

Ministry of Finance Foreign Exchange Inspection Manual
May 12, 2008
[Exhibit 2]
Checklist for Compliance with the Foreign Exchange Law and
Regulations in Relation to Economic Sanctions such as Asset Freezing

This is the first of a three-part IBA translation of revisions to the MOF Foreign Exchange Inspection Manual.

SAMPLE ONLY

This translation is for reference purposes only and was neither reviewed nor approved by the Ministry of Finance, and is not an official interpretation of laws and regulations. The Japanese original released by the Ministry of Finance supersedes this translation, should there be discrepancies or differences between the Japanese and the English versions.

The International Bankers Association has prepared this translation with the intention of having the content, as much as possible, accurately represent the Japanese original. However, differences in layout and pagination from the Japanese original will exist.

INTERNATIONAL BANKERS ASSOCIATION

Ark Mori Building, 14F
1-12-32 Akasaka
Minato-ku, Tokyo, Japan 107-6014

Telephone: (03) 5545-7511
Facsimile: (03) 5545-0502
Email: g-info@ibajapan.org
Website: www.ibajapan.org

Exhibit 2

Checklist for Compliance with the Foreign Exchange Law and Regulations in Relation to Economic Sanctions such as Asset Freezing

Item	Foreign Exchange Inspection Check Item	Explanation of Foreign Exchange Inspection Check Item	Notes
<p>I. Internal control system for handling economic sanctions such as asset freezing</p>	<p>1. Positioning of foreign exchange compliance within compliance system.</p>	<p>Use the checklist (Exhibit 1) for the overall internal control system for foreign exchange compliance to check whether a system that complies with the Foreign Exchange Law and regulations in relation to economic sanctions such as asset freezing has been adopted within the framework of the compliance system.</p> <p>In particular, note the following points:</p> <p>(1) In the Compliance Manual, do the explanations of provisions of the Foreign Exchange Law and regulations in relation to economic sanctions such as asset freezing include not only items on the duty of verification on the basis of the provisions of Article 17 of the Foreign Exchange and Foreign Trade Law (Gaitameho) but also items on the duty to obtain authorization from the Finance Minister according to the provisions of the order based on the provisions of Article 16.1, Article 21.1, or Article 25.4 of the Law where the bank itself is a party involved in the transaction or conduct?</p>	
		<p>(2) Have the explanations of provisions of the Foreign Exchange Law and regulations in relation to economic sanctions such as asset freezing been revised to reflect changes, etc., to the details of economic sanctions such as asset freezing?</p> <p>Note: Even if fine details such as the names of countries, individuals, or groups subject to economic sanctions such as asset freezing are not directly recorded in the Compliance Manual, this check item shall be satisfied if such details are shown clearly in other internal regulations, etc., that can be referenced.</p>	