Panel Discussion 2

Roles of SROs and Trade Associations in the Securities Market

Nov. 24, 2012

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Japan Securities Dealers Association
JSDA (Japan Securities Dealers Association) is an association of securities companies and financial institutions operating securities businesses in Japan. Its major tasks are:

- as an **SRO (Self Regulatory Organization)**, to provide self-regulation in the Japanese securities market, and
- as an **industry association**, to conduct various activities to invigorate and further develop the market.
Organization of JSDA (1)

Japan Securities Dealers Association

Board of Auditors
- Member Auditors
- Standing Auditor

General Assembly

Board of Governors
- Chairman
- Vice-Chairmen
- Senior Managing Director
- Regular Member Governors
- Special Member Governor
- Public Governors

Securities Strategy Board
- Securities Industry Council
- Retail Business Council
- Wholesale Business Council
- Internet Brokers Council
- Securitization & Alternative Business, etc. Council
- District Council
- International Advisory Committee

Head Office

Self-regulation Board
- Disciplinary Committee
- Sales Representative Disciplinary Committee
- Self-regulatory Planning Sub-Committee
- Equity Sub-Committee
- Bonds Sub-Committee
- Financial Instruments Sub-Committee
- International Advisory Committee

Sales Representative Examination Committee
Problematic Conduct Confirmation Committee
Complaint Review Council

Code of Conduct Committee
General Affairs Committee
Finance & Securities Education Support Committee

Financial Sub-Committee

(Please refer to the following slide.)

As of July 1st, 2012
As an SRO

Continuous revision of self-regulation system, as well as amendment of self-regulatory rules, to further enhance market fairness and reinforce market functions, which include:

- Establishment of industry-wide dispute mediation system: Financial Instruments Mediation Assistance Center (FINMAC);
- Deliberation on producing easy-to-understand explanations and explanatory documents for financial products;
- Production of guideline on advertising through social media; and
- Deliberation on measures to improve confidence in securities market:
  - preventing insider trading and ensuring strict corporate information management in securities firms
  - assuring segregation of customer asset
As an Industry Association

Initiatives to create a sound and active capital market, which include:

- Vitalizing the corporate bond market;
- Deliberating the securities taxation system with a view to social structure; and
- Enhancing international awareness of the potential of Japan’s securities market.