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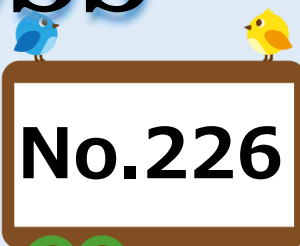
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## Financial Services Agency Newsletter

# Access FSA



Provisional  
Translation

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# Minister of State for Financial Services SUZUKI's Roundtable Discussion with Citizens on Regional Financial Institutions' Escort-type Support to Foster Social Mind

Minister SUZUKI participated in a roundtable discussion\* hosted by the Junior Chamber International Japan on May 24, 2022.

The theme of the roundtable discussion was "Regional financial institutions' escort-type support to foster social mind“, and business operators from across Japan attended it.



Photo: Minister SUZUKI during the roundtable discussion.

Participants mentioned a variety of experiences and suggestions, including the following:

- Business operators share the philosophy of management with employees and other stakeholders and carry out various programs to grow with the community.
- How regional financial institutions should evaluate business operators' programs of such kind that are not necessarily reflected in financial affairs, or
- How regional financial institutions should support the programs.



Photo: During the roundtable discussion

The Financial Services Agency (FSA) feels that the discussion was very fruitful as participants brought up specific points and suggestions from their positions.

Taking them into account, the FSA will further promote regional financial institutions' efforts to help local business operators address social problems.



Photo: Participants  
Note: Participants form a shape of the Japanese kanji character for "eight" with two hands, which means "good in all directions."

\* In his policy speech on October 8, 2021, Prime Minister KISHIDA Fumio instructed his Cabinet members to hold roundtable discussions with citizens from various cohorts and perform comprehensive checks on whether or not policies are well-tailored to the people's needs. In response, the FSA hosted Minister SUZUKI's roundtable discussion with citizens on "people's asset formulation and financial literacy" on November 26.

1 During the roundtable discussion held on November 26, 2021:  
<https://www.fsa.go.jp/kouhou/kurumaza/tokyo20211126.html> (Available in Japanese)

# FSA-sponsored International Symposium on Transition Finance

## **1. Background**

Climate change is an urgent issue that must be resolved globally. In order to achieve carbon neutrality, all industries need to make a transition that contributes to achieving the goals of the Paris Agreement. Also, encouraging the provision of capital through "transition finance" by properly evaluating these efforts is important.

On May 26, 2022, the FSA held an international symposium with the focus on "transition" at the Toranomon Hills Forum and online to discuss transition pathways to net zero and the role of transition finance.<sup>\*1</sup>

The summary of the symposium follows.

## **2. Summary of the Symposium**

The symposium featured lively discussions among approximately 30 representatives from the financial and industrial sectors, third-party evaluation organizations as well as government officials. FSA invited speakers from not only Japan but also Singapore, the U.S., Canada and European countries based on the idea of gathering major stakeholders both from Japan and abroad and settling the pending question of transition. Approximately 850 people attended the event, including both on-site and online participants.

Following is the flow of the event.

### **◆ Welcome Remarks**

Shunichi Suzuki, Minister of State for Financial Services, introduced the Japanese government's pioneering efforts in emphasizing the importance of "transition finance" and

programs adopted by the Japanese government and the FSA. In addition to the government's efforts, the private sector has also been active in transition finance, he said, delivering a message that it is important for representatives from the public and private sectors, who gathered at the symposium, to cooperate with each other across borders to solve the problem of climate change.



〔 Photo: Minister Suzuki delivers welcome remarks. 〕

### **◆ Keynote Discussion**

Mr. Mark Carney, UN Special Envoy for Climate Action and Finance / Chair for the Glasgow Finance Alliance for Net Zero (GFANZ),<sup>\*2</sup> and Mr. Hiromichi Mizuno, Special Envoy of UN Secretary-General on Innovative Finance and Sustainable Investments, introduced the work of GFANZ, especially studies on pathways separately designated for sectors facing the difficulty of transition to decarbonization and work pertaining to financial institutions' transition plans. They also spoke of their expectations for Japan's role in supporting emerging economies and innovation toward decarbonization.

<sup>\*1</sup>: For details of the symposium, visit [https://supportoffice.jp/fsasustainable2022/index\\_en.php](https://supportoffice.jp/fsasustainable2022/index_en.php)

<sup>\*2</sup>: The Glasgow Finance Alliance for Net Zero (GFANZ), chaired by Mark Carney, UN Special Envoy for Climate Action and Finance, was founded in April 2021 as a strategic forum to bring together sector-by-sector net zero initiatives in the financial industry. More than 450 financial institutions, with assets totaling \$130 trillion (16.9 quadrillion yen), have participated in sector-by-sector programs under the GFANZ.



### ◆ Panel Discussion 1 "Challenges and Initiatives in Going Carbon Neutral"

To kick off the discussion, Dr. Darian McBain, Chief Sustainability Officer of the Monetary Authority of Singapore (MAS), gave a keynote address on the challenges and opportunities for decarbonization in Asia.

The speech was followed by a discussion in which participants discussed efforts to draw up sectoral pathways globally and in Japan, the energy situation as a background for such efforts, and the importance of transition finance.



Photo: Dr. Darian McBain, Chief Sustainability Officer of the Monetary Authority of Singapore (MAS), delivers a keynote address.

### ◆ Panel Discussion 2 "Transition Pathways Needed to Achieve Net Zero"

The subsequent panel discussion was divided into three sectoral breakout groups for more practical discussions: "Steel," "Aviation," and "Power," to discuss how credible pathways should be to achieve the goals of the Paris Agreement. In the sectoral groups, invited panelists – those who have developed their pathways globally and in Japan, leading companies, investors and third-party evaluation organizations introduced technological challenges and industrial efforts in Japan and abroad to achieve net zero and the criteria of investors and third-party evaluation organizations

to assess pathways and corporate transition strategies. In addition, they reconfirmed the importance of the industrial and financial sectors' exchange of opinions and cooperation through dialogues.

### ◆ Panel Discussion 3 "Finance to Achieve Orderly Transitions"

The final panel discussed topics such as the perspective of financial institutions to evaluate corporate transitions in a forward looking manner, the evaluation of Japanese companies at this point in time, how to promote technological innovation and client engagement, and solutions to regional differences and possible gaps between the industrial and financial sectors.

### ◆ Closing Remarks

Tomoko Amaya, Vice Minister for International Affairs, the FSA, explained Japan's entity-based transition finance approach to companies in high-emitting sectors. She expressed her hope that the symposium will serve as a cornerstone of the long journey toward the achievement of the Paris Agreement.

## 3. Conclusion

The event was one of the biggest symposiums on sustainable finance hosted by the FSA. We hope that the chain of collaboration beyond barriers between the industrial and financial sectors among others, which is indispensable for ceaseless efforts to achieve a sustainable society, will further expand despite the continuation of the COVID-19 crisis and unstable international situation.

Last but not least, we would like to express our thanks to participants in the symposium and people in Japan and abroad who cooperated in publicizing the event.

## (Reference) Timetable / Speakers

JST	Program	Speakers
13:30	Welcome Remarks (Pre-recorded)	Shunichi Suzuki, Minister of State for Financial Services
13:35	In Conversation With (Pre-recorded)	Mark Carney, UN Special Envoy for Climate Action and Finance / Chair for the Glasgow Finance Alliance for Net Zero Hiromichi Mizuno, Special Envoy of UN Secretary-General on Innovative Finance and Sustainable Investments
14:10	Panel Discussion 1 “Challenges and Initiatives in going Carbon Neutral”	
	Keynote Speech	Darian McBain, Chief Sustainability Officer, Monetary Authority of Singapore
14:20	Discussion	Sonja Gibbs, Managing Director, Head of Sustainable Finance, Global Policy Initiatives, the Institute of International Finance (IIF) Fumihiko Kajikawa, Director, Environmental Economy Office, Industrial Science and Technology Policy and Environment Bureau, the Ministry of Economy, Trade and Industry Adam C.T. Matthews, Chief Responsible Investment Officer, Church of England Pensions Board /Chair, Transition Pathway Initiative (TPI) Yukari Yamashita, Managing Director, Charge of Energy Data and Modelling Center, the Institute of Energy Economics, Japan <i>Moderator:</i> Hideki Takada, Director, Strategy Development Division, the Financial Services Agency
	Panel Discussion 2 “Transition Pathways Needed to Achieve Net Zero”	
	Sub stream 1 “Steel Sector”	Keigo Akimoto, Group Leader/Chief Researcher, Research Institute of Innovative Technology for the Earth Hitoshi Dohnomae, General Manager, Environment Division, Nippon Steel Corporation / Chair, International Environmental Strategic Committee, the Japan Iron and Steel Federation Kevin Ranney, Senior Vice President, Corporate Solutions, Sustainability Tony Rooke, Executive Director, Climate Transition Planning and Sectoral Pathways, GFANZ (Glasgow Financial Alliance for Net Zero) <i>Moderator:</i> Takashi Kondo, Director, Green Impact Finance Office, Environment and Economy Division, the Ministry of the Environment
15:30	Sub stream 2 “Aviation Sector”	Pierre Briens, Head of Aviation Asia Pacific, BNP Paribas Yuji Fujiwara, Country Manager for Japan, the International Air Transport Association (IATA) Sami Jauhainen, Vice President of Asia-Pacific, Renewable Aviation, Neste Noriko Ogawa, Vice President, ESG Promotion Department, Japan Airlines Hajime Yoshimura, Director, Airworthiness Standards and International Affairs Office, Civil Aviation Bureau, Ministry of Land, Infrastructure, Transportation and Tourism, Japan <i>Moderator:</i> Saori Takahashi, Deputy Director, International Affairs Office, the Financial Services Agency
	Sub stream 3 “Power Sector”	Giulia Genuardi, Head of Sustainability Planning & Performance Management and Human Rights, Enel Spa Kazuo Sakairi, Corporate Vice President, Managing Executive Officer, Director, Chief Financial Officer, Finance and Accounting, JERA Co., Inc. Jakob Thomae, Co-founder and Executive Director, 2 <sup>nd</sup> Investing Initiative Motoshi Tomita, Research Scientist, Sustainable System Research Laboratory and Socio-economic Research Center, Central Research Institute of Electric Power Industry Mats Rinaldo, Deputy Director of Energy Transition Programme, DNV <i>Moderator:</i> Miho Kurosaki, Independent Climate Change/ESG Specialist
	Panel Discussion 3 “Finance to Achieve Orderly Transitions”	
16:45	Discussion	Simon Connell, Global Head of Sustainability Strategy, Standard Chartered Bank Tomohiro Ishikawa, Managing Director, Head of Government & Regulatory Affairs Office, Mitsubishi UFJ Financial Group (MUFG) Keith Tuffley, Vice Chairman, Global Co-Head, Sustainability & Corporate Transitions, Citi Emily Woodland, APAC Co-Head of Sustainable Investing, BlackRock Miyuki Zeniya, Deputy Head of Global Sustainability, Fellow, Corporate Planning Unit, Dai-ichi Life Holdings, Inc. / Head of Sustainable Finance, Fellow, Investment Planning Dept. The Dai-ichi Life Insurance Company, Limited <i>Moderator:</i> Satoshi Ikeda, Chief Sustainable Finance Officer, the Financial Services Agency
17:50	Closing Remarks	Tomoko Amaya, Vice Minister for International Affairs, the Financial Services Agency

# Meeting of Directors-General of Local Finance Bureaus

## – Remarks by State Minister KIKAWADA and

## Parliamentary Vice-Minister MUNEKIYO –

The Financial Services Agency (FSA) held the current administrative year's fourth meeting\* with Directors General of Local Finance Bureaus on April 28, 2022, both face-to-face and online. State Minister for Financial Services KIKAWADA and Parliamentary Vice-Minister MUNEKIYO gave remarks in the conference room where the bureau chiefs and senior FSA officials gathered.

### < Remarks by State Minister KIKAWADA >

State Minister KIKAWADA made the following remarks on two topics -- "thorough support for businesses" and "disaster responses."

As it is important to proactively provide support for businesses, each Local Finance Bureau should first encourage regional financial institutions to continue flexible measures to support businesses, such as utilizing support programs adopted in the "Comprehensive Emergency Measures to Address Soaring Crude Oil and Commodity Prices" (adopted by the government on April 26, 2022), including further cuts in interest rates on safety-net loans and the extension of virtually interest-free, unsecured loans to the end of September 2022.

Each Local Finance Bureau, furthermore, is expected to encourage regional financial institutions to adopt appropriate measures, such as utilizing the "Guidelines for Business Revitalization, etc. of Small- and Medium-sized Enterprises" (effectuated in April 2022) and the "Revitalization Package for Small- and Medium-Sized Enterprises" (worked out in March 2022) because of a further increase in the importance of support to rehabilitate businesses struggling with growing debt. In addition, each Local Finance Bureau is expected to further reinforce its cooperation with institutions concerned in its region so as to establish and strengthen a viable support system for businesses.

Second, each Local Finance Bureau is expected to take thorough anti-disaster measures, such as confirming the holiday and nighttime contact systems at the time of disaster, because a strong earthquake struck off the coast of Fukushima on March 16, 2022.

### < Remarks by Parliamentary Vice-Minister MUNEKIYO >

Parliamentary Vice-Minister MUNEKIYO made the following remarks on two topics -- "reinforcement of cybersecurity measures" and "reinforcement of system risk management structure"

First, cybersecurity measures are an important challenge to regional financial institutions and so each Local Finance Bureau is expected to continue cooperating with the FSA in responding to a cybersecurity incident, when it occurs, and strengthening cybersecurity measures at regional financial institutions. Making the remarks, Vice-Minister MUNEKIYO referred to the "Policy Approaches to Strengthen Cyber Security in the Financial Sector (Ver.3.0)" and the issuance of reminders pertaining to cyberattacks on a number of occasions.

Second, the Local Financial Bureaus and the FSA are expected to continue their solid cooperation to prepare for the occurrence of system failures, Vice-Minister MUNEKIYO said, referring to a failure that occurred in March 2022.

During the meeting with local financial bureau chiefs, the Commissioner and other senior officials of the FSA explained current challenges to its financial policy and measures it has taken to address them, among others, in addition to remarks by State Minister KIKAWADA and Vice-Minister MUNEKIYO. FSA officials and local finance bureau chiefs shared the recognition of the challenges and other issues and confirmed that the FSA and the Local Finance Bureaus will continue to jointly cope with them.



( Photo: State Minister KIKAWADA and Parliamentary Vice-Minister MUNEKIYO give remarks during the meeting with Directors-General of Local Finance Bureaus. )

\* The FSA delegates part of its authority over the inspection and supervision of regional private financial institutions, etc. to the 11 Local Finance Bureaus (including the Okinawa General Bureau of the Cabinet Office) based on laws and regulations. In order to ensure sufficient cooperation between the FSA and the Local Finance (Branch) Bureaus, Directors-General of Local Finance (Branch) Bureaus and senior FSA officials meet once every three months to discuss a variety of issues



# Kasumigaseki Dialogue Held Online – Introduction of Measures by Ministries and Agencies –

SUMIMOTO Fumiya

Unit Chief, Regional Finance Support Office, Planning and Management Division, Supervision Bureau

On May 25, 2022, The Regional Finance Support Office and the Regional Solutions Support Team<sup>\*1</sup> held Kasumigaseki Dialogue<sup>\*2</sup> online. A total of approximately 100 people from financial institutions, local governments and others participated in the Dialogue.



〔 Photo: Moderation and management 〕

The session started with remarks by HORIMOTO Yoshio, Deputy Director-General of the Supervision Bureau and mentor of the Regional Solutions Support Team, calling for "presenters from ministries and agencies and participants from financial institutions and others to take part in feedback and opinion exchanges on proactive presentations without worrying about making improper statements, as the Kasumigaseki Dialogue is trying to ensure mental safety and create an opportunity for unrestricted exchange of opinions."

In the latest Kasumigaseki Dialogue, the FSA, which hosted it, and five other government organs, including the Cabinet Office, cooperated with each other and officials in charge at them introduced a wide range of themes, such as the Vision for a Digital Garden City Nation, environmental policy, issues in the agricultural sector and an analysis of regional economies. Active discussions between officials in charge and participants, and between participants, followed so that they could deepen their understanding of policy measures concerned. In addition, participants introduced efforts and challenges in their localities and shared them.

Participants made comments reflecting their

willingness to utilize introduced cases in their local efforts, such as "We could deepen our understanding of introduced measures for utilization in our coming local efforts thanks to the opportunity to directly ask officials in charge questions," "We could learn as we listened to part of the government organs' thoughts about relevant systems at a time when local inquiries through such processes as support for digitization by businesses and local governments are increasing," and "We found introduced measures timely because they included those now in the process of solicitation, and we will study how to utilize them to examine and support our local efforts."



〔 Photo: Kasumigaseki Dialogue underway 〕

The Regional Finance Support Office and the Regional Solutions Support Team will continue to support the penetration of measures and use of good cases by connecting ministries and agencies to localities, and localities to localities.

## – Introduction of measures by ministries and agencies –

Vision for a Digital Garden City Nation —Based on cases of using subsidies for promotion of Vision for Digital Garden City Nation—	Digital Agency
Introduction of regional ESF finance	Ministry of the Environment
Promotion of innovation originated from agricultural, mountainous and fishing villages —To vitalize agricultural, mountainous and fishing villages—	Ministry of Agriculture, Forestry and Fisheries

## – Announcement Pitch –

Preservation and utilization of farmland in urban areas	Ministry of Land, Infrastructure, Transport and Tourism
Promotion of use of community data for regional revitalization —Utilization of RESAS—	Cabinet Office

<sup>\*1</sup>: For the Regional Solutions Support Team, visit <https://www.fsa.go.jp/policy/chiikikadaikaiketsushien-team/chiiki-kadai-top.html> (Available in Japanese)

<sup>\*2</sup>: Kasumigaseki Dialogue: A place jointly created by the Regional Finance Support Office and the Regional Solutions Support Team and ministries and agencies to deepen the understanding of measures taken by ministries and agencies to achieve regional vitalization and promote efforts for the purpose in each region through direct dialogue between working-level officials in charge at ministries and agencies and their counterparts at financial institutions and local governments.

## Publicity of Public Insurance beyond Barriers of Ministries and Agencies

– Understanding of Public Insurance Leads to Selection of Due Private Insurance Policies –

NISHIOKI Yu, Deputy Director

YAMAZAKI Ichiro, Deputy Director, Insurance Business Division, Supervision Bureau

As the FSA opened a portal site\* pertaining to the public insurance system on March 11, 2020, it interviewed officials in charge about the background of the move and other issues concerned.



Photo: NISHIOKI Yu, left, YAMAZAKI Ichiro, right, during the interview. Both are Deputy Directors at the Insurance Business Division, the Supervision Bureau

***Question 1: The FSA is focusing on the explanation of public insurance. It is curious because the Ministry of Health, Labor and Welfare is in charge of public insurance. Will you first brief us about the FSA's efforts?***

[Nishioki]

On March 11, 2022, we opened a portal on the FSA's website to explain the public insurance system, such as the public pension and health insurance schemes, in an easy-to-understand manner. The information is not only available on the website but also can be printed out for use as a leaflet. As you said, the ministry is in charge of public insurance and so is overseeing it at our request.

[Yamazaki]

In addition, the ministry began operating a "public pension simulator" on a trial basis on April 25, 2022, to readily estimate how much can be received in future pension benefits. The FSA engages in publicity activities, such as introducing the simulator on the

earlier mentioned portal site, and informs the financial sector of it.

***Question 2: Next, what is the purpose of your efforts?***

[Nishioki]

To take out private insurance, it is important for people to accurately recognize their own life plans and risks and choose insurance with neither excessive nor insufficient coverage. To understand risks people are exposed to under the well-developed public insurance system in Japan, it is important for them to recognize the coverage of their public insurance before the selection of private insurance.

We are thus making the earlier mentioned efforts to facilitate the understanding of public insurance.

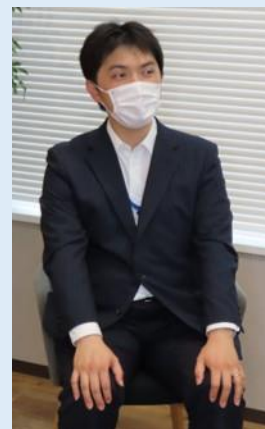
[Yamazaki]

A private insurer, when it attempts to sell a policy to a prospective customer, may be able to engage in customer-oriented marketing, such as winning understanding of the need for the policy or arousing a sense of satisfaction, if it explains the policy after helping the customer understand the public insurance system. We think that the insurance industry may use such a tool and that specific ways of insurance solicitation should be worked out based on the originality and ingenuity of insurance companies and solicitors. We don't think that the tool must be used but hope that it can be of some help.

***Question 3: What can be learned from the portal site to explain the public insurance system?***

[Nishioki]

On the site, the risks people are exposed to are divided into categories, such as injury and illness, old





age and death, and easy-to-understand accounts are provided about public insurance schemes matching them.

The site is also designed to guide visitors who need more information to visit the website of the Ministry of Health, Labor and Welfare or contact offices concerned by phone.

[Yamazaki]

It is widely known, for example, that pension programs exist for risks accompanied by longevity. But the presence of survivor annuity for the risk of death and of the high-cost medical expense benefit system, which sets ceilings on monthly payments by patients, to prepare for injuries and diseases may not be known. We think that it is meaningful to list them all.



We would be happy if the knowledge of the public insurance system through the portal site helps people who are considering taking out private insurance to consider the types of private insurance they need and enables insurance solicitors to make proposals based on an accurate recognition of each prospective customer's specific needs.

***Question 4: What is the objective of your efforts down the road?***

[Nishioki]

The guidelines for the supervision of insurance companies were revised on December 28, 2021, to clarify that insurance companies and solicitors, when proposing private insurance, are expected to give accounts, based on their own originality and ingenuity, about the public insurance system.

[Yamazaki]

Based on it, we are holding dialogues with officials of the industry on how the explanation of the public insurance system should be. Companies selling insurance products, which complement public insurance, said in most cases that it is important in actual marketing to give accounts and information about the coverage of public insurance based on the coverage of their insurance. We also confirmed the presence of companies exercising originality and ingenuity in providing education to insurance

solicitors and explanations to customers based on the importance of giving accounts and information about the coverage of public insurance.

[Nishioki]

We will clarify the results of the dialogue in our insurance monitoring report this summer, including what we just mentioned, and will continue it.

We will also continue policy measures for insurance education, including raising awareness of public insurance. To this end, we continue cooperation with the Ministry of Health, Labor and Welfare beyond our domains.



**-- Comments from the Ministry of Health, Labor and Welfare --**

On April 25, 2022, the Ministry of Health, Labor and Welfare began operating a "public pension simulator" on a trial basis, which is a tool to readily estimate how much is receivable in future pension benefits. The simulator can easily calculate the amount of future pensions benefits matching the lifestyle of each pensioner if the pensioner uses a smartphone or tablet to read the two-dimensional code in the "Nenkin Teikibin" ("Regular Pension Notice"), sent by the Japan Pension Service, and enters his or her birthday.

The "public pension simulator" is content produced based on advice from Professor Olivia S. Mitchell at the University of Pennsylvania, a globally renowned authority on financial literacy, and other experts and drawing on advanced programs in the U.S. and European countries.

Jointly with the FSA, the ministry will push ahead with efforts to achieve the widespread use of the "public pension simulator."

MATOKA, KIKUCHI and SHINDO  
Pension Publicity Office, General Affairs Division,  
Pension Bureau

# Headquarters for International Negotiations on Financial Policies (Basel, Switzerland)

ASAKURA Rie, Deputy Director, Europe Representative

## 1. Introduction

I am living in Basel, Switzerland, as Europe Representative. I will introduce my life and duties in Switzerland.

## 2. BIS's 90th Anniversary

What I have noticed while living in Basel are high cultural levels relative to the size of the city, a liberal atmosphere, high prices of commodities, and the proximity to France, Germany and Italy geographically and in terms of culture and language (many commuters from these countries). However, people in financial circles may be first reminded of the cylindrical BIS Tower in front of the station when they think of Basel. Until recently, a banner commemorating the BIS's 90th anniversary was hung on the BIS Tower and the tower was partially open to the public last October and November.

The Bank for International Settlements (BIS) was established in 1930 for the purpose of collecting and distributing reparations for the First World War from Germany, but since then it has provided central banks worldwide with significant platforms for opinion exchanges. At the BIS 90 Years exhibition, the history of the BIS and the developments that led the Basel Committee on Banking Supervision, which was established in 1974 in response to the Herstatt Bank Crisis, to fulfill functions as the secretariat were explained with videos in German and English. It was also impressive that the exhibition provided children with opportunities to feel finance close to them through enjoyably designing and printing original bills and answering quiz questions. The BIS Tower has an all-glass observation space on its 18th floor, and distances and directions to all 63 member central banks from the tower are indicated. This space also was made open to the public and many families were enjoying taking photos. It is said that the exhibition attracted over 8,000 residents in Basel. The city of Basel prioritizes engagement with residents, such as the festival involving all residents as explained later and cultural contribution, including large companies' endowments of their art collections. I felt that the exhibition held by the BIS, an international organization, was one of such initiatives promoted by the city.



Photo: With Ms. Kathy Huynh, FSB secretariat member in charge of climate issues, inside the BIS Tower (the author is the left).

## 3. Switzerland at Present

The BIS Tower was finally made open to the public last fall, but the exhibition was delayed one year due to COVID-19. At present, all restrictions due to COVID-19 have been lifted and people no longer need to wear a mask when using public transportation. The number of workers commuting to the BIS Tower are also increasing. This February, the largest festival in Switzerland, Fasnacht, was held for the first time in three years. Fasnacht is a historic carnival designated as a UNESCO Masterpiece of the Oral and Intangible Heritage of Humanity. The parade starts as early as at 4 o'clock in the morning on Monday. This year, we had good weather that day, but the parade is sometimes held in heavy snow. In the city of Basel, with a population of around 170,000, over 10,000 people parade in various costumes while playing a piccolo, drum or other instrument intentionally out of tune, and even trams, one of local specialties in Basel, change their routes during the parade. Due to too much noise, residents have difficulties in working at home or sleeping but they spend the whole year making preparations and give it all they've got during the three days of Fasnacht. This is actually a festival bringing together all people in the city.

## 4. My Duties in Basel

I participate in climate-related working groups of the Financial Stability Board (FSB) and workstreams (WSs) of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)

as Europe Representative of the JFSA. Dialogues with the European financial authorities and financial institutions and participation in conferences held in Europe are also included in my significant mission, but due to the outbreak of COVID-19, those meetings have been mainly held virtually. Nevertheless, meetings in a real setting are increasing recently, such as the COP26 held in Glasgow. Even in cases of online conferences, it is advantageous to live in Europe, being in the same time zone, which enables me to participate in meetings of the NGFS held with participants from the five continents and in frequent drafting work. Being in an advantageous location, I regularly have talks concerning Japan's initiatives with the secretariate or other related parties, thereby being able to share the backgrounds of individual participants' statements at meetings and deepen mutual understanding. In particular, climate change is a new field for everyone, and people are highly interested in the concrete initiatives of individual authorities. Accordingly, I think it is important to communicate Japan's initiatives at an early stage.

At the end of this April, the FSB published the "Supervisory and Regulatory Approaches to Climate-related Risks: Interim Report." This is a document prepared by the FSB, whose mandate is to promote international financial stability, with the focus placed on system-wide risks arising from climate change. Until June 30, comments are being broadly sought regarding matters to be taken into consideration by the authorities regarding supervisory and regulatory approaches to the collection of climate-related data and to systemic risks. The NGFS also published documents titled "Enhancing market transparency in green and transition finance" and "Capturing risk differentials from climate-related risks," and revised NGFS scenarios are scheduled to be published soon. Countermeasures against climate change are entering the implementation stage, and these documents introduce concrete efforts having been made by respective jurisdictions to promote the sharing of practical challenges.

## **5. Reorganization of the NGFS**

In January 2022, Mr. Frank Elderson, Vice-Chair of the Supervisory Board of the European Central Bank, resigned as the Chair of the NGFS, and Mr. Ravi Menon, Managing Director of the Monetary Authority of Singapore, was appointed as the new Chair, while Ms. Sabine Mauderer, Member of the Executive Board of the Deutsche Bundesbank, was appointed as the new Vice-Chair. The reorganization of the NGFS was also carried out in May.

The WS1 (Microprudential/Supervision) was renamed Workstream "Supervision" and plans to discuss supervisory practices with respect to managing climate-

related risks. Mr. Jamey Hubbs, Vice-Superintendent of the Office of the Superintendent of Financial Institutions Canada, assumed the position of its chair in place of the Monetary Authority of Singapore. The WS2 (Macrofinancial) was renamed Workstream "Scenario Design & Analysis" and plans to formulate and review NGFS scenarios. Ms. Cornelia Holthausen, Director General Macroprudential Policy and Financial Stability of the European Central Bank, assumed the position of its chair in place of the Bank of England. The WS3 (Scaling up green finance) was divided into Workstream "Monetary Policy" (chaired by Mr. James Talbot (Bank of England)) and Workstream "Net Zero for Central Banks" (cochaired by Mr. Paolo Angelini (Banca d'Italia) and Ms. Simone Robbers (Reserve Bank of New Zealand)). Additionally, the NGFS established Task force "Nature-Related Risks" (co-chaired by Ms. Sylvie Goulard (Banque de France) and Ms. Saskia de Vries (De Nederlandsche Bank)) and Task force "Capacity Building and Training" (co-chaired by Ms. Madelena Mohamed (Bank Negara Malaysia) and Mr. Jeffery Yong (Bank for International Settlements)).

## **6. Duties as a Resident Representative**

I have served as a resident representative in New York and in London, and this is my third service as a resident representative. During these years, I directly experienced significant events, namely, the Global Financial Crisis, Brexit, and COVID-19. I feel it is rewarding that I can exchange opinions on a wide range of agendas with the local authorities but at the same time I find it difficult to deepen my understanding of Japan due to distances from Japan despite significant improvements in communication in a remote environment.

Through talks with the local authorities, I notice that we surprisingly share challenges over the policies and difficulties we face in our daily duties. Although the countries I have stayed in, my age, and the remote work environment have changed dramatically, I personally consider that roles I should play as a resident representative have not changed so much. By sharing our awareness of issues we feel every day, I feel that we can have sympathy and build a better relationship for solving issues, which is impossible only through negotiations. This also applies to my relationship with people of local Japanese financial institutions. When staying outside Japan, we share a feeling as fellow beings overcoming the barrier between the public and private sectors and can have discussions across organizations. Such relationship will be a great asset for individual organizations and resident representatives over years, not limited to the short periods of our services as resident representatives.



## JFSA's Major Activities in May (May 1 to May 31, 2022)



- [Keynote by AMAYA Tomoko, Vice Minister for International Affairs, at “RI Japan 2022” hosted by Responsible Investor \(May 31, 2022\)](#)
- [Publication of the English translation of "Frequently Asked Questions Regarding “Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism”" \(May 31, 2022\)](#)
- [Publication of “Progress Report on Enhancing the Asset Management Business 2022” \(May 27, 2022\)](#)
- [Stewardship Code : 324 institutional investors have signed up to the Principles for Responsible Institutional Investors as of April 30, 2022 \(May 20, 2022\)](#)
- [Study Group on Digital and Decentralized Finance Interim Report \(May 20, 2022\)](#)
- [The ninth meeting of the Working Group on Corporate Disclosure of the Financial System Council \(May 16, 2022\)](#)
- [The FSA to sponsor International Symposium on Sustainable Finance in May \(May 10, 2022\)](#)
- [Virtual Meeting of the International Forum of Independent Audit Regulators \(IFIAR\) \(May 9, 2022\)](#)
- [The Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code : Twenty-Seventh Meeting \(May 9, 2022\)](#)

- JFSA's official English Twitter account  
[https://twitter.com/JFSA\\_en](https://twitter.com/JFSA_en)



We are promoting information dissemination using Twitter!

- Please send your opinions using the following email address to the Public Relations Office's personnel in charge of Access FSA.  
E-mail : [fsa\\_kouhou@fsa.go.jp](mailto:fsa_kouhou@fsa.go.jp)

### Editorial Postscript

This issue contains an interview with officials in charge, as a new attempt, in response to the opinion that "Explanations of financial policies are often hard to read. Interview articles are more rhythmical and may attract readers."

We will continue carrying interview articles like the ones in this issue.



Interview using a ring light

SAITO Takafumi, Director,  
Public Relations Office, FSA