



The JFSA Strategic Priorities July 2022-June 2023

Overcoming Challenges Confronting the Financial System
and Building Foundation for Sustainable Growth

Financial Services Agency
The Government of Japan



I. Support the Economy and People's Lives for Future Growth

With future prospects remaining uncertain due to the COVID-19 pandemic and the Russian invasion of Ukraine, the JFSA will support the economy and people's lives from the financial aspect and lead the economy to growth. The JFSA will also encourage financial institutions to support their clients' business and to strengthen their business bases.

II. Build the Financial System in which Economic Growth is Achieved by Resolving Social Issues and is Shared with Individuals

The JFSA will improve the financial system in order to facilitate firms to address social issues such as climate change, realizing the digital society and support for start-ups, which would lead the economy to growth. At the same time, the JFSA will promote the shift of individual's financial assets from savings to investment and realize a virtuous cycle in which the fruits of economic growth are widely shared with individuals.

III. Evolve JFSA's Financial Administration Further

Amid significant changes in the domestic and international environment, the JFSA will improve the competence of the staff, enhance data analysis, and strengthen policy communications both domestically and internationally.



I . Support the Economy and People's Lives for Future Growth

The JFSA will:

- **Encourage financial institutions (FIs) to provide their clients with tailored business support**, such as financing support, management improvement, business transformation, and business revitalization. To this end, the JFSA will push forward the "Project to Establish Support Systems for Businesses" in which stakeholders in each region share issues and countermeasures. The JFSA will also encourage the use of the "Guidelines for Business Revitalization, etc. of SMEs" and funds such as Regional Economy Vitalization Corporation of Japan (REVIC).
- **Enhance business support capabilities of the regional FIs** through encouraging them to share their experience with each other, developing business support methods appropriate for respective industries, and promoting the matching of corporate management personnel.
- **Work on the establishment of lending practices that do not rely on personal guarantees and on the early institutionalization of security interests over all assets.**
- **Strengthen FIs' business bases and ensure their soundness** by encouraging FIs to reinforce their governance and their risk management of credit, securities investment, and foreign currency liquidity.
- **Promote user-oriented financial services** by encouraging FIs to develop proper governance on the origination, distribution, and management of financial products, especially of complex financial products.
- **Strengthen FIs' AML/CFT, cybersecurity, and system risk management** by encouraging FIs to act appropriately based on the global developments.

II. Build the Financial System in which Economic Growth is Achieved by Resolving Social Issues and is Shared with Individuals

The JFSA will:

- **Work on stable asset formation of the public**, through developing the "Doubling Asset-based Incomes Plan" and initiatives such as significant expansion of NISA and improvement of people's financial literacy. At the same time, the JFSA will encourage financial businesses to ensure customer-oriented business conduct.
- **Facilitate smooth funding for start-ups and other growth companies**, by improving the listing process, facilitating secondary trading of unlisted stocks on proprietary trading systems (PTSs), and by arranging a regulatory framework for incorporation of unlisted stocks into investment trusts.
- **Enhance corporate disclosure** of non-financial information, including human capital information, and review the quarterly disclosure requirement, in order to improve medium-to-long term corporate value.
- **Promote sustainable finance**, by developing guidance for dialogue between companies and FIs, encouraging impact investment by various investors, and identifying the challenges of asset owners on investment management. In particular, with regard to climate change, the JFSA continues to develop an environment for advancing transition finance.
- **Work to realize a digital society**, by developing a favorable environment for digital money and crypto-assets in order to support the development of Web3.0 and the Metaverse from the financial side.
- **Develop the international financial center** by continuously working to create an environment conducive to market entry by foreign asset managers, and by disseminating detailed helpful information by identifying a wide range of needs and challenges.

III. Evolve JFSA's Financial Administration Further

The JFSA will:

- **Improve the JFSA's organizational capabilities**, by enhancing the expertise of staff, and by creating a workplace where every staff member can work actively, with their voluntary and autonomous efforts valued. The JFSA will also promote further collaboration with local finance bureaus.
- Promote a multifaceted understanding of actual situations through enhanced data utilization.
- **Strengthen the ability to advocate JFSA's policies as well as public relations both domestically and internationally**, by building up our international network among authorities and strategically disseminating policy information in a timely, effective and efficient manner.