

# **Rules Concerning Solicitation of Investment and Management of Customers, etc.**

## **(Purpose)**

### **Article 1.**

The purpose of these Rules is to achieve appropriateness of the business of soliciting customers to invest and managing customers, etc. regarding Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type (referring to the Self-Offering and Other Transactions, etc. set forth in Item (9) of Article 3 of the Articles of Incorporation except for the Electronic-based Application Type Electronic Public Offering Service, etc. provided for in “Rules Concerning Electronic-based Application Type Electronic Public Offering Service, etc.”; the same shall apply hereinafter) conducted by Regular Members and thereby contribute to the protection of investors.

## **(Standards for Solicitation of Investment)**

### **Article 2.**

1. When conducting Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type, each Regular Member must always assign primary importance to securing the trust of the customers and devote itself to customer-centered business activities by complying with the Financial Instruments and Exchange Act (hereinafter referred to as “FIEA”), other laws and regulations, as well as the Articles of Incorporation and other rules (including the detailed regulations, guidelines, resolutions, etc. thereunder; hereinafter referred to as the “Laws and Regulations, etc.”).
2. Each Regular Member must sufficiently grasp its customer’s knowledge, investment experience, investment objective/motive, financial condition and the like, and strive to solicit investment which suits the customer’s intention and actual circumstances.

## **(General Rules)**

### **Article 3.**

With regard to important matters concerning Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type, each Regular Member must provide its customers with sufficient explanation and strive to secure their understanding.

## **(Standard for Commencing Transaction)**

#### **Article 4.**

For conducting Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type, each Regular Member must prescribe the standard for commencing transaction, and conclude agreement with the customers who have met the standard.

#### **(Imprinting the Principle of Self-Responsibility)**

#### **Article 5.**

When conducting Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type, each Regular Member must make its customers understand that they should transact on financial instruments at their own judgment and responsibility.

#### **(Prohibited Acts)**

#### **Article 6.**

When soliciting investment pertaining to Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type, Regular Members must not commit any of the acts listed below:

- (1) Act of providing a customer with false information concerning the conclusion of an agreement or solicitation thereof;
- (2) Act of making a promise to a customer to provide special benefit;
- (3) Act of making a promise to a customer to bear all or a part of the losses, or to add all or a part of the profits;
- (4) Act of providing a customer with conclusive evaluation on uncertain matters or with information that could mislead the customer into believing the certainty of such matters;
- (5) Act of solicitation, which is deemed inappropriate in the light of the customer's knowledge, investment experience, investment objective/motive, financial condition and the like, and which has resulted in, or could result in, insufficient protection of the customer;
- (6) Act of using fraudulent means or committing assault or intimidation; and
- (7) Act of making misrepresentation, or misleading representation on important matters, concerning an agreement or solicitation thereof.

#### **(Prohibition of Solicitation Pertaining to Crypto-Asset Products by Making Visitation or Phone Call)**

#### **Article 6-2.**

1. Regular Members must not engage in the act of soliciting a customer, who has not made a request for solicitation of conclusion of an agreement pertaining to the rights set forth in Article 2, Paragraph 2, Item 5 or Item 6 of FIEA whose objects of management include the Crypto-Assets (referring to the “Crypto-Assets” provided for in Article 2, Paragraph 5 of the Payment Services Act), to conclude such agreement by making visitation or phone call.
2. The provision of the preceding Paragraph shall not apply to the acts performed as Electronic-based Application Type Electronic Public Offering Service, etc. provided for in “Rules Concerning Electronic-based Application Type Electronic Public Offering Service, etc.”

### **(Thorough Implementation of Separate Management)**

#### **Article 7.**

When conducting Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type pertaining to the rights set forth in Article 2, Paragraph 2, Items 5 through 7 of FIEA, each Regular Member must confirm either that the money (including those designated as being similar to money in Article 1-3 of Order for Enforcement of the Financial Instruments and Exchange Act and those that are deemed as money pursuant to the provision of Article 2-2 of FIEA; the same shall apply hereinafter) invested or contributed by customers for such Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type is managed separately from the property that belongs to the person who conducts the relevant business to be operated using such money, or that there is no risk of such money not being managed in such manner.

### **(Prohibition of Solicitation of Investment When Money Is Being Misappropriated)**

#### **Article 8.**

When conducting Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type pertaining to the rights set forth in Article 2, Paragraph 2, Items 5 through 7 of FIEA, Regular Member must not solicit investment knowing that the money invested or contributed by customers for such Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type is not being allocated to the business which is to be operated by allocating such money to it.

### **(Prohibition of Name Lending)**

#### **Article 9.**

Regular Member must not have another person engage in Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type under the Regular Member’s own name.

**(Customer Management Record, Identification Record, etc.)**

**Article 10.**

1. With regard to the customers who transact on Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type, each Regular Member must prepare and retain customer management record describing the customer's trade name, name or individual name, location or address, birthdate (only if the customer is a natural person), occupation (only if the customer is a natural person), investment experience, investment objective/motive, financial condition, and other matters that are necessary for the purpose of managing customers.
2. Each Regular Member shall designate a person responsible for notifying the suspicious transaction pursuant to the provision of Article 8, Paragraph 1 of "Act on Prevention of Transfer of Criminal Proceeds," and strive to develop its internal control system in order to prevent transfer of criminal proceeds and to prevent financing terrorism.
3. Each Regular Member must properly manage the information collected in order to prepare customer management record, identification record and transaction record, and must not leak such information to other person without the relevant customer's consent.

**(Exclusion from Application)**

**Article 11.**

Paragraph 2 of Article 2 (Standards for Solicitation of Investment) and Paragraph 1 of Article 6-2 (Prohibition of Solicitation Pertaining to Crypto-Asset Products by Making Visitation or Phone Call) shall not apply if the counterparty to the agreement concerning Self-Offering and Other Transactions, etc. Excluding Electronic-based Application Type is a Professional Investor (referring to the Professional Investor provided for in Article 2, Paragraph 31 of FIEA (including those who shall be deemed to be Professional Investors pursuant to the provision of Article 34-3, Paragraph 4 of FIEA (including the case where it is applied mutatis mutandis pursuant to Article 34-4, Paragraph 6 of FIEA) except for those who shall be deemed to be customers other than Professional Investors pursuant to Article 34-2, Paragraph 5 of FIEA)).

### **Supplementary Provisions (May 20, 2011)**

These Rules shall become effective from the date on which the Association is certified by the Prime Minister as Financial Instruments Firms Association provided for in Article 78, Paragraph 1 of FIEA (June 30, 2011).

### **Supplementary Provisions (February 13, 2013)**

This amendment shall become effective from April 1, 2013.

(Note) Amended provisions, etc. are as follows:

Amended the headword and Paragraphs 2 and 3 of Article 8.

### **Supplementary Provisions (May 26, 2015)**

This amendment shall become effective from the date (May 29, 2015) provided for in the main text of Article 1 of the Supplementary Provisions of the Act for Amendment of the Financial Instruments and Exchange Act (2014, Act No. 44).

(Note) Amended provisions are as follows:

- (1) Amended Article 1, Paragraph 1 of Article 2, and Article 3;
- (2) Newly added Article 4, and amended former Article 4 and moved it down so that it has become Article 5;
- (3) Moved down former Article 5 so that it has become Article 6;
- (4) Amended former Article 6 and moved it down so that it has become Article 7;
- (5) Newly added Article 8, amended former Articles 7 through 9 and moved them down so that they have become Articles 9 through 11, respectively.

### **Supplementary Provisions (August 4, 2020)**

This amendment shall become effective from August 6, 2020.

(Note) Amended provision, etc. is as follows:

Amended Article 7.

**Supplementary Provisions (May 18, 2022)**

This amendment shall become effective from May 19, 2022.

(Note) Amended provisions, etc. are as follows:

- (1) Amended the main sentence of Article 6;
- (2) Newly added Article 6-2;
- (3) Amended Article 11.

This translation is solely for the convenience of those interested therein, and accordingly all questions that may arise with regard to the meaning of the words or expressions herein shall be dealt with in accordance with the original Japanese text.