

# Operational Rules

Established on September 25, 1967  
Revised on December 20, 1968  
Revised on January 30, 1969  
Revised on January 16, 1970  
Revised on April 10, 1970  
Revised on October 30, 1970  
Revised on July 16, 1971  
Revised on May 19, 1972  
Revised on November 17, 1972  
Revised on January 27, 1984  
Revised on October 21, 1988  
Revised on March 17, 1994  
Revised on December 28, 1994  
Revised on December 15, 1995  
Revised on November 7, 1997  
Revised on February 20, 1998  
Revised on March 10, 1998  
Revised on November 27, 1998  
Revised on April 16, 1999  
Revised on November 17, 2000  
Revised on March 17, 2003  
Revised on March 18, 2005  
Revised on December 16, 2005  
Revised on February 16, 2007  
Revised on September 21, 2007  
Revised on March 21, 2008  
Revised on June 20, 2008  
Revised on September 16, 2009  
Revised on June 16, 2011  
Revised on June 14, 2012  
Revised on April 20, 2017  
Revised on June 10, 2021

## Chapter 1      General Provisions

### Article 1.      Purpose

The purpose of these Rules is to stipulate the business methods stipulated in each item of Article 4, Paragraph 1 of the Articles of Incorporation of The Investment Trusts Association, Japan (hereinafter referred to as the “Association”) among the business of the Certified Financial Instruments Business Associations stipulated in Article 78, paragraph (2) and Article 78-2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the “FIEA”)

## Chapter 2      Business Stipulated in Article 4, Paragraph 1, Item 1 of Articles of Incorporation

### Article 2.      Business, etc.

The Association shall provide guidance, recommendations, and other business to have Full Members (meaning Full Members stipulated in Article 7, Paragraph 1, Item 1 of the Articles of Incorporation; the same shall apply hereinafter) and Financial Instruments Intermediary Service Providers (meaning financial instruments intermediary service providers stipulated in Article 4, Paragraph 1, Item 1 of the Articles of Incorporation; the same shall apply hereinafter) observe the provisions of the FIEA, the Act on Investment Trusts and Investment

Corporations (Act No. 198 of 1951; hereinafter referred to as the “Investment Trust Act”) and other laws and regulations, the Articles of Incorporation, and other rules of the Association (including resolutions of the board of directors; the same shall apply hereinafter)

#### Article 3. Grasp of Status of Compliance of Members

1. The Association shall, through conducting questionnaire surveys for Full Members and Financial Instruments Intermediary Service Providers, examining their daily business, and other activities, endeavor to grasp the status of compliance (hereinafter referred to as the “Status of Compliance”) of Full Members and Financial Instruments Intermediary Service Providers with the provisions of the FIEA, the Investment Trust Act, and other laws and regulations, or the Articles of Incorporation and other rules of the Association (hereinafter referred to as the “Laws and Regulations, etc.”)
2. If the Association has obtained any information, etc. on the Status of Compliance of a Full Member or a Financial Instruments Intermediary Service Provider, the Association shall endeavor to grasp the actual status by holding hearings, etc. with the Full Member, as necessary.
3. If it is deemed difficult to grasp the actual status thereof by the methods stipulated in the preceding paragraph, the Association shall, as necessary, request the submission of materials or an explanation in writing or orally stipulated in Article 14 of the Articles of Incorporation, or conduct a member investigation stipulated in Article 15 of the Articles of Incorporation.
4. If a member investigation is conducted pursuant to the preceding paragraph, such investigation shall be conducted according to the methods stipulated in Article 9, Paragraph 2.

#### Article 4. Guidance, etc.

1. If the Association finds that the Status of Compliance of a Full Member and a Financial Instruments Intermediary Service Provider is inappropriate, the Association shall, as necessary, provide necessary guidance and recommendations to the Member in order to improve the Status of Compliance.
2. The procedures for providing recommendations pursuant to the preceding paragraph shall be stipulated in the Rules on Dispositions, etc. of Members (hereinafter referred to as the “Rules on Dispositions of Members”).
3. If the Association provides guidance or recommendations to a Full Member, the Association shall request the Full Member to submit a written report on the formulation of a business improvement plan and the status of its implementation in order to improve the Status of Compliance, as necessary.

#### Article 5. Business for Improving Compliance

In order to improve the status of compliance, etc. of Full Members and Financial Instruments Intermediary Service Providers with the FIEA, the Investment Trust Act, and other laws and regulations, the Association shall conduct the following business:

- (1) Implementation of training, seminars, etc. for officers and employees of Full Members and Financial Instruments Intermediary Service Providers;
- (2) Dissemination of cases of violations of the Laws and Regulations, etc. by Full Members and Financial Instruments Intermediary Service Providers; and

(3) Any other business deemed necessary by the Association.

Chapter 3 Business Stipulated in Article 4, Paragraph 1, Item 2 of Articles of Incorporation

Article 6. Business, etc.

With regard to the financial instruments business, etc. (including business pertaining to the investment trust managed without instructions from the settlor; the same shall apply hereinafter) conducted by Full Members and Financial Instruments Intermediary Service Providers, the Association shall conduct the member investigation, guidance, recommendations, and other business necessary for appropriateness of asset management, etc. and public offerings and private placements, etc. of beneficiary certificates (including the book-entry transfer beneficial interest in an investment trust; the same shall apply hereinafter), and ensuring the protection of investors.

Article 7. Grasp of Status of Business Operations of Members

1. With regard to the financial instruments business, etc. conducted by Full Members and Financial Instruments Intermediary Service Providers, the Association shall endeavor to grasp the status of business operations of the asset management and the public offering or private placement of beneficiary certificates of Full Members and Financial Instruments Intermediary Service Providers through conducting questionnaire surveys for Full Members and examining their daily business.
2. If the Association has obtained information, etc. on the status of business operations such as the asset management and the public offering or private placement of beneficiary certificates by a Full Member and a Financial Instruments Intermediary Service Provider, the Association shall endeavor to grasp the actual status thereof by holding hearings, etc. with the Full Member, as necessary.
3. If it is deemed difficult to grasp the actual status thereof by the methods stipulated in the preceding paragraph, the Association shall, if necessary, request the submission of materials or an explanation in writing or orally pursuant to Article 14 of the Articles of Incorporation, or conduct a member investigation stipulated in Article 15 of the Articles of Incorporation.
4. If conducting a member investigation pursuant to the preceding paragraph, the Association shall conduct such investigation according to the methods stipulated in Article 9, Paragraph 2.

Article 8. Guidance, etc.

1. If the Association finds that the status of business operations such as the asset management and the public offering or private placement, etc. of beneficiary certificates by a Full Member and a Financial Instruments Intermediary Service Provider is inappropriate and that a situation is deemed necessary to protect investors, the Association shall, as necessary, provide necessary guidance or recommendations to the Full Member in order to ensure the appropriateness of the business operations.
2. The procedures for providing recommendations pursuant to the preceding paragraph shall be stipulated in the Rules on Dispositions of Members.
3. If the Association provides guidance or recommendations to a Full Member, the Association shall request, as necessary, the Full Member to submit a written report on the formulation of a business improvement plan

and the status of its implementation in order to ensure the appropriateness of the asset management, etc.

#### Chapter 4 Business Stipulated in Article 4, Paragraph 1, Item 3 of Articles of Incorporation

##### Article 9. Member Investigation

1. The Association shall conduct a member investigation of a Full Member and a Financial Instruments Intermediary Service Provider with regard to compliance with the FIEA, the Investment Trust Act, orders based thereon, dispositions based thereon, the Articles of Incorporation and other rules of the Association (including resolutions of the board of directors) the basic terms and conditions of the investment trust, or the Certificate of Incorporation of the investment corporation (hereinafter referred to as the “Laws and Regulations, etc.”) or the principle of good faith in transactions.
2. The member investigation stipulated in the preceding paragraph shall be conducted by any of the following methods:
  - (a) On-site investigation;
  - (b) Investigation in writing;
  - (c) Investigation by hearing; or
  - (d) Other investigations by methods deemed appropriate by the Association.

##### Article 10. Member Investigation Rules

Necessary matters for the implementation of the member investigation stipulated in the preceding Article shall be stipulated in the Rules on Member Investigation.

##### Article 11. Measures for Results of Member Investigation

1. If the Association has found the fact of a violation of the Laws and Regulations, etc. by the relevant Full Member as a result of conducting a member investigation pursuant to Article 9, the Association shall appropriately respond to the violation in accordance with the Articles of Incorporation or the Rules on Dispositions of Members, as necessary.
2. Procedures for making a disposition based on the Articles of Incorporation or taking other measures against the relevant Full Member shall be stipulated in the Rules on Dispositions of Members.

#### Chapter 5 Business Stipulated in Article 4, Paragraph 1, Item 4 of Articles of Incorporation

##### Article 12. Resolution of Complaints

1. The Association shall conduct the business for resolving complaints from investors concerning the business of the financial instruments business, etc. pertaining to investment trusts and investment corporations conducted by Full Members and Financial Instruments Intermediary Service Providers (hereinafter referred to as the “Complaint Resolution Business”)
2. The Complaint Resolution Business stipulated in the preceding paragraph may be entrusted pursuant to the provisions of Article 78-8, paragraph (1) of the FIEA.

3. Necessary matters for the Complaint Resolution Business shall be stipulated in the Rules on Entrustment of Business, etc. for Resolution of Complaints and Disputes (hereinafter referred to as the “Rules on Resolution of Complaints, etc.”)

Chapter 6 Business Stipulated in Article 4, Paragraph 1, Item 5 of Articles of Incorporation

Article 13. Mediation for Dispute Resolution

1. If there is a dispute concerning the business of the financial instruments business, etc. pertaining to investment trusts and investment corporations conducted by Full Members and Financial Instruments Intermediary Service Providers, the Association shall conduct the business pertaining to the mediation (hereinafter referred to as the “Mediation Business”) in order to resolve the dispute.
2. The Mediation Business stipulated in the preceding paragraph may be entrusted pursuant to the provision of Article 78-8, paragraph (1) of the FIEA.
3. Necessary matters for the Mediation Business shall be stipulated in the Rules on Resolution of Complaints, etc.

Article 14. Entrustment of Complaint Resolution Business and Mediation Business

1. If the Complaint Resolution Business and the Mediation Business are entrusted to a third party pursuant to the provisions of Article 12, Paragraph 2 and Article 13, Paragraph 2, the Association shall entrust such business to a person with sufficient financial basis and personnel structure to perform such business properly.
2. In entrusting the business pursuant to the preceding paragraph, the Association shall conclude a contract necessary for entrusting such business such as a letter of agreement.

Chapter 7 Business Stipulated in Article 4, Paragraph 1, Item 6 of Articles of Incorporation

Article 15. Establishment, Amendment, or Abolition of Rules

1. The Association shall establish, amend, or abolish rules (including resolutions of the board of directors) and conduct other business necessary for the appropriateness of the financial instruments business, etc. pertaining to investment trusts and investment corporations conducted by Full Members and Financial Instruments Intermediary Service Providers.
2. The establishment, amendment, or abolition of the rules stipulated in the preceding paragraph shall be made by a resolution of the board of directors.

Chapter 8 Business Stipulated in Article 4, Paragraph 1, Item 7 of Articles of Incorporation

Article 16. Business of Accredited Personal Information Protection Organization

1. The Association shall conduct the following business concerning the handling of personal information pertaining to the financial instruments business conducted by Full Members and Financial Instruments

Intermediary Service Providers as an accredited personal information protection organization who have received an accreditation pursuant to Article 47, paragraph (1) of the Act on the Protection of Personal Information (Act No. 57 of 2003):

- (1) Handling of complaints concerning the handling of personal information by Full Members and Financial Instruments Intermediary Service Providers;
  - (2) Preparation and publication of the Personal Information Protection Guidelines;
  - (3) Guidance, recommendations, and other measures necessary to ensure compliance with the Personal Information Protection Guidelines;
  - (4) Provision of information to Full Members and Financial Instruments Intermediary Service Providers on matters that contribute to ensure the proper handling of personal information;
  - (5) Training, etc. for officers and employees of Full Members and Financial Instruments Intermediary Service Providers in order to ensure the proper handling of personal information;
  - (6) Publication of the name of the Full Member;
  - (7) Liaison and coordination with relevant organizations; and
  - (8) In addition to what is listed in the preceding items, matters necessary for ensuring the proper handling of personal information by Full Members and Financial Instruments Intermediary Service Providers.
2. With regard to the business pertaining to the handling of complaints concerning the handling of personal information by Full Members and Financial Instruments Intermediary Service Providers listed in Item 1 of the preceding paragraph, the Association shall conduct such business based on the Rules on Handling of Complaints concerning Handling of Personal Information by Full Members and Financial Instruments Intermediary Service Providers separately stipulated.

#### Chapter 9 Business Stipulated in Article 4, Paragraph 1, Item 8 of Articles of Incorporation

Article 17. Enlightenment and Dissemination of Investment Trusts, etc.

1. The Association shall endeavor to promote the sound development of investment trusts and investment corporations and to protect investors through activities related to the enlightenment and dissemination of knowledge concerning investment trusts and investment corporations.
2. In order to enlighten and disseminate knowledge concerning investment trusts and investment corporations, the Association shall conduct the following business:
  - (1) Business concerning the issuance of various publications pertaining to investment trusts or investment corporations;
  - (2) Business concerning the holding of lectures, seminars, etc.; and
  - (3) Other business concerning the enlightenment and dissemination of knowledge of investment trusts and investment corporations.

#### Chapter 10 Business Stipulated in Article 4, Paragraph 1, Item 13 of Articles of Incorporation

Article 17-2. Registration Work of Sales Representatives

The Association shall conduct the registration work of sales representatives stipulated in Article 4, Paragraph 1, Item 13 of the Articles of Incorporation in accordance with the rules separately stipulated. Other Business

Chapter 11 Other Business

Article 18. Other Business

The Association shall, in order to achieve its purpose, conduct the following business:

- (1) Preparation and publication of statistics, etc. concerning investment trusts and investment corporations;
- (2) Internal and external investigation, research, and international exchanges concerning investment trusts and investment corporations;
- (3) Communication and coordination of opinions among Full Members and with financial instruments business associations, and other relevant organizations, etc.;
- (4) Proposals, requests, and communications to relevant government agencies and other relevant organizations; and
- (5) In addition to what is listed in the preceding items, publicity activities for investors and other business necessary for achieving the purpose of the Association.

Chapter 12 Organizations, etc. of Association

Article 19. Committee

1. The Association shall establish a committee for the smooth performance of the business of the Association.
2. The structure, operation, etc. of the committee stipulated in the preceding paragraph shall be stipulated in the Rules on Establishment of Committee separately stipulated.
3. In addition to the committees stipulated in the Rules on Establishment of Committee, the Association may, as necessary, establish extraordinary committees by a resolution of the board of directors.

Article 20. Secretariat Organization

The organization, division of affairs, authority, etc. of the Secretariat of the Association shall be governed by internal rules separately stipulated.

Article 21. Accounting

1. The accounting procedures of the Association shall be conducted in accordance with laws and regulations, the Articles of Incorporation of the Association, and the Rules on Accounting Procedures separately stipulated, as well as in accordance with the Accounting Standards for Public Interest Corporations and other accounting standards generally accepted as fair and appropriate.
2. The Association shall conduct the accounting procedures in accordance with the Rules on Accounting Procedures separately stipulated.
3. The Association shall conduct an audit of the accounting of the Association by a certified public accountant.

## Chapter 13      Others

### Article 22.      Establishment of System for Protection of Personal Information

The Association shall, in order to prevent the leakage, loss, or damage of personal information handled in order to perform its business, establish rules concerning the safety management of personal information, thereby establishing an appropriate management system.

The Association shall not use information on race, creed, family origin, domicile, etc. or other special non-public information concerning individuals handled for the performance of its business (meaning unpublished information that has come to its knowledge in the course of its business) for purposes other than ensuring the appropriate operation of the Association's business or for other purposes deemed necessary.

### Article 23.      Securities Transactions by Officers and Employees of Association

1. The Association's officers (limited to full-time officers; the same shall apply hereinafter) and employees (including non-regular employees; the same shall apply hereinafter) shall not sell or purchase securities based on trends in the management of the trust property, etc. or non-public information pertaining to issuing companies obtained in the course of their business, or other special information obtained in the course of their duties, or solely for the purpose of pursuing speculative profits, by making use of their professional status.
2. If any officer or employee of the Association commits any of the acts listed in the preceding paragraph, the Association shall take strict measures against the relevant person who commits such act.

### Article 24.      Confidentiality, etc.

No officer of the Association, committee member or employee of any committee, etc., or any person who was formerly in the position thereof shall divulge or misappropriate any secret that he/she has come to know in the course of performing his/her duties to others without justifiable grounds.

#### Supplementary Provision

The provisions shall come into force on October 1, 1967.

#### Supplementary Provision

Amendments to the provisions shall come into force on December 25, 1968.

#### Supplementary Provision

Amendments to the provisions shall come into force on February 10, 1969.



Supplementary Provision

The amended provisions of Article 5 and Article 6 shall come into force on February 1, 1970.

Supplementary Provision

The amended provisions of Article 5 and Article 7 shall come into force on April 10, 1970.

Supplementary Provision

The amended provisions of Article 5 and Article 10 shall come into force on October 1, 1970.

Supplementary Provision

The amended provisions of Article 5 shall come into force on August 25, 1971.

Supplementary Provision

The amended provisions of Article 5 shall come into force on May 17, 1972.

Supplementary Provision

The amended provisions shall come into force on December 1, 1972.

Supplementary Provision

The amended provisions of Article 2 shall come into force on January 27, 1984.

Supplementary Provision

The amended provisions of Article 3, Article 14, and Article 16 shall come into force on October 26, 1988.

Supplementary Provision

The amended provisions shall come into force on March 17, 1994.

Supplementary Provision

The amended provisions of Article 2, Article 2-2, Article 2-3, Article 3, and Article 10-2 shall come into force on January 1, 1995.

Supplementary Provisions

1. The amended provisions shall come into force on January 1, 1996.
2. In cases where an entrusting party has come to appoint a discretionary investment company's (meaning the investment advisor stipulated in Article 2-3, Paragraph 2 after the amendment; hereinafter the same shall apply in this paragraph) officer (meaning an officer stipulated in that paragraph) or employee as an officer or employee of the entrusting party, or has come to use a business office used by a discretionary investment company, if the discretionary investment company is a discretionary investment company actually established under the laws and regulations of a foreign country at the time of the enforcement of the

provisions, the term “using (limited to the cases where it is deemed that the business of a discretionary investment company is substantially operated as a result thereof)” in that paragraph shall be deemed to be replaced with “In cases where it is deemed that the business of a discretionary investment company is substantially operated as a result of using, instructions on transactions that would harm the interests of beneficiaries pertaining to the trust property in order to promote the interests of customers pertaining to the discretionary investment contract concluded by the discretionary investment company.”

#### Supplementary Provision

The amended provisions of Article 10 and Article 10-2 shall come into force on December 1, 1997.

#### Supplementary Provision

The amended provisions of Article 13 shall come into force on March 23, 1998.

#### Supplementary Provision

The amended provisions of Article 8 shall come into force on March 24, 1998.

#### Supplementary Provisions

This amendment shall come into force on December 1, 1998.

\* The amended provisions, etc. are as follows:

- (1) Article 1, Article 3, Article 4, Article 5, Article 6, Article 7, Article 10, Article 11, and Article 12 have been amended.
- (2) Articles 2 through 3, Articles 5 and 6 have been deleted, Article 4 has been changed to Article 3, Article 7 and Article 8 have been advanced to three Articles, respectively, replaced with Article 4 and Article 5, and Article 2 has been newly established.
- (3) Article 9, Article 10-2, and Article 13 have been deleted, Articles 10 through 12 and Articles 14 through 16 have been advanced to four Articles respectively, replaced with Article 6 through Article 12, and Article 9 has been newly established.

#### Supplementary Provisions

The amended provisions shall come into force on April 21, 1999; provided, however, that the provisions of Article 13, Paragraph 2 after the amendment shall apply to the investment report pertaining to the trust property for which the fiscal year end will arrive on or after January 1, 2000.

#### Supplementary Provision

The amended provisions shall come into force on November 30, 2000.

#### Supplementary Provision

The amended provisions shall come into force on June 1, 2003.

Supplementary Provision

This amendment shall come into force on April 1, 2005.

Supplementary Provision

This amendment shall come into force on January 31, 2006.

Supplementary Provision

This amendment shall come into force on March 8, 2007.

Supplementary Provision

This amendment shall come into force on the date on which the approval of the competent government agency is obtained for the Articles of Incorporation (September 30, 2007).

Supplementary Provisions

1. This amendment shall come into force on the date on which the approval of the competent government agency is obtained (March 31, 2008).
2. Ensuring Proper Handling of Personal Information by Members (Resolution of the Board of Directors of April 27, 2005) shall be abolished as of the date of the approval of the competent government agency pertaining to the amendment of the Operational Rules (March 31, 2008).

Supplementary Provision

This amendment shall come into force on October 1, 2008; provided, however, that the amendment of Article 10 shall come into force on the date on which the approval of the competent government agency is obtained (July 25, 2008).

Supplementary Provisions

1. This amendment shall come into force on the date separately stipulated by the board of directors (December 17, 2009) upon the approval of the competent government agency.
2. At the time of enforcement of this amendment, complaints that have actually been filed with the Association pursuant to the provisions of the Complaint Resolution Rules pursuant to the provisions of Article 12, Paragraph 2 prior to the amendment shall be handled by the Association until they are resolved.
3. At the time of the enforcement of this amendment, with regard to mediation that has actually been filed with the Association pursuant to the provisions of the Complaint Resolution Rules pursuant to the provisions of Article 13, paragraph 2 prior to the amendment, the provisions then in force shall remain applicable until the conclusion of the case pertaining to such mediation.

Supplementary Provisions

This amendment shall come into force on the date of registration of establishment of a general corporation stipulated in Article 106, Paragraph 1 as applied mutatis mutandis by replacing certain terms pursuant to Article

121, Paragraph 1 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations.

\*These Supplementary Provisions were amended by the amendment of June 14, 2012.

#### Supplementary Provisions

This amendment shall come into force on the date of registration of establishment of a general corporation stipulated in Article 106, Paragraph 1 as applied mutatis mutandis by replacing certain terms pursuant to Article 121, Paragraph 1 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (January 4, 2013).

#### Supplementary Provision

This amendment shall come into force on May 30, 2017 with the approval of the competent government agency.

#### Supplementary Provision

This amendment shall come into force on the date of the approval of the competent government agency (July 1, 2021).