

**WFC Single Disclosure Report 2019****AGC answers**

Date submitted

29/10/2019 19:56:17

**General information**

1 G01Q001

Please indicate the full name of the responding institution:

*PFMI: Annex A - CSD disclosure template [CSD name]**AGC: 0a*

Japan Securities Depository Center, Incorporated

2 G01Q002

Registered address:

*PFMI: n/a**AGC: 0c*

2-1-1, Nihombashi-Kayaba-Cho, Chuo-Ku, Tokyo, 103-0025, Japan

3 G01Q003

Country of registered address:

*PFMI: n/a**AGC: 0d*

Japan

4 G01Q004

Official website of the respondent institution:

*PFMI: Annex A - CSD disclosure template [website]**AGC: n/a*<https://www.jasdec.com/en/index.html>

5 G01Q005

The date of this disclosure is:

*PFMI: Annex A - CSD disclosure template [date]**AGC: n/a*

6 G01Q006

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

PFMI: n/a  
AGC: 99

Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of. [A1]

7 G01Q007  
How will you be making your answers publicly available?

PFMI: n/a  
AGC: 99a

- Website
- Upon request
- OTHER:

8 G01Q008  
This disclosure can also be found at the following web address(es):

PFMI: Annex A - CSD disclosure template [website URL]  
AGC: 99b

<https://www.jasdec.com/en/index.html>

9 G01Q009  
First and Last Name of the contact person:

PFMI: Annex A - CSD disclosure template [contact details]  
AGC: 99c

Koji Tanaka

10 G01Q009A  
Disclosure submission authorisation

I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010  
Email address of the contact person:

PFMI: Annex A - CSD disclosure template [contact details]  
AGC: 99h

jasdec\_international@jasdec.com

12 G01Q011  
Telephone number (please include the international country code):

PFMI: n/a  
AGC: 99e

+81-3-3661-0139

13 G01Q012  
How do you prefer to be contacted?

*PFMI: n/a*  
*AGC: 99d*

- Telephone
- Fax
- mail/air courier
- e-mail

14 G01Q013  
Fax number

*PFMI: n/a*  
*AGC: 99f*

15 G01Q014  
What is the preferred street address for mailing requests?

*PFMI: n/a*  
*AGC: 99g*

2-1-1, Nihombashi-Kayaba-Cho, Chuo-Ku, Tokyo, 103-0025, Japan

16 G01Q015  
Please list the jurisdiction(s) in which the CSD operates:

*PFMI: Annex A - CSD disclosure template [list jurisdictions]*  
*AGC: n/a*

17 G01Q016  
Please list the authority(ies) regulating, supervising or overseeing the CSD:

*PFMI: Annex A - CSD disclosure template [list authorities]*  
*AGC: n/a*

18 G01Q017  
Executive summary (This section should summarise the key points from the disclosure framework, including a brief overview of the CSD, its participants, its legal and regulatory framework, its primary risks, and its key risk management and other relevant practices.)

*PFMI: I.*  
*AGC: n/a*

19 G01Q018

Summary of major changes since the last update of the disclosure (This section should summarise the major changes to the CSD's organisation, services, design, rules, markets served and regulatory environment since its last disclosure. The CSD should note the sections in its disclosure where such changes are reflected.)

*PFMI: II.*

*AGC: n/a*

20 G01Q019

General description of the CSD and the markets it serves (This section should provide basic, concise descriptions of the services offered and functions performed by the CSD? It should also provide an overview of the markets the CSD serves and the role it fulfils within those markets. Further, the section should include basic data and performance statistics on its services and operations. A CSD should provide, for example, basic volume and value statistics by product type, average aggregate intraday exposures of the CSD to its participants, and statistics on the CSD's operational reliability.)

*PFMI: III.1.*

*AGC: n/a*

21 G01Q020

General organisation of the CSD (This section should provide an overview of the organisational and governance structure of the CSD? including a description of the CSD's governance policies, governance structure and management structure.)

*PFMI: III.2*

*AGC: n/a*

22 G01Q021

Legal and regulatory framework (This section should provide an overview of the CSD's legal and regulatory framework, including the legal and ownership structure of the CSD, the legal basis for each material aspect of the CSD's activities, and the regulatory, supervisory and oversight framework for the CSD.)

*PFMI: III.3*

*AGC: n/a*

23 G01Q022

System design and operations (This section should explain the CSD's design and operations. It should include a clear description of the typical lifecycle of the transaction process. The information should highlight how the CSD processes a transaction, including the timeline of events, the validation and checks to which a transaction is subjected, and the responsibilities of the parties involved.)

*PFMI: III.4*

*AGC: n/a*

24 G01Q023

filecount - Add relevant appendices for this group.

*PFMI: n/a*

*AGC: n/a*

0

25 G01Q024

I am submitting up-to-date information in response to:

- The AGC questions and a report with only AGC answers will be generated
- The PFMI questions and a report with only PFMI answers will be generated
- Both the AGC and PFMI questions and a report with answers to both questionnaires will be generated

**Legal Basis (PFMI Principle 1)**

27 G02Q002

Under what regulation or statute is the CSD established and governed?

*PFMI: n/a**AGC: 7*

JASDEC is established based on the Companies Act of Japan and governed by the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.

28 G02Q003

Is the regulation or statute electronically available?

*PFMI: n/a**AGC: 7a*

Yes [Y]

29 G02Q004

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

*PFMI: n/a**AGC: 7b*

-Companies Act

<http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&re=01&dn=1&yo=%E4%BC%9A%E7%A4%BE%E6%B3%95&ia=03&ph=&x=34&y=13&ky=&page=1><http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&re=01&dn=1&yo=%E4%BC%9A%E7%A4%BE%E6%B3%95&ia=03&ph=&x=34&y=13&ky=&page=2><http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&re=01&dn=1&yo=%E7%A4%BE%E5%82%B5%E3%80%81&ia=03&x=0&y=0&ky=&page=1><http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&re=01&dn=1&yo=%E7%A4%BE%E5%82%B5%E3%80%81&ia=03&x=0&y=0&ky=&page=1>

-Act on Book Entry of Corporate Bonds and Shares

<http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&re=01&dn=1&yo=%E7%A4%BE%E5%82%B5%E3%80%81&ia=03&x=0&y=0&ky=&page=1>

30 G02Q005

filecount - Please supply document(s) here:

PFMI: n/a  
AGC: 7c

0

### Governance and ownership (PFMI Principle 2)

45 G03Q002

What type of legal entity is the institution?

PFMI: n/a  
AGC: 3

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- OTHER:

46 G03Q003

Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a  
AGC: 4

For profit [A01]

47 G03Q004

Please provide the names of the owners and their ownership interest percentages.

PFMI: n/a  
AGC: 5

There are 120 shareholders as of the end of March 2019. The main shareholders are as follows.

Japan Exchange Group, Inc.	24.65%
Japan Securities Dealers Association	12.55%
Nomura Holdings, Inc.	5.70%
MUFG Bank, Ltd.	5.00%
Mizuho Bank, Ltd.	5.00%
Mitsubishi UFJ Trust and Banking Corporation	4.98%
Daiwa Securities Co. Ltd.	4.23%
Trust & Custody Services Bank, Ltd.	4.00%
Citigroup Global Markets Japan Inc.	3.77%
Japan Trustee Services Bank, Ltd.	3.76%

48 G03Q005

What is the date of establishment of the CSD?

PFMI: n/a  
AGC: 6a

04/01/2002

49 G03Q006

What is the date that the CSD's operations began?

*PFMI: n/a*

*AGC: 6b*

17/06/2002

50 G03Q007

Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

*PFMI: n/a*

*AGC: 18*

No [A02]

51 G03Q008

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

*PFMI: n/a*

*AGC: 18a.*

59 G03Q016

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

*PFMI: Q.2.3.1*

*AGC: 7d*

JASDEC's organizational structure is that of a Company with Nominating Committee, etc., providing a clear separation of functions between business supervision and execution of operations in accordance with the Companies Act, based on international principles and practices. The Board of Directors comprises a majority of outside directors who are participant shareholders, with the remainder being independent directors and directors who concurrently serve as executive officers. This composition is aimed at facilitating user-orientated business operations and ensuring that JASDEC's business serves as a public utility. JASDEC's Board of Directors comprises 8 outside directors who are participant shareholders, 2 independent directors, and 2 directors who concurrently serve as executive officers of JASDEC, making a total of 12 directors.

61 G03Q018

What are the election procedures?

PFMI: Q.2.3.2  
AGC: 7e

The Nominating Committee determines the directors candidates and then the general meeting of shareholders elects them by a resolution.

62 G03Q019  
What is the maximum length of time a board member can serve?

PFMI: Q.2.3.2  
AGC: 7f

One year. They can be reappointed.

63 G03Q020  
How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

PFMI: Q.2.3.2  
AGC: 7g

Each board member has one vote.

65 G03Q022  
What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

PFMI: Q.2.3.4  
AGC: 7h

President & CEO is responsible for regulating the board members.

### Comprehensive risk management (PFMI Principle 3)

88 G04Q003  
Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

PFMI: Q.3.1.1  
AGC: 66x.

No [A02]

89 G04Q004  
If yes, please check all of the following that apply:

PFMI: Q.3.1.1  
AGC: 66y.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses



OTHER:

90 G04Q005

In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

*PFMI: Q.3.1.1*

*AGC: 66+*

Yes [A01]

91 G04Q006

Please define the standard of care applied:

*PFMI: Q.3.1.1*

*AGC: 66\**

Even if participants of JASDEC suffer damage relating to the business concerning the operation of JASDEC, JASDEC shall not be liable for compensating damage unless there is willful or material negligence by JASDEC.

#### Credit risk (PFMI Principle 4)

121 G05Q011

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

*PFMI: Q.4.3.1*

*AGC: 78*

Other: In case of default of an Account Management Institution, investors loss suffered from the default will be compensated by the Participant Protection Trusts which is jointly paid by JASDEC and Account Management Institutions. JASDEC DVP Clearing Corporation (JDCC, JASDEC's wholly owned subsidiary) acts as CCP for non-exchange trade deliveries, and DVP Participants deposit the Participant Funds with JDCC in advance to ensure the performance of its obligation owed to JDCC.

122 G05Q012

If yes, please respond to the following questions: What is the size of the fund?

*PFMI: Q.4.3.1*

*AGC: 78a.*

123 G05Q013

How is the size of the fund determined?

*PFMI: Q.4.3.1*

*AGC: 78b.*

124 G05Q014

How is the fund financed?

*PFMI: Q.4.3.1*

AGC: 78d.

125 G05Q015

If so, what is the amount or percentage per owner?

PFMI: Q.4.3.1

AGC: 78e.

126 G05Q016

If so, what is the amount or percentage per participant?

PFMI: Q.4.3.1

AGC: 78f.

127 G05Q017

Who is covered by the fund?

PFMI: Q.4.3.1

AGC: 78h.

Direct CSD participants only

The beneficial owner also

OTHER:

128 G05Q018

When is the guaranty fund used?

PFMI: Q.4.3.1

AGC: 78j.

When a broker defaults

When a direct participant defaults

OTHER:

131 G05Q021

Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

PFMI: Q.4.3.3

AGC: 91

132 G05Q022

What is the amount of the coverage?

PFMI: Q.4.3.3

AGC: 91a

133 G05Q023  
What is the amount of the deductible?

*PFMI: Q.4.3.3*  
*AGC: 91b*

134 G05Q024  
Please explain other loss or default protections:

*PFMI: Q.4.3.3*  
*AGC: 79a*

135 G05Q025  
Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

*PFMI: Q.4.3.3*  
*AGC: 66q.*

136 G05Q026  
If yes, please check all of the following that apply:

*PFMI: Q.4.3.3*  
*AGC: 66r.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

### Collateral (PFMI Principle 5)

141 G06Q001  
Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

*PFMI: Annex A - CSD disclosure template - IV.P5*  
*AGC: 35c*

### Liquidity risk (PFMI Principle 7)

**Settlement finality (PFMI Principle 8)****Money settlements (PFMI Principle 9)**

217 G09Q003

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

PFMI: Q.9.1.1

AGC: 31

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable

OTHER: JASDEC does not handle itself cash clearing and settlement. DVP settlement of book-entry transfer for non-exchange transaction deliveries of shares, corporate bonds with share options, ETFs, REITs and preferred equity investments, etc. are conducted by JASDEC DVP Clearing Corporation (JDCC: JASDEC's wholly owned subsidiary). As to DVP for shares and corporate bonds with share options issuance and redemption, cash settlement is conducted via BOJ-NET by book-entry transfer between Fund Settlement Corporations (banks, trust banks and securities companies, etc) which are appointed by participants with registration at JASDEC. Cash deposit for the settlement of those securities is accepted by Bank of Japan (BOJ) if participants have their account in BOJ. In case they don't have it in BOJ, it is accepted by Settling Banks with JDCC's approval. Cash Settlement for CP, Corporate Bonds, Investment Trusts, etc. is conducted via BOJ-NET by book-entry transfer between Fund Settlement Corporations which are appointed by participants with registration at JASDEC. Cash for the settlement is accepted by Fund Settlement Corporations.

218 G09Q004

Please indicate the name of the banks appointed by the CSD

PFMI: Q.9.1.1

AGC: 31a

219 G09Q005

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

PFMI: Q.9.1.1

AGC: 32

- CSD
- Central Bank
- Banks appointed by the CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER: Please see our answer on Q216.

220 G09Q006

Please name banks appointed by the CSD

*PFMI: Q.9.1.1*  
*AGC: 32a*

221 G09Q007

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

*PFMI: Q.9.1.1*  
*AGC: 33, 33b*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER: Please see our answer on Q216.

222 G09Q008

Please name banks appointed by the CSD

*PFMI: Q.9.1.1*  
*AGC: 33a*

223 G09Q009

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

*PFMI: Q.9.1.1*  
*AGC: 34*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER: Please see our answer on Q216.

224 G09Q010

Please name banks appointed by CSD

*PFMI: Q.9.1.1*  
*AGC: 34a*

**Physical deliveries (PFMI Principle 10)**

239 G10Q005  
How are eligible securities lodged in the CSD system?

*PFMI: Q.10.1.3*  
*AGC: 57, 57a*

- A registered certificate in the name of the CSD is delivered to the CSD.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- A registrar re-registers the security in the name of the CSD.
- Not applicable
- OTHER:

240 G10Q006  
When are securities lodged into the CSD reflected in a participant's CSD account?

*PFMI: Q.10.1.3*  
*AGC: 58, 58a*

- Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- Securities are re-registered prior to being reflected in the participant CSD account.
- Not applicable
- OTHER:

241 G10Q007  
How long does it usually take to lodge securities with the CSD?

*PFMI: Q.10.1.3*  
*AGC: 59, 59b*

Not applicable [A05]

242 G10Q008  
Please specify

*PFMI: Q.10.1.3*  
*AGC: 59a*

243 G10Q009  
During the process of lodging securities into the CSD, can the securities be traded?

*PFMI: Q.10.1.3*  
*AGC: 60*

Not applicable [A03]

244 G10Q010

During the process of lodging securities into the CSD, can the securities be settled?

*PFMI: Q.10.1.3*

*AGC: 60a*

Not applicable [A03]

245 G10Q011

During the process of lodging securities into the CSD, can the securities have ownership transferred?

*PFMI: Q.10.1.3*

*AGC: 60b*

Not applicable [A03]

246 G10Q012

If they cannot be traded, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60c*

247 G10Q013

If they cannot be settled, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60d*

248 G10Q014

If ownership cannot be transferred, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60e*

249 G10Q015

Are securities immediately available for delivery upon transfer to the CSD?

*PFMI: Q.10.1.3*

*AGC: 61, 61d*

Not applicable [A03]

250 G10Q016

If no: Securities are unavailable for

*PFMI: Q.10.1.3*

*AGC: 61a*

251 G10Q017

If more than 4 weeks, please specify

*PFMI: Q.10.1.3*  
*AGC: 61b*

252 G10Q018  
If not applicable, please explain

*PFMI: Q.10.1.3*  
*AGC: 61c*

253 G10Q019  
What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

*PFMI: Q.10.1.3*  
*AGC: 63, 63a*

Not applicable [A05]

254 G10Q020  
How long does it usually take to remove securities from the CSD?

*PFMI: Q.10.1.3*  
*AGC: 64, 64b*

Not applicable [A05]

255 G10Q021  
If more than 4 weeks, please specify

*PFMI: Q.10.1.3*  
*AGC: 64a*

256 G10Q022  
While the securities are being removed from the CSD, can they be traded? (Choose one)

*PFMI: Q.10.1.3*  
*AGC: 65a*

Not applicable [A02]

257 G10Q023  
If they cannot be traded please explain

*PFMI: Q.10.1.3*  
*AGC: 65b*

258 G10Q024  
While the securities are being removed from the CSD, can they be settled? (Choose one)

*PFMI: Q.10.1.3*



AGC: 65c

Not applicable [A02]

259 G10Q025

If they cannot be settled, please explain

PFMI: Q.10.1.3

AGC: 65d

260 G10Q026

While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

PFMI: Q.10.1.3

AGC: 65e

Not applicable [A02]

261 G10Q027

If ownership cannot be transferred, please explain

PFMI: Q.10.1.3

AGC: 65f

263 G10Q029

What are the vault security procedures for the safekeeping of physical paper?

PFMI: Q.10.2.1

AGC: 75

- Not applicable, no vault is maintained
- Electronic keys or combinations
- Dual access control
- Visitor logs
- Vault counts
- Intrusion alarms
- Fire alarms
- Guards
- OTHER:

264 G10Q030

Please indicate frequency of vault counts:

PFMI: Q.10.2.1

AGC: 75a.

265 G10Q031

Please explain:

*PFMI: Q.10.2.1*

*AGC: 75b*

### Central Securities Depositories (PFMI Principle 11)

271 G11Q002

CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

*PFMI: n/a*

*AGC: 26*

- Government securities
- Equities
- Corporate bonds
- Corporate money market
- Not applicable
- OTHER: Please see Q271 (AGC: 26a).

272 G11Q003

Please name the other security types:

*PFMI: n/a*

*AGC: 26a.*

ETFs,

Preferred equity investments issued by cooperative structured financial institutions listed on a Japanese exchange,

Investment equity such as REITs listed on a Japanese exchange,

Share options,

Investment equity subscription rights,

Beneficial interest in trust issuing beneficiary certificates such as JDR, etc. listed on a Japanese exchange,

Investment corporation bonds,

Local government bonds,

Special corporation bonds,

Bonds issued in Japan by any governments or companies in foreign countries,

Corporate bond beneficial interests in specific purpose trusts,

Investment Trusts,  
Foreign stock certificates, etc. listed on Japanese exchanges,  
Qualified non-listed share options

273 G11Q004

Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

*PFMI: n/a*

*AGC: 27, 27c*

- Yes by law for settlement of all instrument types
- Yes by law for safekeeping of all instrument types
- Yes by market practice for settlement of all instrument types
- Yes by market practice for safekeeping of all instrument types
- Yes by law for settlement, but not for all instrument types
- Yes by law for safekeeping, but not for all instrument type
- Yes by market practice for settlement, but not for all instrument types
- Yes by market practice for safekeeping, but not for all instrument types
- Neither
- OTHER:

274 G11Q005

Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

*PFMI: n/a*

*AGC: 27a. (i)*

All the securities issued within applicable scope of the Act are handled at JASDEC. As to foreign stocks, etc., JASDEC is obligated to handle them by the Securities Listing Regulations (not the Act). Securities issued exempt from the Act, such as non-listed shares, physical shares, registered bonds, etc. are not handled at JASDEC.

275 G11Q006

(ii) safekeep in your CSD:

*PFMI: n/a*

*AGC: 27a. (ii)*

Please see Q273(AGC: 27a. (i)).

276 G11Q007

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

*PFMI: n/a*  
*AGC: 27b. (i)*

Please see Q273(AGC: 27a. (i)).

277 G11Q008  
(ii) safekeep in your CSD:

*PFMI: n/a*  
*AGC: 27b. (ii)*

Please see Q273(AGC: 27a. (i)).

278 G11Q009

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

*PFMI: n/a*  
*AGC: 28 28a*

As to shares, corporate bonds (excluding special cases), share options, ETFs (excluding special cases), preferred equity investments, and investment equity which are listed on Japanese exchanges, the use of book-entry transfer system managed by JASDEC is compulsory by market practice (regulations of exchanges) for settlement and safekeeping (recording). (100% settlement by book-entry transfer)

279 G11Q010

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

*PFMI: n/a*  
*AGC: 28b.*

As to shares, corporate bonds (excluding special cases), share options, ETFs (excluding special cases), preferred equity investments, and investment equity which are listed on Japanese exchanges, the use of book-entry transfer system managed by JASDEC is compulsory by market practice (regulations of exchanges) for settlement and safekeeping (recording). (100% settlement by book-entry transfer)

281 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

*PFMI: Q.11.1.1*  
*AGC: 44a*

Yes [A01]

282 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

*PFMI: Q.11.1.1*  
*AGC: 44b*

The participant's clients can access to their securities without delay in the usual way

283 G11Q014  
By the intervening authorities controlling insolvency or other proceedings?

*PFMI: Q.11.1.1*  
*AGC: 44d.*

No [A02]

284 G11Q015  
If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

*PFMI: Q.11.1.1*  
*AGC: 44e.*

285 G11Q016  
By the participant's creditors?

*PFMI: Q.11.1.1*  
*AGC: 44g, 44i*

No [A02]

286 G11Q017  
If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

*PFMI: Q.11.1.1*  
*AGC: 44h*

287 G11Q018  
By the CSD's creditors?

*PFMI: Q.11.1.1*  
*AGC: 44j.*

No [A02]

288 G11Q019  
If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

*PFMI: Q.11.1.1*  
*AGC: 44k.*

289 G11Q020

What is your document and record retention policy for documents and records described above in this section?

*PFMI: Q.11.1.1**AGC: 47, 47a*

290 G11Q021

Does the law protect participant assets from claims and liabilities of the CSD?

*PFMI: Q.11.1.1**AGC: 54*

Yes [A01]

291 G11Q022

Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)

*PFMI: Q.11.1.1**AGC: 55*

No [A02]

292 G11Q023

If yes, for what reasons are liens or similar claims imposed?

*PFMI: Q.11.1.1**AGC: 55a*

- Fees and expenses
- Collateralization of overdrafts
- To secure payment for purchased securities
- OTHER:

293 G11Q024

Please describe:

*PFMI: Q.11.1.1**AGC: 55b*

294 G11Q025

Please indicate the limits of this lien as indicated below:

*PFMI: Q.11.1.1**AGC: 55c*

295 G11Q026

Please explain:

*PFMI: Q.11.1.1*  
*AGC: 55d*

296 G11Q027

If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

*PFMI: Q.11.1.1*  
*AGC: 55e*

297 G11Q028

If yes, please indicate whether:

*PFMI: Q.11.1.1*  
*AGC: 55f*

298 G11Q029

Please explain:

*PFMI: Q.11.1.1*  
*AGC: 55g*

299 G11Q030

If no, please indicate whether the entire account will be subject to the lien.

*PFMI: Q.11.1.1*  
*AGC: 55h*

300 G11Q031

For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

*PFMI: Q.11.1.1*  
*AGC: 55j*

301 G11Q032

If yes, are the restrictions accomplished by:

*PFMI: Q.11.1.1*  
*AGC: 55k*

302 G11Q033

Please explain:

*PFMI: Q.11.1.1*  
*AGC: 55l*

303 G11Q034  
Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

*PFMI: Q.11.1.1*  
*AGC: 56, 56e*

Yes [A01]

304 G11Q035  
When does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56a*

305 G11Q036  
Please describe:

*PFMI: Q.11.1.1*  
*AGC: 56b*

Title to securities transfers to the participant when securities are recorded by book-entry to the participant's self accounts on the depository book (Transfer Account Book). Title to securities transfers to the participant's customer when securities are recorded by book-entry to the customer's self account on the participant book after securities being recorded by book-entry to the participant's customer account at the depository book. Records to the depository book are made during the day of transfer going through night-time process or day time, real-time process. As for the answer to AGC: 56c, the title or entitlement to depository securities is done "on the depository books".

306 G11Q037  
Where does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56c*

307 G11Q038  
Please describe:

*PFMI: Q.11.1.1*  
*AGC: 56d*

309 G11Q040  
In what form does the CSD maintain records identifying the assets of each participant?

*PFMI: Q.11.1.2*  
*AGC: 45*

Computer file

Microfiche



- Hard copy
- Computer tape
- OTHER: Some information before January 2009 is maintained in the form of Microfilm.

310 G11Q041  
In which format is the source data maintained?

*PFMI: Q.11.1.2*  
*AGC: 45b*

Proprietary format

315 G11Q046  
If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

*PFMI: Q.11.1.6*  
*AGC: 52i*

318 G11Q049  
How are CSD eligible securities held by the CSD?

*PFMI: Q.11.3.1*  
*AGC: 50, 50a*

- In dematerialized form
- In certificated form
- OTHER:

320 G11Q051  
If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

*PFMI: Q.11.3.2*  
*AGC: 51*

Not applicable [A05]

321 G11Q052  
If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

*PFMI: Q.11.3.2*  
*AGC: 51a*

322 G11Q053  
If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

PFMI: Q.11.3.2  
AGC: 51b

323 G11Q054  
Are these certificates:

PFMI: Q.11.3.2  
AGC: 51c

- Bearer
- Registered
- OTHER:

324 G11Q055  
If registered, how are the CSD eligible securities registered?

PFMI: Q.11.3.2  
AGC: 51d

- In the name of the CSD
- In the name of the depositing participant or its nominee
- In the name of a separate nominee of the CSD
- OTHER:

325 G11Q056  
If in the name of a separate nominee, please identify by name the nominee used:

PFMI: Q.11.3.2  
AGC: 51f

326 G11Q057  
If CSD eligible securities may be held either in or out of the CSD, are these certificates:

PFMI: Q.11.3.2  
AGC: 51h

327 G11Q058  
What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

PFMI: Q.11.3.2  
AGC: 51i

328 G11Q059  
If securities are dematerialized: May dematerialized security positions be re-certificated and held outside

the CSD?

*PFMI: Q.11.3.2*  
*AGC: 52*

No [A02]

329 G11Q060

Are the securities held:

*PFMI: Q.11.3.2*  
*AGC: 52a, 52k*

- Through book-entry at the CSD
- Through book-entry at a registrar or issuer
- OTHER:

330 G11Q061

Please identify which types of entities may act as registrars:

*PFMI: Q.11.3.2*  
*AGC: 52b*

- Issuers
- Separate companies that perform registrar functions
- CSD
- OTHER:

331 G11Q062

If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

*PFMI: Q.11.3.2*  
*AGC: 52d*

332 G11Q063

If yes, how are securities held at the registrar for the account of the CSD?

*PFMI: Q.11.3.2*  
*AGC: 52e*

333 G11Q064

Please describe:

*PFMI: Q.11.3.2*  
*AGC: 52f*

334 G11Q065

If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

*PFMI: Q.11.3.2**AGC: 52g*

335 G11Q066

Please describe:

*PFMI: Q.11.3.2**AGC: 52h*

338 G11Q069

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

*PFMI: Q.11.4.1**AGC: 66, 66a, 66d*

No [A01]

339 G11Q070

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1**AGC: 66b 66c*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

340 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

*PFMI: Q.11.4.1**AGC: 66e, 66g, 66h*

Yes [A02]

341 G11Q072

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1**AGC: 66f*

- Financial limits are imposed on the amount of liability assumed by the CSD

- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

342 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

*PFMI: Q.11.4.1*

*AGC: 66i, 66l.*

343 G11Q074

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66j, 66k*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

344 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

*PFMI: Q.11.4.1*

*AGC: 66m, 66p.*

- Yes
- No
- Not applicable
- OTHER:

345 G11Q076

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66n.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

347 G11Q078  
Is the CSD immune from legal action in its own jurisdiction?

*PFMI: Q.11.4.2*  
*AGC: 68*

No [A02]

349 G11Q080  
Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

*PFMI: Q.11.4.3*  
*AGC: 92*

Yes [A01]

350 G11Q081  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 92a.*

N.A.

351 G11Q082  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 92b.*

N.A.

352 G11Q083  
Does the CSD have insurance for Operational Errors?

*PFMI: Q.11.4.3*  
*AGC: 93*

Yes [A01]

353 G11Q084  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 93a.*

N.A.

354 G11Q085  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 93b.*

N.A.

355 G11Q086  
Does the CSD have Errors and Omissions insurance?

*PFMI: Q.11.4.3*  
*AGC: 94*

Yes [A01]

356 G11Q087  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 94a.*

N.A.

357 G11Q088  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 94b.*

N.A.

358 G11Q089  
Does the CSD have insurance for the Premises?

*PFMI: Q.11.4.3*  
*AGC: 95*

359 G11Q090  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 95a.*

360 G11Q091  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 95b.*

361 G11Q092

Does the CSD have any other insurance?

*PFMI: Q.11.4.3*  
*AGC: 96, 96d*

Yes [A01]

362 G11Q093  
If so, what is it for?

*PFMI: Q.11.4.3*  
*AGC: 96a.*

Application for Directors & Officers

363 G11Q094  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 96b.*

N.A.

364 G11Q095  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 96c.*

N.A.

365 G11Q096  
Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

*PFMI: Q.11.4.3*  
*AGC: 97*

N.A.

366 G11Q097  
Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

*PFMI: Q.11.4.3*  
*AGC: 97a.*

N.A.

367 G11Q098  
What is the term of the policy?

*PFMI: Q.11.4.3*



AGC: 97b.

One year

368 G11Q099

Who does the insurance cover?

PFMI: Q.11.4.3

AGC: 97c, 97d

- CSD
- Direct CSD participants
- Final investors
- Not applicable
- OTHER:

369 G11Q100

If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

PFMI: Q.11.4.3

AGC: 98

(1)Base date of data

Data is based on as of the end of March 2019 situation unless specified.

(2)Q76

Regarding the settlement of CP, corporate bonds, and investment trusts, etc, model 1 (Gross-Gross) of DVP is adopted.

If the amount of accounts managed by JASDEC or its participants exceeds the true amount by mistake of JASDEC or its participants and the excess amount is to be transferred to third parties, such JASDEC or its participants who made a mistake shall acquire CP or corporate bonds, etc on its own account, in an amount equal to such excess (Article 78 and 79 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. (Act No.75 of 2001)), and shall be liable for the duty to compensate the damage arising out of the failure to fulfill the duty mentioned in Article 78 and 79 of the Act.

Each lower-tier account management institution (excluding the foreign account management institutions mentioned in Article 44, Paragraph 1, Item 13 of the Act) shall jointly and severally guarantee its customers (excluding the foreign account management institutions, eligible institutional investors and the state, local authorities and such other persons as prescribed in the ordinance) the fulfillment of all the duties mentioned above (Article 11, Paragraph 2 of the Act).

The participant protection trusts shall pay to the investors the amount of money equivalent to the credit that relates to the damage which the investor incurred due to the false description of the accounts made by JASDEC or its participants and that the investor holds against the bankrupt immediately upper-tier institution at the time of the commencement of the bankruptcy procedures, etc. (Article 60 of the Act)

(3)Foreign securities listed on a Japanese exchange

Of the security types JASDEC handles, foreign securities listed on the stock exchanges in Japan are not covered by the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. Their transaction

is processed through Business Rules of JASDEC etc. Considering also the fact that the proportion of foreign securities listed on the stock exchange in Japan is very small among securities JASDEC handles, the answers only applicable for foreign securities are written hereinafter collectively.

Q29a: Practical operation for corporate action, etc.

Q35d: Practical operation for distribution of the dividend to beneficial shareholders, proceeds of a sale of share option etc., and remittance, etc.

Q36d: Stock dividend may not be recorded until the completion of domestic tax withholding.

Q37d: Dividends of foreign stocks are collected by JASDEC. Such amounts are credited to the cash account of JASDEC upon actual payment by paying agents, and then the amounts are distributed to the beneficial owners through intermediary (dividend-paying bank).

Q38: Regarding foreign stocks listed on a Japanese stock exchange, JASDEC has settlement and custody linkage with foreign depositories (DTC, Clearstream Banking Luxembourg and KSD) directly or through custodian banks (Citibank, Standard Chartered Bank). The participants may instruct JASDEC to deposit with or delivery from JASDEC account by using JASDEC book-entry transfer system which is connected to such foreign depositories or custodian banks through SWIFT. The deposit or delivery is effected by book-entry transfer to/from JASDEC account based on a free of payment basis.

Q39a: The linkage is designed to utilize safekeeping and custody services provided by overseas CSDs, for foreign securities listed on the stock exchanges in Japan. Settlement of trades conducted in Japan is controlled by JSCC and JASDEC, which have risk management system for the settlement.

Q40a: Alternatives have been developed in the event the linkages should become inoperable.

Q51: Foreign securities are deposited in foreign depositories.

370 G11Q101

filecount - Upload document here:

*PFMI: Q.11.4.3*

*AGC: 98a.*

0

371 G11Q102

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

*PFMI: Q.11.4.3*

*AGC: 67a, 67b.*

Yes

No

Not applicable

OTHER: Obligations on Account Management Institutions to retire the securities of bona fide purchase by record mistake, to make payments for capital redemption, or to jointly and severally guarantee the obligations of their upper-positioned institutions, etc. are prescribed under the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. As a safety net for cases where such obligations were not fulfilled, JASDEC established Participant Protection Trusts. In addition, Investor Protection Fund is established under the Financial Instruments and Exchange Act.

372 G11Q103

Please explain (then please answer 67c):

*PFMI: Q.11.4.3*

AGC: 67b.

373 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

PFMI: Q.11.4.3

AGC: 67c.

Article 51 to 65(2), 78 to 81, and 145 to 148 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.

Article 3 to 6 of Enforcement Order of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.

Order on Participant Protection Trusts

Financial Instruments and Exchange Act

Operational Rules regarding Participants' Meetings and Participant Protection Trusts of JASDEC

Article 36 of Operational Rules regarding Book-Entry Transfer of Shares, etc. of JASDEC

Article 59(2) of Operational Rules regarding Corporate Bonds, etc. of JASDEC

374 G11Q105

Insurance

PFMI: Q.11.4.3

AGC: 67d.

Yes

No

Not applicable

OTHER:

375 G11Q106

Please explain (then please answer 67f):

PFMI: Q.11.4.3

AGC: 67e.

376 G11Q107

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

PFMI: Q.11.4.3

AGC: 67f.

377 G11Q108

Acknowledgement of liability for losses caused by CSD's own actions.

*PFMI: Q.11.4.3*  
*AGC: 67g.*

Yes [A01]

378 G11Q109  
Please explain (then please answer 67i):

*PFMI: Q.11.4.3*  
*AGC: 67h.*

Please see Q370(AGC: 67a).

379 G11Q110  
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*  
*AGC: 67i.*

Please see Q372(AGC: 67c).

380 G11Q111  
Other

*PFMI: Q.11.4.3*  
*AGC: 67j.*

No [N]

381 G11Q112  
Please explain (then please answer 67l):

*PFMI: Q.11.4.3*  
*AGC: 67k.*

382 G11Q113  
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*  
*AGC: 67l.*

384 G11Q115  
Are participants permitted to maintain more than one account at the CSD?

*PFMI: Q.11.5.1*  
*AGC: 41*

Yes [A01]

385 G11Q116

If yes, please indicate number:

*PFMI: Q.11.5.1*

*AGC: 41a, 41c*

- An unlimited number of accounts
- More than one account
- OTHER:

386 G11Q117

If more than one account what is the maximum?

*PFMI: Q.11.5.1*

*AGC: 41b*

388 G11Q119

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

*PFMI: Q.11.5.2*

*AGC: 42*

- Yes
- No
- Not applicable
- OTHER:

389 G11Q120

If yes, is segregation required or simply permitted?

*PFMI: Q.11.5.2*

*AGC: 42a*

Required [A01]

390 G11Q121

How does segregation occur?

*PFMI: Q.11.5.2*

*AGC: 42b, 42c*

- By separately designated participant accounts.
- By sub-accounts within a single participant account.
- By separately designated beneficial owner accounts.
- OTHER:

391 G11Q122

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

PFMI: Q.11.5.2

AGC: 43, 43b

No [A02]

392 G11Q123

If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

PFMI: Q.11.5.2

AGC: 43a

393 G11Q124

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

PFMI: Q.11.5.2

AGC: 53, 53a

- Yes
- No
- Not applicable
- OTHER:

395 G11Q126

Please indicate services you provide.

PFMI: Q.11.6.1

AGC: 35

- Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.
- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).
- Not applicable
- OTHER: Please see Q397 (AGC: 35d).

396 G11Q127

Automatic securities lending facility is provided for:

*PFMI: Q.11.6.1*  
*AGC: 35a*

- Brokers
- Banks
- Other financial institutions
- OTHER:

397 G11Q128  
If collateral handling, please provide details

*PFMI: Q.11.6.1*  
*AGC: 35c*

398 G11Q129  
Other, please explain:

*PFMI: Q.11.6.1*  
*AGC: 35d*

Mediation of demand for exercise of share options attached to corporate bonds with share options

Mediation of demand for exercise of share options

Mediation of demand for exercise of investment equity subscription rights

Mediation of demand for purchase of shares less than one unit / mediation of demand for sale of shares less than one unit

Mediation of demand for designation of dividend remittance

Mediation of demand for exercise of put options

Mediation of demand for acquisition of shares with put options

Mediation of demand for notice of account

Publication of a foreign ownership limitation issue during the period

Mediation of demand for information by the issuer

PSMS: JASDEC provides Pre-settlement Matching System (PSMS) in order that participants can electronically match information related to trades and settlements among institutional investors, securities firms, trust banks, custodian banks and other entities once equities, fixed income and listed derivatives have been traded.

399 G11Q130  
What procedures are in place for the processing of corporate action entitlements?

*PFMI: Q.11.6.1*  
*AGC: 36*

- Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the securities account upon actual receipt by the CSD.

- Corporate action entitlements are handled by an entity separate from the CSD.
- Not applicable
- OTHER:

400 G11Q131  
Credited to the securities account:

*PFMI: Q.11.6.1*  
*AGC: 36a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

401 G11Q132  
Name of entity:

*PFMI: Q.11.6.1*  
*AGC: 36c*

402 G11Q133  
What procedures are in place for the processing of interest and dividends?

*PFMI: Q.11.6.1*  
*AGC: 37, 37d.*

- Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the cash account upon actual receipt by the CSD.
- Income and dividend collection is handled by an entity separate from the CSD.
- Not applicable
- OTHER: JASDEC does not collect income and dividends on behalf of the participants or its clients. Dividends of shares, ETFs, REITs, etc. are distributed by transfer agents nominated by issuing companies, directly or through their immediately upper-tier institutions to owners based on the owners list provided by JASDEC. As for corporate bonds, etc, paying agents pay interest in the amount calculated based on information collected through JASDEC to the JASDEC participants, and then such amounts are distributed to the holders of corporate bonds, etc.

403 G11Q134  
Credited to the cash account:

*PFMI: Q.11.6.1*  
*AGC: 37a*

- On pay date.



- On pay date +1.
- On pay date +2.
- OTHER:

404 G11Q135  
Name of entity:

*PFMI: Q.11.6.1*  
*AGC: 37c*

### Exchange-of-value settlement systems (PFMI Principle 12)

409 G12Q003  
Does the CSD guaranty settlement?

*PFMI: Q.12.1.1*  
*AGC: 66u.*

410 G12Q004  
Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

*PFMI: Q.12.1.1*  
*AGC: 66v.*

412 G12Q006  
The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

*PFMI: Q.12.1.2*  
*AGC: 48*

- Model1
- Model2
- Model3
- Not applicable
- OTHER:

413 G12Q007  
Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

*PFMI: Q.12.1.3*  
*AGC: 48a*

416 G12Q010  
Are the cash and security movements simultaneous?

*PFMI: Q.12.1.3*  
*AGC: 49*

417 G12Q011  
If cash and security movements are not simultaneous, please indicate the duration of the timing gap

*PFMI: Q.12.1.3*  
*AGC: 49a*

### Participant default rules and procedures (PFMI Principle 13)

422 G13Q004  
During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

*PFMI: Q.13.1.2*  
*AGC: 77*

No [A02]

423 G13Q005  
How was the situation resolved? Or if you answered "Other," then please explain:

*PFMI: Q.13.1.2*  
*AGC: 77a*

424 G13Q006  
Does the stock exchange have default protections that extend to the CSD, such as the following?

*PFMI: Q.13.1.2*  
*AGC: 80*

- Margin requirements for stock exchange members
- Guaranty fund for stock exchange members
- Financial requirements for stock exchange membership
- No
- Not applicable
- OTHER:

425 G13Q007  
Please explain:

*PFMI: Q.13.1.2*  
*AGC: 80a*

428 G13Q010  
Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

*PFMI: Q.13.1.4*  
*AGC: 76, 76d*

- CSD insurance covers the loss
- The CSD guaranty fund covers the loss
- Loss is shared among participants
- Not applicable
- OTHER: Please see Q430(ACG:76d).

429 G13Q011  
Please explain the process:

*PFMI: Q.13.1.4*  
*AGC: 76a*

430 G13Q012  
Please explain the process of how the loss is shared:

*PFMI: Q.13.1.4*  
*AGC: 76b*

431 G13Q013  
Please explain:

*PFMI: Q.13.1.4*  
*AGC: 76d*

JASDEC doesn't compensate for the loss caused by payment failure of participant in defaults. However, in case where participants suffer a loss by mistake of record by JASDEC or an Account Management Institution, and JASDEC or the Account Management Institution which made such a mistake falls into bankruptcy before compensating for the loss, participants are compensated by Participant Protection Trusts. In cases where securities companies fall into bankruptcy, losses are also covered by Investor Protection Fund.

JASDEC DVP Clearing Corporation (JDCC: JASDEC wholly owned subsidiary) acts as CCP for non-exchange transaction deliveries of shares, foreign stock certificates, corporate bonds with share options, ETFs and REITs, etc.. When JDCC assumes obligations on the transaction of securities, JDCC secures the asset which value is estimated more than the total amount of obligations that JDCC assumes with respect to each participant. JDCC recovers the defaulted amount by conversion of this asset into cash in case of payment failure of participant.

**General business risk (PFMI Principle 15)**

441 G14Q002

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.3**AGC: 15*

Yes [Y]

442 G14Q003

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

*PFMI: n/a**AGC: 15a.*

Deloitte Touche Tohmatsu LLC

443 G14Q004

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: n/a**AGC: 15b.*

17/06/2019

444 G14Q005

Please list the period that the audit covered:

*PFMI: n/a**AGC: 15c.*

Start date: 01/04/2018

End date: 31/03/2019

445 G14Q006

How frequently does the financial audit occur?

*PFMI: n/a**AGC: 15d.*

Two or more times a year [A01]

446 G14Q007

If less than annually, please explain:

*PFMI: n/a**AGC: 15e.*

447 G14Q008

Please select the statement that most accurately characterizes the results of the last financial audit:

*PFMI: n/a**AGC: 15g.*

No material exceptions found. [A01]

448 G14Q009

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: n/a*  
*AGC: 15h.*

449 G14Q010

Has there been any material loss by the CSD during the past three years?

*PFMI: n/a*  
*AGC: 86*

No [A02]

450 G14Q011

If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

*PFMI: n/a*  
*AGC: 86a.*

451 G14Q012

Has the CSD been subject to any litigation involving a participant during the past three years?

*PFMI: n/a*  
*AGC: 87*

No [A02]

452 G14Q013

Please explain the circumstances and resolution:

*PFMI: n/a*  
*AGC: 87a.*

453 G14Q014

Has the CSD realized revenues sufficient to cover expenses during the past three years?

*PFMI: n/a*  
*AGC: 88, 88a*

Yes for all three years [A01]

454 G14Q015

Has any participant suffered any losses in the past three years due to the CSD's performance?

*PFMI: n/a*  
*AGC: 30, 30m*

No [A02]

455 G14Q016

If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

*PFMI: n/a*

*AGC: 30a, 30j*

- Corporate Action
- Settlement Process - Securities
- Settlement Process - Cash
- System Outage
- OTHER:

456 G14Q017

Corporate Action. Please specify number of instances:

*PFMI: n/a*

*AGC: 30b.*

457 G14Q018

Corporate Action. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30c.*

458 G14Q019

Settlement Process - Securities. Please specify number of instances:

*PFMI: n/a*

*AGC: 30d.*

459 G14Q020

Settlement Process - Securities. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30e.*

460 G14Q021

Settlement Process - Cash. Please specify number of instances:

*PFMI: n/a*

*AGC: 30f.*

461 G14Q022  
Settlement Process - Cash. Please specify total loss in USD:

*PFMI: n/a*  
*AGC: 30g.*

462 G14Q023  
System Outage. Please specify number of instances:

*PFMI: n/a*  
*AGC: 30h.*

463 G14Q024  
System Outage. Please specify total loss in USD:

*PFMI: n/a*  
*AGC: 30i.*

464 G14Q025  
For Other, please specify number of instances:

*PFMI: n/a*  
*AGC: 30k.*

465 G14Q026  
For Other, please specify total loss in USD:

*PFMI: n/a*  
*AGC: 30l.*

469 G14Q030  
Does the CSD maintain a reserve for operating losses?

*PFMI: Q.15.2.1*  
*AGC: 89, 89b*

Yes [A01]

472 G14Q033  
Please describe and indicate reserve (for operating losses) amount:

*PFMI: Q.15.2.2*  
*AGC: 89a.*

28,100 million yen (As of March 31, 2019)

### Custody risk (PFMI Principle 16)

486 G15Q003

Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

*PFMI: Q.16.1.1**AGC: 29, 29i*

- Yes
- No
- Not applicable
- OTHER:

487 G15Q004

If third parties are employed, please indicate which services they supply:

*PFMI: Q.16.1.1**AGC: 29a.*

488 G15Q005

If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

*PFMI: Q.16.1.1**AGC: 29b.*

489 G15Q006

If you acknowledge responsibility, please indicate whether your responsibility is assumed

*PFMI: Q.16.1.1**AGC: 29c, 29e.*

- regardless of whether such loss was caused by any action or inaction of the agent
- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent
- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
- if the loss was caused by the willful default or other willful conduct on the part of the agent
- OTHER:

490 G15Q007

If you acknowledge responsibility for agents, your responsibility is assumed for losses

*PFMI: Q.16.1.1**AGC: 29d, 29h.*

- without limit



- which are not consequential losses
- subject to a monetary limit not based on insurance limits
- subject to a monetary limit based on insurance limits
- OTHER:

491 G15Q008  
Please specify limit:

*PFMI: Q.16.1.1*  
*AGC: 29f.*

492 G15Q009  
Please specify limit:

*PFMI: Q.16.1.1*  
*AGC: 29g.*

497 G15Q014  
Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

*PFMI: Q.16.3.1*  
*AGC: 62*

In relation to income and value of corporate actions, customers can receive them automatically through participants.

### Operational risk (PFMI Principle 17)

515 G16Q011  
Internal Audit. Is an internal audit undertaken in your CSD?

*PFMI: Q.17.2.3*  
*AGC: 14*

Yes [Y]

516 G16Q012  
If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

*PFMI: Q.17.2.3*  
*AGC: 14a.*

Internal audit covers general business of JASDEC and JASDEC DVP Clearing Corporation. Internal Audit Office handles it.

517 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

*PFMI: Q.17.2.3**AGC: 14b.*

Start date: 18/07/2019

End date: 04/09/2019

Audit date: 04/09/2019

518 G16Q014

How frequently does the internal audit occur?

*PFMI: Q.17.2.3**AGC: 14c.*

Two or more times a year [A01]

519 G16Q015

If less than annually, please explain:

*PFMI: Q.17.2.3**AGC: 14d.*

520 G16Q016

Are the results of the internal audit publicly available?

*PFMI: Q.17.2.3**AGC: 14e.*

No [N]

521 G16Q017

Please select the statement that most accurately characterizes the results of the last internal audit:

*PFMI: Q.17.2.3**AGC: 14f.*

No material exceptions found. [A01]

522 G16Q018

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.3**AGC: 14g.*

524 G16Q020

Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.4**AGC: 16*

No [N]

525 G16Q021

If yes, please state the name(s) of the entity(ies) who perform the operational audit.

*PFMI: Q.17.2.4*

*AGC: 16a.*

526 G16Q022

Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: Q.17.2.4*

*AGC: 16b.*

527 G16Q023

Please list the period that the audit covered:

*PFMI: Q.17.2.4*

*AGC: 16c.*

Start date:

End date:

528 G16Q024

How frequently does the operational audit occur?

*PFMI: Q.17.2.4*

*AGC: 16d.*

529 G16Q025

If less than annually, please explain:

*PFMI: Q.17.2.4*

*AGC: 16e.*

530 G16Q026

Please select the statement that most accurately characterizes the results of the last operational audit:

*PFMI: Q.17.2.4*

*AGC: 16g.*

531 G16Q027

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.4*

*AGC: 16h.*

538 G16Q034

How is access to the physical building controlled?

*PFMI: Q.17.5.1**AGC: 74*

- By guards
- By electronic keys
- personal ID card
- By alarm system
- OTHER:

539 G16Q035

Please explain:

*PFMI: Q.17.5.1**AGC: 74a.*

542 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

*PFMI: Q.17.5.3**AGC: 71 71a.*

Yes [A01]

543 G16Q039

Does each user have a unique user ID?

*PFMI: Q.17.5.3**AGC: 71c.*

Yes [A01]

544 G16Q040

Are passwords regularly changed?

*PFMI: Q.17.5.3**AGC: 71e.*

Yes [A01]

545 G16Q041

How often?

*PFMI: Q.17.5.3**AGC: 71f.*

While passwords in direct electronic link are given to participants by JASDEC everyday, those in participant terminals are updated every three months.

546 G16Q042

Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

*PFMI: Q.17.5.3**AGC: 71h.*

Yes [A01]

547 G16Q043

How many?

*PFMI: Q.17.5.3**AGC: 71i.*

Three times

551 G16Q047

How quickly can the main system be reactivated in the event of an outage?

*PFMI: Q.17.6.2**AGC: 82*

1 - 4 hours [A01]

554 G16Q050

Will the CSD publicly announce any system interruption?

*PFMI: Q.17.6.4**AGC: 84*

Yes [A01]

555 G16Q051

To whom will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4**AGC: 84a.*

- To the CSD regulators
- To all direct participants
- To direct and indirect participants
- To the public via the internet
- In the press
- OTHER:

556 G16Q052

If so, please list webpage address:

*PFMI: Q.17.6.4**AGC: 84b.*

<https://www.jasdec.com/en/>

557 G16Q053

If so, please list all publications:

*PFMI: Q.17.6.4*

*AGC: 84c.*

Press release issued at a press club in the Tokyo Stock Exchange.

558 G16Q054

Please explain:

*PFMI: Q.17.6.4*

*AGC: 84d.*

559 G16Q055

How will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*

*AGC: 84e.*

- By e-mail
- By telephone
- Public announcement
- Press release
- OTHER:

560 G16Q056

Please explain:

*PFMI: Q.17.6.4*

*AGC: 84f.*

562 G16Q058

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

*PFMI: Q.17.6.5*

*AGC: 83*

1 - 4 hours [A01]

566 G16Q062

**BUSINESS RECOVERY PLAN.** This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery

plan?

*PFMI: Q.17.6.8*  
*AGC: 81*

Yes [Y]

567 G16Q063

Does your Business Recovery Plan include:

*PFMI: Q.17.6.8*  
*AGC: 81a, 81h.*

- Back-up of all computer files
- Off-site data storage
- Back-up files stored and locked
- Off-site operations facility
- OTHER:

568 G16Q064

Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

*PFMI: Q.17.6.8*  
*AGC: 81b.*

Information liaison test: Once a year, November 13, 2019  
Systems switchover test: Once a year, February 16, 2019

569 G16Q065

Please identify both the frequency and the last date of testing for the following third party: Stock exchange

*PFMI: Q.17.6.8*  
*AGC: 81c.*

Same as Q568(AGC81b).

570 G16Q066

Please identify both the frequency and the last date of testing for the following third party: Central bank

*PFMI: Q.17.6.8*  
*AGC: 81d.*

Same as Q568(AGC81b).

571 G16Q067

Please identify both the frequency and the last date of testing for the following third party: Local brokers

*PFMI: Q.17.6.8*  
*AGC: 81e.*

Same as Q568(AGC81b).

572 G16Q068

Please identify both the frequency and the last date of testing for the following third party: Any other third party

*PFMI: Q.17.6.8*

*AGC: 81f.*

Information liaison test: Financial Services Agency, Once a year, September 5, 2019 Systems switchover test: Issuing companies (administrator of shareholder register), Once a year, February 16, 2019

573 G16Q069

In the past three years, has it been necessary to activate the recovery plan in a live situation?

*PFMI: Q.17.6.8*

*AGC: 85*

No [A02]

574 G16Q070

If yes, how much time was needed to implement the recovery plan?

*PFMI: Q.17.6.8*

*AGC: 85a.*

575 G16Q071

How much time was needed to recover and restore business to normal operations?

*PFMI: Q.17.6.8*

*AGC: 85b.*

576 G16Q072

What was the impact to the market?

*PFMI: Q.17.6.8*

*AGC: 85c, 85d.*

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late



- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- OTHER:

577 G16Q073

If no or other, please explain

*PFMI: Q.17.7.4*

*AGC: 40a.*

579 G16Q075

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

*PFMI: Q.17.7.1*

*AGC: 39*

- Yes
- No
- Not applicable

580 G16Q076

Please explain

*PFMI: Q.17.7.1*

*AGC: 39a*

584 G16Q080

Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

*PFMI: Q.17.7.4*

*AGC: 40*

### Access and participation requirements (PFMI Principle 18)

588 G17Q003

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

*PFMI: Q.18.1.1*

*AGC: 19*

Yes [A01]

592 G17Q007

What governs the relationship between the CSD and the participants?

PFMI: Q.18.2.2

AGC: 20

- Relevant law and regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- Not applicable
- OTHER:

593 G17Q008

Please explain:

PFMI: Q.18.2.2

AGC: 20a

595 G17Q010

PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

PFMI: Q.18.2.3

AGC: 17, 17q

- Banks
- Brokers
- Individuals
- Foreign Institutions
- Not applicable
- OTHER: Financial instruments exchanges, Securities finance companies - Insurance companies, etc.

596 G17Q011

How many Bank participants are there currently? (then please answer 17b)

PFMI: Q.18.2.3

AGC: 17a.

\*\*Participant" in this context represents "JASDEC participant" (excluding indirect participants).  
Shares, etc. :19 banks, CP:37 banks, Corporate Bonds:33 banks, Investment Trusts: 46 banks (As of September 30, 2019)

597 G17Q012

Please select the features included in the eligibility requirements for Banks.

*PFMI: Q.18.2.3**AGC: 17b, 17d*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Please see Q597 (AGC17d).

598 G17Q013

Please explain:

*PFMI: Q.18.2.3**AGC: 17d.*

Shares, etc.: The eligibility requirements for participants are described in Article 18, Paragraph 3 of Operational Rules regarding Book-Entry Transfer of Shares, etc. as follows:

- (1) The JASDEC Participation Applicant is a person to whom/which any of the items of Article 44, Paragraph 1 of the Act applies (with respect to any person prescribed in Item 13 of the same paragraph, however, this shall be limited to a person admitted especially by JASDEC) or a person admitted especially by JASDEC (limited to an judicial person);
- (2) The JASDEC Participation Applicant's becoming a JASDEC Participant is not likely to adversely affect the reputation of Book-Entry Transfer System for Shares, etc., or its efficient operation; and
- (3) The JASDEC Participation Applicant appoints a Fund-Settlement Corporation which the JASDEC Participation Applicant may use.

CP, Corporate Bonds and Investment Trusts: The eligibility requirements for participants are described in Article 16 of Operational Rules regarding Corporate Bonds, etc. as follows:

- (1)The applicant is a person to whom/which any of the Items of Paragraph 1 of Article 44 of the Act applies (in the event that the account to be opened by JASDEC relates to "Corporate Bonds," excluding any person which/who is described in Item 13 of Paragraph 1 of Article 44), or which is a person (limited to a corporation) specifically approved by JASDEC.
- (2)The applicant's becoming a JASDEC Participant is not likely to adversely affect the reputation of the Book-Entry Transfer System for Corporate Bonds, etc., or its efficient operation.
- (3) The applicant has previously notified JASDEC of the Fund Settlement Corporation prescribed in Article 15 which the applicant uses (in the event that the account to be opened relates to Investment Trusts, excluding Fund Settlement Corporations) and other matters set forth in the Rules.

599 G17Q014

How many Broker participants are there currently? (then please answer 17f)

*PFMI: Q.18.2.3**AGC: 17e.*

Shares, etc.: 135 brokers, CP: 21 brokers, Corporate Bonds: 40 brokers, Investment Trusts: 90 brokers  
(As of September 30, 2019)

600 G17Q015

Please select the features included in the eligibility requirements for Brokers.

*PFMI: Q.18.2.3*  
*AGC: 17f, 17h*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Please see Q597 (AGC: 17d).

601 G17Q016  
How many Individual participants are there currently? (then please answer 17j)

*PFMI: Q.18.2.3*  
*AGC: 17i.*

602 G17Q017  
Please select the features included in the eligibility requirements for Individual participants.

*PFMI: Q.18.2.3*  
*AGC: 17j.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

603 G17Q018  
How many Foreign Institution participants are there currently?

*PFMI: Q.18.2.3*  
*AGC: 17m.*

604 G17Q019  
Please select the features included in the eligibility requirements for Foreign Institution participants.

*PFMI: Q.18.2.3*  
*AGC: 17n, 17p.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

605 G17Q020  
If you have selected "Other entities" above, please explain:

PFMI: Q.18.2.3  
AGC: 17q.

Financial instruments exchanges, Securities finance companies -Insurance companies, etc.

606 G17Q021  
Indicate how many "Other entities" are currently participants?

PFMI: Q.18.2.3  
AGC: 17r.

Shares, etc.: 14 participants including 3 financial instruments exchanges, 1 securities finance company, 1 insurance company, 2 clearing houses, 3 money market dealers, and 4 other participants

CP: 8 participants including 1 securities finance company, 3 insurance companies, 3 money market dealers, and the central bank

Corporate Bonds: 11 participants including 2 financial instruments exchanges, 1 securities finance company, 3 money market dealers, the central bank, 1 clearing house, and 3 other participants

Investment Trusts: 34 participants including 2 financial instruments exchanges, 1 securities finance company, 5 insurance companies, 2 money market dealer, 1 clearing house, 21 Investment trust management companies and 2 other participants

(As of September 30, 2019)

607 G17Q022  
Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

PFMI: Q.18.2.3  
AGC: 17s, 17u

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Please see Q597 (AGC: 17d).

610 G17Q025  
Where can a description of the specific eligibility requirements for Bank participants be found?

PFMI: Q.18.2.5  
AGC: 17c.

611 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

*PFMI: Q.18.2.5**AGC: 17g.*

612 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

*PFMI: Q.18.2.5**AGC: 17k.*

613 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

*PFMI: Q.18.2.5**AGC: 17o.*

614 G17Q029

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

*PFMI: Q.18.2.5**AGC: 17t.*

615 G17Q030

How does the CSD notify participants of material changes to the conditions of participation?

*PFMI: Q.18.2.5**AGC: 22*

- By e-mail
- By telephone
- By public announcement
- By press release
- Not applicable
- OTHER: Please see Q615 (ACG:22a.)

616 G17Q031

Please explain:

*PFMI: Q.18.2.5**AGC: 22a.*

By information providing network for participants (Target JASDEC site), website of JASDEC.

618 G17Q033

Who enforces compliance with the CSD's conditions of participation?

PFMI: Q.18.3.1

AGC: 23

- The CSD
- The exchange
- The CSD's regulator
- Not applicable
- OTHER:

619 G17Q034

Please explain:

PFMI: Q.18.3.1

AGC: 23a

620 G17Q035

Does the CSD have forms of oversight management for assessing and monitoring of the following?

PFMI: Q.18.3.1

AGC: 79

- Participant eligibility requirements
- Participant volumes
- Participant financial strength
- Other loss or default protections the CSD maintains
- Collateral requirements for participants
- Debit caps for participants
- Settlement controls that minimize or eliminate the risk of default by a participant
- Blocking of securities movement before receipt of payment
- Blocking payment until securities are moved
- Not applicable
- OTHER:

621 G17Q036

Please explain other loss or default protections:

PFMI: Q.18.3.1

AGC: 79a

622 G17Q037

Please explain the requirements:

*PFMI: Q.18.3.1**AGC: 79b*

623 G17Q038

Please explain how these debit caps work:

*PFMI: Q.18.3.1**AGC: 79c*

624 G17Q039

What type or types of settlement controls

*PFMI: Q.18.3.1**AGC: 79d.*

- Blocking or freezing of securities positions
- Controlling DVP settlement
- Simultaneous DVP
- OTHER:

625 G17Q040

Please explain:

*PFMI: Q.18.3.1**AGC: 79e.*

626 G17Q041

Please explain:

*PFMI: Q.18.3.1**AGC: 79f.*

For non-exchange transaction deliveries of shares, foreign stock certificates, corporate bonds with share options, ETFs and REITs, etc., JDCC handles with Model 2 DVP.

627 G17Q042

Please explain:

*PFMI: Q.18.3.1**AGC: 79g.*

Regarding corporate bonds, issuance, redemption, and transfer of CP, as well as issuance and partial cancellation of Investment Trusts, Model 1 of DVP is adopted (After January 2009, Model 1 of DVP is



adopted for issuance of shares and corporate bonds with share options and redemption of corporate bonds with share options.).

628 G17Q043

Please identify and explain:

*PFMI: Q.18.3.1*

*AGC: 79h*

629 G17Q044

Please explain briefly how these work:

*PFMI: Q.18.3.1*

*AGC: 79i*

632 G17Q047

What enforcement actions are available to the enforcement authority?

*PFMI: Q.18.3.3*

*AGC: 24*

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Not applicable
- OTHER:

633 G17Q048

Please explain:

*PFMI: Q.18.3.3*

*AGC: 24a*

634 G17Q049

Has there been any such enforcement actions in the last three years?

*PFMI: Q.18.3.3*

*AGC: 25*

No [N]

635 G17Q050

If yes, please explain, including information relative to any suspensions of CSD participants:

*PFMI: Q.18.3.3*

AGC: 25a.

### Tiered participation (PFMI Principle 19)

#### Links (PFMI Principle 20)

652 G19Q004

Please list all depositories or settlement systems to which you have an electronic link.

PFMI: Q.20.1.2

AGC: 38

Please see Q683(AGC:72a) and Q368(AGC:98).

### Efficiency and effectiveness (PFMI Principle 21)

#### Communication (PFMI Principle 22)

677 G21Q003

Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

PFMI: Q.22.1.1

AGC: 69

- By direct electronic link
- By receipt of physical account holding statements
- Not applicable
- OTHER:

678 G21Q004

Please explain:

PFMI: Q.22.1.1

AGC: 69a.

679 G21Q005

Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

PFMI: Q.22.1.1

AGC: 70

Yes [A01]

680 G21Q006

How is access given to participants?

PFMI: Q.22.1.1  
AGC: 70a.

By direct electronic link

OTHER:

681 G21Q007

Please select type of electronic link:

PFMI: Q.22.1.1  
AGC: 70b.

Dial-up modem

Secured, leased, dedicated telephone line

Internet

Fax

682 G21Q008

Please explain:

PFMI: Q.22.1.1  
AGC: 70c.

683 G21Q009

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

PFMI: Q.22.1.1  
AGC: 72

Yes [A01]

684 G21Q010

Please explain:

PFMI: Q.22.1.1  
AGC: 72a

Shares: The computer system of the unified clearing house for stock exchange trades at Japan Securities Clearing Corporation (JSCC) is directly linked to the JASDEC system. Bank of Japan Financial Network System is linked with the JASDEC system.

CP&Corporate Bonds, Investment Trusts: Bank of Japan Financial Network System is directly linked to the JASDEC system.

In addition to these linkages, regarding Japanese Government Bond (JGB), JSCC recognizes JASDEC as the external matching institution and uses JASDEC PSMS system.

685 G21Q011

How does the CSD communicate with Stock Exchanges?

PFMI: Q.22.1.1  
AGC: 73 73a

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

686 G21Q012  
How does the CSD communicate with Payment Systems?

PFMI: Q.22.1.1  
AGC: 73b

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q013  
How does the CSD communicate with Clearing Houses?

PFMI: Q.22.1.1  
AGC: 73c

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other

Not applicable OTHER:

688 G21Q014

How does the CSD communicate with Registrars?

*PFMI: Q.22.1.1**AGC: 73d* Dial-up modem Secured, leased, dedicated telephone line Internet Fax Paper other Not applicable OTHER:**Transparency and disclosure (PFMI Principle 23)**

713 G22Q020

Capital. Are annual financial statements publicly disclosed?

*PFMI: Q.23.5.3**AGC: 13*

Yes [A01]

714 G22Q021

If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

*PFMI: Q.23.5.3**AGC: 13a.*

Yes [Y]

715 G22Q022

filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

*PFMI: Q.23.5.3**AGC: 13b.*

0

716 G22Q023

filecount - If more than one document for 13b, please upload the additional document here:

*PFMI: Q.23.5.3*  
*AGC: 13c.*

0

717 G22Q024  
Please insert web link(s) for 13b here:

*PFMI: Q.23.5.3*  
*AGC: 13d.*

[https://www.jasdec.com/en/download/company/Financial\\_Statements\\_March\\_2019.pdf](https://www.jasdec.com/en/download/company/Financial_Statements_March_2019.pdf)

718 G22Q025  
If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

*PFMI: Q.23.5.3*  
*AGC: 13e.*

719 G22Q026  
Reserves (then please answer 13g):

*PFMI: Q.23.5.3*  
*AGC: 13f.*

720 G22Q027  
Retained Earnings:

*PFMI: Q.23.5.3*  
*AGC: 13g.*

722 G22Q029  
AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

*PFMI: Q.23.5.4*  
*AGC: 100*

Yes [Y]

723 G22Q030  
Are the results of the financial audit publicly available?

*PFMI: Q.23.5.4*  
*AGC: 15f*

Yes [Y]

724 G22Q031

Are the results of the operational audit publicly available?

*PFMI: Q.23.5.4*

*AGC: 16f*

### Compliance with SEC Rule 17f-7

727 G23Q001

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

*PFMI: n/a*

*AGC: 1*

Yes [Y]

728 G23Q002

Please explain

*PFMI: n/a*

*AGC: 1a*

Securities (excluding foreign stocks listed on Japanese exchanges) handled at Japan Securities Depository Center, Inc. (JASDEC) are dematerialized, and answers to questions hereafter are subject to the dematerialized securities. As to foreign stocks listed on Japanese exchanges, please see 98 for details.

729 G23Q003

Rule 17f-7 also requires that an Eligible Securities CSD "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution:

*PFMI: n/a*

*AGC: 2*

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?

Act as or operate a transnational system for the central handling of securities or equivalent book-entries?

- Act in another capacity with respect to the handling of securities or equivalent book-entries?
- Not applicable
- OTHER:

730 G23Q004

Please explain:

*PFMI: n/a*

*AGC: 2a.*

731 G23Q005

Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

*PFMI: n/a*

*AGC: 2b.*

Japanese shares listed on stock exchanges in Japan

Corporate bonds with share options listed on stock exchanges in Japan

Preferred equity investments issued by cooperative structured financial institutions listed on stock exchanges in Japan

Exchange Traded Funds (ETFs) listed on stock exchanges in Japan

Investment equity such as Real Estate Investment Trusts (REITs) listed on stock exchanges in Japan

Foreign stocks listed on stock exchanges in Japan

Certificates of foreign share options listed on stock exchange in Japan

Foreign investment trust beneficiary certificates listed on stock exchanges in Japan

Foreign investment securities listed on stock exchanges in Japan

Depository receipts of foreign stocks listed on stock exchanges in Japan

Foreign covered warrants listed on stock exchanges in Japan

Beneficiary certificates of trust issuing foreign beneficiary certificates listed on stock exchanges in Japan

Short-term corporate bonds (CP)

Corporate bonds

Local government bonds

Investment corporation bonds

Special corporation bonds

Bonds issued in Japan by any governments or companies in foreign countries

Corporate bond beneficial interests in specific purpose trusts

Investment Trusts

Share options

Investment equity subscription rights



Beneficial interest in trust issuing beneficiary certificates such as JDR, etc. listed on stock exchanges in Japan

Qualified non-listed shares

Qualified non-listed corporate bonds with share options

Qualified non-listed share options

732 G23Q006

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act , with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

PFMI: n/a

AGC: 8

A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.

A membership organization which regulates the participation of its members in securities matters or other financial activities.

OTHER:

733 G23Q007

Please explain:

PFMI: n/a

AGC: 8a.

734 G23Q008

Please provide the name of regulatory authority(ies) identified in question 8:

PFMI: n/a

AGC: 9

Financial Services Agency, Ministry of Justice, Ministry of Finance (only for Participant Protection Trusts) The Bank of Japan(Oversight organization)

735 G23Q009

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

PFMI: n/a

AGC: 10

Regulatory authorities?

Independent accountants?

OTHER:

736 G23Q010

Please explain:

*PFMI: n/a*

*AGC: 10a*

737 G23Q011

Name of Authority #1 (please answer 11a):

*PFMI: n/a*

*AGC: 11*

Financial Services Agency (FSA), Ministry of Justice

738 G23Q012

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

*PFMI: n/a*

*AGC: 11a.*

Fines

Restrictions on CSD activities.

Suspension of CSD activities.

Termination of CSD activities.

OTHER: FSA or Ministry of Justice can enforce filing of reports about businesses or properties, inspections and order to improve depository / book-entry transfer businesses.

739 G23Q013

Please explain:

*PFMI: n/a*

*AGC: 11b.*

FSA or Ministry of Justice can enforce filing of reports about businesses or properties, inspections and order to improve depository / book-entry transfer businesses.

740 G23Q013A

Name of Authority #2:

741 G23Q014

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

*PFMI: n/a*  
*AGC: 11c.*

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER:

742 G23Q015  
Please explain:

*PFMI: n/a*  
*AGC: 11d.*

743 G23Q016  
Has there been any use of such enforcement actions in the last three years?

*PFMI: n/a*  
*AGC: 12*

- Yes
- No
- OTHER:

744 G23Q017  
If yes, please explain:

*PFMI: n/a*  
*AGC: 12a.*

745 G23Q018  
Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

*PFMI: n/a*  
*AGC: 90*

No [A02]

746 G23Q019  
Please describe:

*PFMI: n/a*

AGC: 90a.

747 G23Q020

In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

PFMI: n/a

AGC: 90b.

748 G23Q021

If yes, please describe:

PFMI: n/a

AGC: 90c.

749 G23Q022

If no, why not?

PFMI: n/a

AGC: 90d.

750 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

PFMI: n/a

AGC: 21

Yes [A1]

751 G23Q024

If no, other or not applicable, please explain:

PFMI: n/a

AGC: 21a.

752 G23Q025

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

PFMI: n/a

AGC: 21b, 21c.

Relevant Law and Regulation

Standard participation contract

- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- OTHER:

753 G23Q027

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

*PFMI: n/a*

*AGC: 21d*

Relevant law and Regulation: The Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.

Rules of the depository: Business regulations

754 G23Q028

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

*PFMI: n/a*

*AGC: 46*

Yes [A01]

755 G23Q029

If no or other, please explain

*PFMI: n/a*

*AGC: 46a.*

756 G23Q030

If yes, please indicate the scheduled frequency:

*PFMI: n/a*

*AGC: 46b, 46c.*

- Daily
- Weekly
- Monthly
- Quarterly
- Annually
- Upon request
- OTHER: Daily and upon request.

**Relevant RSSS recommendations**

**Appendices**

765 G25Q002  
I am submitting up-to-date information in response to: