

# Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms

The lack of support available in English language has often been pointed out as an entry barrier to the Japanese market. Both the central government and TMG have support services available as they try to attract more asset management companies. This report outlines such initiatives and how they can support overseas financial services related businesses set up a local office.

## (Table of Contents)

1. **Background of promoting the use of English and the establishment of a Single Point of Contact for Foreign Asset Management Firms**
2. **Initiatives of the Japanese government**
  - 2-a. Initiatives to promote the use of English in financial administration
  - 2-b. Initiatives to establish a Single Point of Contact for Foreign Asset Management Firms
3. **Initiatives of TMG**
  - 3-a. Initiatives to promote the use of English in financial administration
  - 3-b. Initiatives to establish a Single Point of Contact for foreign financial companies
4. **Voices from the companies using the support**

## 1. Background of promoting the use of English and the establishment of a Single Point of Contact for Foreign Asset Management Firms

It is an urgent task to strengthen Japan's functions as a global financial center in order to create new employment and business opportunities as well as economic growth in Japan, and to make global financial markets more resilient against crises such as natural disasters through geographical diversification of financial centers by promoting diversification of financing, sophistication of asset management, and evolution of financial innovation.

For that purpose, it is important to facilitate the entry of highly specialized foreign asset management companies, etc., into the Japanese market; and as part of this effort, the promotion of use of English in financial administration and establishing a Single Point of Contact for Foreign Asset Management Firms have been underway.

## 2. Initiatives of the Japanese government

### 2-a. Initiatives to promote the use of English in financial administration

#### Amendments to Cabinet Office Ordinance to allow for completing application for registration in English, etc.

The Cabinet Office Order to Partially Amend Cabinet Office Order on Financial Instruments Business, etc., the Ordinance to Partially Amend the Ordinance on Financial Services Providers' Deposit for Operation and Regulatory Notices along with the draft of the related public notice to be newly established (the draft of the amendments to the Cabinet Office Ordinance, etc.) were published on November 6, 2020, and were promulgated/enforced on January 12, 2021.

The purpose of these amendments is to allow foreign asset management companies, etc. newly entering the Japanese market to submit documents in English when applying for registration as an operator of Type II Financial Instruments Business (sales of funds, etc. managed by the company) relevant to Investment Management Business and Investment Advisory and Agency Business; and when undergoing post-registration supervision.

# Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms



Key points of the amendments are as follows.

- (1) Applicants eligible for submitting documents in English
  - ① Applicants who are authorized to conduct asset management business or investment advisory business in a foreign jurisdiction or relevant companies of such entities
  - ② Applicants who have worked in the above entity as a senior officer or employee (i.e. where he/she is named as a senior officer or an important employee in the application documents)
- (2) Applicable business
  - ① Investment Management Business
  - ② Investment Advisory and Agency Business
  - ③ Type-II Financial Instruments Business relevant to asset management business in either of the following cases:
    - (i) where selling a beneficial certificate of an investment trust or a fund established by itself
    - (ii) where conducting a so-called Deemed Type-II Financial Instruments Business operated by Asset Management Company of an Investment Corporation or an operator of Investment Management Business for Qualified Investors
- (3) Examples of documents that can be submitted in English
  - Application for registration, Notification of change to matters specified in application for registration, Notification on change of content or method of business, Application for a registration of change, Notification of deposit for operation, etc.
  - For the list of documents, please refer to the following (in Japanese).  
<https://www.fsa.go.jp/news/r2/shouken/20201106-2/01.pdf>

- (4) Supervision and inspection in English
  - The amendments have made it possible to use English at the time of supervision and inspection of newly registered foreign asset management companies. The documents that need to be submitted to the authorities can be prepared in English, and the communication can be made in English during the supervision and inspection.

## Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms

<https://www.fsa.go.jp/en/news/2020/20201106-2/20201106.html>

## Publication of “Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses”

In January 2020, the Financial Services Agency (FSA) released Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses both in Japanese and English for the purpose of providing information concerning the procedures for registration as Investment Management Business and other Financial Instruments Businesses operators. In easily understandable way, using flowcharts and illustrations, this Guidebook explains the types of registration required for each of the major business schemes related to asset management business, while providing an overview of the procedure for registration screening and explanations on the requirements for registration.

## Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses

<https://www.fsa.go.jp/en/policy/marketentry/guidebook.html>

# Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms

## 2-b. Initiatives to establish a Single Point of Contact for Foreign Asset Management Firms

### Establishment of the Financial Market Entry Office

In January 2021, the FSA and Local Finance Bureaus (“LFBs”) jointly established the “Financial Market Entry Office” (the Office). The Office seamlessly provides one-stop service in English for pre-registration consultation, registration procedures, and post-registration supervision for foreign asset management companies newly entering the Japanese market. The Office also conducts online pre-registration consultation, including consultation from overseas, using video conferencing.

The Financial Market Entry Office offers one-stop services as follows.

- (1) Pre-registration consultation
  - The Office accepts inquiries from all foreign financial businesses, including asset management companies, regarding the interpretation of laws and business models in advance of registration as a financial instruments business operator, and inquiries regarding “Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses.” This service is offered in both English and Japanese.
- (2) Registration procedures
  - The Office handles registration procedures in English for foreign asset management companies newly entering the Japanese market, if they meet the requirements.

- (3) Post-registration supervision
  - The Office conducts supervision and inspections in English of overseas asset management companies, etc. that have completed the registration procedures in English. In anticipation of an increase in the number of registered firms in the future, the necessary systems for supervision and inspection will be developed.

#### Financial Market Entry Office

- Office hours: 9:30 a.m. to 6:15 p.m. (JST) on weekdays
- E-mail : [marketentry@fsa.go.jp](mailto:marketentry@fsa.go.jp)
- Phone number: (+81) 3-6667-0551

Promoting the Use of English in Financial Administration and Establishing a Single Point of Contact for Foreign Asset Management Firms

Foreign asset management firms, etc. newly entering the Japanese market



#### Financial Market Entry Office

FSA

LFBs

Consultation for new market entry,  
Registration examination / Acceptance  
of applications for registration,  
Post-registration supervision,  
Public relations and promotion activities  
for overseas businesses

Created based on the Financial Services Agency,  
*The Financial Market Entry Office*

# Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms

## 3. Initiatives of TMG

### 3-a. Initiatives to promote the use of English in financial administration

#### Publication of “Guidance to the Asset Management Industry in Japan”

In September 2017, the TMG, under the supervision of the FSA, compiled an English-language guidebook in order to provide easy-to-understand explanations of Japan's financial-related laws, regulations, and procedures for applying for registration as a Financial Instruments Business operator.

In April 2021, the TMG revised this guidebook and released “Asset Managers & FinTech Companies Registration Guidebook” in English with a view to facilitating a smooth entry into the Japanese market by FinTech companies, in addition to overseas asset management companies considering business development in Japan, in light of the changing environment surrounding international finance.

#### Guidance to the Asset Management Industry in Japan

[https://www.investtokyo.metro.tokyo.lg.jp/en/for\\_foreign/guidebook.php](https://www.investtokyo.metro.tokyo.lg.jp/en/for_foreign/guidebook.php)

### 3-b. Initiatives to establish a Single Point of Contact for foreign financial companies

#### Financial One-Stop Support Service of the Business Development Center TOKYO

The Business Development Center TOKYO was established in April 2017 under the supervision the FSA to provide free administrative support and comprehensive consulting services to foreign financial companies considering establishing a base

in Tokyo. The Financial Desk Consultants provide consultation services to foreign financial companies, etc., and introduce them to financial experts, etc., according to their needs.

#### Business Development Center TOKYO

- Office hours: 9:30 a.m. to 5:30 p.m. (JST) on weekdays
- E-mail : [contactus@bdc-tokyo.org](mailto:contactus@bdc-tokyo.org)
- Phone number: (+81) 3-6269-9981

## 4. Voices from the companies using the support services

The support services offered by the Japanese government and the TMG are being used by foreign companies in various ways. Below are some of the comments from the companies that have actually used the services.

#### Use cases of the Financial Market Entry Office

- Affirmative Investment Management Partners (Asset manager, UK)
  - ✓ We had heard that it would take six months to a year to obtain a financial license and that the procedures are complicated, so we were prepared for a lengthy process. However, by using the Financial Market Entry Office, we were able to complete the acquisition of an Investment Advisory and Agency Business license in two and a half months from the submission of the written overview.
  - ✓ During the video interview with the Financial Market Entry Office, many staff members from the FSA and Kanto Local Finance Bureau participated and gave us explanations in English. Therefore, the executives from our UK head office were able to clarify any questions directly with the FSA on the spot without using an interpreter.

# Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms

- Columbia Threadneedle Investments (Asset manager, US)
  - ✓ The registration procedures in English through the Financial Market Entry Office went much smoother than we had expected.
  - ✓ "Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses" was very helpful. The flowcharts and other detailed explanations enabled us to check where our business model fit in.
  - ✓ We were also able to exchange questions with the Financial Market Entry Office in English, which made the process much faster.

## Use cases of the Business Development Center TOKYO (BDCT)

- Shift Technology (FinTech company, France)
  - ✓ Through the BDCT, the TMG provided us with the necessary information and contacts for legal procedures, administrative procedures, financial procedures, office rental, and various other matters related to the establishment of our Japanese corporation.
  - ✓ For a foreign company newly established in Japan, hiring local staff can be tough, but the TMG also provided support for recruiting human resources.
  - ✓ The BDCT helped us understand how to do business in Japan based on their insight into how foreign companies work. The BDCT's support has not only facilitated the establishment of Shift Technology Japan, but has also attracted Japanese talent to work with us in the InsureTech industry.

- Global X Management Company (Asset manager, US)
  - ✓ The first and foremost challenge for asset management companies like us is to obtain a license because we operate in a regulated industry domain. For this, the BDCT introduced us to an experienced consultant who gave us a lot of useful advice on the application. Thanks to this, the application process went very smoothly, allowing us to complete the procedures quickly.
  - ✓ The BDCT's consultants also assisted us in using the subsidy system for which Global X Japan is eligible. While we had a lot of work to do to prepare the environment for the kick-off, such as building the internal structure and creating internal regulations for Global X Japan to carry out operations, the advice from the BDCT on the specific procedures to follow in applying for the subsidy was very helpful in making the application process more efficient.
- Distributed Ledger Technologies (FinTech company, Singapore)
  - ✓ We had struggled to open a bank account for about a month; but after consulting with the BDCT, we were able to open a bank account within a few days. We had to spend a month trying to get approval from megabanks and internet banks probably due to the fact that our CEO lives overseas and our registered address is the one of virtual office. Our Japanese advisor informed us of the BDCT. After consulting with the BDCT, we were introduced to a bank. With the generous support of the BDCT, we could make a presentation to the bank and open an account with that bank.

# Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms

## Sources:

- Financial Services Agency, *Case Studies (AIM Japan) June 2021*, Jun. 2021  
[https://www.fsa.go.jp/internationalfinancialcenter/en/case-studies/interview\\_01.html](https://www.fsa.go.jp/internationalfinancialcenter/en/case-studies/interview_01.html)
- Financial Services Agency, *Case Studies (Columbia Threadneedle) November 2021*, Nov. 2021  
[https://www.fsa.go.jp/internationalfinancialcenter/en/case-studies/interview\\_02.html](https://www.fsa.go.jp/internationalfinancialcenter/en/case-studies/interview_02.html)
- Financial Services Agency, *Finalization of Cabinet Office Order to Partially Amend Cabinet Office Order on Financial Instruments Business, etc., the Ordinance to Partially Amend the Ordinance on Financial Services Providers' Deposit for Operation and Regulatory Notices*, Jan. 2021  
<https://www.fsa.go.jp/en/news/2021/20210112/20210112.html>
- Financial Services Agency, *Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses*, Jan. 2020  
<https://www.fsa.go.jp/en/policy/marketentry/guidebook.html>
- Financial Services Agency, *List of documents which can be prepared in English for post-registration (including attachments)*, Jan. 2021  
[https://www.fsa.go.jp/en/policy/marketentry/List-of-documents\\_post-registration.html](https://www.fsa.go.jp/en/policy/marketentry/List-of-documents_post-registration.html)
- Financial Services Agency, *List of documents which can be prepared in English for registration (including attachments)*, Jan. 2021  
<https://www.fsa.go.jp/en/policy/marketentry/List-of-documents.html>
- Financial Services Agency, *Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms*, Nov. 2020  
<https://www.fsa.go.jp/en/news/2020/20201106-2/20201106.html>
- Financial Services Agency, *Public Consultation on Cabinet Office Order to Partially Amend Cabinet Office Order on Financial Instruments Business, etc., the Ordinance to Partially Amend the Ordinance on Financial Services Providers' Deposit for Operation and Regulatory Notices*, Jan. 2021  
<https://www.fsa.go.jp/en/news/2020/20201106/20201106.html>
- Financial Services Agency, *The Financial Market Entry Office*, Jan. 2021  
<https://www.fsa.go.jp/en/policy/marketentry/index.html>
- Tokyo Metropolitan Government, *Guidance to the Asset Management Industry in Japan is Revised*, Apr. 2021  
<https://www.metro.tokyo.lg.jp/tosei/hodohappyo/press/2021/04/22/10.html>
- Invest Tokyo, *Case Studies*, Viewed in Jan. 2022  
[https://www.startup-support.metro.tokyo.lg.jp/for\\_foreign/bdc\\_tokyo/en/case\\_studies/](https://www.startup-support.metro.tokyo.lg.jp/for_foreign/bdc_tokyo/en/case_studies/)
- Invest Tokyo, *Guidance to the Asset Management Industry in Japan*, Viewed in Jan. 2022  
[https://www.investtokyo.metro.tokyo.lg.jp/en/for\\_foreign/guidebook.php](https://www.investtokyo.metro.tokyo.lg.jp/en/for_foreign/guidebook.php)
- Invest Tokyo, *Support for companies in all sectors*. Viewed in Jan. 2022  
[https://www.startup-support.metro.tokyo.lg.jp/for\\_foreign/bdc\\_tokyo/en/](https://www.startup-support.metro.tokyo.lg.jp/for_foreign/bdc_tokyo/en/)