

To our customers:

The Hongkong and Shanghai Banking Corporation Limited
Tokyo Branch

Regulations on Payments based on the Foreign Exchange and Foreign Trade Act of Japan (Remittance Purpose for Overseas Remittance)

In order to ensure the implementation of economic sanctions of the Foreign Exchange and Foreign Trade Act of Japan (hereafter referred as “the FEFTA”), The Hongkong Shanghai Banking Corporation Ltd Tokyo Branch is obligated to ensure the transactions by our customers such as overseas remittances do not fall under the transactions restricted under the FEFTA (or that the customer obtained a permission from the relevant authority for a restricted transaction) and the purpose of the transaction.

For our customers, when requesting overseas remittances from HSBC Japan, please make a declaration to us on your payment instruction that your transaction does not fall under the restricted transactions under the FEFTA, along with the purpose of the transaction (purpose of remittance).

Key restricted transactions under the FEFTA (an excerpt list)

Please visit the [Japan Ministry of Finance website](#) for the latest and full list of the restricted transactions.

- 1) Transactions with designated parties (designated by the FEFTA)
- 2) Transactions conducted for the purpose of contributing to Iran’s nuclear activities.
- 3) Transactions conducted for the “purpose of contributing to any plans or activities relating to North Korea’s nuclear, ballistic missile or other weapons of mass destruction” or industries related to nuclear technology, etc.
- 4) Payment to an individual, an entity demised in North Korea (including its foreign branch offices, etc.), or payment to an entity which is majority owned / controlled by such individual(s)/entity(ies).
(Note1): “majority owned / controlled” may be arising from 50% or more ownership of shareholding / voting rights, and/or the seat on the board of directors (or an equivalent management committee. Please confirm this on best effort basis.
- 5) Transactions pertaining to import or intermediary trade of all goods of which place of origin or region of shipment is North Korea; transactions pertaining to export or intermediary trade of goods of which the place of designation is North Korea.
- 6) Payment of IT services to a potential North Korean IT worker that are called out in the ‘Alert regarding North Korean IT Workers’ published in August 2024 on the Japan Ministry of Finance website.

[「北朝鮮 IT 労働者に関する企業等に対する注意喚起」の公表（令和 6 年 3 月 26 日）：財務省 \(mof.go.jp\)](#)

Transactions concerning the Russia/Belarus sanctions measures such as:

- 7) individuals/organizations of Russia/Belarus designated by the Ministry of Finance of Japan, or majority owned by designated organizations, individuals/organizations in Donetsk People’s Republic (“DPR”) and Luhansk People’s Republic (“LPR”) Luhansk People’s Republic.
- 8) Purchase/sales of securities issued by the Russian Federation, issuance of securities in Japan by Russian Federation or designated Russian banks, and services provided in issuance, solicitation, sales of such securities.
- 9) Export to Russia/Belarus on certain controlled items, export to designated individuals/organizations in Russia/Belarus, Export/import to DPR/LPR, import from Russia on certain controlled item.

- 10) Offering specified technologies and services to Russia/Belarus, offering technology services to designated organizations in Russia/Belarus.
- 11) Direct investment to business in Russia or to business outside of Russia operated by Russian organizations or its majority owned subsidiaries.
- 12) Importing or intermediation of importing of Russian-origin crude oil or petroleum products with price exceeding price cap.
- 13) Ancillary services to 12), such as maritime transportation services, customs/brokering services, financing services, or insurance services relating to purchase of Russian-origin crude oil or petroleum product.
(Note for payments related to Russia-origin crude oil and petroleum 10) and 11) above: we may ask the customer for additional information and/or document to validate the price was indeed below the price cap.
- 14) Provision of construction and engineering services to Russia.

How to declare on your payment instruction:

- **Overseas remittances initiated on HSBCnet and other electronic means such as host-to-host connection**

Please confirm that the overseas remittance which you will request does not fall on the Restricted Transactions described above, then (i) write the remittance purpose and (ii) specify that the remittance is "NRT" on the 'Regulatory Reporting' fields of the HSBCnet Priority Payment screen or on the corresponding field of your payment file in case of payments via file upload and other electronic means. ("NRT" stands for "Non-Restricted Transactions" and indicates that the payment is not related to the Restricted Transactions.)

- **Overseas Remittances initiated via fax / paper request from**

Please confirm that the overseas remittance which you will request does not fall on the Restricted Transactions described above, then (i) fill in the remittance purpose and (ii) state that such remittance is "not Restricted Transactions under the FEFTL".

Remarks:

If the purpose of remittance is importing payments or payment of intermediary of trades, please also indicate the product type, country of origin (country name), shipping region (city name). and destination (country name, in case of intermediary trade) on your payment instruction.

We may request the customer for information and/or ask to present transaction materials to confirm the details of the transaction. (Note2). Further please kindly note that we may decline transaction if we are unable to confirm that the transaction does not fall under the restricted transactions.

Note2: examples that we may ask our customers for more information and/or to present transaction documents:

1. Transaction associated with the following 16 products:

1) Matsutake (Matsutake mushroom) 2) Shijimi (Basket clam), 3) Zuwaigani (Snow Crab), 4) Kegani (Horsehair Crab), 5) Akagai (Arch Shell), 6) Ebi (Prawn / Shrimp), 7) Uni (Sea Urchin), 8) Uni Product (Sea Urchin Product), 9) Namako Product (Sea Cucumber / Beche-de-mer Product), 10) Hirame (Flatfish), 11) Karei (Flounder), 12) Tako (Octopus), 13) Hamaguri (Common Orient Clam), 14) Awabi (Abalone) 15) Asari(Clam), 16) /Sarutoriibaranoha (Smilax China)

2. Transaction with any of the following China regions as the place of origin, place of shipment, or place of destination or associated with the name/place of the beneficiary or beneficiary bank.

1) Jilin, 2) Liaoning, 3) Heilongjiang