



For Immediate Release

**ACCJ finds Postal Services Privatization
Committee opinion recommending approval
of Japan Post Bank (JPB) business expansion
deeply regrettable**

December 18, 2012 – For many years the American Chamber of Commerce in Japan (ACCJ) has urged the Government of Japan to establish a level playing field between Japan Post entities and the private-sector. This position has been raised not only by the ACCJ but also by numerous domestic industry associations. The ACCJ finds it deeply regrettable that the Postal Services Privatization Committee has seen fit to recommend approval of Japan Post Bank (JPB) business expansion despite broad and consistent calls for the establishment of a level playing field.

Allowing Japan Post Bank to offer new or modified products without addressing issues such as JPB's implicit government guarantee and before establishing equivalent conditions of competition is inconsistent with Japan's international trade commitments, including under Article XVII of the World Trade Organization's General Agreement on Trade in Services (GATS).

Furthermore, as the ACCJ has previously stated, failing to establish a level playing field and allowing JPB to expand its presence in the market as a provider of banking services would introduce new risks into the system from a financial soundness perspective. For example, allowing JPB to enter into higher-risk lending areas without a level playing field being in place in advance, will not only harm competition, but also put the assets and capital of JPB at risk. Strict regulatory oversight, risk management, and corporate governance should be assured, in addition to addressing the implicit government guarantee and establishing a level playing field, before any new or modified products or services are permitted.

The ACCJ again urges the Government of Japan to ensure that all conditions of competition are equivalent before permitting Japan Post Bank to expand its business operations.

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About ACCJ

The American Chamber of Commerce in Japan (ACCJ) was established in 1948 by representatives of 40 American companies and has grown into one of the most influential business organizations in Japan. Consisting mainly of executives from American companies, the ACCJ has members representing over 1,000 companies with offices in Tokyo, Nagoya, and Osaka. Working closely with the governments of the United States and Japan and other business organizations, the ACCJ promotes trade and investment flows between the United States and Japan, promoting the interests of U.S. companies and members, and improving the environment for international business in Japan. Over 60 committees representing various industries play a central role in making ACCJ policy recommendations by issuing Viewpoints, Public Comments and White Papers and holding over 500 events and seminars annually on public policy and economic trends. The ACCJ also undertakes charitable efforts and supports its members' CSR activities.

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