

## **Summary of the regimes of personal information protection in foreign countries to which a customer's information is transferred for the purpose of foreign exchange remittances**

### **1. How foreign exchange remittances are processed**

In the case of foreign exchange remittances, your money will be sent from a bank in Japan to a bank in a foreign country.

Usually, such remittances are processed by the SWIFT global interbank network (Society for Worldwide Interbank Financial Telecommunication SC).

SWIFT comprises more than 11,000 banks or other financial institutions from over 200 jurisdictions. Accordingly, foreign exchange can be remitted to anywhere in the world. There are, however, some jurisdictions where you cannot do so, due to regulations such as the Foreign Exchange and Foreign Trade Act of Japan or sanctions by the Office of Foreign Assets Control (OFAC) of the U.S. or other jurisdictions where you are required to provide detailed information about the recipient or about the source of funds. For more details, please contact your bank.

The flow of foreign exchange remittances is described in the attached diagram. Depending on the type of currency or remittance method, you may not be able to remit funds from a bank in Japan directly to a recipient bank in a foreign country. In such cases, another bank would have to act as intermediary. Such intermediation can be done by banks in multiple countries.

When accepting your remittance request, your bank will choose the shortest remittance route. Remittance routes may vary and, in some cases, multiple banks will be involved, depending on the timing of your request.

### **2. Your information will be provided to foreign banks**

In the case of foreign exchange remittances, foreign banks (i.e., the recipient bank and intermediary banks) will be provided with your name and address, recipient's name

and address, his/her bank branch name and bank account number, etc. which you provide in your remittance request application form.

Such information is provided to the foreign banks using due processes and under the appropriate management by each bank, by following the Act on the Protection of Personal Information, Act on the Prevention of Transfer of Criminal Proceeds, and Foreign Exchange and Foreign Trade Act of Japan and similar laws and regulations in foreign countries for the purpose of Anti-Money Laundering and Combatting the Financing of Terrorism.

### **3. Banks will provide you with additional information, required by the Amended Act on the Protection of Personal Information**

After the amendments to the Act on the Protection of Personal Information, which take effect on April 1, your bank will accept your remittance request, **provided that you agree to the aforementioned provision of information (this is unnecessary if your remittance is sent to your bank's head office or overseas branches).**

Your bank will be required to provide you with the information in 1 to 3 below, when accepting your remittance request, either electronically, by hard copy, or any other appropriate method.

- (1) Name of the foreign country where the recipient bank is located.
- (2) Information about the foreign country's personal information protection regime, to the extent that such information can be obtained in an appropriate and reasonable manner (i.e., information about the regime in the foreign country where the recipient bank is located).
- (3) Information about the personal information protection measures to be taken by the third-party recipient of your information (i.e., information about the personal information protection measures taken by the recipient bank).

When your bank cannot identify the name of the foreign country (i.e., item #1 above), your bank will be required to provide you with the following information.

(For example, when accepting your foreign exchange remittance request, your bank

cannot identify the involvement of any intermediary banks, their names and locations, or name of any foreign country where such intermediary bank is located.)

- a) The fact that your bank cannot identify the name of the foreign country, and the reasons why your bank cannot do so.
- b) Other information for your reference, instead of the name of the foreign country, should your bank be aware of such information.

When your bank cannot provide you with information in item #3 above, your bank will be required to let you know the reasons why they cannot do so.

Regarding item #2 and 3 above, there are in excess of 10,000 banks or other financial institutions globally using SWIFT in more than 200 jurisdictions.

It may be difficult for your bank in Japan to collect and provide you with information on the regime for protecting personal information in every jurisdiction and measures taken by foreign banks.

#### **4. We would appreciate your understanding and cooperation**

Your bank will try to send your money to the recipient bank, by involving as few intermediary banks and jurisdictions as possible.

When your bank accepts your remittance request, however, the bank cannot identify any intermediary banks involved in the remittance, including the bank name or jurisdiction.

This is because the ultimate choice of remittance route is left to the discretion of intermediary banks, according to the provisions set out in the remittance contract with the foreign bank ("Correspondent Banking contract").

Because there are a large number of countries and banks to which you can send remittances, your bank may not be able to provide you with information on the regime of protecting personal information in foreign countries where the recipient bank or intermediary banks are located, or measures taken by such foreign banks.

We would appreciate your understanding of the explanation above, and ask you, in advance of your remittance request, to refer to any information about the regimes for

protecting personal information in foreign countries, available on your bank's website or the Japanese Bankers Association website.

Please also refer to any explanations about the regimes in foreign countries, listed on the website of the Personal Information Protection Commission of Japan.

JBA website: <https://www.zenginkyo.or.jp/article/tag-f/17491/>

Personal Information Protection Commission website:

<https://www.ppc.go.jp/personalinfo/legal/kaiseihogohou/#gaikoku>