

Annex

Beneficial Ownership Information (good practices on promoting beneficial ownership information transparency to facilitate the recovery and return of proceeds of crime)

Questionnaire on Beneficial Ownership Information

1. Definition of beneficial ownership & mechanisms for obtaining beneficial ownership information

1.1 Please provide the definition of “beneficial ownership” in your country for:

(a) legal persons; and

(b) legal arrangements, including the relevant legislation (if applicable).

Please describe criteria and thresholds that are applied to determine beneficial ownership, including any criteria for exercising control without legal ownership (e.g. voting rights, right to appoint or remove board of directors).

<National Police Agency>

(a),(b) The Ordinance for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds stipulates the definition of beneficial owner as follows:

- (1) In the case of a legal person or legal arrangement with a majority rule of voting rights,
 - (i) Natural person(s) who ultimately owns or holds controlling ownership interest which means holding the voting rights exceeding one quarter of the total voting rights of the legal person or legal arrangement.
 - (ii) In the case where there are no natural persons who fall under preceding item, natural person(s) who ultimately owns or exercises effective control equivalent to or more than that of natural person(s) prescribed in the preceding item over policy-making for its finance and management or operation.
 - (iii) In the case where there is no natural person who fall under those listed in the preceding two items, the relevant natural person(s) who holds the position of senior managing official over the legal person or legal arrangement.
- (2) In the case of other legal person or legal arrangement,
 - (i) Natural person(s) who has the right to receive dividends or allotment exceeding one quarter of the total profit or asset over the legal person or legal arrangement excluding the case where it is obvious that the said natural person(s) is not able to be in the position to ultimately own or hold effective control over the said legal person or legal arrangement or where another natural person has rights to receive dividend or allotment exceeding half of total profits or assets over the said legal person or legal arrangement.
 - (ii) Natural person(s) who ultimately owns or exercises effective control equivalent to or more than natural person(s) that fall under item (a) over the decision of policy-making for finance and management or operation of the said legal person or legal arrangement.

(iii) In the case where there are no natural persons who fall under those listed in the preceding two items, the relevant natural person(s) who holds the position of senior managing official over the legal person or legal arrangement.

2. Access to basic information on legal persons

2.1 Please describe the process for obtaining basic information on legal persons created or registered in your country, including the role of the company registry.

< Ministry of Justice >

(the role of the company registry)

The purpose of the commercial registry is to maintain the credibility of the trade names, companies, etc., by notifying the public of the matters to be registered, and to contribute to the safe and smooth conduct of transactions.

(the process for obtaining basic information on legal persons created or registered in your country)

- Any person may, by paying fees, make a request the issuance of a document certifying the matters recorded in the registry to the registry office on-line or in writing.
- Any person can by paying a usage fee, view registration information on the Internet.

<https://www1.touki.or.jp/>

2.2 Please list the categories of basic information on legal persons that is obtained and recorded by the company registry (or other relevant registries), e.g. name of entity, date of incorporation, tax ID number, etc.

<Ministry of Justice>

The matters to be registered differ depending on the type of corporation, but the basic matters to be registered are as follows.

- the Corporate identification Number
- the trade name
- the address of the head office
- the method of giving public notice
- the date of incorporation of legal person
- the purpose
- Matters regarding organs such as officers
- In the case of Stock Company, matters regarding shares, amounts of stated capital, etc.

2.3 Is the company registry available publicly & online in your country? YES / NO

If YES, please provide links to the company registry and any other relevant registries of

legal persons, or provide details about how the public can access them.

<Ministry of Justice>

Is the company registry available publicly & online in your country?

– Yes.

Details to be referred at (URL) <https://www1.touki.or.jp/>

3. Access to beneficial ownership information of legal persons 3.1 Through which mechanism(s) can competent authorities (such as law enforcement, police, financial intelligence unit and tax agencies) access beneficial ownership information on companies and other legal persons created or registered in your country. Please select all that apply.

If REGISTRY, please provide further details on such registry(ies) including:

- Authority(ies)/agency(ies) responsible for obtaining and maintaining beneficial ownership information and for maintaining the register(ies). Please list if more than one;
- Categories of beneficial ownership information (data fields) obtained, recorded and maintained on the registry(ies), e.g. name, nationality, date of birth, address, etc.;
- Types of legal entities covered within the scope of the beneficial ownership registry(ies), including any exempt entities;
- Details of the registry's(ies)' access policy:

✓ Is the information on the registry(ies) available to the public? YES / NO

If YES, please include a link(s) to the registry(ies).

If NO, please list the authorities/agencies that have access to this information, or that can request access.

✓ Does accessing beneficial ownership information in the registry(ies) entail any costs?

✓ Does the registry(ies) provide features to search information by different types of information, e.g. legal entity name, name of director, name of beneficial owner, by first or last name, by business address, by registered agent? Is it possible to search for a combination of information (Boolean searches)?

- Frequency of updates of information and triggers for updates;
- Any mechanisms to verify beneficial ownership information submitted to the registry(ies) by legal persons or their representatives (if they exist).

<Ministry of Justice>

Under the Beneficial Ownership of Legal Persons List System, by the requirement from the stock company (including the special limited liability company), as to the Beneficial Ownership of Legal Persons List which the stock company made, the registrar at the commercial registry confirms the content by the prescribed attachments, keeps the list and issues the copy with authentication statements by the registrar. The Beneficial Ownership of Legal Persons List kept at the Commercial Registry may be accessed by the investigating authorities in accordance with legal basis.

Details of the system are as follows.

- Institution storing beneficial owner lists
 - Commercial registry
- Content of beneficial owner Listings

- The trade name, Corporate Identification Number, and the address of the head office of the Stock Company Name, address, nationality, etc., date of birth and proportion of voting rights of the beneficial owner
- The type of legal person included in the scope of beneficial owner
 - Stock Company
- Whether or not it is open to the public
 - No
- Accessible authority/agency
 - Investigative authorities, tax authorities, etc. having legal basis
- Cost of access
 - No charge
- Update
 - Updated at the request of the Stock Company
- Mechanism for verifying the authenticity of beneficial owner data
 - Confirmation by prescribed attachments and registration information

3.2 Please describe any other sources (mechanisms) through which competent authorities/agencies can access beneficial ownership information in your country. In each case, please describe how beneficial ownership information on companies and other legal entities is made available to authorities and/or the public (if applicable).

Examples may include through private-public partnerships (e.g. involving financial institutions, notaries and/or corporate service providers), through stock exchange or security exchange commission, or disclosure obligations for participation in public procurement processes, etc.

< Ministry of Justice >

The beneficial ownership information of the legal person declared to notaries by the founders (clients) when notaries certify the articles of incorporation is stored in notary database. And notaries issues to the founders (clients) "Certification regarding the declaration as to the beneficial ownership of the legal person.

<National Police Agency >

- Specified business operators are required to conduct verification of customer identification data of a customer, etc. and verification of beneficial owner of a legal person on conducting specified transaction such as conclusion of a contract for the acceptance of deposits or savings, etc. and to prepare and preserve verification records.
- If the specified business has submitted a suspicious transaction report (STR), the beneficial ownership information of a legal person verified by specified business operators can be inquired through a STR database which law enforcement agencies have access to.
- When necessary for criminal investigations, public prosecutors and judicial police officials have the authority to take measures including examinations, investigative inquiries, and seizure upon a warrant issued by a judge, which enable them to access to a company's beneficial ownership information listed on the verification records preserved by specified business operators, in addition to directly obtain beneficial ownership information from the company.

<Financial Services Agency >

Listed company, etc. must submit an annual securities report to the Prime Minister within three months after the end of each business year. In addition to its business and financial profile, the report must include the status of directors (name, date of birth, address, number of shares held, etc.) and major shareholders (name, address, number of shares held and their ratio,

etc.).

Any person whose ownership ratio of shares issued by a listed company exceeds 5% must submit a statement (“statement of large-volume holdings”) to the director-general of a local finance bureau, etc. within five business days from the date on which it comes to possess such ratio. The statement must contain matters concerning the submitter (for individuals: name, date of birth, address, etc.; for corporations: name, representatives, address, number and percentage of shares held, purpose of the holdings, etc.)

These reports and statements are publicly accessible for five years from the date of receipt of the reports on the electronic disclosure system (EDINET).

3.3 Are foreign legal persons, foreign (express) trusts or foreign legal arrangements allowed to operate in/own assets/ and/or register in your country? YES / NO

If YES,

- how is basic information on these arrangements recorded (if at all)?
- how is beneficial ownership information on these arrangements recorded (if at all)?

Please provide details of the relevant legislation and practices.

<Ministry of Justice>

Yes.

When a Foreign Company intends to carry out transactions continuously in Japan, it must specify its representatives in Japan, and register the Foreign Company.

4. Access to basic information and beneficial ownership information of (express) trusts and other similar legal arrangements

4.1 Does your country recognize (express) trusts or other similar legal arrangements?

YES / NO

- If YES, please provide a broad overview of your country's system and mechanisms for obtaining beneficial ownership information on (express) trusts and other similar legal arrangements created or registered in your country.
- If NO, please skip to question 5

Yes.

4.2 How is basic information on (express) trusts and other legal arrangements obtained and recorded in your country?]

< Ministry of Justice >

Trust agreements and wills, which contain basic information about the trust, are generally kept by the trustees, etc. who are parties to the trust. Also, a trustee must prepare books and other documents relating to the Trust Property.

<National Policy Agency><Financial Services Agency>

Trust companies and financial institutions engaged in trust business (hereinafter referred to as the 'trust company, etc.')

are specified business operators under the Act on Prevention of Transfer of Criminal Proceeds (APTCP). Therefore, a trust company, etc. is required to conduct the verification at the time of transaction on conducting specified transaction.

Specified transaction for trust company, etc. is conclusion of a trust agreement or conclusion of an act of trust. In a specified transaction, a trust company, etc. shall conduct customer

verification on both the settlor and the beneficiary. On the customer verification, it is required to verify the beneficial owner of the customer.

When necessary for criminal investigations, public prosecutors and judicial police officials have the authority to take measures including investigative inquiries, and seizure upon a warrant issued by a judge, which enable them to access to a trust's and legal arrangement's beneficial ownership information listed on the verification records preserved by trust company, etc.

4.3 How is beneficial ownership information on (express) trusts and other legal arrangements obtained and recorded in your country?

- Through a registry/registries with beneficial ownership information
- Through a different mechanism
- Competent authorities do not currently have access to beneficial ownership information

If REGISTRY, please provide details on the registry(ies), authority(ies)/agency(ies) in charge of maintaining the registry(ies), type of information collected, and details on the access policy.

If ALTERNATIVE MECHANISM, please provide details on the mechanism, type of information collected, and details on the access policy

<National Police Agency> <Financial Services Agency>

The same answer as in 4.2 above.

5. Sanctions

5.1 Please describe the types of sanctions, sanctionable conduct, and targets of sanctions for non-compliance with beneficial ownership disclosure regulations (whether on the registry(ies) or through an alternative mechanism).

5.2 Please describe the powers available to the designated authority(ies)/agency(ies) to enforce sanctions for non-compliance with the beneficial ownership disclosure requirements, including any statistics on enforcement of such sanctions.

6. International Cooperation, asset recovery and challenges

6.1. Does your country make beneficial ownership information available to foreign competent authorities (directly or upon request)? Please provide details of the relevant legislative and regulatory framework in your country that allows for the international exchange of such information.

<Ministry of Justice>

Within the framework of mutual legal assistance, when receiving requests from foreign authorities based on international conventions or international comity, Japan can access beneficial ownership information and provide them with such information which has been collected, following Act on International Assistance in Investigation and Other Related Matters.

<National Police Agency>

The APTCP stipulates that JAFIC may disseminate to foreign FIU the information on suspicious transactions (including basic information and beneficial ownership information) which it finds will contribute to investigation concerning money laundering, terrorist financing and related crimes.

6.2. Please describe how foreign competent authorities may request or access beneficial ownership information on legal persons and legal arrangements formed in your country. Which agency(ies)/authority(ies) is/are responsible for receiving and responding to foreign requests?

Please provide contact information and instructions.

<Ministry of Justice>

Within the framework of mutual legal assistance, regarding requests from foreign authorities of states concluding related treaties, central authority of Japan (Ministry of Justice) receives them. On the other hand, regarding requests which are not based on related treaties on mutual legal assistance, Ministry of Foreign Affairs of Japan receives them.

<National Police Agency>

Based on the requests from the FIUs that established frameworks for information exchange with JAFIC, JAFIC can provide them with information including beneficial ownership information.

6.3. In your opinion, what are the main challenges faced by foreign competent authorities to access beneficial ownership information held in your country?

< Ministry of Justice>

Within the framework of mutual legal assistance, we believe that it works well and there are no particular challenges.

6.4. In your opinion, what are the main challenges faced by competent authorities of your country to access/receive beneficial ownership information held in a foreign country?

6.5. Do you have any case studies or examples where the transparency of beneficial ownership has enabled or enhanced the effective recovery and return of proceeds of crime in

(or for) your country?

7. Good Practices for Beneficial Ownership Transparency

7.1. Has your country implemented any specific good practices relating to Beneficial Ownership Transparency that you wish to highlight? Examples could include good practices in verification, data format, searchability, use of technology, enforcement of sanctions, automatic red flagging, use or risk-based approach.

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8. Follow-up to the special session of the General Assembly against corruption

8.1. Please describe any other measures, if any, that your country may have taken to implement paragraph 16 of the political declaration adopted by the General Assembly at its special session against corruption held in June 2021.
