

RULES CONCERNING PROTECTION, ETC. OF CUSTOMERS FROM FRAUDULENT WITHDRAWAL USING COUNTERFEIT OR STOLEN CARD

(February 8, 2006)

(Purpose)

Article 1 The purpose of the Rules Concerning Protection, etc. of Customers from Fraudulent Withdrawal Using Counterfeit or Stolen Card (hereinafter referred to as “Rules”) is to define matters that should be complied with by a Regular Member or a Specified Business Member (limited to such Specified Business Members who conduct the business prescribed in Article 5, Item 2 (c) of the Articles of Association) (hereinafter referred to as “Regular Member, etc.”) who issues a card with a function to withdraw money from an automated teller machine (ATM) (including money loan secured by securities that are deposited for sale custody that is prescribed in Article 35, Paragraph (1) Item (iii) of the Financial Instruments and Exchange Act (hereinafter referred to as the “FIEA”); hereinafter referred to as “Withdrawal from ATM”) (hereinafter referred to as “Card”) such as measures taken in the case where the asset of the customer is fraudulently withdrawn from an ATM using a counterfeit or stolen Card, thereby protecting investors as well as ensuring confidence in the Regular Member, etc.

(Definitions)

Article 2 The terms set forth in each of the following Items shall have their respective definitions prescribed therein for the purpose of the Rules:

(1) Authentic Card

A Card that is issued to a customer under the agreement with the customer such as the covenant and that has a function of Withdrawal from ATM of assets deposited by the customer in connection with securities-related business prescribed in Article 28, Paragraph (8) of the FIEA and the incidental business prescribed in Article 35, Paragraph (1) of the FIEA.

(2) Counterfeit Card

A Card that is different but similar to the Authentic Card.

(3) Stolen Card

The Authentic Card that was stolen.

(Conclusion of Agreement)

Article 3 In the case where a Regular Member, etc. issues the Card to a customer (limited to individuals; the same shall apply hereinafter), it shall conclude an agreement with the customer in writing that provides the matters prescribed in each of the following Items:

(1) In the case where the Withdrawal from ATM was conducted using a Counterfeit Card, the Regular Member, etc. shall compensate for the amount that is equivalent to that withdrawn by such Withdrawal from ATM (including a fee or other similar charge if such fee or similar charge was also withdrawn in connection with such Withdrawal from ATM).

(2) In the case where every condition set forth below is met, the Regular Member, etc. shall compensate for the amounts that are equivalent to those withdrawn by the Withdrawal from ATM for a customer whose Stolen Card was used for such Withdrawn from ATM:

- (i) The customer notifies the Regular Member, etc. immediately after it finds that the Card was stolen;
 - (ii) The customer fully explains the situation of the theft and other matters relating to such theft in response to the investigation by the Regular Member, etc. without delay;
 - (iii) The customer submits a report of a theft to the police and/or shows the Regular Member, etc. the evidence based on which anyone can certainly recognize the fact of Card theft.
2. A Regular Member, etc. may provide an exemption due to the reasons set forth below in its agreement in respect of the scope of compensation caused by a Counterfeit Card that is prescribed in the preceding Paragraph, Item (1).
- (1) The Regular Member, etc. proves that the Withdrawal from ATM was intentionally conducted by the customer.
 - (2) The Regular Member, etc. proves that it has acted in good faith and without negligence regarding the Withdrawal from ATM, and that the Withdrawal from ATM occurred due to gross negligence by the customer.
3. A Regular Member, etc. may provide an exemption due to the reasons set forth below in its agreement in respect of the responsibility for compensation caused by a Stolen Card that is prescribed in the Paragraph 1, Item (2).
- (1) The Regular Member, etc. proves that the Withdrawal from ATM was intentionally conducted by the customer.
 - (2) The Regular Members, etc. proves that the Regular Member, etc. has acted in good faith and without negligence regarding the Withdrawal from ATM, and that the Withdrawal from ATM meets either of the following conditions:
 - (i) The Withdrawal from ATM occurred due to gross negligence by the customer;
 - (ii) The Withdrawal from ATM was conducted by the spouse of the customer, a relative of the customer within the second degree of consanguinity, a relative of the customer who lives in the same house as the customer, another person who lives in the same house with the customer, or a domestic servant of the customer;
 - (iii) The customer gives a false explanation on important matters when explaining his/her damage to the Regular Member, etc.
 - (3) The Regular Member, etc. proves that the Authentic Card was stolen while taking advantage of or in connection with the extreme social disorders caused by a war or commotion, etc.
 - (4) The notice to the Regular Member, etc. that is prescribed in Paragraph 1, Item (2) (i) is made after two years have passed since the day the Card was stolen (in the case where the date the Card was stolen is uncertain, it should be since the first day of the Withdrawal from ATM using such Stolen Card in the theft).
 - (5) The Withdrawal from ATM was conducted on the day which is more than thirty days before the date when the notice to the Regular Member, etc. that is prescribed in Paragraph 1, Item (2) (i) is made (in the case the customer proves that there was an unavoidable reason for him/her that he/she could not make such notice earlier, the number of days in the period during which such

unavoidable reason existed shall be added).

4. Regarding the compensation for the damage due to a Stolen Card prescribed in Paragraph 1, Item (2), a Regular Member, etc. may provide in the agreement that, in the case where the Regular Member, etc. proves that it has acted in good faith and without negligence regarding the Withdrawal from ATM using a Stolen Card and that such Withdrawal from ATM occurred due to negligence (excluding gross negligence) by the customer, the amount to be compensated for would be any amount discretionally designated by the Regular Member, etc. with a minimum of three-fourths or more of the amount equivalent to that withdrawn.
5. Regarding the entire or partial payment of the amount under the claim right set forth in either of the following, a Regular Member, etc. may provide the adjustment clause in its agreement for customers who are entitled to be compensated pursuant to each Item of Paragraph 1.
 - (1) In the case the Withdrawal from ATM using a Counterfeit Card or a Stolen Card does not have an effect of repayment or loan, the right held by such customer against such Regular Member, etc. to claim the return of customer assets that is subject to such Withdrawal from ATM;
 - (2) In the case the Withdrawal from ATM using a Counterfeit Card or a Stolen Card has an effect of repayment or loan, the right held by the customer against a person or a third party who conducted the Withdrawal from ATM to claim damages or the return of unjust enrichment.

(Measures, etc. to Prevent Fraudulent Withdrawal from ATM Using Counterfeit or Stolen Card)

Article 4 A Regular Member, etc. shall take measures such as constructing a system based on its actual business operation and providing its customers with information for the purpose of preventing the fraudulent Withdrawal from ATM using a Counterfeit or Stolen Card.

2. In the case where a Regular Member, etc. takes measures mentioned in the preceding Paragraph, it shall consider that the cost imposed on customers in connection with such measures shall not be excessive.

(Recording and Retention, etc. of Transaction Status, etc.)

Article 5 Under the rules provided by a Regular Member, etc. the Regular Member, etc. shall record, on the day of the Withdrawal from ATM, the amount withdrawn by the Withdrawal from ATM, the amount of fee or any other similar charge if such fee or any other similar charge was also withdrawn in connection with the Withdrawal from ATM, and a person who installed the ATM used by such Withdrawal from ATM (in the case where the Regular Member, etc. installs the ATM, it shall record the situation of the Withdrawal from ATM in a videotape, picture, or other recording medium in addition to the above), and retain such record.

2. In the case where a Regular Member, etc. is requested to provide materials and other cooperation that are required to confirm the fact of the Withdrawal from ATM using a Counterfeit or Stolen Card with regard to the assets deposited by a customer, it shall cooperate in good faith.

(Consideration for Customers)

Article 6 In the case where a Regular Member, etc. requests a customer who relates to the Withdrawal from ATM to provide information or other cooperation in respect of fraudulent Withdrawal from ATM using a Counterfeit or Stolen Card, it shall fully consider the age and physical and mental condition of such customer.

(Agreement, etc. Using Electromagnetic Methods)

Article 7 A Regular Member, etc. may conclude a written agreement in a way using an electronic information processing system or other ways using information and telecommunication technology system in lieu of concluding the agreement using a physical document prescribed in Article 3. In such case, the Regular Member, etc. may be considered to have concluded the agreement in writing.

2. In the case where a Regular Member, etc. who concluded the agreement in writing pursuant to the provision in the preceding Paragraph receives a reference inquiry about the details of such agreement from a customer, it must answer details of the agreement to the customer in writing, orally, by telegram, on the phone, a method using an electronic information processing system, or other methods without delay.

(Reporting to the Association)

Article 8 The Association may request a Regular Member, etc. to submit a report for the purpose of understanding the situation of Card issuance and damage due to the fraudulent Withdrawal using a Counterfeit or Stolen Card.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) These Rules are based on the version in effect as of March 1, 2020.

<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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