

# Checklist concerning Client Identity Verification (Brief Version)

## Check 1 Where identity verification is needed

### 1 Where taking custody of assets of 2 million yen or more in connection with legal matters (hereinafter "Asset Management Acts, etc.")

#### [Specific examples]

- (i) Accepting deposit of payment money to be borne by the client pursuant to an extra-judicial negotiation.
- (ii) Making an extra-judicial demand for refund of overpayment and receiving payment from a financial corporation to the deposit account.
- (iii) Claiming an extra-judicial compensation for damage resulting from a traffic accident, and receiving payment from an insurance company, etc. to the deposit account.
- (iv) Conducting an extra-judicial agreement on division of inherited property, and taking custody of compensation to be paid by the client or the other party.

#### Exception

- (i) Where paying money such as deposit and bail, etc to a court and the Legal Affairs Bureau.
- (ii) Where accepting deposit of or receiving money such as payment money and settlement money in relation to procedures in which a dispute resolution organization including a court is involved any
- (iii) Damage indemnification of a criminal case and settlement money, etc.
- (iv) Advance receipt of lawyer's fee or expenses
- (v) Any other cases provided for in each item of Paragraph 1, Article 2 of the Rules

### 2 Where preparing for or executing transactions, etc. listed below (hereinafter "Transactions, etc.")

- (i) Sale and purchase of real estate
- (ii) M&A transaction, incorporation/capital subscription transaction of companies, amendment to the purpose of the articles of incorporation, etc.  
\*Including, not limited to companies, corporations other than companies, associations, anonymous associations, investment business limited partnership, limited partnership and any other groups equivalent thereto (hereinafter "Groups, etc.")  
\*Including foundation/contribution or any other funding equivalent thereto, organizational restructuring, reorganization of Groups, etc., amendment to the purpose stipulated in the articles of partnership, rules and partnership agreement
- (iii) Election of executive officers or representatives of Groups, etc.
- (iv) Execution of a trust agreement, consolidation or split of trust, or change in the purpose or trustee provided for in a trust agreement or the rules
- (v) Where assets are suspected to be criminal proceeds or where concealment of criminal proceeds is suspected
- (vi) Where the transaction or act has significantly different style from the similar type of transaction or acts

Even in case of falling under the foregoing 1 or 2, identity verification may not be required in the following cases

- (i) Where identity is verified within 5 years
- (ii) Where delegated by a public office, etc. (bankruptcy administrator, guardian of adult, etc.)
- (iii) Where a client is certain to be actually existing, such as the state, local government or listed company

### 3 Where accepting deposit of assets with no relation to legal matters

A careful review is required to check whether the purpose thereof relates to a transfer of criminal proceeds

## Check 2 Where strict identity verification is needed

Note: If they are Asset Management Acts, etc. or Transactions, etc., and the client falls under any one of 1 through 4, strict identity verification is needed.

1. Where the client is suspected to be identity thief
2. Where the client is suspected to have falsified matters pertaining to verification at a transaction
3. Those to be conducted with foreign PEPs, etc. (foreign PEPs mean the head of the state or persons holding important status in foreign organization such as the government or their relatives)
4. Where persons residing or locating in Iran or North Korea are involved

## Check 3 Where a client and a person conducting request is different

#### [Specific examples]

- (i) Client is a corporation or other groups
- (ii) Client is a child and his/her legal representative conducts a request for legal matters

→ Request authority must be confirmed (however, except for the case where it is clear that the said natural person engages in Asset Management Acts, etc. or Transactions, etc., on behalf of the client)

For clarity, if the client is a corporation or other groups without substance such as a paper company, in addition to identity verification of the client, identity verification of the natural person conducting a request is needed.

There are exceptions not stated in this Checklist (brief version), so please confirm the Rules/Regulations or the detailed version checklist for the details.

For identity verification method, continued to the back side.

## 1 Ordinary identity verification method

### ○ In case of natural person

[Face-to-face] Verify by one of the methods (i) through (iii)

- (i) Presentation of an identity verification documents of a natural person with photo  
e.g. Driver's license, passport, etc.
- (ii) Presentation of an identity verification documents of a natural person  
e.g. A copy of residence certificate + Sending an engagement agreement, etc. by a mail not requiring forwarding
- (iii) Presentation of social insurance certificates and pension handbook, etc.  
e.g. Pension handbook, physical disability certificate, etc. + Presentation of social insurance certificates and pension handbook, etc.  
e.g. Health insurance card + Presentation or delivery of an identity verification documents of a natural person + Presentation or delivery of supplementary documents  
e.g. Receipt of utility charges, etc.

[Non-face-to-face]

- (iv) Delivery of an identity verification documents of a natural person  
e.g. A copy of residence certificate + Sending an engagement agreement, etc. by a mail not requiring forwarding

When client identification is verified, identification records as well as records of Asset Management Acts, etc. or Transactions, etc. must be preserved for 5 years.

### ○ In case of juridical person Verify by one of the methods (i) through (iii)

- (i) Presentation of an identity verification documents of a juridical person  
e.g. Certificate of registered matters
- (ii) Receiving the delivery of a copy of an identity verification documents of a juridical person  
e.g. Certificate of registered matters + Sending an engagement agreement, etc. by a mail not requiring forwarding
- (iii) An attorney receives issuance of an identity verification documents of a juridical person  
by a government or public office, etc.  
e.g. Acquisition of certificate of registered matters

## 2 Strict identity verification method

### ○ In case of natural person

- One of the ordinary identity verification methods (i) through (iv) + Presentation or delivery of an identity verification documents of a natural person  
e.g. Certificate of seal registration

### ○ In case of juridical person

- One of the ordinary identity verification methods (i) through (iii) + Presentation or delivery of an identity verification documents of a juridical person  
e.g. Certificate of seal registration

Note: Both in case of natural person and in case of juridical person, identity verification document to be additionally presented must be a document different from the one used for an ordinary identity verification method.