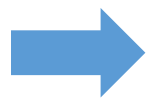


# What are Dormant Bank Accounts?

- A dormant bank account:
  - 1) An account that has shown no activity (deposits or withdrawals) for a period of 10 years or more
  - 2) An account where the financial institution has been unable to contact the owner at the owner's last known address
- Even after the claim for repayment is made, the value of dormant deposits is estimated at up to 70 billion yen every year (average 2014 – 2016)

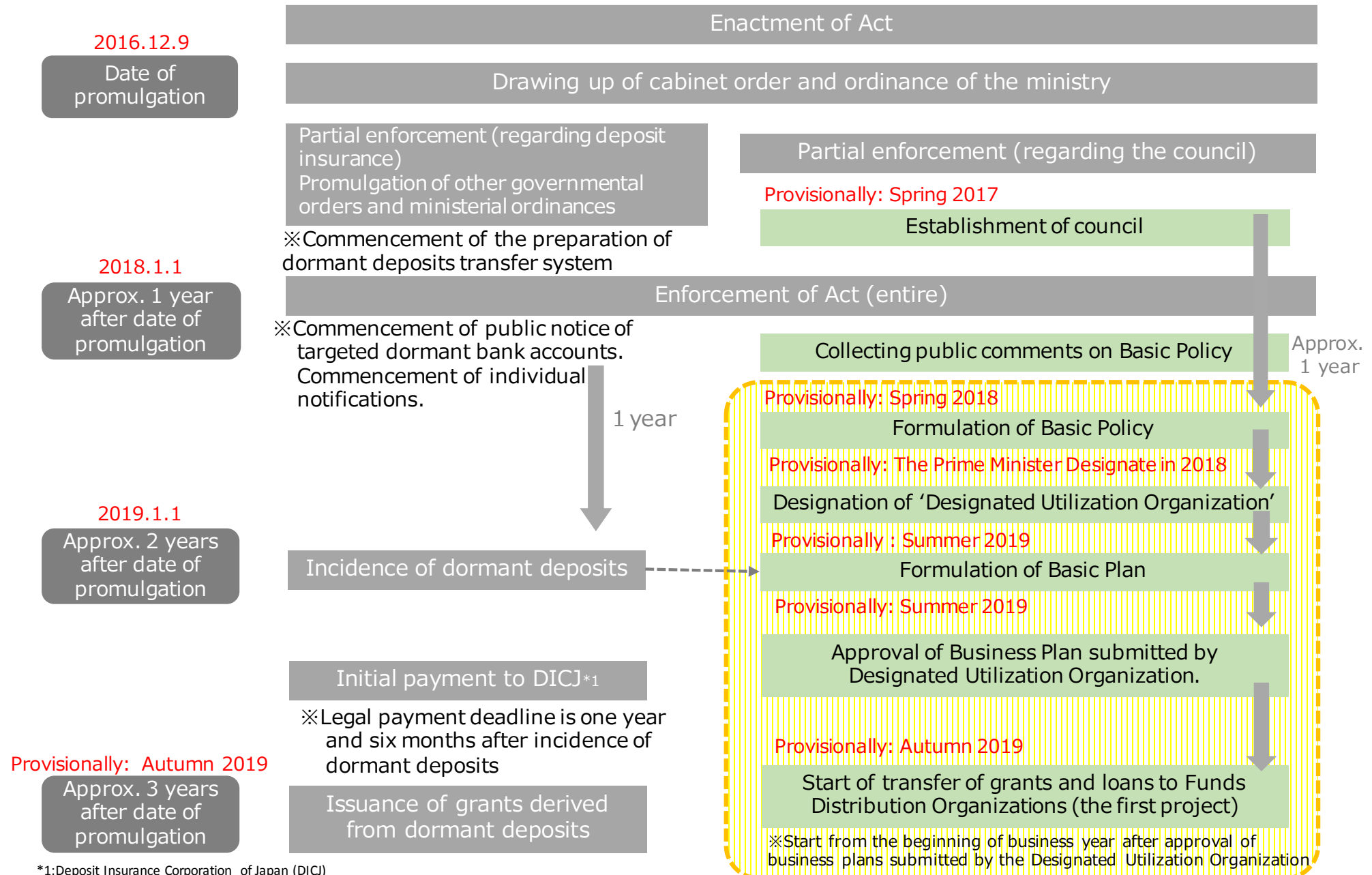
## Nature of deposits in Japan

- A resource for financial institutions to perform their public role, such as settlement or financial intermediation
- Public funds are supposed to be used for deposit protection (for example, as deposit insurance)
- Used broadly by the General public



After making every effort to repay depositors, dormant deposits should be returned to the society

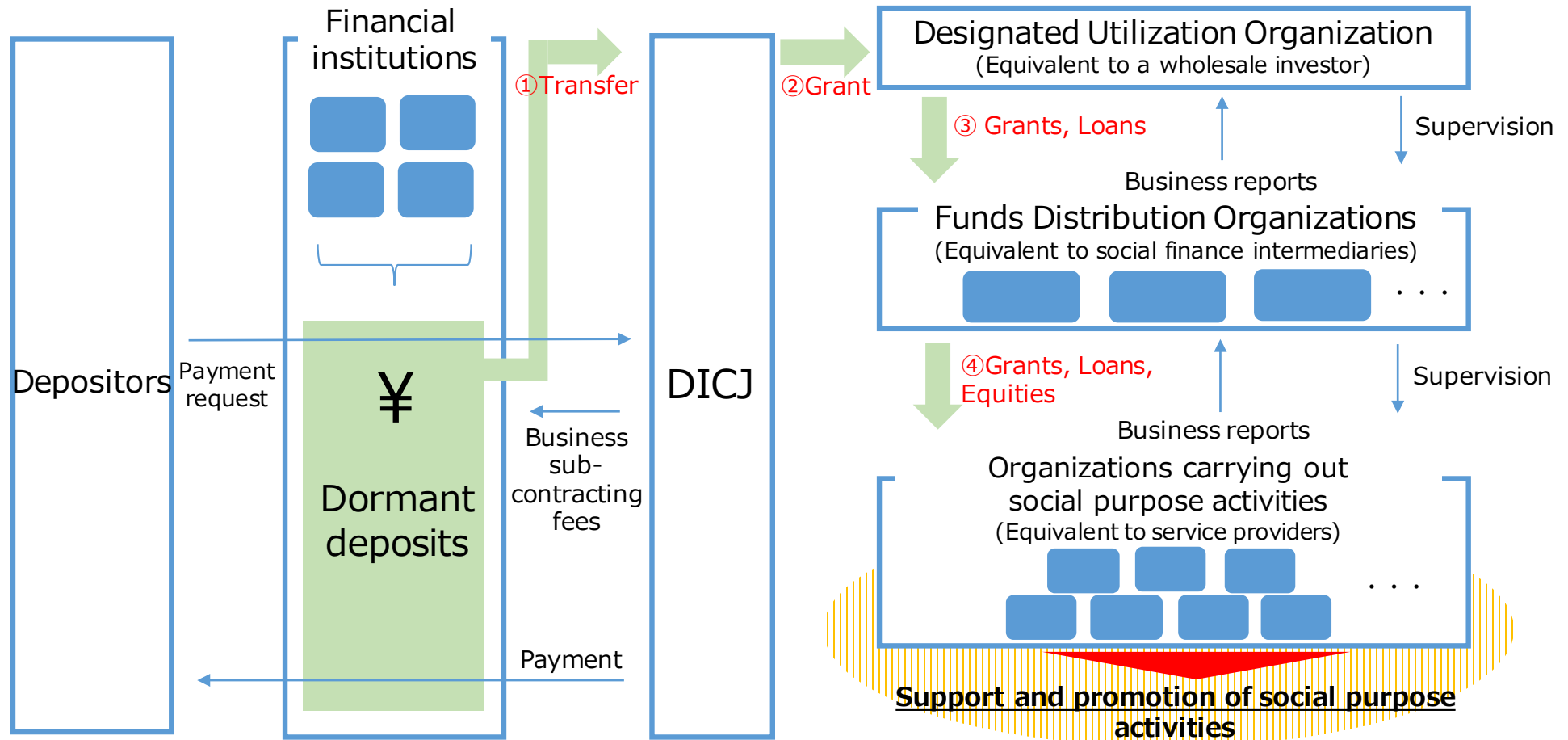
# Tentative Schedule After the Enactment of Act



\*1: Deposit Insurance Corporation of Japan (DICJ)

# Flowchart of Dormant Deposits

- ① Financial institutions transfer dormant deposits to the Deposit Insurance Corporation of Japan (DICJ).
- ② DICJ grants the amount necessary for implementation of business plan to the Designated Utilization Organization.
- ③ The Designated Utilization Organization will be responsible for the implementation of promoting social purpose activities, selecting Funds Distribution Organizations based on the Business Plan and providing grants or loans.
- ④ Funds Distribution Organizations will select organizations engaging in social purpose activities and finance their projects.



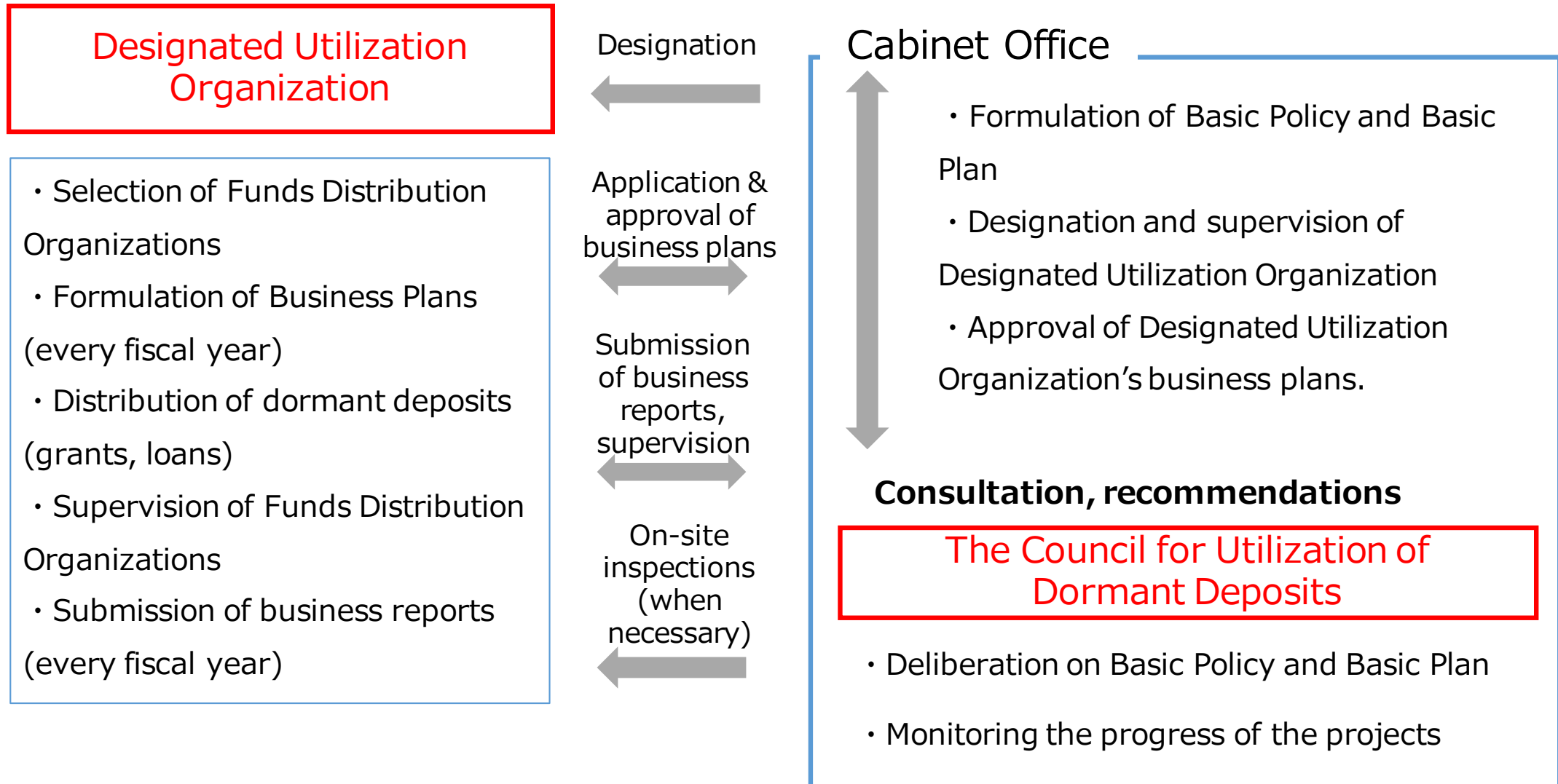
※Depositors may request for the withdrawal of funds from dormant deposits (total principal and accrued interest) through the financial institutions even after transferred to the DICJ

# Overview of Designated Utilization Organization

- The Designated Utilization Organization renders aid through grants and loans to Funds Distribution Organizations.
- The Prime Minister will select one Distribution Utilization Organizations from among newly-established general incorporated foundations engaged in social purpose activities.
- The Designated Utilization Organization, a private body, will be the main body to provide support for activities to solve social issues which are challenging for conventional public policy instruments to address.

※ Involvement of the Government (Cabinet Office) will be limited to only those roles deemed necessary (described on the following slide) to promote social purpose activities driven by the private sector.

# Roles of Designated Utilization Organization and Cabinet Office



※ The Cabinet Office, taking into consideration that the originality and ingenuity of private bodies may be fully realized, while also ensuring smooth implementations of the Act, will engage in the designation of the Designated Utilization Organization, appointment and dismissal of its board members and supervision of the organization. Furthermore, after hearing the opinions from the Council for Utilization of Dormant Deposits, the Cabinet Office will also formulate the basic policy, basic plan and approve business plans.

# Overview of the Council for Utilization of Dormant Deposits

- The council will consist of members with special experience and acumen in the field of social purpose activities, who will be appointed by the Prime Minister.
- Its main roles are to deliberate on the basic policy and basic plan, monitor the implementation status of the promotion of social purpose activities, and make recommendations for the Prime Minister.
- Its members should not number more than 10 people who have special experience and acumen regarding social purpose activities. The term of office of the members is 2 years.

## Basic Policy (Refer to Article 18)

- It will stipulate the purpose, aims and other basic principles regarding the utilization of dormant deposits from a medium-term perspective.
- It will be formulated based on the deliberations of the Council for Utilization of Dormant Deposits.
- It will be formulated based on discussions and interviews with experts and organizations which actually engage in social purpose activities.

## Basic Plan (Refer to Article 19)

- It will stipulate the target amount of funds to be used each fiscal year and selection criteria for implementing organizations, in accordance with the Basic Policy.
- It will be formulated based on the Council for Utilization of Dormant Deposits' deliberations.
- It will be formulated based on discussions and interviews with experts and organizations which actually engage in social purpose activities.