

By-laws on Rules on Member Investigations

Established on July 18, 2008
Revised on September 19, 2008
Revised on December 20, 2012
Revised on April 18, 2019
Revised on May 20, 2021
Revised on November 18, 2021

Article 1 Purpose

These By-laws provide for matters necessary for the enforcement of the Rules on Member Investigations (hereinafter referred to as the “Rules”).

Article 2 Member Investigation Policies and Plans

The member investigation policies and plans to be set forth in the By-laws as prescribed in Article 3, Paragraph 1 of the Rules shall include the following details.

- (1) Basic concept
- (2) Implementation policy
- (3) Priority items and investigation items
- (4) Investigation plan
- (5) Other necessary matters

Article 3 Types of Special Investigation

The special investigations to be provided for in the By-laws as prescribed in Article 4, Item 2 of the Rules shall be as follows.

(1) Partial investigation

Partial investigations to be conducted as necessary and appropriate to determine the status of compliance with laws, regulations, rules, etc. and the status of compliance with the fair and equitable principles of transactions (including the status of business operations such as asset management).

(2) Follow-up investigation

Investigations on the status of implementation of improvements regarding matters pointed out and dispositions in investigations by the Association and inspections by administrative organizations, etc.

(3) Flexible/Continuous investigation

Investigation to be made on new Full Members for which it is deemed to be especially necessary

(4) Joint investigation

Investigation conducted jointly with other self-regulatory organizations at the same time

Article 4 Advance Notice

1. The matters for which advance notice is to be given as stipulated in Article 5 of the Rules shall be as follows:

- (1) Date and time of investigation

- (2) Type of investigation
 - (3) Method of investigation
 - (4) The target period of investigation
 - (5) Priority items
 - (6) Name of the investigator
 - (7) Other necessary matters
2. When going on-site to conduct an investigation (hereinafter referred to as an “On-site Investigation”), the investigator shall notify the representative of the Full Member of the commencement date of the On-site Investigation approximately 3 weeks in advance, as a general rule.

Article 5 Explanation of Significant Matters

The matters to be explained in the By-laws provided in Article 5 of the Rules shall be as follows:

- (1) Authority and purpose of member investigations
- (2) Request for cooperation for member investigations
- (3) Outline of the member investigation monitor
- (4) Outline of the opinion reporting system
- (5) Other necessary matters

Article 6 Points to Consider When Requesting Documents, etc.

The methods to be specified in the By-laws as prescribed in Article 7 of the Rules shall be as follows:

When making a request, the requester shall explain the method of submission, content to be included, etc. of the documents, etc. and shall request materials, etc. by indicating the time limit for submission. In this case, the utilization of existing documents, etc. shall be prioritized, with consideration to the clerical work load, etc. of the Full Member.

- (1) On-site investigation
 - i. Method by which the Full Member is requested to submit materials in advance after advance notice and before the start of an On-site Investigation
 - ii. Method by which the Full Member is requested to submit materials, etc. after starting an On-site Investigation
- (2) Investigation by writing, hearing or any other method
 - Method in which the Full Members are asked to submit materials after advance notice

Article 7 Presentation of Investigator’s Certificate

The form to be specified in the By-laws as prescribed in Article 9 of the Rules shall be shown in Appended Form No. 1.

Article 8 Consideration for Working Hours of the Investigation Target

When conducting an On-site Investigation, care shall be taken not to interfere with the business, etc. of the Full Member; in principle, an On-site investigation shall be conducted during the working hours of the investigation

target. When intending to conduct an inspection during non-working hours, consent must be obtained from the investigation target.

Article 9 Records of Fact and Background

When conducting a member investigation, a written document shall be used as necessary to clarify the mutual recognition of the facts, the background and the problems involved.

Article 10 Member Investigation Monitor

1. Member investigation monitoring will be conducted so as to ascertain the actual status of member investigations by hearing the opinions of investigation targets, etc., and ensure the appropriate implementation of investigations.
2. A member investigation monitor shall be conducted by way of hearing opinions and acceptance of opinions, and opinions shall be limited to the method and period of the member investigation and the investigation method of the investigator.

(1) Hearing opinions

As a general rule, the implementer shall be the General Affairs Manager, or any person designated by the General Affairs Manager. If deemed necessary for ensuring the appropriateness of the investigation, the implementer shall visit the investigation target during the investigation period and hear the opinions etc. of the responsible person.

(2) Acceptance of opinions

Opinions shall be received in writing to the Chairperson and shall be submitted to the General Affairs Manager by e-mail or mail between the date of commencement of the investigation and after one month from the date of completion of the investigation (the date of delivery of the notice of investigation results).

3. Opinions from the investigation target shall be dealt with so as to contribute to the proper operation of the member investigation.

Article 11 Critiques, etc.

At the time of completion of an on-the-spot investigation, a written investigation, a hearing or any other investigation with regard to the status of business operations, etc. of a Full Member which has been ascertained through a member investigation, the investigator shall confirm whether or not there is any difference in understanding of the facts which has arisen between the investigator and the investigation target.

Article 12 Opinion Reporting System

When any matter of difference of opinion is confirmed through critiques, etc. as stipulated in the preceding Article, such a matter shall be dealt with under the following opinion reporting system for the purpose of securing transparency and fairness in the procedure for member investigations.

- (1) Submit to the Secretary-General of the Association, directly or through the chief investigator, a written statement stating the facts and the opinion of the representative (the Applicant) of the investigation target with respect to any confirmed differences.

- (2) The period for opinion reporting shall be three days from the day the critique was received (excluding holidays of the Association starting from the day following the date of the critique), and may be extended for an additional period of up to two days.
- (3) The General Affairs Department shall conduct a trial on the matters for which opinions are reported, and the results of the trial shall be reflected in the written notice of the results of the investigation.

Article 13 Report

The manner to be specified in the By-laws as prescribed in Article 10 of the Rules shall be as follows:

- (1) When an investigator has completed any on-the-spot investigation, a written investigation, a hearing or any other method of investigation, the investigator shall promptly prepare a member investigation result report summarizing matters, problems, etc. ascertained through the investigation.

Article 14 Notification of Investigation Results

The methods to be specified in the By-laws as prescribed in Article 11 of the Rules shall be as follows:

- (1) The results of the member investigation shall be promptly notified in writing to the representative of the investigation target, in the name of the Chairperson.
- (2) When there are any matters to be pointed out regarding the results of investigations by means of documents, hearings or any other methods, the above mentioned notification shall be given.

Article 15 Reports on Handling by Full Member

The form to be specified in the By-laws as prescribed in Article 12 of the Rules shall be shown in Appended Form No. 2.

Article 16 Others

The results of the member investigation shall be compiled on a semi-annual basis and thoroughly communicated to all members.

Supplementary Provision

These By-laws shall come into effect from July 18, 2008.

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on May 1, 2019.

Supplementary Provisions

This amendment shall come into effect on June 1, 2021.

* The amended provisions are as follows:

- As specified in Article 15 in Appended Form No. 2

Supplementary Provision

This amendment shall come into effect on November 18, 2021

To: Chairperson, Investment Trusts Association, Japan

(Trade Name or Name)

(Representative) Seal

Report on Handling of Member Investigation Results

This is a report on the handling of the matters pointed out in the member investigation which was notified as of [date (YYYY/MM/DD): No. XX], based on the provisions of Article 12 of the “Rules on Member Investigations.”

Notice

1. Notification items	
2. Description	(1) Contents of acts (2) Background, causes, etc. of occurrence
3. Handling status	

[Contact Person] Affiliation
Title and Name
Telephone Number

[Precautions for Descriptions]

1. When there are multiple notification items, only the items listed below “Notice” shall be included in one table for each item.
2. In the “Notification items” space, enter the item number and item (matter).
3. In the “Contents of acts” space, enter the main text of the Notification items.
4. In the “Handling status” space, enter the status of correction and recurrence prevention measures.
5. Related materials shall be attached with regard to the status of correction, recurrence prevention measures, etc. in the Handling status.