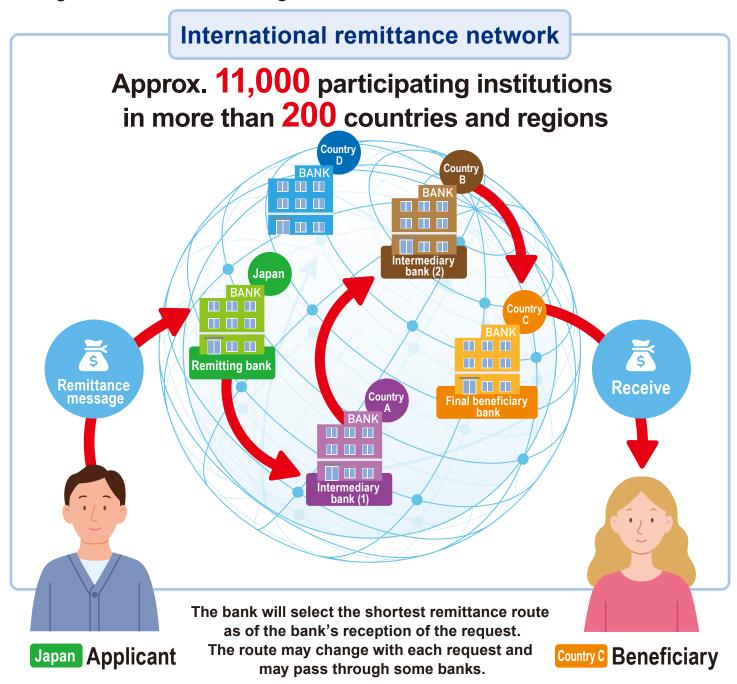
1 Mechanism of Foreign Remittances

"Foreign remittance" refers to the transfer of funds from a Japanese bank to a beneficiary account in a foreign bank. Foreign remittances are usually processed using an international interbank financial transaction network called SWIFT (Society for Worldwide Interbank Financial Telecommunication SC, headquartered in Belgium).

SWIFT has more than 11,000 participating institutions, such as banks and securities companies, in more than 200 countries and regions. Therefore, theoretically, foreign remittances can be made to countries and regions around the world. However, there are some countries and regions to which remittances cannot be executed due to laws and regulations, such as Japan's Foreign Exchange and Foreign Trade Act and U.S. OFAC regulations. There are also some countries and regions that require the submission of detailed information on remittance destinations, and of vouchers regarding the source of remittance funds. Please contact your bank for details.

The diagram below shows the mechanism of foreign remittances. Depending on the currency to be transferred or the remittance method, remittance from a Japanese bank directly to the destination foreign bank (final beneficiary bank) may not be possible and may be executed through a different bank (intermediary bank). Intermediary banks may be located in more than one country.

Diagram: Mechanism of foreign remittances



2 Information Provided to Foreign Banks and SWIFT

When making foreign remittances, the "applicant's name and address," "beneficiary's name and address," "beneficiary's bank name and branch," "beneficiary's account number," among other information entered on the "Application for Remittance" and other forms, will be provided to foreign banks (final beneficiary bank and intermediary bank), SWIFT, and other relevant entities.

This information is provided to foreign banks, etc. in accordance with prescribed procedures, after the banks have ensured appropriate data control based on the provisions of Japanese laws and regulations, such as the Act on the Protection of Personal Information, the Act on Prevention of Transfer of Criminal Proceeds, and the Foreign Exchange and Foreign Trade Act, or similar laws and regulations of relevant countries, in order to prevent money laundering activities and fund transfer to terrorists.

3 Provision of Information to Customers under the Act on the Protection of Personal Information

Under the provisions of the amended Act on the Protection of Personal Information, which came into effect on April 1, 2022, a bank as a business operator (hereinafter, the "operator"), in handling a foreign remittance requested by a customer, must provide the principal with the information in (1) to (3) below by electromagnetic record, document, or other appropriate methods.

- (1) Name of the foreign country (name of the country in which the destination foreign bank, etc. is located)
- (2) Information on the personal data protection system of the foreign country which is obtained through appropriate and reasonable means
 - (Information on the personal data protection system of the foreign country in which the destination foreign bank, etc. is located)
- (3) Information on the measures for the protection of personal data taken by a third party (Information on the personal data protection measures of the destination foreign bank, etc.)

However, if the operator cannot identify the name of the country in which the foreign bank, etc. is located in (1) above, it is required to provide the information below (for example, at the time a request for foreign remittance is received, the operator is unable to determine whether an intermediary bank exists or its name and location, and accordingly, cannot identify the country in which the intermediary bank is located).

- (i) Information to the effect that the "name of the foreign country" cannot be identified and the reason
- (ii) If there is any information that can be of reference to the principal in place of the "name of the foreign country," such information

If the information in (3) above cannot be provided, notification thereof and the reason must be provided.

With regard to (2) and (3) above, the destination foreign bank, etc. could theoretically include the nearly 10,000 banks, etc. located in more than 200 countries and regions around the world that are participating in SWIFT. Therefore, it would be very difficult for Japanese banks to collect and provide customers with information on the personal data protection systems of all foreign countries and the personal data protection measures taken by foreign banks, etc.

4 Request related to Foreign Remittances

Japanese banks put forth their best efforts to involve the fewest number of intermediary banks and intermediary countries possible when transferring funds to the final beneficiary bank. However, because of restrictions in the arrangements that banks have made with foreign banks, etc. for international settlement (correspondent arrangement), or because the judgment made by intermediary banks is respected, among other reasons, Japanese banks cannot determine the existence of an intermediary bank or its name and location at the time the remittance request is received and cannot identify the "name of the foreign country."

In addition, due to the vast number of countries and banks to which remittances can be executed, the financial institution may be unable to provide information on the personal data protection systems of foreign countries where the intermediary bank and the final beneficiary bank are located, or on the personal data protection measures taken by such foreign banks, etc.

Please keep the above in mind, and if making a foreign remittance request, check the websites of your financial institution and the Japanese Bankers Association in advance for information regarding the personal data protection systems of foreign countries, etc.

Please also refer to the website of the Personal Information Protection Commission, a government administrative agency, for information on the personal data protection systems of foreign countries.

- * Japanese Bankers Association website (https://www.zenginkyo.or.jp/en/useful-tools/)
- * Personal Information Protection Commission website (https://www.ppc.go.jp/personalinfo/legal/kaiseihogohou/#gaikoku [Japanese])

