

Rules on Display of Advertising, etc. and Provision of Gifts

Established on June 20, 1969
Revised on June 16, 1995
Revised on October 18, 1995
Revised on February 19, 1999
Revised on December 15, 2000
Revised on April 28, 2004
Revised on September 21, 2007
Revised on March 21, 2008
Revised on September 19, 2008
Revised on January 16, 2009
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Revised on December 20, 2012

Article 1. Purpose

The purpose of these Rules is to promote the appropriate display of advertising and provision of gifts by setting forth the display, methods, and matters to be observed with regard to the display of advertisements, etc. and the provision of gifts relating to investment trusts and investment corporations (hereinafter referred to as “Investment Trusts, etc.”) managed by Full Members (meaning full members as set forth in Article 7, Paragraph 1, Item 1 of the Articles of Incorporation; the same shall apply hereinafter) and thereby contribute to the protection of investors.

Article 2. Definition

In these Rules, the definitions of the terms set forth in the following items shall be as prescribed respectively in those items.

(1) Display of Advertising, etc.

Display which is conducted based on advertising as it is prescribed in Article 37 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, hereinafter referred to as the “FIEA”) and action as it is prescribed in Article 72 of the Cabinet Office Ordinance on Financial Instruments Business, etc. (Cabinet Office Ordinance No. 52 of 2007) (hereinafter referred to as “Advertising, etc.”), regarding the content of business such as an investment management (limited to the business listed in Article 2, Paragraph 8, Item 12 (a) and Item 14 of the FIEA), trading of beneficiary certificates (meaning beneficiary certificates, investment securities, or investment corporation bond certificates) and other transactions, etc. conducted by the Full Members.

(2) Gifts

Economic gain as defined in Paragraph 1 of the Fair Trade Commission Notice No. 3 of 1962, “Designation of Premiums and Display in Accordance with Article 2 of the Act against Unjustifiable Premiums and Misleading Representations.”

Article 3. Basic Principles

1. When a Full Member(s) conducts any display of Advertising, etc., the Full Member must comply with the

fair and equitable principles of transactions in accordance with the attitude for protection of investors and endeavor to maintain dignity as well as to provide accurate information and to display clearly and accurately.

2. When a Full Member(s) provides Gifts, the Full Member must comply with the fair and equitable principles of transactions, endeavor to maintain dignity, and provide Gifts in an appropriate manner.

Article 4. Prohibited Acts

1. A Full Member shall not display Advertising, etc. that comes under or is likely to come under any one of the following items:
 - (1) That which is contrary to business ethics or the fair and equitable principles of transactions
 - (2) That which causes a Full Member to lose its dignity
 - (3) Advertising, etc. displayed in a way that violates the FIEA, the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951), other law and regulations, or the basic terms and conditions of the trust
 - (4) Advertisement etc. with display that indicates evasion of law
 - (5) That which interferes with fair competition among Full Members
 - (6) That which is arbitrary or excessively subjective
 - (7) That which judgment, evaluation, etc. is to be made, but the basis for such judgment, evaluation, etc. is not specified
 - (8) That which is misleading to imply that the principal and yield are guaranteed
 - (9) That which may lead to a misunderstanding of the content of the business of an investment trust management company (including a trust company, etc., which is a trustee company of an investment trust managed without instructions from a settlor), trustee, asset custodian company, or sales company (meaning a party that has been registered as a Type I Financial Instruments Business under the provisions of Article 29 of the FIEA, or a financial institution that has been registered under the provision of Article 33-2 of the same Act)
 - (10) That which provides a conclusive judgment on future investment performance
 - (11) Other matters which may affect an investor's judgment on sound investment
2. When providing Gifts to customers, a Full Member shall not provide Gifts in a way that violates or is likely to violate the Act against Unjustifiable Premiums and Misleading Representations or any other laws and regulations.
3. A Full Member shall not have any third party directly or indirectly conduct the display of Advertising, etc. in violation of the provision in Paragraph 1 or provide any Gifts in violation of the provision of the preceding paragraph.

Article 5. Internal Inspection of Full Members

When displaying Advertising, etc. or providing Gifts, a Full Member must appoint a person in charge of screening the display of Advertising, etc. and the provision of Gifts (hereinafter referred to as "Person in charge of screening advertisements"). The Person in charge of screening advertisements must inspect whether or not there have been any violations of the provisions in the preceding article.

However, this shall not apply to any display of Advertising, etc. for professional investors (meaning professional investors as defined in Article 2, Paragraph 31 of the FIEA (excluding persons deemed to be customers other than professional investors pursuant to the provisions of Article 34-2, Paragraph 5 of the same act but including persons deemed to be professional investors under the provisions of Article 34-3, Paragraph 4 of the same act (including cases where applied mutatis mutandis pursuant to Article 34-4 Paragraph 6))).

Article 6. Establishment of Internal Control Systems

Full Members shall establish internal rules concerning the inspection system, inspection standards, the custody system for the display of Advertising, etc. and the provision of Gifts, and shall make officers and employees observe such rules, in order to ensure proper display of Advertising, etc. and provision of Gifts.

Article 7. Investigation of Violations

1. When the Association deems that the display of Advertising, etc. or the provision of Gifts made by a Full Member or its employees is or is likely to be in violation of the provisions of Article 3 or Article 4, the Association may request the Full Member to submit materials and may conduct a hearing into the circumstances.
2. Full Members shall comply with any requests for submission of materials or hearings provided in the preceding paragraph.

Article 8. Guidelines for Advertising, etc.

In addition to the matters set forth in these Rules, required matters related to the display of Advertising, etc., by Full Members shall be set forth in the “Guidelines for Advertising, etc.”

Article 9. Others

Any matters regarding the display of Advertising, etc. or the provision of Gifts not stipulated in these Rules shall be decided by a resolution of the Board of Directors.

Article 10. Delegation to Competent Committee

1. The Board of Directors shall be entitled to delegate to the Self-Regulation Committee the authority to amend the Guidelines for Advertising, etc.
2. The Self-Regulation Committee shall promptly report to the Board of Directors any decisions made (limited to those deemed necessary by the Board of Directors) concerning any delegated matters.

Supplementary Provisions

1. These Standards for Advertising and Publicity shall come into effect on July 1, 1969.
2. The Board of Directors' decision of November 30, 1960, "The Association's Self-Regulating Standards for Advertising Based on Notices and Directives for Prospectuses," is repealed.

Supplementary Provisions

1. This amendment shall come into effect on June 16, 1995.
2. Any amendment other than the 10 post-amendment provisions shall come into effect on October 1, 1995.

Supplementary Provisions

1. This amendment shall come into effect on October 18, 1995.
2. Deleted

Supplementary Provision

This amendment shall come into effect on February 19, 1999.

Supplementary Provision

This amendment shall come into effect on December 15, 2000.

Supplementary Provision

This amendment shall come into effect on May 1, 2004.

Supplementary Provisions

1. This amendment shall come into effect on September 30, 2007.
2. The supplementary provisions 2 in connection with the amendment dated October 18, 1995, are repealed as of September 30, 2007.

Supplementary Provisions

This amendment shall come into effect from the date of approval on the amendment of the Operational Rules by the competent government agency (March 31, 2008).

Supplementary Provision

This amendment shall come into effect on October 1, 2008.

Supplementary Provision

This amendment shall come into effect on January 16, 2009.

Supplementary Provision

This amendment shall come into effect on March 19, 2009.

Supplementary Provision

This amendment shall come into effect on April 1, 2011.

Supplementary Provision

This amendment shall come into effect on January 4, 2013.