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- 1. Failure Resolution
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- 4. International Cooperation
- 5. Capital Participation
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April 1, 2020
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Operational Policy (April 2020–March 2021)

I Challenges Related to the Circumstances Surrounding the DICJ

The Deposit Insurance Corporation of Japan (hereinafter referred to as the “DICJ”) will continuously improve the operation of the deposit insurance system and strengthen the response capability of failure resolution of financial institutions in light of the diversification of the operations of financial institutions, among other factors.

In addition, the DICJ will promote collaboration and cooperation with foreign deposit insurance organizations in response to the globalization of financial transactions. It will also continue efforts to develop and improve the various systems in light of ongoing technology innovation.

II Operational Policy for FY 2020

In light of the above, the DICJ sets the following operational policy for FY2020 as a guideline for implementation of operations.

1. Improvement and Enhancement of Preparedness for Every Situation Related to the Protection of Depositors, Failure Resolution, etc.
 - (i) Concerning the failure resolution scheme and the financial administrator operations, the DICJ will maintain and strengthen its capability to deal with the failure resolution of financial institutions through such measures as continuously improving the operation of the deposit insurance system, while identifying and studying various issues related to the operation of the system so that it can adapt to the diversification and sophistication of financial products, financial activities, and the operations of financial institutions, etc. with the objective of the protection of depositors.
In addition, the DICJ will continue to cooperate with relevant authorities, etc. and enhance the capability to implement measures related to orderly resolution of assets and liabilities of a financial institution, etc.
 - (ii) In order to improve the quality of financial administrator operations and routinely develop the capability to appropriately respond to emergencies, the DICJ will further deepen cooperative relationships with relevant authorities and financial industry-related organizations, and enhance practical training and seminars, etc.
2. Following Up on each Financial Institution's Development of Preparedness for Failure Resolution and Encouraging the Strengthening Thereof
In order to ensure secure and smooth implementation of failure resolution, the DICJ will regularly follow up on each financial institution's preparedness for failure resolution which it must undertake through “on-site inspections”, “follow-up interviews for improvement”, “database verification”, and “training and advice, etc.”, and will encourage it to strengthen said preparedness, and will provide necessary advice, etc.
Regarding on-site inspections, the DICJ will, based on factors including the status of each financial institution's accounting systems, conduct inspections efficiently and effectively through such means by deciding which institution to be inspected and the scope and depth of such an examination, etc. in a prioritized manner.
3. Appropriate Management, Collection and Disposal of Assets Acquired from Failed Financial Institutions, etc. and Pursuit of Liability, etc.
 - (i) The DICJ will provide the RCC with necessary guidance and advice for enabling the RCC to appropriately manage and collect claims acquired from failed financial institutions, etc. with due consideration to customer protection.
In addition, the DICJ will appropriately implement the management and disposal of shares and other capital-raising instruments acquired from failed financial institutions, etc. with due consideration to the perspective of minimizing public burdens and the market impact etc.

- (ii) The DICJ will support the maximization of the RCC's collection of claims by accurate selection of cases to be investigated, implementation of in-depth asset investigations, and appropriately providing guidance and advice concerning collection of claims, with emphasis on malicious cases involving unconscientious debtors who refuse to make repayment or disclose asset information and those involving antisocial forces.
The DICJ will also strictly deal with malicious obstructed recovery cases, etc., including those involving antisocial forces, while maintaining close cooperation with the RCC and providing necessary support.
 - (iii) The DICJ will strive to conduct thorough investigations of failed financial institutions, etc. to clarify the background of failure and appropriately execute operations to pursue civil and criminal liabilities. In addition, the DICJ will strive to improve its preparedness to respond immediately at the time of failure resolution and enhance investigation methods.
4. Enhancement of Collaboration with Foreign Deposit Insurance Organizations, and Research and Study Activities
 - (i) As the chair organization of the International Association of Deposit Insurers (IADI), the DICJ will lead the IADI in its management and activities, and will facilitate international collaboration and cooperation among deposit insurance organizations.
By exchanging of letters (EOL) for collaboration, signing memoranda of understanding (MOU) and exchanging personnel, etc., the DICJ will seek the mutual strengthening of information exchanges, technical cooperation, etc. with foreign deposit insurance organizations.
In addition, the DICJ will continue to provide technical support to other countries considering the introduction and strengthening of deposit insurance systems.
 - (ii) Regarding the matters related to the DICJ's operations such as the reform of deposit insurance systems in other countries and regions and the status of international organizations' efforts toward international cooperation, the DICJ will conduct research and studies and provide the accomplishments to parties concerned and others in various fields.
 5. Implementation of Operations Related to Capital Participation
The DICJ will appropriately respond to capital participation under the Financial Functions Strengthening Act (application deadline: March 31, 2026) , which includes special provisions attributable to the revision of the same law in relation to the COVID-19 in close cooperation with relevant authorities. In addition, the DICJ will appropriately manage and dispose of shares and other capital-raising instruments for which it has subscribed under the same law.
 6. Implementation of Financial Operations Assistance
 - (i) The DICJ will steadily implement such operations as the purchase of specified difficult recovery claims in collaboration with the FSA and relevant organizations, while improving the operation of the program as needed and encouraging financial institutions to actively use the program.
 - (ii) The DICJ will strive to ensure appropriate execution of the operation to provide information on antisocial forces in response to inquiries from financial institutions.
 - (iii) In order to contribute to the prompt recovery of property damage suffered by victims of bank transfer fraud, the DICJ will post public notices appropriately and smoothly and strive to make appropriate use of money transferred to the DICJ, while cooperating with relevant ministries and agencies, and relevant organizations.
 - (iv) The DICJ will appropriately implement the management operations of dormant deposits, etc., such as collecting money for transfer from dormant deposits, etc., providing grants funded by dormant deposits, etc., and setting aside reserves, etc.
 7. Study of the Appropriate Insurance Premium Rate
The DICJ will consider the appropriate deposit insurance premium rates in collaboration with stakeholders.

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8. Development and Improvement of Various Systems and Enhancement of Information Security Measures
 - (i) The DICJ will continue to enhance IT governance, and develop and improve various systems that it possesses.
 - (ii) The DICJ will further raise the information security level against cyberattacks that have become increasingly devious and complex in recent years by comprehensively grasping and evaluating risks related to information security at the DICJ and by aptly and effectively implementing necessary measures.

9. Strengthening of Finances and Efficient Organizational Management
 - (i) The DICJ will work to strengthen its financial management and rationalize operations related to its finances and will draw up, execute and manage budget plans that are capable of appropriately dealing with the resolution of financial institution failures, etc.
 - (ii) Taking its financial conditions into account, the DICJ will appropriately determine deposit insurance premium rates to ensure equilibrium in the DICJ's finances (the General Account) in the long term.
 - (iii) In the severe fund management environment, the DICJ will appropriately manage funds while continuing to focus on safety and liquidity. The DICJ will raise funds in an efficient manner in light of the funding requirements.
 - (iv) The DICJ will strive to appropriately and efficiently manage the organization and staff in line with the operational policy and in response to the changing environment.

10. Collaboration with Affiliated Companies
 - (i) The DICJ will provide necessary guidance and advice so as to ensure appropriate implementation of operations by the RCC. In addition, the DICJ will continue to collaborate with the RCC with regard to operations to collect claims against antisocial forces by using the RCC's servicer function.
 - (ii) The DICJ will cooperate in the appropriate and efficient implementation of operations of the Regional Economy Vitalization Corporation of Japan and the Corporation for Revitalizing Earthquake-Affected Business.
 - (iii) When exercising shareholder voting rights to an affiliated company, the DICJ will appropriately exercise the rights in cooperation with relevant authorities, with due consideration to whether the company manages operations in compliance with the purposes of laws and regulations, etc.

11. Establishment of a Framework for Business Continuity during Disasters
 - (i) The DICJ will continue to develop a business continuity framework that enables smooth implementation of operations related to failure resolution in case a disaster should occur.
 - (ii) The DICJ will continue to implement business continuity training in cooperation with relevant departments and organizations and build a robust business continuity framework so that it can appropriately implement operations related to the settlement of funds, etc.

12. Enhancement of Information of Dissemination to Depositors and Relevant Parties in and outside Japan
 - (i) The DICJ will strive to conduct easy to understand public relations utilizing various media from the standpoint of depositors in order to ensure better understanding by depositors, etc. of such matters as the deposit insurance system and the DICJ's role and operations. The DICJ will also make every possible effort to develop an environment that facilitates two-way exchange of information with financial institutions, etc.
 - (ii) In order to disseminate information widely to relevant parties outside Japan with regard to Japan's deposit insurance system and the DICJ's activities, the DICJ will continue to compile the English version of the Annual Report and enhance the contents of the English version of the DICJ's website.

13. Stronger Organizational Activation, Personnel Training and Compliance Preparedness
 - (i) In order to respond in a timely and appropriate manner to the changing environment, etc., the DICJ will make efforts to further activate organizations and strive to train personnel.
 - (ii) The DICJ will strive to implement training programs, etc. in order to ensure that executives and employees take more appropriate actions by raising their awareness about compliance.