining to financial and capital markets and respond as necessary in collaboration with related domestic and international entities.

4. Further enrich the provision of information in English

Further enrich the provision of information in English by the JSDA such as public releases.



1. Make business operations more efficient by utilizing new technologies

Improve the efficiency of JSDA's internal operations, as well as its operations for conferences/events, by utilizing new technologies such as Robotic Process Automation (RPA) and digital conference platforms.

2. Strengthen business continuity planning (BCP) and cybersecurity measures

With respect to the response to the recent outbreak of COVID-19, ensure the effectiveness of BCP through thoroughly conducting BCP drills, and continue to endeavor to sustain/increase their effectiveness through the use of PDCA (plan-do-check-act) cycle.

In order to properly cope with cyber attacks, enhance cyber resilience against the recent surge in Targeted Email Attacks.

3. Strategically develop qualified human resources and improve staff members' work life balance

Develop personnel who can contribute to works related to international affairs and interactions as well as securities business practice by sending staff to overseas postgraduate schools. Also actively recruit female staff, aiming at women's empowerment.

Take steps to strike a balance between work and private life, to enable every employee to realize their potential and continue to work with ease.