



Mr. Robert Ophèle  
Chairman  
Autorité des Marchés Financiers  
17, Place de la Bourse  
75082 Paris cedex 02  
France

Dear Mr. Ophèle,

**EXCHANGE OF LETTERS ON CO-OPERATION FRAMEWORK BETWEEN  
THE FINANCIAL SERVICES AGENCY OF JAPAN AND THE AUTORITE DES MARCHES FINANCIERS  
(AMF)  
regarding cooperation for innovation in the financial sector**

The Financial Services Agency of Japan (FSA) would like to co-operate with the Autorité des marchés financiers (AMF), in order to promote innovation in our respective markets. Given the global nature of innovation in financial services, it is particularly important that we are able to both share information, and ensure the efficient entry of Financial Innovators into our respective markets.

I am therefore very pleased to enhance the FSA's co-operation with the AMF on matters of innovation in financial services, as set out in this letter.

This letter is a statement of the FSA's intent and does not create any legally binding obligations upon the FSA or the AMF. Nothing in this letter will affect the competence of the FSA or the AMF under their respective national laws.

This Exchange of Letters ("EoL") does not supersede any existing EoL between the FSA and the AMF. This EoL operates in accordance with, and complements, any existing bilateral or multilateral co-operation framework between the Authorities and third parties.

#### **1. Definitions**

For the purposes of this Co-operation Framework, unless the context requires otherwise:

"Authorisation" means the process of licensing, registering, approving, authorising or otherwise bringing an entity under either Authority's regulatory ambit so that it is authorised to carry on business in providing a financial service or issuing a financial product in the relevant Authority's jurisdiction; and "Authorised" has a corresponding meaning;

"Authority" means the FSA or the AMF; and collectively referred to as "the Authorities";

"Confidential information" means any non-public information obtained by an Authority pursuant to this Exchange of Letters;

"Financial Innovator" means any entity which provides or intends to provide Innovative Financial Services in either of the Authorities' markets and which has been offered support from an Authority through its Innovation Function, or would qualify for such support;

"FinTech" means any innovative financial technology that will be used or is intended to be used by Financial Innovators;

"Innovation Function" means the dedicated function established in both Authorities to support innovation in financial services in their respective markets;

"Innovative Financial Services" means any financial services that are provided by means of FinTech;

"Receiving Authority" means the Authority that is receiving a Financial Innovator referral or information relating to that referral;

"Referring Authority" means the Authority that is referring a Financial Innovator to the Receiving Authority; and

"Regulations" means any regulation or regulatory requirement applicable in the jurisdiction of an Authority.

## **2. Introduction**

- 2.1. The Authorities share a mutual interest in encouraging and enabling innovation in financial services in their respective markets. Both Authorities have established Innovation Functions in order to do so. The Authorities believe that through co-operation with each other, they will be able to further the promotion of innovation in their respective markets.

### Background to the two Authorities Innovation Functions

- 2.2. The FSA encourages innovation that leads to further user convenience in the financial services of the Japanese financial market, while ensuring user protection as the Authority in Japan. The FSA takes steps toward removing unnecessary regulatory hurdles that may hinder Financial Innovators' market entry. It is also enabling Financial Innovators to have swift access to the Japanese financial market by providing specific support which includes:
- 2.2.1 "FinTech Support Desk" that has been set out within the FSA as a one-stop contact point for Financial Innovators' businesses.
  - 2.2.2 With the co-operation of relevant bureaus in the FSA, FinTech Support Desk supports Financial Innovators through consultation and exchange of information on matters regarding their FinTech-related business such as applicability of financial regulation in order to promote financial innovation.
  - 2.2.3 An innovation hub which is known as "FinTech PoC Hub" launched in September 2017 that aims to support innovative projects among financial institutions and Financial Innovators in the stage of proof-of-concept, which lead to further user convenience and productivity of companies and so forth.



- 2.2.4 FinTech PoC Hub that acts as an innovation hub entails support of Financial Innovators as well as financial institutions for facilitating pilot testing for an anticipated use case.
- 2.2.5 “FinTech Innovation Hub” launched in July 2018 that aims to grasp innovation in financial services and reflect findings in financial policy.
- 2.3. In June 2016 AMF has created a new division, “Fintech Innovation and Competitiveness” (“FIC”) dedicated to welcome innovative companies and help them navigate the regulatory system, providing them advice in their pre-authorization phase. Building on these numerous meetings, the FIC division assesses the impact of fintechs and more broadly of the digitalization of financial services and analyzes both the opportunities and risks associated with these new business models. Ultimately, the FIC division makes some recommendations to adjust where necessary the regulatory framework and supervisory practices.

#### Support offered through the Innovation Functions

- 2.4. The support offered by the Authorities to Financial Innovator through their Innovation Functions includes:
  - 2.4.1. A dedicated team and/or a dedicated contact for Financial Innovators;
  - 2.4.2. Help for Financial Innovators to understand the regulatory framework in the relevant Authority's jurisdiction, and how it applies to them;
  - 2.4.3. Assistance during the pre-authorisation application phase to;
    - 2.4.3.1. Discuss the authorisation application process and any regulatory issues that the Financial Innovator has identified; and
    - 2.4.3.2. Ensure the Financial Innovator understands the relevant Authority's regulatory regime and what it means for them.
  - 2.4.4. Support during the authorisation process, including the allocation of Authorisation staff to consider the application that are knowledgeable about financial innovation in their respective markets.

### **3. Purpose**

- 3.1. The purpose of this Co-operation Framework is to provide a framework for co-operation and referrals between the Innovation Functions of each Authority. The framework sets up a referral mechanism which will enable the Authorities to refer Financial Innovators between their respective Innovation Functions. It also sets out how the Authorities plan to share and use information on innovation in their respective markets.

### **4. Principles**

- 4.1. The Authorities intend to provide the fullest possible mutual assistance to one another within the terms of this Co-operation Framework. This Co-operation Framework operates subject to the domestic laws and regulations of each Authority and does not

modify or supersede any laws or regulatory requirements in force in, or applying to, Japan or France. This Co-operation Framework sets forth a statement of intent and accordingly does not create any enforceable rights, and is not legally binding.

## 5. Scope of Assistance

### Referral mechanism

- 5.1. The Authorities, through their Innovation Functions, will refer to each other Financial Innovators that would like to operate in the other's jurisdiction.
- 5.2. Referrals should include information demonstrating that the Financial Innovator seeking to operate in the Receiving Authority's jurisdiction meets, or would meet, the following criteria:
  - 5.2.1. the Financial Innovator should offer innovative products that benefit the consumer and/or industry;
  - 5.2.2. the Financial Innovator should demonstrate that they have conducted sufficient background research; and
  - 5.2.3. the Financial Innovator should have a genuine need for support.
- 5.3. Following referral, the Receiving Authority's Innovation Function should offer support to the Financial Innovator in accordance with paragraph 2.4 above.
- 5.4. The Referring Authority acknowledges that a Financial Innovator benefiting from the Receiving Authority's Innovation Function's assistance during the pre-authorisation phase may or may not meet the requirements for Authorisation, and that in providing assistance through the Innovation Function, the Receiving Authority is not expressing an opinion about whether a Financial Innovator will ultimately meet the requirements for Authorisation in its jurisdiction.

### Information sharing

- 5.5. The Authorities may share information about innovations in financial services in their respective markets, where appropriate. This may include, but is not limited to:
  - 5.5.1. emerging market trends and developments;
  - 5.5.2. regulatory issues pertaining to innovation in financial services; and
  - 5.5.3. any other relevant issues on FinTech and Innovative Financial Services.
- 5.6. Subject to paragraph 6.2, the Authorities undertake to share further information on Financial Innovators which have been referred to a Receiving Authority for support through its Innovation Function by a Referring Authority pursuant to paragraph 5.1.
- 5.7. The Authorities should notify each other of any material changes to the support offered by a Receiving Authority's Innovation Function to an Financial Innovator referred by a Referring Authority pursuant to paragraph 5.1.

## 6. Confidentiality & Permissible Uses



- 6.1. Any information disclosed by one Authority to the other Authority under paragraphs 5.5 to 5.7, and any information contained in a referral under paragraphs 5.1 to 5.4, should be treated by the other Authority as Confidential Information.
- 6.2. Information about a Financial Innovator's application should be included in a referral under paragraphs 5.1 to 5.4 and sent to a Receiving Authority only if the Financial Innovator consents to that disclosure.
- 6.3. A Receiving Authority should use information about a referred Financial Innovator only for the purpose of providing support to the referred Financial Innovator through the Receiving Authority's Innovation Function and ensuring compliance with the laws and regulations of the Receiving Authority's jurisdiction.
- 6.4. The Authorities should use any information disclosed to it by the other Authority only for the purposes for which the information was disclosed. If either Authority intends to disclose Confidential Information provided by the other Authority to third parties, or to use it for other purposes than those for which Confidential Information was provided, the Authority should seek prior written consent from the other Authority which provided the information.
- 6.5. If either Authority is required to disclose any information provided to it by the other Authority pursuant to a requirement of law, such Authority should notify the other Authority prior to complying with such a requirement and should assert all appropriate legal exemptions or privileges with respect to such information as may be available.

## **7. Duration**

- 7.1. This Co-operation Framework commences from the date of execution and will continue until terminated by either of the Authorities by the giving of at least 30 days' written notice of termination to the other Authority.
- 7.2. Termination of this Co-operation Framework does not affect obligations under any existing EoL or any other arrangements between the two Authorities.
- 7.3. In the event of the termination of this Co-operation Framework, information obtained under this Co-operation Framework will continue to be treated in the manner set out under paragraph 6.

## **8. Modification**

- 8.1. The Authorities will review the operation of this Co-operation Framework and update its terms as required. The Authorities acknowledge that review may be required if there is a material change to the support offered by a Receiving Authority's Innovation Function to a Financial Innovator referred by a Referring Authority pursuant to paragraph 5.1.
- 8.2. This Co-operation Framework may be modified by the mutual consent of both Authorities in writing.

I believe that enhanced co-operation in accordance with this letter will lead to a mutually beneficial relationship between the FSA and the AMF. With my best regards.

Yours sincerely,

The Financial Services Agency of Japan

By Toshihide Endo

Dated: 16/11/2018

Toshihide Endo

Commissioner



Mr. Toshihide Endo

Commissioner  
Financial Services Agency of Japan  
3-2-1 Kasumigaseki, Chiyoda-ku  
100-8967 Tokyo  
Japan

Dear Mr. Endo,

**EXCHANGE OF LETTERS ON CO-OPERATION FRAMEWORK BETWEEN  
THE AUTORITE DES MARCHES FINANCIERS AND THE FINANCIAL SERVICES AGENCY OF JAPAN  
regarding cooperation for innovation in the financial sector**

The Autorité des marchés financiers (AMF) would like to co-operate with the Financial Services Agency of Japan (FSA), in order to promote innovation in our respective markets. Given the global nature of innovation in financial services, it is particularly important that we are able to both share information, and ensure the efficient entry of Financial Innovators into our respective markets.

I am therefore very pleased to enhance the AMF's co-operation with the FSA on matters of innovation in financial services, as set out in this letter.

This letter is a statement of the AMF's intent and does not create any legally binding obligations upon the AMF or the FSA. Nothing in this letter will affect the competence of the AMF or the FSA under their respective national laws.

This Exchange of Letters ("EoL") does not supersede any existing EoL between the AMF and the FSA. This EoL operates in accordance with, and complements, any existing bilateral or multilateral co-operation framework between the Authorities and third parties.

## **1. Definitions**

For the purposes of this Co-operation Framework, unless the context requires otherwise:

"Authorisation" means the process of licensing, registering, approving, authorising or otherwise bringing an entity under either Authority's regulatory ambit so that it is authorised to carry on business in providing a financial service or issuing a financial product in the relevant Authority's jurisdiction; and "Authorised" has a corresponding meaning;

"Authority" means the AMF or the FSA and collectively referred to as "the Authorities";

"Confidential information" means any non-public information obtained by an Authority pursuant to this Exchange of Letters;



"Financial Innovator" means any entity which provides or intends to provide Innovative Financial Services in either of the Authorities' markets and which has been offered support from an Authority through its Innovation Function, or would qualify for such support;

"FinTech" means any innovative financial technology that will be used or is intended to be used by Financial Innovators;

"Innovation Function" means the dedicated function established in both Authorities to support innovation in financial services in their respective markets;

"Innovative Financial Services" means any financial services that are provided by means of FinTech;

"Receiving Authority" means the Authority that is receiving a Financial Innovator referral or information relating to that referral;

"Referring Authority" means the Authority that is referring a Financial Innovator to the Receiving Authority; and

"Regulations" means any regulation or regulatory requirement applicable in the jurisdiction of an Authority.

## 2. Introduction

- 2.1. The Authorities share a mutual interest in encouraging and enabling innovation in financial services in their respective markets. Both Authorities have established Innovation Functions in order to do so. The Authorities believe that through co-operation with each other, they will be able to further the promotion of innovation in their respective markets.

### Background to the two Authorities Innovation Functions

- 2.2. The FSA encourages innovation that leads to further user convenience in the financial services of the Japanese financial market, while ensuring user protection as the Authority in Japan. The FSA takes steps toward removing unnecessary regulatory hurdles that may hinder Financial Innovators' market entry. It is also enabling Financial Innovators to have swift access to the Japanese financial market by providing specific support which includes:
- 2.2.1 "FinTech Support Desk" that has been set out within the FSA as a one-stop contact point for Financial Innovators' businesses.
- 2.2.2 With the co-operation of relevant bureaus in the FSA, FinTech Support Desk supports Financial Innovators through consultation and exchange of information on matters regarding their FinTech-related business such as applicability of financial regulation in order to promote financial innovation.
- 2.2.3 An innovation hub which is known as "FinTech PoC Hub" launched in September 2017 that aims to support innovative projects among financial institutions and Financial Innovators in the stage of proof-of-concept, which lead to further user convenience and productivity of companies and so forth.



2.2.4 FinTech PoC Hub that acts as an innovation hub entails support of Financial Innovators as well as financial institutions for facilitating pilot testing for an anticipated use case.

2.2.5 “FinTech Innovation Hub” launched in July 2018 that aims to grasp innovation in financial services and reflect findings in financial policy.

2.3. In June 2016 the AMF has created a new division, “Fintech Innovation and Competitiveness” (“FIC”) dedicated to welcome innovative companies and help them navigate the regulatory system, providing them advice in their pre-authorization phase. Building on these numerous meetings, the FIC division assesses the impact of fintechs and more broadly of the digitalization of financial services and analyzes both the opportunities and risks associated with these new business models. Ultimately, the FIC division makes some recommendations to adjust where necessary the regulatory framework and supervisory practices.

#### Support offered through the Innovation Functions

2.4. The support offered by the Authorities to Financial Innovator through their Innovation Functions includes:

2.4.1. A dedicated team and/or a dedicated contact for Financial Innovators;

2.4.2. Help for Financial Innovators to understand the regulatory framework in the relevant Authority's jurisdiction, and how it applies to them;

2.4.3. Assistance during the pre-authorisation application phase to;

2.4.3.1. Discuss the authorisation application process and any regulatory issues that the Financial Innovator has identified; and

2.4.3.2. Ensure the Financial Innovator understands the relevant Authority's regulatory regime and what it means for them.

2.4.4. Support during the authorisation process, including the allocation of Authorisation staff to consider the application that are knowledgeable about financial innovation in their respective markets.

### **3. Purpose**

3.1. The purpose of this Co-operation Framework is to provide a framework for co-operation and referrals between the Innovation Functions of each Authority. The framework sets up a referral mechanism which will enable the Authorities to refer Financial Innovators between their respective Innovation Functions. It also sets out how the Authorities plan to share and use information on innovation in their respective markets.

### **4. Principles**

4.1. The Authorities intend to provide the fullest possible mutual assistance to one another within the terms of this Co-operation Framework. This Co-operation Framework operates subject to the domestic laws and regulations of each Authority and does not

modify or supersede any laws or regulatory requirements in force in, or applying to, France or Japan This Co-operation Framework sets forth a statement of intent and accordingly does not create any enforceable rights, and is not legally binding.

## 5. Scope of Assistance

### Referral mechanism

- 5.1. The Authorities, through their Innovation Functions, will refer to each other Financial Innovators that would like to operate in the other's jurisdiction.
- 5.2. Referrals should include information demonstrating that the Financial Innovator seeking to operate in the Receiving Authority's jurisdiction meets, or would meet, the following criteria:
  - 5.2.1. the Financial Innovator should offer innovative products that benefit the consumer and/or industry;
  - 5.2.2. the Financial Innovator should demonstrate that they have conducted sufficient background research; and
  - 5.2.3. the Financial Innovator should have a genuine need for support.
- 5.3. Following referral, the Receiving Authority's Innovation Function should offer support to the Financial Innovator in accordance with paragraph 2.4 above.
- 5.4. The Referring Authority acknowledges that a Financial Innovator benefiting from the Receiving Authority's Innovation Function's assistance during the pre-authorisation phase may or may not meet the requirements for Authorisation, and that in providing assistance through the Innovation Function, the Receiving Authority is not expressing an opinion about whether a Financial Innovator will ultimately meet the requirements for Authorisation in its jurisdiction.

### Information sharing

- 5.5. The Authorities may share information about innovations in financial services in their respective markets, where appropriate. This may include, but is not limited to:
  - 5.5.1. emerging market trends and developments;
  - 5.5.2. regulatory issues pertaining to innovation in financial services; and
  - 5.5.3. any other relevant issues on FinTech and Innovative Financial Services.
- 5.6. Subject to paragraph 6.2, the Authorities undertake to share further information on Financial Innovators which have been referred to a Receiving Authority for support through its Innovation Function by a Referring Authority pursuant to paragraph 5.1.
- 5.7. The Authorities should notify each other of any material changes to the support offered by a Receiving Authority's Innovation Function to an Financial Innovator referred by a Referring Authority pursuant to paragraph 5.1.



## 6. Confidentiality & Permissible Uses

- 6.1. Any information disclosed by one Authority to the other Authority under paragraphs 5.5 to 5.7, and any information contained in a referral under paragraphs 5.1 to 5.4, should be treated by the other Authority as Confidential Information.
- 6.2. Information about a Financial Innovator's application should be included in a referral under paragraphs 5.1 to 5.4 and sent to a Receiving Authority only if the Financial Innovator consents to that disclosure.
- 6.3. A Receiving Authority should use information about a referred Financial Innovator only for the purpose of providing support to the referred Financial Innovator through the Receiving Authority's Innovation Function and ensuring compliance with the laws and regulations of the Receiving Authority's jurisdiction.
- 6.4. The Authorities should use any information disclosed to it by the other Authority only for the purposes for which the information was disclosed. If either Authority intends to disclose Confidential Information provided by the other Authority to third parties, or to use it for other purposes than those for which Confidential Information was provided, the Authority should seek prior written consent from the other Authority which provided the information.
- 6.5. If either Authority is required to disclose any information provided to it by the other Authority pursuant to a requirement of law, such Authority should notify the other Authority prior to complying with such a requirement and should assert all appropriate legal exemptions or privileges with respect to such information as may be available.

## 7. Duration

- 7.1. This Co-operation Framework commences from the date of execution and will continue until terminated by either of the Authorities by the giving of at least 30 days' written notice of termination to the other Authority.
- 7.2. Termination of this Co-operation Framework does not affect obligations under any existing EoL or any other arrangements between the two Authorities.
- 7.3. In the event of the termination of this Co-operation Framework, information obtained under this Co-operation Framework will continue to be treated in the manner set out under paragraph 6.

## 8. Modification

- 8.1. The Authorities will review the operation of this Co-operation Framework and update its terms as required. The Authorities acknowledge that review may be required if there is a material change to the support offered by a Receiving Authority's Innovation Function to a Financial Innovator referred by a Referring Authority pursuant to paragraph 5.1.
- 8.2. This Co-operation Framework may be modified by the mutual consent of both Authorities in writing.



I believe that enhanced co-operation in accordance with this letter will lead to a mutually beneficial relationship between the AMF and the FSA. With my best regards.

Yours sincerely,

The Autorité des Marchés Financiers

By  \_\_\_\_\_

Robert Ophèle  
Chairman

Dated: 19 November 2018