

Rules on Member Investigations

Established on July 18, 2008
Revised on September 19, 2008
Revised on March 19, 2009
Revised on December 20, 2012
Revised on March 13, 2019
Revised on May 20, 2021

Article 1 Purpose

These Rules set forth the necessary matters for conducting member investigations in accordance with Article 10 of the Operational Rules.

Article 2 Investigator

Member investigations shall be conducted by an investigator appointed by the Chairperson from among employees in the Association or another individual engaged in Association business.

Article 3 Member Investigation Policies and Plans

1. The Association shall prepare member investigation policies and plans for that year's member investigation as described in the By-laws and make them known to the members (Full Members as stipulated in Article 7, Paragraph 1, Item 1 and Supporting Members as stipulated in Item 2 of the same paragraph).
2. Member investigations shall be conducted based on the member investigation policies and plans in the preceding paragraph.
However, when deemed necessary, any matters not provided for in the member investigation policies and plans shall be handled as needed.

Article 4 Member Investigation Types

The types of member investigations are as follows:

(1) General investigation

An investigation of the overall business operations of a Full Member (meaning a Full Member as defined in Article 7, Paragraph 1, Item 1 of the Articles of Incorporation; the same shall apply hereinafter) that comprehensively accounts for an array of information, the results of previous investigations, the investigation period, and other matters.

(2) Special investigation

An investigation of all or part of the business operations of a Full Member in accordance with the methods set forth in the By-laws, as deemed necessary and appropriate

Article 5 Advance Notice

When a member investigation is conducted, the Full Member shall be provided with an advance explanation of the significant matters, the time and date of the investigation, the method thereof, the names of the investigators, and other matters as described in the By-laws.

However, such notice may be withheld when deemed necessary by the Chairperson.

Article 6 Change or Suspension

After notice in the preceding article is provided or the commencement of the member investigation, the member investigation may be changed or suspended if conducting it has been deemed difficult due to unavoidable circumstances such as a natural disaster.

Article 7 Authority of Investigators

Investigators may, through the methods set forth in the By-laws, request a Full Member to present and allow inspections of books, documents and articles of value relating to matters pertaining to the investigation, submit materials, or explain the facts thereof.

Article 8 Duties of Investigators

Investigators shall observe the matters listed in the following items:

- (1) Conduct investigations efficiently and effectively, bearing in mind that the purpose of the investigation is to achieve the goals of the Association, which contributes to the sound development of investment management businesses, etc. and the protection of investors
- (2) When conducting an investigation, always endeavor to maintain dignity and credibility and not divulge any secrets obtained in the course of their member investigation duties
- (3) When conducting an investigation, always maintain a well-balanced and calm attitude and endeavor to certify facts and express opinions fairly and efficiently
- (4) Investigators shall properly understand laws, rules, etc. relating to investment trusts, endeavor to understand market trends, and acquire new financial products, trading methods, etc.

Article 9 Presentation of Investigator's Certificate

At the start of an on-the-spot investigation, investigators shall present the Full Member with an Investigator's Certificate in the form set forth in the By-laws.

Article 10 Reporting Results of On-site investigation, etc.

When an investigator has completed an on-the-spot investigation, written investigation, hearing, or any other investigation, the investigator must promptly report the results thereof to the Chairperson in the manner set forth in the By-laws.

Article 11 Notice of End to an Investigation

Upon completion of a member investigation, the Association will notify the Full Member of the results thereof in the manner set forth in the By-laws.

Article 12 Reports on Handling by Full Member

When a Full Member is requested by the Association to submit a report on handling based on the results of a

member investigation, the Full Member must submit the report on the handling by the date designated by the Association in the form specified in the By-laws using the “Electronic Notification and Storage System for Notifications from Association Members.

Article 13 By-laws

Any matters necessary for enforcement of these Rules shall be stipulated in the By-laws.

Article 14 Delegation to Competent Committee

1. The Board of Directors shall be entitled to delegate to the Self-regulation Committee the authority to amend any By-laws relating to these Rules.
2. The Self-regulation Committee shall promptly report to the Board of Directors any decision(s) made (limited to those deemed necessary by the Board of Directors) concerning any delegated matters.

Supplementary Provision

These Rules shall come into effect on July 18, 2008.

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provisions

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

* The amended provisions are as follows:

Article 2

Supplementary Provisions

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

* The amended provisions are as follows:

Article 12