

By-laws Concerning Rules on Registration, etc. of Sales Representatives

Established on June 10, 2021

Article 1. Purpose

These By-laws provide for matters necessary for the enforcement of the Rules on Registration, etc. of Sales Representatives (hereinafter referred to as the “Rules”).

Article 2. Matters to Be Stated in Registry

The matters to be specified in the By-laws prescribed in Article 3 of the Rules shall be as follows:

- (1) Trade name or name of the member applying for the registration and the name of its representative;
- (2) The following matters regarding the Sales Representative pertaining to the application for registration:
 - (a) Name, date of birth, and gender;
 - (b) Trade name or name of the Financial Instruments Intermediary Service Provider and the name of its representative;
 - (c) Distinction of officers or employees;
 - (d) Date of passing Class-1 or Class-2 Sales Representative Qualification Exam pursuant to the Rules Concerning Qualification Examination for Sales Representatives, etc., established by the Japan Securities Dealers Association;
 - (e) Whether the person enrolled in sales representative recertification training conducted by the Japan Securities Dealers Association, and if so, the date of completion for the sales representative recertification training course most recently enrolled in;
 - (f) Whether the person has performed the duties of a Sales Representative, and if so, the trade name or name of the Financial Instruments Business Operator or Registered Financial Institution (hereinafter referred to as the “Financial Instruments Business Operator, etc.”) or the Financial Instruments Intermediary Service Provider to which the person belonged and the period in which such duties were performed;
 - (g) If a disposition was imposed for the suspension of the duties of a Sales Representative pursuant to the provisions of Article 64-5, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the “FIEA”) as applied mutatis mutandis pursuant to Article 66-25 of the FIEA and the provisions of Article 14, Paragraph 1 of the Rules, the date, reason and duration of such disposition;
 - (h) Whether the person engaged in the Financial Instruments Intermediary Service, and if so, the period during which such person has engaged in these services.

Article 3. Procedures for Registration Application, etc.

The applicant for the registration prescribed in Article 9 of the Rules shall be the Full Member Representative.

Article 4. Procedures for Hearings, etc.

1. When conducting the hearing prescribed in Article 12, Paragraph 2 of the Rules, the Association shall notify the Full Member Representative in writing stating the date, location, and outline of the hearing.
2. When conducting the hearing prescribed in Article 14, Paragraph 2 of the Rules, the Association shall notify the Financial Instruments Intermediary Service Provider in writing through the Full Member stating the date and location of the hearing and the content of the anticipated adverse disposition, and the necessary matters shall be provided for in the Rules on Dispositions of Members and Sales Representatives of Financial Instruments Intermediary Service Providers, etc.

Article 5. Form of Application, etc. for Registration

1. Notification under Article 9 and the provisions of each item of Article 13, Paragraph 1 of the Rules shall be as set forth in the following items:
 - (1) Application for Registration of Sales Representatives prescribed in Article 9 of the Rules; Attached Form No. 1
 - (2) For cases falling under Article 13, Paragraph 1, Item 1 of the Rules: Attached Form No. 2
 - (3) For cases falling under Article 13, Paragraph 1, Item 2 of the Rules: Attached Form No. 3
 - (4) For cases falling under Article 13, Paragraph 1, Item 3 of the Rules: Attached Form No. 4
2. When submitting the application for registration of Sales Representatives pertaining to Item 1 of the preceding paragraph, a document in which the Sales Representative and the member who made the application for registration pledges that the Sales Representative in the application for registration does not fall under any of the items of Article 64-2, Paragraph 1 of the FEIA as applied mutatis mutandis pursuant to Article 66-25 of the FEIA (documents stipulated in the By-laws prescribed in Article 9, Paragraph 2 of the Rules) shall be affixed using Attached Form 5.

Article 6. Special Provisions for Qualification Renewal Training

The persons provided for in the By-laws prescribed in the proviso to Article 20, Paragraphs 1 or 2 of the Rules shall be the persons set forth in the following items:

- (1) A person who has, within 2 years prior to the first day of the period stipulated in Article 20, Paragraphs 1 or 2 of the Rules, passed the qualification exam conducted by the Japan Securities Dealers Association or has completed a sales representative recertification training course conducted by the Association;
- (2) A person whose enrollment in a recertification training course is deemed difficult by the Association due to unavoidable circumstances (This may be subject to certain conditions as deemed necessary by the Association.).

Supplementary Provision

These By-laws shall come into effect on the date of approval (July 1, 2021) by the competent government agency for amendments to the Articles of Incorporation.

Attached Form No. 1

Application Date MM/DD/YYYY

To: Chairperson of the Investment Trusts Association, Japan

(Trade Name or Name)

(Representative)

Application for Registration of Sales Representative

As I would like to obtain registration for a Sales Representative, I hereby apply for registration in accordance with the provision in Article 3 of the Rules on Registration, etc. of Sales Representatives as shown in the attachment.

(Attachment: Application for Registration of Sales Representative)

Application for Registration of Sales Representative

| No. | Application Date (Mandatory) | Member No. (Mandatory) | Last Name (Mandatory) | Last Name (Kana) (Mandatory) | First Name (Mandatory) | First Name (Kana) (Mandatory) | Gender (Mandatory) | Date of Birth (Mandatory) | Distinction of Officers or Employees (Mandatory) | Sales Representative Qualification Exam | Accreditation | Remarks on Qualification Obtainment Procedure (Mandatory) | Date of Qualification (Accreditation) (Mandatory) | Reason | Date of Qualification Renewal Training | Name of Intermediary Service Provider | Intermediary Service Provider's Number | Representative of Intermediary Service Provider | Sales Representative | Record of Disposition | |
|-----|---------------------------------|---------------------------|--------------------------|------------------------------------|---------------------------|-------------------------------------|-----------------------|------------------------------|---|--|---------------|---|--|--------|---|--|---|---|-------------------------|--------------------------|--|
| 1 | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | |

| Number | Sales Representative Number | Member No. | Intermediary Service Provider's Number | From | To |
|--------|-----------------------------------|------------|---|------|----|
| 1 | | | | | |
| 2 | | | | | |

Attached Form No. 2

Application Date MM/DD/YYYY

To: Chairperson of the Investment Trusts Association, Japan

(Trade Name or Name)

(Representative)

Notification of Change of Registered Matters for Sales Representatives

I hereby notify the following change(s) as stated in the Attachment pursuant to the provisions of Paragraph 1 of Article 13 of the Rules on Registration, etc. of Sales Representatives.

(Attachment: Notification of Change of Registered Matters for Sales Representatives)

Notification of Change of Registered Matters for Sales Representatives

| No. | Application Date (Mandatory) | Member No. (Mandatory) | Last Name (Mandatory) | Last Name (Kana) (Mandatory) | First Name (Mandatory) | First Name (Kana) (Mandatory) | Gender (Mandatory) | Date of Birth (Mandatory) | Distinction of Officers or Employees (Mandatory) | Name of Intermediary Service Provider | Intermediary Service Provider's Number | Representative of Intermediary Service Provider | Changed Items | Before Change | After Change |
|-----|---------------------------------|---------------------------|--------------------------|------------------------------------|---------------------------|-------------------------------------|-----------------------|------------------------------|---|---|--|---|---------------|---------------|--------------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |

Attached Form No. 3

Application Date YYYY/MM/DD

To: Chairperson of the Investment Trusts Association, Japan

(Trade Name or Name)

(Representative)

Notification of Disqualification of Registered Sales Representatives

Since it has been found that the person specified in the Attachment falls under the provisions of Article 29-4, Paragraph 1, Item 2 (a) through (g) of the FIEA, I hereby notify thereof in accordance with the provisions of Article 13, Paragraph 1 of the Rules on Registration, etc. of Sales Representatives.

(Attachment: Notification of Disqualification)

Notification of Disqualification of Registered Sales Representatives

| No. | Application Date <small>(Mandatory)</small> | Member No. <small>(Mandatory)</small> | Last Name <small>(Mandatory)</small> | Last Name (Kana) <small>(Mandatory)</small> | First Name <small>(Mandatory)</small> | First Name (Kana) <small>(Mandatory)</small> | Gender <small>(Mandatory)</small> | Date of Birth <small>(Mandatory)</small> | Distinction of Officers or Employees <small>(Mandatory)</small> | Name of Intermediary Service Provider | Intermediary Service Provider's Number | Representative of Intermediary Service Provider | Disqualification |
|-----|--|--|---|--|--|---|--------------------------------------|---|--|---------------------------------------|--|---|------------------|
| 1 | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | |

Attached Form No. 4

Application Date MM/DD/YYYY

To: Chairperson of the Investment Trusts Association, Japan

(Trade Name or Name)

(Representative)

Notification of Discontinuance of Duties of Registered Sales Representative

Since the person specified in the Attachment ceases to perform the duties of a Sales Representative, I hereby notify thereof in accordance with the provisions of Article 13, Paragraph 1 of the Rules on Registration, etc. of Sales Representatives.

(Attachment: Notification of Discontinuance of Duties)

Notification of Discontinuance of Duties of Registered Sales Representative

| No. | Application Date (Mandatory) | Member No. (Mandatory) | Last Name (Mandatory) | Last Name (Kana) (Mandatory) | First Name (Mandatory) | First Name (Kana) (Mandatory) | Gender (Mandatory) | Date of Birth (Mandatory) | Distinction of Officers or Employees (Mandatory) | Name of Intermediary Service Provider | Intermediary Service Provider's Number | Representative of Intermediary Service Provider | Cancellation Date | Reason for Cancellation |
|-----|---------------------------------|---------------------------|--------------------------|---------------------------------|---------------------------|----------------------------------|-----------------------|------------------------------|---|---------------------------------------|--|---|-------------------|-------------------------|
| 1 | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | |

Written Pledge

Date: MM/DD/YYYY

(Sales Representative) Name _____
 Date of Birth _____
 (Registration Applicant) Location _____
 Trade Name or Name _____
 Name of Representative _____

We, hereby, pledge that the Sales Representative _____ does not fall under any of the categories of persons listed below:

1. An adult ward or a person under curatorship or a person who is treated the same as such a person under the laws and regulations of a foreign state;
2. A person that has become subject to an order to commence bankruptcy proceedings and has not obtained a restoration of rights, or a person that is treated in the same manner under foreign laws and regulations;
3. A person who has been sentenced to imprisonment or a severer punishment (including an equivalent punishment under the laws and regulations of a foreign state), if 5 years have not yet passed since the date on which that person finished serving the sentence or ceased to be subject to its enforcement;
4. A person that, during the 30 days prior to the date of rescission, was the officer of a corporation, in a case in which a corporation was a Financial Instruments Business Operator but has had the registration referred to in Article 29 of the Financial Instruments and Exchange Act (hereinafter referred to as the "FIEA") rescinded pursuant to the provisions of Article 52, Paragraph 1, Article 53, Paragraph 3, or Article 57-6, Paragraph 3 of the FIEA; in a case in which a corporation was an Authorized Firm for On-Exchange Transactions prescribed in Article 60-4, Paragraph 1 of the FIEA but has had the permission referred to in Article 60, Paragraph 1 of the FIEA rescinded pursuant to the provisions of Article 60-8, Paragraph 1 of the FIEA; in a case in which a corporation was a Financial Instruments Intermediary Service Provider but has had the registration referred to in Article 66 of the FIEA rescinded pursuant to the provisions of Article 66-20, Paragraph 1 of the FIEA; in a case in which a corporation was a credit rating agency but has had its registration referred to in Article 66-27 of the FIEA rescinded pursuant to the provisions of Article 66-42, Paragraph 1 of the FIEA; and in a case in which the corporation had obtained registration or permission of the same kind in a foreign state pursuant to the provisions of a foreign law or regulation that is equivalent to the FIEA (including authorization or any other administrative disposition similar to such registration or permission), but has had that registration or permission rescinded; if 5 years have not yet passed since the date of the rescission;
5. An individual who was a Financial Instruments Business Operator but has had the registration referred to in Article 29 of the FIEA rescinded pursuant to the provisions of Article 52, Paragraph 1 of the FIEA; or an individual who was a Financial Instruments Intermediary Service Provider but has had the registration referred to in Article 66 of the FIEA rescinded pursuant to the provisions of Article 66-20, Paragraph 1 of the FIEA; or an individual that had obtained registration of the same kind in a foreign state under the provisions of a foreign law and regulation equivalent to the FIEA (including permission or any other administrative disposition similar to such registration) or that had obtained permission of the same kind as the permission referred to in Article 60, Paragraph 1 of the FIEA (including permission or any other administrative disposition that is similar to such permission) but has had that registration or permission of the same kind rescinded; if 5 years have not yet passed since the date of the rescission;
6. A person falling under the category of an officer who has been dismissed or removed under Article 52, Paragraph 2, Article 60-8, Paragraph 2, Article 66-20, Paragraph 2, or Article 66-42, Paragraph 2 of the FIEA; or an officer whose dismissal or removal has been ordered in a foreign state pursuant to the provisions of a foreign law or regulation that is equivalent to the FIEA, if 5 years have not yet passed since the date of the disposition;
7. A person who has been sentenced to a fine (including an equivalent sentence under a foreign law or regulation) for violating the provisions of the FIEA, the Secured Bond Trust Act, the Act on Engagement in Trust Business by Financial Institutions, the Commodity Derivatives Transaction Act, the Act on Investment Trusts and Investment Corporations, the Real Estate Brokerage Act, Act Regulating the Receipt of Contributions, the Receipt of Deposits, and Interest Rates, the Installment Sales Act, the Money Lending Business Act, the Act on Deposit Transaction Agreements for Specified Commodities, the Act on Regulation of Commodity Investment, the Act on Specified Joint Real Estate Ventures, the Act on Securitization of Assets, the Act on Issuance, etc. of Bonds for Financial Corporations' Loan Business, the Trust Business Act, the Patent Act, the Utility Model Act, the Design Act, the Trademark Act, the Copyright Act, the Act on the Circuit Layout of a Semiconductor Integrated Circuits, the Act on Special Measures for the Reorganization Proceedings of Financial Institutions, the Plant Variety Protection and Seed Act, the Civil Rehabilitation Act, the Act on Recognition of and Assistance for Foreign Insolvency Proceedings, the Act on General Incorporated Associations and General Incorporated Foundations, the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, the Corporate Reorganization Act, the Bankruptcy Act, the Companies Act, or the Act on Prevention of Unjust Acts by Organized Crime Group Members (excluding the provisions of Article 32, Paragraph 2, Item 7 of the same Act) or for violating the provisions of a foreign law or regulation that is equivalent to any of these Acts, or for committing any offense under the Penal Code or the Act on Punishment of Physical Violence and Others, if 5 years have not yet passed since the date on which that person finished serving the sentence or ceased to be subject to its enforcement;
8. A person that has had a registration as Sales Representative rescinded pursuant to the provisions of Article 64-5, Paragraph 1 of the FIEA if 5 years have not yet passed since the date of the rescission;
9. A person registered as being a Sales Representative affiliated with a Financial Instruments Business Operator, Registered Financial Institution, or Financial Instruments Intermediary Service Provider;
10. A person who has been registered pursuant to the provisions of Article 66 of the FIEA.

End