Foundations for Our Corporate Value

Compliance

Basic Approach

As the leading Japanese financial services group with a global presence and a broad customer base, we remain conscious of the importance of our social responsibilities and public mission at all times.

We define compliance as “the strict observance of all laws and regulations and the pursuit of fair and honest corporate activities that conform to the norms accepted by society” and view ongoing compliance as one of the basic principles of sound business management. Each of our group companies maintains its own compliance structure in line with the basic policies established by MHFG.

Compliance Structure

The President & CEO of MHFG, MHBK, MHTB and MHSC each generally oversees compliance matters of the respective company, and also heads their respective Compliance Committees at which important matters concerning compliance are discussed. The four companies also have individual compliance departments* under a chief compliance officer. These departments are responsible for compliance planning and implementation and control overall compliance management at the respective companies.

At each organizational unit (such as branches and departments) at the four companies, the head of the unit is responsible for guidance and implementation related to compliance matters, and compliance officer or compliance administrator at each unit reviews the status of compliance.

MHFG monitors the status of compliance of the Group through reports submitted by our core group companies and adopts appropriate responses when necessary. Compliance at subsidiaries of our core group companies is monitored and managed by their respective parent.

We have established the Mizuho Code of Conduct, which sets forth clear and concrete standards of ethical behavior, and distributed it to all managements and employees of the Group. Furthermore, each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement and clarifies the laws and regulations that we must observe in pursuing our business activities and the compliance activities required to follow. Each group company also conducts compliance training for managements and employees so that they are fully acquainted with the contents of the compliance manual.

We monitor the status of compliance levels through self assessments and monitoring conducted by the compliance department of each company. In addition, every fiscal year, each of our group companies establishes a compliance program, which contains concrete measures for compliance enforcement such as management of the compliance framework, training and assessments. Progress of the compliance program is monitored every six months.

Compliance Activities

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Efforts to Prevent Money Laundering, etc.

In response to an increase in international demands for anti-money laundering and countering terrorist financing in recent years, the Group has made the prevention of money laundering and terrorist financing a top management priority, and implements measures based on common policies throughout the Group.

We take various measures on a global basis, such as performing customer due diligence/Know Your Customer (KYC) practices when establishing business relationships with customers, preventing transactions with subjects to asset freeze such as terrorists, and using monitoring systems etc. to detect and report suspicious transactions.

Severing Transactions with Anti-Social Elements

In order to prevent anti-social elements from influencing corporate management and to avoid any harm caused by them, MHFG established the “Mizuho Code of Conduct” which sets out a policy to sever any ties with anti-social elements that threaten the rule of law, public order, and safety.

MHFG, MHBK, MHTB and MHSC have each established an Anti-Social Elements Elimination Committee (chaired by the President & CEO), which takes action to sever relations with anti-social elements through group-wide cooperation.

Furthermore, major group companies maintain centralized departments or appoint an officer to manage anti-social element issues and make efforts to maintain effective frameworks, for example, by establishing a manual on how to manage such issues and conducting training sessions. If required for specific cases, we consult with third-party experts and authorities to handle the cases.

Initiatives under the “One MIZUHO Strategy”

Within the “One MIZUHO Strategy,” initiatives are being taken to raise the sophistication of compliance management to smoothly advance expanding and deepening collaboration among banking, trust banking, and securities businesses.

Our compliance training program includes information on preventing misuse of superior positions, managing conflicts of interest, and strictly confidential handling of customer information, to make all employees fully aware of these matters in promoting collaboration among group companies.

For senior executives, joint compliance training is provided among MHFG, MHBK, MHTB and MHSC.

To provide optimal solutions for customers responsibly, as a “financial services consulting group,” our Compliance Group is working to further increase the sophistication of compliance management on a group-wide basis.

Mizuho’s Internal Reporting Systems

When the Group becomes aware of compliance issues, the compliance manual requires that such matters be reported immediately to department and branch managers, and consultations are held.

In addition, we have established a compliance hotline that links to the Compliance Department and external law office for direct reporting by employees.

Also, in light of internal and external conditions related to the internal reporting systems, MHFG is working to increase the effectiveness of these systems by establishing group-wide external reporting channels that are available in the evenings, on Saturdays and Sundays, and makes such services available in foreign languages. Each of the group companies is also working to make all employees fully acquainted with these systems by including such information in the Compliance Manual, conducting training programs as well as by hanging posters and distributing pocket cards with contact points indicated to each and every employee.

“Internal Controls and Audit Hotline” for Accounting or Auditing Matters

In addition to these reporting systems, MHFG has established a hotline within an external law office to receive reports from in and outside the company in connection with problems concerning internal controls and audits of accounts and financial reports. Refer to “Compliance Contacts” on page 114 for details.