



Japan Branches

1.8.2022

Dear Customers

Economic Sanctions under the Foreign Exchange & Foreign Trade Act

Banks in Japan are required to verify that the remittances applied by customers are not applicable to the restrictions under the Foreign Exchange and Foreign Trade Act (hereinafter “the Foreign Exchange Act”). Following are the major economic sanctions imposed as of date. Please read this leaflet carefully and make a declaration that the remittance you are making is not applicable to the economic sanctions. Please tick in the space provided in the application form to declare the same.

Please note that you may be requested to submit additional documents (including information of beneficial owners of beneficiary in the case beneficiary is a juridical person), if necessary, to fulfill the requirements of the regulations/guidelines related to the economic sanctions.

North Korea

- 1) Ban on payments to North Korea such as remittance in favour of
 - (1) Natural person living in North Korea
 - (2) Juridical person or other group having its main office in North Korea
 - (3) Branch office or representative office of (2) located in a foreign country
 - (4) Juridical person, etc. substantially controlled by (1) or (2)
 - (5) Branch office, etc. of (4) located in a foreign country

Please note, as mentioned in (3) (4) (5) above, that location of beneficiary is not restricted to North Korea. Remittance to beneficiary in a third country other than North Korea will be also applicable to this regulation.

“Substantially controlled by” in (4) above means;

- More than 50% of issued shares are owned by (2) (i.e. beneficial owners)
- More than 50% of board members live in North Korea

Payment of JPY100,000 or less for humanitarian purpose only may be permitted.

- 2) Ban on import of goods of North Korean origin/import of goods shipped from North Korea
- 3) Ban on intermediary trade of goods of North Korean origin/import of goods shipped from North Korea
- 4) Ban on exports from Japan to North Korea without METI¹ approval
- 5) Ban on exports from a third country to North Korea without METI approval
- 6) Prior approval² required for payments, trades of means of payments/securities, capital transactions, service transactions providing support for North Korea’s nuclear related/ballistic missile related/other weapons of mass destruction related programmes and activities.

¹ Ministry of Economy, Trade and Industry of Japan.

Effectively ban on all exports to North Korea as METI will not give approval.

² Effectively ban on these transactions as approval will not be given.

Iran

- 1) Ban on payments (trade related & non-trade related) for the purpose of supporting Iran's nuclear activities.
- 2) Ban on payments (trade related & non-trade related) for the purpose of supporting Iran's activities relating to supply of large conventional weapons etc.

Russia, Belarus, Crimea, Eastern Ukraine, etc.

- 1) Ban on payments to individuals and groups designated under the Foreign Exchange Act.
 - ✓ The groups in which more than 50% of the total number of shares etc. are directly held by the designated groups are also subject to the payment ban.
- 2) Ban on acquisition or transfer of securities issued by Russian govt, etc.
Ban on issuance or offering of securities in Japan by Russian govt, etc.
Ban on issuance or offering of securities in Japan by specific Russian banks
- 3) Ban on provision of service or benefits pertaining to issuance or offering of securities mentioned above
 - ✓ Payments pertaining to the above service or benefits are prohibited.
- 4) Ban on export of specific items to Russia and Belarus
- 5) Ban on export to specific groups in Russia and Belarus
- 6) Ban on provision of technology pertaining to export ban measures mentioned in 4) and 5) above
 - ✓ Payments pertaining to the above service or benefits are prohibited.
- 7) Ban on provision of technology to specific groups, provision of service or benefits pertaining to trust service, provision of service or benefits pertaining to accounting, auditing or management consulting, etc.
 - ✓ Payments pertaining to the above services or benefits are prohibited.
- 8) Ban on outward direct investment pertaining to business in Russia
Ban on outward direct investment pertaining to business conducted abroad by Russian entity, etc.

There are more than 20 economic sanction measures imposed under the Foreign Exchange Act as of date such as payment ban to Taliban related individuals, etc. For the details of the above economic sanction measures please visit the websites below.

Ministry of Finance, Japan

http://www.mof.go.jp/international_policy/gaitame_kawase/gaitame/economic_sanctions/list.html

Ministry of Economy, Trade and Industry, Japan

<https://www.meti.go.jp/policy/index.html>

Economic Sanctions by Foreign Governments

Depending on the currency of remittance, beneficiary bank's country, etc. there may be restrictions on payments. Please check the regulations applicable to your remittance in advance. For information the remittance in USD will be subject to OFAC rules.

U.S. Department of the Treasury – Office of Foreign Assets Control (OFAC)

<https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>