

Regulators in United Kingdom and Japan Enter Into Co-Operation Framework

Article By:

Jonathan Lawrence

The ***Financial Services Agency of Japan (JFSA)*** and the ***UK's Financial Conduct Authority (FCA)*** have entered into a Co-operation Framework to support innovative FinTech companies in their respective markets. For the full text of the agreement by way of an exchange of letters, see [Letter from the JFSA to the FCA](#) and [Letter from the FCA to the JFSA](#).

This Co-operation Framework will provide a regulatory referral system for innovative financial businesses that have been offered support by the JFSA or the FCA through their respective FinTech innovation functions, or would qualify for such support (an Innovator Business). The FCA launched [Project Innovate](#) in October 2014 which is led by the FCA's [Innovation Hub](#). The JFSA established its FinTech Support Desk in December 2015 as a one-stop contact point for FinTech businesses.

The authority that receives an Innovator Business referral will provide support to the Innovator Businesses by reducing regulatory uncertainty and time to market. In addition, the Exchange of Letters is designed to encourage the regulators to share information about financial services innovation in their respective markets, reduce barriers to entry in each other's jurisdictions and further encourage innovation in both countries.

For Japan, this Exchange of Letters aims to encourage Japanese start-up companies to engage with innovative financial businesses globally, to attract UK FinTech companies to the Japanese market and to contribute to stimulating the economy.

For the UK, the FCA has a statutory objective as a regulator to make financial services markets function well. Competition through innovation forms a significant part of this. The Exchange of Letters is intended to provide knowledge to UK firms hoping to enter the Japanese market and to assist Japanese innovators interested in entering the UK market.

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