

# JVCEA Proposed Edits — BGIN Discussion Packet

Proposed changes are grouped by type. Location is given as paragraph number (Para N) with brief context.

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## Insertion

- **Para 108** — Add that, with respect to sales entities and review, the structure is the same as Type 1: “regulatory authority → registered operators → self-regulation → issuers and users.”  
*Context:* Description of Type 2 crypto assets (e.g. Bitcoin, Ethereum) with no issuer as responsible entity; clarifies that the regulatory chain mirrors Type 1.
  - **Para 189** — Add that a counterpart to shared custody infrastructure would be industry-wide sharing of custody costs, with a reference to the securities industry’s central securities depository (JASDEC) and to a BoJ-like central settlement mechanism, and to a model using a regulated, dedicated “token custodian” as shared infrastructure.  
*Context:* Discussion of shared infrastructure options; cites per-firm custody burdens and the May 2024 DMM Bitcoin incident as motivation.
  - **Para 189** — Add a parenthetical noting that, beyond such shared infrastructure, consideration could be given to asset-management trust banks (e.g. Japan Master Trust Trust Bank, Japan Custody Bank), including securities lending and integrated reporting tools for allocation and returns.  
*Context:* Same paragraph on shared infrastructure; extends the discussion to trust-bank and reporting services.
  - **Para 189** — Add that the security domain (know-how, vulnerability information, incident cases) is an area for industry-wide sharing under an ISAC-style framework, with JPCrypto-ISAC (established January 2025 by JVCEA and JCBA, 16 participating firms) as a concrete example.  
*Context:* Same paragraph; distinguishes security information sharing as a separate strand of shared infrastructure.
  - **Para 189** — Add that shared-infrastructure options in anti-money laundering and financial crime should also be considered, and that the approach of the Money Laundering Countermeasures Joint Organization targeting deposit-taking financial institutions is a relevant reference.  
*Context:* Same paragraph; brings AML/financial-crime shared infrastructure and the Joint Organization into scope.
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## **Deletion**

*No deletions in the current set of proposed edits.*

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## **Replacement**

*No replacements in the current set of proposed edits.*