

Framework Laying Down Practical Arrangements to Implement EU-Japan Cooperation on Financial Regulation under Annex 8-A to the European Union-Japan Economic Partnership Agreement

Background: Scope, Objectives and Principles of EU-Japan Cooperation on Financial Regulation

Annex 8-A on regulatory cooperation on financial services (hereinafter referred to as “the Annex”) to the European Union-Japan Economic Partnership Agreement establishes the scope, principles, objectives and institutional setup of EU-Japan regulatory cooperation covering the entire area of financial services. Paragraphs 13 and 14 of the Annex establishes the Joint EU-Japan financial regulatory forum (hereinafter referred to as “the Forum”) as the body in charge of steering the above-mentioned regulatory cooperation. Paragraph 19 of the Annex provides that the Forum shall develop and apply a framework for regulatory cooperation.

SECTION A: Scope of the Present Framework

1. The purpose of the present framework is to lay down practical arrangements for the implementation of the financial regulatory cooperation in line with the scope set out in paragraph 20 of the Annex.
2. For greater certainty, this framework is between the European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union and the Financial Services Agency of Japan (hereinafter referred to individually as a “Participant” and collectively as the “Participants”) and does not create any legal rights or obligations, modify or supersede any domestic laws, nor does it constitute an agreement under international law. The Annex will prevail to the extent of any inconsistency with any matter in this framework.
3. The Participants will bear their own respective expenses that may be incurred by them related to the implementation of the EU-Japan financial regulatory cooperation.

SECTION B: Implementation of the EU-Japan Financial Regulatory Cooperation

4. The Participants will be at technical level in charge of financial services regulatory issues, and will be in charge of implementing the EU-Japan financial regulatory cooperation.
5. Each Participant will designate a contact point in charge of the overall coordination of the financial regulatory cooperation.
6. The designation of contact points will not impede direct contacts, exchange of information or cooperation between experts of the Participants for the purposes of this framework. Contact points will be kept informed of such contacts.

SECTION C: Governance of the Forum

7. The Director-General or Deputy Director-General of the European Commission in charge of financial services policy and the Vice Minister of International Affairs of the Financial Services Agency of Japan (hereinafter referred to as “co-chairs”) will co-chair the meetings of the Forum. In case a co-chair is unavailable, he or she can be deputised by another senior official of the Participant.
8. The meetings will be prepared in advance at technical level via the contact points.
9. The co-chairs may decide to release a joint statement after each meeting of the Forum. The statement may include the topics discussed and the progress made, where appropriate.
10. At the meetings of the Forum, annual work programmes may be adopted. Annual work programmes could identify a set of priorities for the bilateral cooperation. The work programme may cover four work streams, namely:
 - a) Discussions in relevant international bodies, inter alia the G20, the Financial Stability Board, the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the International Organization of Securities Commissions and the Financial Action Task Force;
 - b) Regulatory and supervisory developments in banking, capital and insurance markets;

- c) Regulatory and policy developments in other areas; and
- d) Reliance on each other's rules and supervision.

SECTION D: Mechanisms for information exchange and consultation

- 11. The Participants intend to inform each other of planned regulatory initiatives in the area of financial services that may be of relevance to the EU or Japan.
- 12. The contact points will facilitate cooperation between the Participants at technical level. In particular, they will provide each other with contacts of technical experts in their organisation without undue delay. They will be able to initiate and monitor follow up to any technical work pursued in the context of the Forum, including any output of expert working groups.
- 13. Upon the decision by the co-chairs of the Forum to establish an expert working group, each Participant will designate its members of the expert working group, and inform one another.
- 14. The expert working groups will regularly report to the co-chairs of the Forum, which may or may not be conducted through the contact points.
- 15. Follow-up activities by expert groups could take the form of calls and meetings. The expert working groups will make full use of technological means available to them, as appropriate.

SECTION E: Guidelines on reliance on each other's regulatory and supervisory framework

- 16. In order to enhance mutual understanding of the regulatory and supervisory frameworks of the EU or Japan and possibilities to rely on the frameworks of other jurisdictions, the Participants will exchange information on how reliance is organised and implemented in their respective jurisdictions.
- 17. The Participants recognise the importance of and should respect good practices developed by the international standard-setting bodies of which the Participants are members.

SECTION F: Procedures for examining a measure referred to in paragraph 11 of the Annex

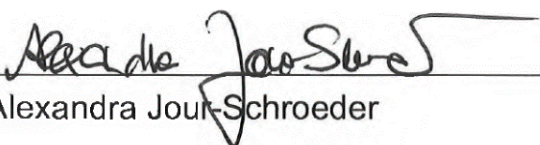
18. After a Participant receives a request in writing from the other Participant to examine a measure with respect to its impact on the ability of financial service suppliers to provide financial services within the territory of the EU or Japan, the former Participant will make its best endeavours to respond in writing to the latter Participant without undue delay.
19. The co-chairs may discuss the measure under examination as appropriate. They may establish an expert working group to assist them.

SECTION G: Other arrangements to enhance regulatory cooperation

20. Further details to implement the Technical Mediation in accordance with the Annex will be considered in case of necessity.
21. The Participants may jointly decide to review and complement the present cooperation framework with additional procedures that can enhance regulatory cooperation. The Participants will work on a proposal for consideration by the co-chairs. Such procedures will be adopted upon a joint decision by the co-chairs of the Forum.
22. A Participant will give due consideration to a proposal from the other Participant to develop additional arrangements.

Adopted on 23 March 2022

CONFIRMED by Co-Chairs of the Forum


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Date: 23 March 2022


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