Compliance

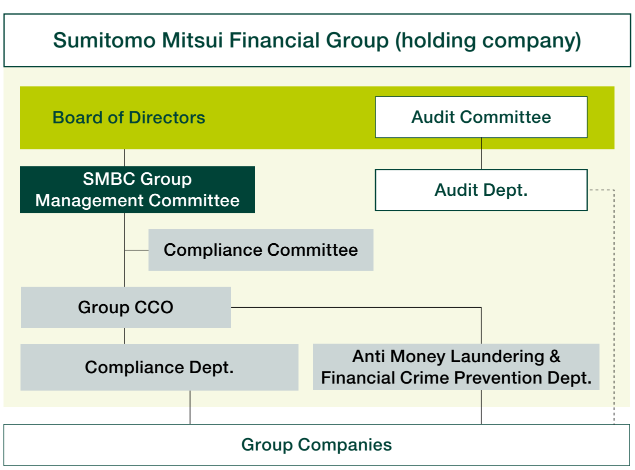
Basic Approach

As a diversified financial group, we position the strengthening of compliance and risk management as a priority issue in enabling SMBC Group to fulfill its public mission and social responsibilities. In our aim to become a truly outstanding global corporate group, we strive to continue ensuring their thorough implementation.

Compliance Management

SMBC Group seeks to maintain a compliance framework that provides appropriate instruction, guidance, and monitoring for compliance to ensure sound and proper business operations on a Group-wide and global basis. We have put measures in place for the prevention, early detection, and correction of misconduct. The Compliance Committee, chaired by the Group CCO, broadly reviews and deliberates on operations within SMBC Group. SMBC Group develops concrete implementation plans to achieve compliance, and develops appropriate compliance frameworks at each Group company. Additionally, at the Group level, we receive compliance-related consultations and reports from each Group company, while at the global level we centrally manage the compliance frameworks of overseas offices, and through providing counsel and guidance, we strive to ensure overall compliance within the Group and globally.

SMBC Groups Compliance Framework



Initiatives for Achieving Healthy Risk-Taking and Appropriate Risk Management

For companies to coexist with society and develop sustainably, it is crucial that they simultaneously engage in sound risk-taking (business promotion) and take appropriate risk management measures, including assurance of compliance. To translate an awareness of risk-taking and risk management as two sides of the same coin into concrete action, SMBC Group has established the "Behavioral Guideline on Compliance and Risk". Through practical application of these guiding principles by every employee, we aim to achieve sustainable business growth and contribute to the enhancement of both corporate and social value.

Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Economic Sanctions

SMBC Group recognizes the importance of preventing money laundering and terrorist financing and adhering to economic sanctions regulations. Therefore, we undertake every effort to prevent the Group and its employees from engaging in, or being involved in, money laundering, etc., and from violating economic sanctions regulations. Toward this end, based on requirements and guidance from international organizations such as the United Nations and the FATF*1, Japanese laws and regulations, and regulations including those of the OFAC*2, we have established frameworks at each Group company to prevent money laundering, etc.

*1 Financial Action Task Force
*2 Office of Foreign Assets Control (U.S. Department of the Treasury)

Severing Ties to Anti-Social Forces

SMBC Group has established the "Basic Policy for Anti-Social Forces," and all Group companies have systems in place to ensure that the Group does not have any connection with anti-social forces. Specifically, the Group strives to ensure that no business transactions are made with anti-social forces, and states the exclusion of anti-social forces from any business relationship into contractual documents or terms and conditions. In the event that it is discovered after entering into a business or trading relationship that the counterparty belongs to or is affiliated with an anti-social force, we undertake appropriate remedial action by contacting outside professionals specializing in such matters.

See our website for more information on our compliance system.
https://www.smfg.co.jp/english/company/organization/compliance.html