



Financial Services Agency

Celebrated the 25th Anniversary of Its Establishment in July 2025

■ About the Financial Services Agency (FSA)

The Financial Services Agency (FSA) was established as an external organ of the Cabinet Office (Article 64 of the Act for Establishment of the Cabinet Office), and the Minister of State for Financial Services is appointed in the Cabinet Office (Article 11 of the same Act).

“Finance” is like blood circulating in the human body—an appropriate supply of funds enhances the economy and people's lives.

The Financial Services Agency (FSA) engages in financial regulation with the aim of enhancing national welfare through sustainable corporate and economic growth and stable asset building, etc., by achieving a balance between

- (1) stability of the financial system and demonstration of financial intermediation functions,
- (2) user protection and user convenience, and
- (3) market fairness/transparency and market vigor even amid the rapid changes in the financial environment.



■ The Role of the FSA

The FSA is responsible for ensuring stability of Japan's financial system, protection of depositors, insurance policyholders and securities investors, and smooth finance through such measures as planning and policymaking concerning the financial system, inspection and supervision of private sector financial institutions, and surveillance of securities transactions. The FSA thereby plays extremely important roles for the sound development of the national economy.

Act for Establishment of the Financial Services Agency (Extract)

(Missions)

Article 3

- (1) The Financial Services Agency has a mission to secure the stability of financial functions in Japan and protect depositors, policyholders, securities investors, and any equivalent persons, and facilitating financing.
- (2) Beyond what is specified in the preceding paragraph, the Financial Services Agency has a mission to assist with affairs of the Cabinet concerning specific important policies of the Cabinet relating to the mission referred to in that paragraph.
- (3) The Financial Services Agency is to assist the Cabinet Secretariat in carrying out the mission referred to in the preceding paragraph.

■ Affairs handled by the FSA (Article 4, etc. of the Act for Establishment of the Financial Services Agency)

- ◆ Planning and policy making of financial systems
- ◆ Inspection and supervision of private sector financial institutions, including banks, insurance companies, and Financial Instrument Business Operators, as well as market participants, including exchanges
- ◆ Establishment of rules for trading in markets
- ◆ Establishment of business accounting standards and others concerning corporate finance
- ◆ Supervision of certified public accountants (CPAs) and auditing firms
- ◆ Participation in activities of international organizations and bilateral and multilateral fora on financial issues to develop internationally consistent financial administration
- ◆ Surveillance of compliance of rules in markets

FSA's symbol mark



The FSA's symbol mark has been designed from "FSA"—the initial letters of the Financial Services Agency.

The middle "S" represents a smooth flow of finance, which is being guarded from both sides.

The light blue color expresses the smooth flow of finance and the transparency of the FSA's policy.

History of the FSA

June 1998

The Financial Supervisory Agency was established as an administrative organ (external organ of the Prime Minister's Office) responsible for inspection and supervision of private sector financial institutions and surveillance of securities transactions. With the establishment of the Financial Reconstruction Commission (FRC) in December of the same year, the Financial Supervisory Agency became an organization under the jurisdiction of the FRC.

July 2000

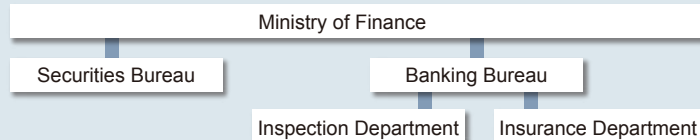
The Financial Services Agency (FSA) was established under the jurisdiction of the FRC through reorganization of the Financial Supervisory Agency. With this change, the FSA became responsible for planning of the financial system for which the Ministry of Finance had been responsible.

January 2001

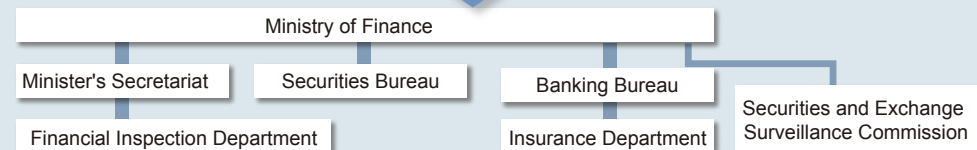
By the reorganization of central government ministers, the FSA became an external organ of the Cabinet Office and, with concurrent abolishment of the FRC, the FSA took over the business concerning disposition of failed financial institutions.

Changes in Financial Administration

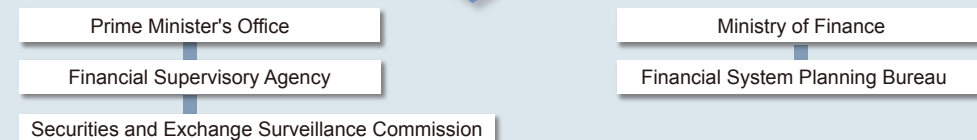
Until July 1992



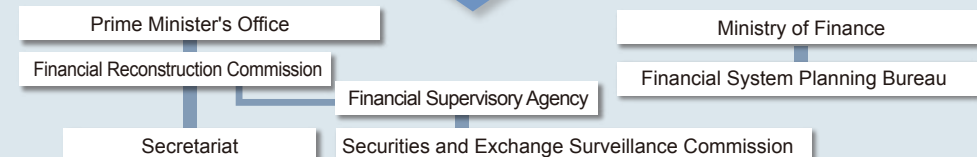
July 1992 to June 1998



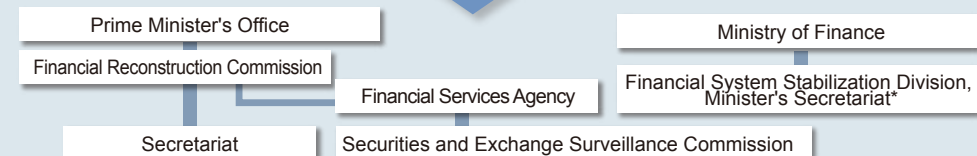
June 1998 to December 1998



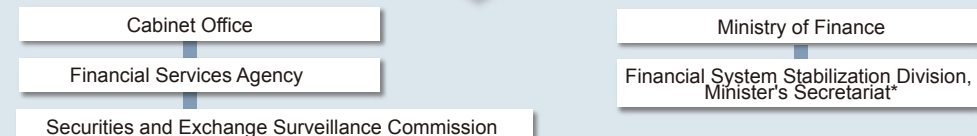
December 1998 to June 2000



July 2000 to January 2001



January 2001 to March 2004



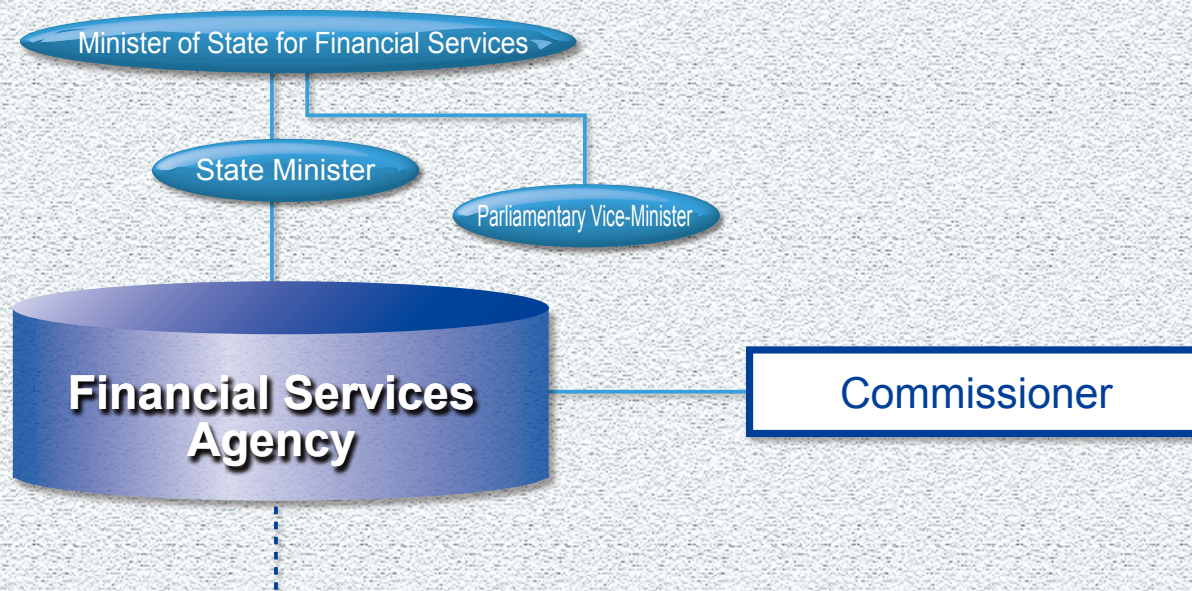
Current



* Concurrently responsible for planning and policymaking concerning the system for disposal of failed financial institutions and concerning financial risk management.

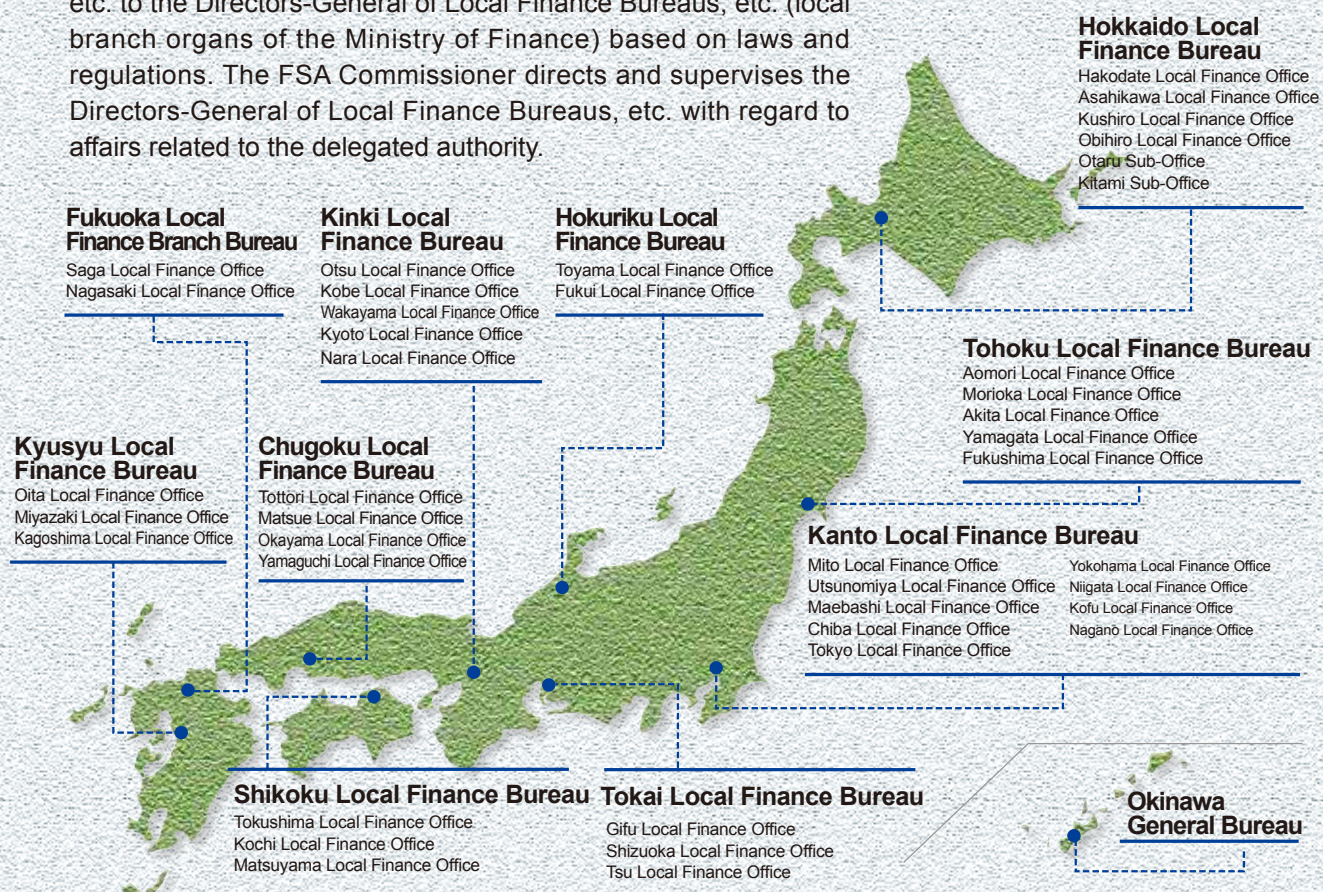
FSA's Organization Chart and Local Finance Bureaus

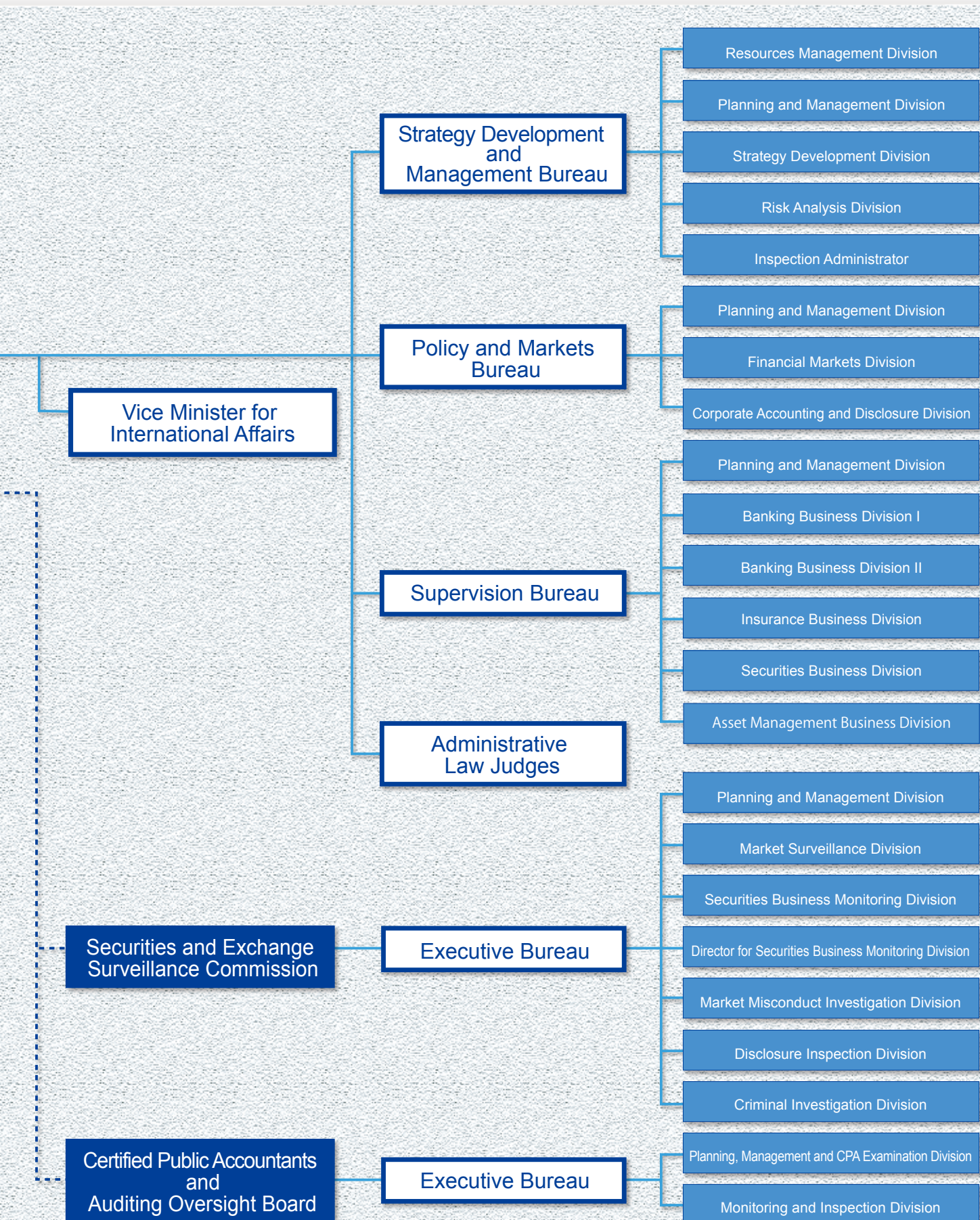
Organization of the FSA



Local Finance Bureaus

The FSA Commissioner delegates a part of the authority for inspection and supervision of local private financial institutions, etc. to the Directors-General of Local Finance Bureaus, etc. (local branch organs of the Ministry of Finance) based on laws and regulations. The FSA Commissioner directs and supervises the Directors-General of Local Finance Bureaus, etc. with regard to affairs related to the delegated authority.





* The chart shows the organization as provided above the Cabinet Office Ordinance for Organization of the Financial Services Agency.

FSA's Policies

Financial regulation and supervision have three major policy objectives: to ensure stability of the financial system; to enhance user protection and user convenience; and to establish fair and transparent markets.

These policy objectives have been shared for a long time among the authorities of many countries around the world without essential changes. However, financial situations are constantly changing, as represented by innovation of financial technologies and globalization of financial markets.

The FSA faces a major policy challenge to adapt the methods of financial regulation and supervision to these changes, and to improve their quality.

Strategy Development and Management Bureau

The functions of the Strategy Development and Management Bureau are largely divided into the following three.

Acting as the FSA's control tower

The Bureau makes overall coordination of matters concerning the entire FSA, such as strategic policy planning of financial administration and communication and coordination among departments within the FSA. From the perspective of clarifying the priorities that the FSA focuses on in each program year, the Bureau compiles and publishes the "FSA Strategic Priorities". It also engages in the reform of the FSA in order to constantly enhance the quality of financial administration.

Playing a central role in financial diplomacy

In order to deepen international collaboration in the financial sector, the Bureau contributes to discussions on international financial regulations and works to strengthen the network and cooperation with overseas authorities.

Responses to the transformation of financial services and cross-sectoral monitoring

The Bureau conducts data analyses concerning the financial risks, stability, and other aspects of the overall financial system. It also conducts cross-sectoral monitoring of issues common to financial institutions, such as anti-money laundering measures, and cyber security measures. In addition, the Bureau encourages the sound and effective use of generative AI and other new digital technologies in financial services.

Moreover, it supervises FinTech firms, such as cryptoasset exchange service providers and funds transfer service providers.

Policy and Markets Bureau

Building a stable and vigorous financial system and developing efficient and fair financial markets

The Policy and Markets Bureau mainly engages in the designing and planning of finance-related laws, regulations, and systems.

Specifically, the Bureau sets rules to be observed by financial institutions, etc. through establishment, amendment, and abolition of finance-related laws and regulations, such as the Banking Act, the Insurance Business Act, and the Financial Instruments and Exchange Act. It also works to build a stable and vigorous financial system and develop efficient and fair financial markets so as to enable people to invest assets with a sense of security and companies to smoothly procure funds.

In designing and planning laws, regulations, and systems, it is important to respond to the digitalization of financial services and changes in the ideal forms of financial institutions. Therefore, the Bureau formulates the grand design of the financial system in a forward-looking manner by incorporating the opinions of a wide range of stakeholders, including financial institutions and users, acquired through discussions at the Financial System Council and solicitation of public comments.

The Bureau is also in charge of supervising corporate governance reform and activities of CPAs, audit corporations, etc., examining and making dispositions on annual securities reports and other disclosure documents, and supervising financial instruments exchanges.

Supervision Bureau

Conducting supervisory administration using continuous monitoring

The purpose of financial inspection and supervision is to achieve the sound and appropriate operation of services of financial institutions in order to maintain their credibility, ensure protection for depositors, etc., and facilitate financing, thereby contributing to the sound development of the national economy.

At the Supervisory Bureau, we conduct continuous monitoring of financial institutions through methods such as data analysis, interviews, and inspections, tailored to each institution's size, characteristics, and the likelihood of serious issues arising in areas such as financial soundness and compliance.

In addition, the Bureau conducts effective monitoring for individual financial institutions in collaboration with teams in charge of specialized cross-sectoral themes, such as anti-money laundering measures and cybersecurity.

Based on the results of this monitoring, we take supervisory actions as necessary to prevent the emergence of serious problems, while also encouraging financial institutions to proactively pursue better practices.

The FSA aims to establish transparent and fair administration based on clear rules, in principle. Therefore, the Bureau formulates and publishes Supervisory Guidelines, which systematically organize matters such as the basic concept for inspection and supervision, points of attention in the conduct of administrative processes, and supervisory evaluation points, as manuals for officials engaging in the inspection and supervisory work.

Securities and Exchange Surveillance Commission

Acting as the guardian of the market

The mission of the Securities and Exchange Surveillance Commission (SESC) is to secure fairness and transparency in markets and protect investors. The SESC consists of a chairman and two commissioners appointed by the Prime Minister, and performs duties independently from the FSA.

The SESC's Executive Bureau engages in operations including market surveillance and monitoring of Financial Instruments Business Operators, etc., investigation of market misconduct such as insider trading, inspection of disclosure documents, and criminal investigations against serious and malicious violations.

If any statutory violation is identified as a result of these inspections or investigations, the SESC may make recommendations to the Commissioner of the FSA etc. to take administrative disciplinary actions or recommend for administrative monetary penalty payment order.

Certified Public Accountants and Auditing Oversight Board

Ensuring Confidence in Audit

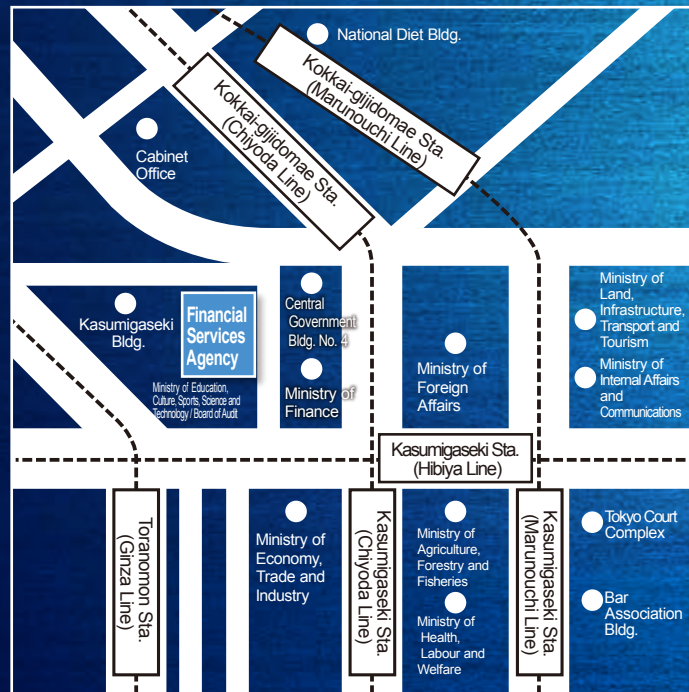
The Certified Public Accountants and Auditing Oversight Board (CPAFOB) consists of a chairperson and nine commissioners appointed by the Prime Minister. The CPAFOB exercises its authority independently from the FSA.

The CPAFOB reviews and examines reports on Quality Control Reviews on audit firms conducted by the Japanese Institute of Certified Public Accountants, and if necessary, conducts on-site inspections. In case that the serious deficiencies are found in the firm's quality control, the CPAFOB recommends that the Commissioner of the FSA take administrative actions.

The CPAFOB is also responsible for the fair and smooth implementation of CPA examinations as well as the examination/deliberation of disciplinary actions against CPAs and audit firms. Through these activities, it endeavors to ensure and improve the quality of audits and secure the reliability of accounting audit in Japan.

Moreover, the FSA/CPAFOB actively engage in the International Forum of Independent Audit Regulators (IFIAR)'s activities and discussions to contribute to the improvement of the global audit quality.

* IFIAR is the only international financial organization with its secretariat headquartered in Japan (Tokyo).



Financial Services Agency

Central Government Bldg. No. 7, 3-2-1 Kasumigaseki,
Chiyoda-ku, Tokyo 100-8967, Japan
TEL: +81-3-3506-6000 (main)

Access

(By subway)

- 6-minute walk from Toranomon Station on Ginza Line (G07)
- 6-minute walk from Kasumigaseki Station on Chiyoda Line (C08) or Hibiya Line (H07)
- 9-minute walk from Kasumigaseki Station on Marunouchi Line (M15)
- 7-minute walk from Kokkai-gijidomae Station on Marunouchi Line (M14) or Chiyoda Line (C07)