

BrokerCheck Report

SMBC NIKKO SECURITIES AMERICA, INC.

CRD# 28602

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



SMBC NIKKO SECURITIES AMERICA, INC.

CRD# 28602

SEC# 8-43852

Main Office Location

277 PARK AVENUE FIFTH FLOOR
NEW YORK, NY 10172
Regulated by FINRA New York Office

Mailing Address

277 PARK AVENUE FIFTH FLOOR
NEW YORK, NY 10172

Business Telephone Number

212-224-5300

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 08/08/1990.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 6 Self-Regulatory Organizations
- 51 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 11 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

The number of disclosures from non-registered control affiliates is 21



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 08/08/1990.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

SMBC NIKKO SECURITIES AMERICA, INC.

Doing business as SMBC NIKKO SECURITIES AMERICA, INC.

CRD# 28602

SEC# 8-43852

Main Office Location

277 PARK AVENUE FIFTH FLOOR
NEW YORK, NY 10172

Regulated by FINRA New York Office

Mailing Address

277 PARK AVENUE FIFTH FLOOR
NEW YORK, NY 10172

Business Telephone Number

212-224-5300



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): SMBC AMERICAS HOLDINGS, INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position SHAREHOLDER

Position Start Date 09/2018

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ASHBY, SCOTT ALLEN

2883181

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT, CEO, DIRECTOR, CO-HEAD OF COVERAGE & CAPITAL MARKETS, EXECUTIVE COMMITTEE MEMBER

Position Start Date 04/2023

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): DAVISON, RICHARD PATRICK

4890514

Is this a domestic or foreign entity or an individual? Individual

Position DIRECTOR

Position Start Date 04/2024

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): EISENBERG, RICHARD ALLAN
3118461

Is this a domestic or foreign entity or an individual? Individual

Position DEPUTY PRESIDENT, DIRECTOR, CO-HEAD OF COVERAGE & CAPITAL MARKETS, EXECUTIVE COMMITTEE MEMBER

Position Start Date 04/2023

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ISHIKAWA, TSUKASA
7948966

Is this a domestic or foreign entity or an individual? Individual

Position DEPUTY PRESIDENT, DIRECTOR, CHIEF OPERATING OFFICER, EXECUTIVE COMMITTEE MEMBER

Position Start Date 04/2025

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Firm Profile



Direct Owners and Executive Officers (continued)

Legal Name & CRD# (if any):	KAWARA, AKIHIRO 7471377
Is this a domestic or foreign entity or an individual?	Individual
Position	DEPUTY HEAD OF GLOBAL MARKETS, AMERICAS, DIRECTOR, CHAIRPERSON OF THE BOARD
Position Start Date	04/2024
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KEE, DAVID 6238539
Is this a domestic or foreign entity or an individual?	Individual
Position	DEPUTY PRESIDENT, EXECUTIVE COMMITTEE MEMBER
Position Start Date	11/2017
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KIM, SANGJOON 2545295
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF RISK OFFICER, EXECUTIVE COMMITTEE MEMBER
Position Start Date	06/2025

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): KRANZ, AVERY H
2795963

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF COMPLIANCE OFFICER, EXECUTIVE COMMITTEE MEMBER

Position Start Date 09/2020

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): NONAKA, MASAHIRO
7221513

Is this a domestic or foreign entity or an individual? Individual

Position HEAD OF GLOBAL MARKETS, AMERICAS, DEPUTY PRESIDENT, DIRECTOR, EXECUTIVE COMMITTEE MEMBER

Position Start Date 04/2024

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Firm Profile



Direct Owners and Executive Officers (continued)

Legal Name & CRD# (if any): OISHI, SHUMPEI
6100774

Is this a domestic or foreign entity or an individual? Individual

Position DEPUTY PRESIDENT, EXECUTIVE COMMITTEE MEMBER

Position Start Date 08/2025

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): PIETRO, BRIAN
5323643

Is this a domestic or foreign entity or an individual? Individual

Position FINOP, PRINCIPAL OPERATIONS OFFICER, DEPUTY CHIEF OPERATING OFFICER, EXECUTIVE COMMITTEE MEMBER

Position Start Date 04/2025

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): TUN, NATHAN
5551828

Is this a domestic or foreign entity or an individual? Individual

Position PRINCIPAL FINANCIAL OFFICER

Position Start Date 11/2025

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership	Less than 5%
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Does this owner direct the management or policies of the firm?	No
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Is this a public reporting company?	No
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Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	SUMITOMO MITSUI BANKING CORPORATION
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	SMBC AMERICAS HOLDINGS, INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	09/2018
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	SUMITOMO MITSUI FINANCIAL GROUP, INC.
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	SUMITOMO MITSUI BANKING CORPORATION
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	12/2002
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 6 SROs and 51 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	06/26/1991

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	12/06/1991
Cboe BYX Exchange, Inc.	Approved	08/07/2017
Cboe BZX Exchange, Inc.	Approved	08/07/2017
Cboe EDGA Exchange, Inc.	Approved	08/07/2017
Cboe EDGX Exchange, Inc.	Approved	08/07/2017
NYSE Arca, Inc.	Approved	01/04/2018



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/23/2014
Alaska	Approved	01/25/2013
Arizona	Approved	09/24/2012
Arkansas	Approved	12/09/2013
California	Approved	01/15/1992
Colorado	Approved	09/27/2010
Connecticut	Approved	06/03/2004
Delaware	Approved	05/07/2004
District of Columbia	Approved	02/21/1996
Florida	Approved	01/01/1996
Georgia	Approved	05/07/2004
Hawaii	Approved	10/11/2010
Idaho	Approved	10/29/2013
Illinois	Approved	01/09/1992
Indiana	Approved	11/19/2013
Iowa	Approved	09/17/2010
Kansas	Approved	11/08/2010
Kentucky	Approved	11/05/2013
Louisiana	Approved	11/05/2013
Maine	Approved	02/20/2014
Maryland	Approved	09/28/2010
Massachusetts	Approved	01/13/1992
Michigan	Approved	05/08/2000
Minnesota	Approved	01/23/2013
Mississippi	Approved	11/01/2013
Missouri	Approved	04/30/2004
Montana	Approved	11/08/2013
Nebraska	Approved	01/28/2014
Nevada	Approved	06/03/2013
New Hampshire	Approved	03/11/2013
New Jersey	Approved	04/24/1992
New Mexico	Approved	01/09/1992
New York	Approved	01/01/1996

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	07/07/2000
North Dakota	Approved	11/22/2013
Ohio	Approved	03/30/1998
Oklahoma	Approved	10/30/2013
Oregon	Approved	01/11/2013
Pennsylvania	Approved	04/29/1997
Rhode Island	Approved	01/07/2013
South Carolina	Approved	11/13/2013
South Dakota	Approved	10/29/2013
Tennessee	Approved	08/20/2004
Texas	Approved	01/16/1996
Utah	Approved	01/17/2013
Vermont	Approved	11/27/2013
Virginia	Approved	01/22/1996
Washington	Approved	04/11/2000
West Virginia	Approved	12/19/2013
Wisconsin	Approved	10/15/2010
Wyoming	Approved	11/14/2013



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 11 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

U S. government securities dealer

U S. government securities broker

Municipal securities dealer

Municipal securities broker

Trading securities for own account

Private placements of securities

Other - B/D OF CORP, SOVEREIGN & SUPRANATIONAL DEBT, COMM PAPER & OTHER MM PRODUCTS & EQUITY DERIV. ORIGINATION, STRUCTURING, ADMIN OF PORTFOLIOS OF ASSETS PURCHASED BY ISSUERS OF CP & ABS. CORP FIN ADVISORY. BEST EFFORTS & FIRM COMMITMENT SECURITIES OFFER'S. RSCH & SOFT \$ ACTIVITIES INCIDENTAL TO BD SERV'S. 15A-6 CHAP OF FOREIGN AFFIL SECURITIES TRADING & DISTRO OF RSCH. SECURITIES BORROW/LEND. REPO/RVRSE REPO TRADES. SWAPS TRADING (HEDGING). NFA INTRO BROKER OF FUTURES CONTRACTS. SELF-CLEARING SECURITIES TRADES.

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: TRADING NON-SECURITIES BASED SWAPS FOR HEDGING PURPOSES.

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	12/13/2011
Description:	SMBC NIKKO SECURITIES AMERICA, INC. INTRODUCES CUSTOMERS ON A FULLY DISCLOSED BASIS TO PERSHING LLC.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name:	ACCESS INFORMATION MANAGEMENT COMPANY
Business Address:	4 FIRST AVE PEABODY, MA 01960
Effective Date:	11/26/2025
Description:	ACCESS IS AN INDEPENDENT THIRD-PARTY SERVICE PROVIDER THAT RETAINS (VIA VIRGO) RECORD RETENTION SCHEDULE AND OTHER RECORDS MANAGEMENT-RELATED BOOKS AND RECORDS ON BEHALF OF SMBC NIKKO SECURITIES AMERICA, INC.
Name:	CARCO GROUP, INC. DBA CISIVE
Business Address:	5000 CORPORATE COURT HOLTSVILLE, NY 11742
Effective Date:	10/17/2025
Description:	CISIVE IS AN INDEPENDENT THIRD-PARTY SERVICE PROVIDER THAT ARCHIVES BOOKS AND RECORDS RELATED TO ASSOCIATED PERSONS OF SMBC NIKKO SECURITIES AMERICA, INC.
Name:	MICROSOFT CORPORATION
Business Address:	ONE MICROSOFT WAY REDMOND, WA 98052
Effective Date:	06/10/2025
Description:	MICROSOFT CORPORATION (OR ITS AFFILIATE) IS AN INDEPENDENT THIRD-PARTY SERVICE PROVIDER THAT ARCHIVES (VIA MICROSOFT 365/AZURE) LEDGER DATA AND OTHER BOOKS AND RECORDS ON BEHALF OF SMBC NIKKO SECURITIES AMERICA, INC.
Name:	SMARSH INC.
Business Address:	851 SW 6TH AVE SUITE 800 PORTLAND, OR 97204
Effective Date:	10/31/2023
Description:	SMARSH INC. IS AN INDEPENDENT THIRD-PARTY SERVICE PROVIDER THAT CAPTURES AND ARCHIVES ELECTRONIC MESSAGES AND OTHER CONTENT TYPES ON BEHALF OF SMBC NIKKO SECURITIES AMERICA, INC.

Firm Operations



Industry Arrangements (continued)

Name:	IPC SYSTEMS, INC.
Business Address:	HARBORSIDE FINANCIAL CENTER, 3 SECOND STREET 15TH FLOOR JERSEY CITY, NJ 07302
Effective Date:	08/22/2023
Description:	IPC SYSTEMS, INC. PROVIDES A SERVICE TO CAPTURE AND ARCHIVE VOICE RECORDING DATA FOR SMBC NIKKO SECURITIES AMERICA, INC.
Name:	IRON MOUNTAIN INC.
Business Address:	ONE FEDERAL STREET BOSTON, MA 02110
Effective Date:	10/01/1990
Description:	IRON MOUNTAIN INC. STORES HARD COPY BOOKS AND RECORDS ON BEHALF OF SMBC NIKKO SECURITIES AMERICA, INC.
Name:	BROADRIDGE'S POST EDGE SERVICES
Business Address:	5 DAKOTA DRIVE SUITE 300 LAKE SUCCESS, NY 11042
Effective Date:	08/03/2021
Description:	SMBC NIKKO SECURITIES AMERICA, INC. ("SMBC NIKKO") HAS ENGAGED BROADRIDGE TO PROVIDE ELECTRONIC STORAGE MEDIA SERVICES TO ARCHIVE CUSTOMER STATEMENTS ON SMBC NIKKO'S BEHALF.
Name:	DTCC ITP LLC
Business Address:	22 THOMSON PLACE BOSTON, MA 02210
Effective Date:	01/24/2012
Description:	DTCC ITP LLC (PREVIOUSLY, OMGEO LLC) ACTS AS A THIRD-PARTY RECORD KEEPER FOR SMBC NIKKO SECURITIES AMERICA, INC FOR TRADE CONFIRMATIONS.
Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	12/13/2011

Firm Operations



Industry Arrangements (continued)

Description: PERSHING LLC MAINTAINS BOOKS AND RECORDS FOR OUR CUSTOMER INTRODUCED ON A FULLY DISCLOSED BASIS BY SMBC NIKKO SECURITIES AMERICA, INC.

This firm does have accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 12/13/2011

Description: PERSHING LLC WILL HOLD AND MAINTAIN ACCOUNTS, FUNDS AND SECURITIES FOR SMBC NIKKO SECURITIES AMERICA, INC.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 12/13/2011

Description: PERSHING LLC WILL HOLD AND MAINTAIN ACCOUNTS, FUNDS AND SECURITIES OF CUSTOMERS OF SMBC NIKKO SECURITIES AMERICA, INC. ON A FULLY DISCLOSED BASIS.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

SMBC CAPITAL PARTNERS CO., LTD. is under common control with the firm.

Business Address:	MARUNOUCHI, 1-1-2 CHIYODA-KU TOKYO, JAPAN
Effective Date:	02/10/2020
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC VENTURE CAPITAL CO., LTD. is under common control with the firm.

Business Address:	YAESU, 1 -3-4 CHUO-KU TOKYO, JAPAN
Effective Date:	09/22/2005
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

RCBC CAPITAL CORPORATION is under common control with the firm.

Business Address: 6819 AYALA AVENUE,

Firm Operations



Organization Affiliates (continued)

21ST FLR, YUCHENGCO TOWER II, RCBC PLAZA
MAKATI CITY,, PHILIPPINES

Effective Date: 07/31/2023

Foreign Entity: Yes

Country: PHILIPPINES

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

RCBC SECURITIES, INC. is under common control with the firm.

Business Address: 6819 AYALA AVENUE,
21ST FLR, YUCHENGCO TOWER II, RCBC PLAZA
MAKATI CITY,, PHILIPPINES

Effective Date: 07/31/2023

Foreign Entity: Yes

Country: PHILIPPINES

Securities Activities: Yes

Investment Advisory Activities: No

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

VPBANK SECURITIES JOINT STOCK COMPANY is under common control with the firm.

Business Address: DONG DA DISTRICT, NO. 89 LANG HA, LANG HA WARD,
21ST AND 25TH FLOOR, VPBANK TOWER,
HANOI, VIETNAM

Effective Date: 10/20/2023

Foreign Entity: Yes

Country: VIETNAM

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SUMITOMO MITSUI DS ASSET MANAGEMENT (SINGAPORE) PTE. LTD. is under common control with the firm.

CRD #: 309255

Business Address: 88 MARKET STREET #33-03
CAPITASPRING
SINGAPORE, SINGAPORE

Effective Date: 03/09/2020

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC BANK EU AG is under common control with the firm.

Business Address: MAIN TOWER, NEUE MAINZER STRASSE 52-58
FRANKFURT AM MAIN, GERMANY 60311

Effective Date: 04/25/2022

Foreign Entity: Yes

Country: GERMANY

Securities Activities: Yes

Investment Advisory Activities: No

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC IS COMMON ULTIMATE PARENT.

ALTERNATIVE INVESTMENT CAPITAL LIMITED is under common control with the firm.

Business Address: 6TH FLOOR, TEKKO BUILDING
8-2, MARUNOUCHI 1-CHOME, CHIYODA-KU
TOKYO, JAPAN 100-0005

Effective Date: 02/02/2021

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country: JAPAN

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

TT INTERNATIONAL (HONG KONG) LIMITED is under common control with the firm.

Business Address: 20F, 18 ON LAN STREET
CENTRAL, HONG KONG

Effective Date: 02/28/2020

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC., IS COMMON ULTIMATE PARENT.

TT INTERNATIONAL INVESTMENT MANAGEMENT LLP is under common control with the firm.

Business Address: 62 THREADNEEDLE STREET
LONDON, UNITED KINGDOM EC2R 8HP

Effective Date: 02/28/2020

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

TT INTERNATIONAL is under common control with the firm.

CRD #: 110858

Business Address: 62 THREADNEEDLE STREET
LONDON, UNITED KINGDOM EC2R 8HP

Effective Date: 02/28/2020

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT

SMBC NIKKO SECURITIES CANADA, LTD. is controlled by the firm.

CRD #:	297706
Business Address:	277 PARK AVENUE NEW YORK, NY 10172
Effective Date:	02/04/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	SMBC NIKKO SECURITIES CANADA, LTD IS 100% OWNED BY APPLICANT.

SMBC TRUST BANK LTD. is under common control with the firm.

Business Address:	NISHI-SHIMBASHI SQUARE, 19F 1-3-1, NISHI-SHIMBASHI MINATO-KY, TOKYO, JAPAN 105-0003
Effective Date:	10/01/2013
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC CAPITAL MARKETS (ASIA) LIMITED is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 8/F, ONE INTERNATIONAL FINANCE CENTRE
1 HARBOUR VIEW STREET
CENTRAL, HONG KONG

Effective Date: 01/01/2011

Foreign Entity: Yes

Country: CHINA

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SUMITOMO MITSUI DS ASSET MANAGEMENT (HONG KONG) LIMITED is under common control with the firm.

CRD #: 110459

Business Address: SUITES 901 & 902, 9TH FLOOR, TWO TAIKOO PLACE
TAIKOO PLACE, 979 KING'S ROAD
QUARRY BAY, HONG KONG

Effective Date: 09/22/1990

Foreign Entity: Yes

Country: CHINA

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SUMITOMO MITSUI DS ASSET MANAGEMENT (UK) LIMITED is under common control with the firm.

Business Address: 90 BASINGHALL STREET
3RD FLOOR
LONDON, UNITED KINGDOM EC2V 5AY

Effective Date: 12/17/2008

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC GLOBAL INVESTMENT & CONSULTING LTD. is under common control with the firm.

Business Address: TORANOMON HILLS BUSINESS TOWER 27F, 1-17-1 TORANOM
MINATO-KU
TOKYO, JAPAN 105-6427

Effective Date: 04/30/2003

Foreign Entity: Yes

Country: JAPAN

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SUMITOMO MITSUI DS ASSET MANAGEMENT COMPANY, LIMITED is under common control with the firm.

CRD #: 301509

Business Address: TORANOMON HILLS BUSINESS TOWER 26F,
1-17-1 TORANOMON
MINATO-KU, TOKYO, JAPAN 105-6426

Effective Date: 12/01/2002

Foreign Entity: Yes

Country: JAPAN

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

NIKKO RESEARCH CENTER, INC. is under common control with the firm.

Business Address: 8-1, NIHONBASHI KABUTO-CHO
CHUO-KU
TOKYO, JAPAN 103-0026

Effective Date: 07/01/1997

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC ASSET MANAGEMENT, INC. is under common control with the firm.

CRD #:	109691
Business Address:	277 PARK AVENUE 5TH FLOOR NEW YORK, NY 10172
Effective Date:	04/01/1999
Foreign Entity:	No
Country:	UNITED STATES
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC NIKKO SECURITIES (SINGAPORE) PTE. LTD. is under common control with the firm.

Business Address:	88 MARKET STREET #34-02 CAPITALSPRING SINGAPORE, SINGAPORE 048948
Effective Date:	09/27/2012
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC NIKKO SECURITIES (HONG KONG) LIMITED is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: SUITES 807-811,8F,ONE INTERNATIONAL FINANCE CENTRE
1 HARBOUR VIEW STREET
CENTRAL, HONG KONG

Effective Date: 01/04/2010

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC NIKKO CAPITAL MARKETS LIMITED is under common control with the firm.

Business Address: 100 LIVERPOOL STREET
LONDON, UNITED KINGDOM EC2M 2AT

Effective Date: 11/14/2011

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: Yes

Investment Advisory Activities: No

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

SMBC NIKKO SECURITIES INC. is under common control with the firm.

Business Address: 3-1, MARUNOUCHI 3-CHOME
CHIYODA-KU
TOKYO, JAPAN

Effective Date: 10/01/2009

Foreign Entity: Yes

Country: JAPAN

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS COMMON ULTIMATE PARENT.

Firm Operations



Organization Affiliates (continued)

This firm is directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

SUMITOMO MITSUI FINANCIAL GROUP, INC. is a Foreign Bank and controls the firm.

Business Address: 1-2 MARUNOUCHI 1-CHOME, CHIYODA-KU
TOKYO, JAPAN

Effective Date: 12/02/2002

Description: SUMITOMO MITSUI FINANCIAL GROUP, INC. IS THE ULTIMATE PARENT OF
SMBC NIKKO SECURITIES AMERICA, INC.

SMBC AMERICAS HOLDINGS, INC. is a Bank Holding Company and controls the firm.

Business Address: 277 PARK AVENUE
NEW YORK, NY 10172

Effective Date: 09/01/2018

Description: SMBC AMERICAS HOLDINGS, INC, IS DIRECT MAJORITY OWNER OF THE
APPLICANT AND UNDER COMMON CONTROL OF ULTIMATE PARENT
SUMITOMO MITSUI FINANCIAL GROUP, INC.

SUMITOMO MITSUI BANKING CORPORATION is a Bank Holding Company and controls the firm.

Business Address: 1-1-2, MARUNOUCHI
CHIYODA-KU
TOKYO, JAPAN 10172

Effective Date: 03/17/2003

Description: SUMITOMO MITSUI BANKING CORPORATION IS INDIRECT MAJORITY
OWNER OF THE APPLICANT AND UNDER COMMON CONTROL OF ULTIMATE
PARENT SUMITOMO MITSUI FINANCIAL GROUP, INC.



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final

**Allegations:**

THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST SMBC NIKKO SECURITIES AMERICA, INC. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER") THAT THE COMMISSION HAS DETERMINED TO ACCEPT. THE COMMISSION FINDS THAT THE FEDERAL SECURITIES LAWS IMPOSE RECORDKEEPING REQUIREMENTS ON BROKER-DEALERS TO ENSURE THAT THEY RESPONSIBLY DISCHARGE THEIR CRUCIAL ROLE IN OUR MARKETS. THE COMMISSION HAS LONG SAID THAT COMPLIANCE WITH THESE REQUIREMENTS IS ESSENTIAL TO INVESTOR PROTECTION AND THE COMMISSION'S EFFORTS TO FURTHER ITS MANDATE OF PROTECTING INVESTORS, MAINTAINING FAIR, ORDERLY, AND EFFICIENT MARKETS, AND FACILITATING CAPITAL FORMATION. THESE PROCEEDINGS ARISE OUT OF THE WIDESPREAD AND LONGSTANDING FAILURE OF SMBC EMPLOYEES THROUGHOUT THE FIRM, INCLUDING AT SENIOR LEVELS, TO ADHERE TO CERTAIN OF THESE ESSENTIAL REQUIREMENTS AND THE SMBC'S OWN POLICIES. USING THEIR PERSONAL DEVICES, THESE EMPLOYEES COMMUNICATED BOTH INTERNALLY AND EXTERNALLY BY PERSONAL TEXT MESSAGES, OR OTHER TEXT MESSAGING PLATFORMS SUCH AS WHATSAPP AND SIGNAL ("OFF-CHANNEL COMMUNICATIONS"). FROM AT LEAST JANUARY 2019, SMBC EMPLOYEES SENT AND RECEIVED OFF-CHANNEL COMMUNICATIONS THAT RELATED TO THE BUSINESS OF THE BROKER-DEALER OPERATED BY SMBC. RESPONDENT DID NOT MAINTAIN OR PRESERVE THE SUBSTANTIAL MAJORITY OF THESE WRITTEN COMMUNICATIONS. RESPONDENT'S FAILURE WAS FIRM-WIDE, AND INVOLVED EMPLOYEES AT ALL LEVELS OF AUTHORITY. AS A RESULT, SMBC VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER. SMBC'S SUPERVISORS, WHO WERE RESPONSIBLE FOR SUPERVISING JUNIOR EMPLOYEES, ROUTINELY COMMUNICATED OFF-CHANNEL USING THEIR PERSONAL DEVICES. IN FACT, MANAGING DIRECTORS ACROSS THE FIRM AND SENIOR SUPERVISORS RESPONSIBLE FOR SUPERVISING JUNIOR EMPLOYEES THEMSELVES FAILED TO COMPLY WITH SMBC POLICIES BY COMMUNICATING USING NON-FIRM APPROVED METHODS ON THEIR PERSONAL DEVICES ABOUT THE SMBC'S BROKER-DEALER BUSINESS. SMBC'S WIDESPREAD FAILURE TO IMPLEMENT ITS POLICIES AND PROCEDURES THAT PROHIBIT SUCH COMMUNICATIONS LED TO ITS FAILURE TO REASONABLY SUPERVISE ITS EMPLOYEES WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT. COMMISSION STAFF UNCOVERED SMBC'S MISCONDUCT AFTER COMMENCING A RISK-BASED INITIATIVE TO INVESTIGATE THE USE OF OFF-CHANNEL AND UNPRESERVED COMMUNICATIONS AT BROKERDEALERS. SMBC HAS INITIATED A REVIEW OF ITS RECORDKEEPING FAILURES AND BEGUN A PROGRAM OF REMEDIATION.



AS SET FORTH IN THE UNDERTAKINGS BELOW, SMBC WILL RETAIN AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW AND ASSESS THE SMBC'S REMEDIAL STEPS RELATING TO ITS RECORDKEEPING PRACTICES, POLICIES AND PROCEDURES, RELATED SUPERVISORY PRACTICES, AND EMPLOYMENT ACTIONS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 08/08/2023

Docket/Case Number: 3-21551

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 08/08/2023

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$9,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM SHALL CEASE AND DESIST; IS CENSURED; SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER; AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$9,000,000 TO THE SEC.

Regulator Statement AS A RESULT OF THIS CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER AND FAILED REASONABLY TO SUPERVISE ITS EMPLOYEES WITH A VIEW TO PREVENTING OR DETECTING CERTAIN OF ITS EMPLOYEES' AIDING AND ABETTING VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER, WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT. IT IS HEREBY ORDERED THAT RESPONDENT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION



17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER; IS CENSURED; SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN PARAGRAPHS 26 TO 33 ABOVE; AND SHALL, WITHIN 14 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$9,000,000 TO THE SEC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>ON AUGUST 8, 2023, THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED A SETTLED ADMINISTRATIVE ORDER FINDING THAT SMBC NIKKO SECURITIES AMERICA, INC. ("NIKKO AMERICA") WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND EXCHANGE ACT RULE 17A-4(B). THE ORDER ALSO FOUND THAT NIKKO AMERICA FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES WITHIN THE MEANING OF EXCHANGE ACT SECTION 15(B)(4)(E). SPECIFICALLY, THE ORDER FOUND THAT AS EARLY AS JANUARY 2019, NIKKO AMERICA SENT AND RECEIVED COMMUNICATIONS ON PLATFORMS THAT WERE NOT APPROVED FOR BUSINESS PURPOSES, MANY OF WHICH WERE NOT PRESERVED BY NIKKO AMERICA. IN NUMEROUS INSTANCES, NIKKO AMERICA SUPERVISORS THEMSELVES COMMUNICATED USING THESE UNAPPROVED PLATFORMS. IN CONNECTION WITH THE SETTLEMENT, NIKKO AMERICA ADMITTED THE FACTS ALLEGED IN ORDER. IN DETERMINING TO ACCEPT NIKKO AMERICA'S OFFER OF SETTLEMENT, THE SEC CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY NIKKO AMERICA AND COOPERATION AFFORDED THE SEC STAFF.</p>
Initiated By:	THE SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	08/08/2023
Docket/Case Number:	3-21551
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	<p>UNDERTAKING AND FINE.</p> <p>NIKKO AMERICA WAS FINED \$9 MILLION AND ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING THE RETENTION OF AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW NIKKO AMERICA'S POLICIES AND PROCEDURES RELATED TO ELECTRONIC</p>



COMMUNICATIONS. THE \$9 MILLION FINE WAS PAID ON OR AROUND FRIDAY, AUGUST 11, 2023.

Resolution:	Order
Resolution Date:	08/08/2023
Sanctions Ordered:	Censure Monetary/Fine \$9,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	NIKKO AMERICA WAS ORDERED TO RETAIN AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW NIKKO AMERICA'S POLICIES AND PROCEDURES RELATED TO ELECTRONIC COMMUNICATIONS.
Sanction Details:	NIKKO AMERICA WAS FINED \$9 MILLION AND ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING THE RETENTION OF AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW NIKKO AMERICA'S POLICIES AND PROCEDURES RELATED TO ELECTRONIC COMMUNICATIONS. THE \$9 MILLION FINE WAS PAID ON OR AROUND FRIDAY, AUGUST 11, 2023.
Firm Statement	ON AUGUST 8, 2023, THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED A SETTLED ADMINISTRATIVE ORDER FINDING THAT SMBC NIKKO SECURITIES AMERICA, INC. ("NIKKO AMERICA") WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND EXCHANGE ACT RULE 17A-4(B). THE ORDER ALSO FOUND THAT NIKKO AMERICA FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES WITHIN THE MEANING OF EXCHANGE ACT SECTION 15(B)(4)(E). SPECIFICALLY, THE ORDER FOUND THAT AS EARLY AS JANUARY 2019, NIKKO AMERICA SENT AND RECEIVED COMMUNICATIONS ON PLATFORMS THAT WERE NOT APPROVED FOR BUSINESS PURPOSES, MANY OF WHICH WERE NOT PRESERVED BY NIKKO AMERICA. IN NUMEROUS INSTANCES, NIKKO AMERICA SUPERVISORS THEMSELVES COMMUNICATED USING THESE UNAPPROVED PLATFORMS. IN CONNECTION WITH THE SETTLEMENT, NIKKO AMERICA ADMITTED THE FACTS ALLEGED IN ORDER. IN DETERMINING TO ACCEPT NIKKO AMERICA'S OFFER OF SETTLEMENT, THE SEC CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY NIKKO AMERICA AND COOPERATION AFFORDED THE SEC STAFF. IN THE ORDER, NIKKO AMERICA WERE (I) CENSURED; (II) ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF EXCHANGE ACT SECTION 17(A) AND RULE 17A-4 THEREUNDER; (III) ORDERED TO PAY A PENALTY OF \$ 9 MILLION; AND (IV) ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING THE RETENTION OF AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW NIKKO AMERICA'S POLICIES AND PROCEDURES RELATED TO ELECTRONIC COMMUNICATIONS.

Disclosure Events for Non-Registered Control Affiliates



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	19	0
Criminal	0	2	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 19

Reporting Source:	Firm
Affiliate:	SMBC CAPITAL MARKETS, INC.
Current Status:	Final
Allegations:	ON SEPTEMBER 4, 2025, THE U.S. COMMODITIES FUTURES TRADING COMMISSION ("CFTC") ISSUED A SETTLED ADMINISTRATIVE ORDER AGAINST SMBC CAPITAL MARKETS, INC. ("SMBC CAPITAL MARKETS"), WHICH FOUND THAT SMBC CAPITAL MARKETS VIOLATED CEA SECTIONS 4S(F)(1)(B) AND 4S(G)(1) AND CFTC REGULATIONS 23.201(A)(1), 23.202(A)(1) AND 23.202(B)(1). SPECIFICALLY, THE ORDER FOUND THAT FROM AT LEAST MAY 2019 TO AUGUST 2023, SMBC CAPITAL MARKETS PERSONNEL COMMUNICATED ON PLATFORMS THAT WERE NOT APPROVED FOR BUSINESS PURPOSES, MANY OF WHICH WERE NOT PRESERVED BY SMBC CAPITAL MARKETS. THE ORDER ALSO FOUND THAT SMBC CAPITAL MARKETS FAILED TO DILIGENTLY SUPERVISE ITS ACTIVITIES IN VIOLATION OF CEA SECTION 4S(H)(1)(B) AND CFTC REGULATION 23.602(A).
Initiated By:	COMMODITY FUTURES TRADING COMMISSION
Date Initiated:	09/04/2025
Docket/Case Number:	CFTC DOCKET NO. 25-03
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	MONETARY FINE, UNDERTAKING
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	09/04/2025
Sanctions Ordered:	Monetary/Fine \$500,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	SMBC CAPITAL MARKETS WAS ORDERED TO CEASE AND DESIST FROM VIOLATING CEA SECTIONS 4S(F)(1)(B), 4S(G)(1), AND 4S(H)(1)(B) AND CFTC



REGULATIONS 23.201(A)(1), 23.202(A)(1) AND (B)(1), AND 23.602(A). SMBC CAPITAL MARKETS WAS ORDERED TO PAY A PENALTY OF \$500,000 AND TO COMPLY WITH CERTAIN UNDERTAKINGS.

Firm Statement

SMBC CAPITAL MARKETS CONSENTED TO ENTRY OF THE ORDER, WITHOUT ADMITTING OR DENYING THE FINDINGS OR CONCLUSIONS THEREIN. THE ALLEGATIONS, DISPOSITION, FINDINGS, AND SANCTIONS OF THE ORDER ARE DESCRIBED IN ITEMS 7 AND 12.

Disclosure 2 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES, INC.

Current Status: Final

Allegations: ON MARCH 15, 2023 THE JAPANESE STOCK DEALERS ASSOCIATION ("JSDA") ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO"). THE ORDER WAS BASED ON THE FINANCIAL SERVICES AGENCY OF JAPAN'S ("FSA") OCTOBER 7, 2022 FINDINGS THAT NIKKO TOKYO VIOLATED ARTICLE 159(3) OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT BY ATTEMPTING TO MAINTAIN THE SHARE PRICE OF 10 LISTED STOCKS ON DAYS IN WHICH NIKKO TOKYO WAS CONDUCTING A "BLOCK OFFER" IN THE RELEVANT STOCKS, AND THAT THESE VIOLATIONS WERE CAUSED, IN PART, DUE TO FAILURES TO IMPLEMENT A REASONABLY DESIGNED TRADE SURVEILLANCE SYSTEM AND BUSINESS OPERATIONS FRAMEWORK. THE FSA ALSO FOUND THAT NIKKO TOKYO RECEIVED CERTAIN INFORMATION ABOUT CORPORATE CUSTOMERS FROM THE SUMITOMO BANKING CORPORATION, ANOTHER AFFILIATE, IN VIOLATION OF JAPANESE INFORMATION BARRIER REQUIREMENTS. THE BLOCK OFFER ACTIVITY CITED IN THE ORDER RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND CERTAIN OF ITS EXECUTIVES AND EMPLOYEES, AND THE OCTOBER 7, 2022 ADMINISTRATIVE ACTION BY THE FSA.

Initiated By: JAPANESE SECURITIES DEALERS ASSOCIATION

Date Initiated: 03/15/2023

Docket/Case Number:

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/15/2023

Sanctions Ordered: Monetary/Fine \$2,300,000.00

Other Sanctions Ordered:

Sanction Details: IN THE ADMINISTRATIVE ORDER, NIKKO TOKYO WAS ORDERED TO PAY A 300 MILLION YEN FINE WHICH IS APPROXIMATELY \$2.3MM. THE JSDA ALSO RECOMMENDED THAT NIKKO TOKYO CONTINUE IMPLEMENTING THE BUSINESS IMPROVEMENT PLAN REQUIRED BY THE FSA ORDER.

Disclosure 3 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES, INC.

Current Status: Final

Allegations: ON DECEMBER 20, 2022 THE OSAKA STOCK EXCHANGE ("OSE") ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO"). THE ORDER WAS BASED ON THE FINANCIAL SERVICES AGENCY OF JAPAN'S ("FSA") OCTOBER 7, 2022 FINDINGS THAT NIKKO TOKYO VIOLATED ARTICLE 159(3) OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT BY ATTEMPTING TO MAINTAIN THE SHARE PRICE OF 10 LISTED STOCKS ON DAYS IN WHICH NIKKO TOKYO WAS CONDUCTING A "BLOCK OFFER" IN THE RELEVANT STOCKS, AND THAT THESE VIOLATIONS WERE CAUSED, IN PART, DUE TO FAILURES TO IMPLEMENT A REASONABLY DESIGNED TRADE SURVEILLANCE SYSTEM AND BUSINESS OPERATIONS FRAMEWORK. THE FSA ALSO FOUND THAT NIKKO TOKYO RECEIVED CERTAIN INFORMATION ABOUT CORPORATE CUSTOMERS FROM THE SUMITOMO BANKING CORPORATION, ANOTHER AFFILIATE, IN VIOLATION OF JAPANESE INFORMATION BARRIER REQUIREMENTS. THE BLOCK OFFER ACTIVITY CITED IN THE ORDER RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND CERTAIN OF ITS EXECUTIVES AND EMPLOYEES, AND THE OCTOBER 7, 2022 ADMINISTRATIVE ACTIONS TAKEN BY THE FSA AND THE TOKYO STOCK EXCHANGE.

Initiated By: OSAKA STOCK EXCHANGE

Date Initiated: 12/20/2022

Docket/Case Number:



Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	UNDERTAKINGS
Resolution:	Order
Resolution Date:	12/20/2022
Sanctions Ordered:	Censure
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	IN THE ADMINISTRATIVE ORDER, THE OSE CENSURED NIKKO TOKYO AND ORDERED IT TO SUBMIT A BUSINESS IMPROVEMENT PLAN.

Disclosure 4 of 19

Reporting Source:	Firm
Affiliate:	SMBC NIKKO SECURITIES, INC
Current Status:	Final
Allegations:	ON DECEMBER 20, 2022 THE TOKYO STOCK EXCHANGE ("TSE") ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO"). THE ORDER WAS BASED ON THE FINANCIAL SERVICES AGENCY OF JAPAN'S ("FSA") OCTOBER 7, 2022 FINDINGS THAT NIKKO TOKYO VIOLATED ARTICLE 159(3) OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT BY ATTEMPTING TO MAINTAIN THE SHARE PRICE OF 10 LISTED STOCKS ON DAYS IN WHICH NIKKO TOKYO WAS CONDUCTING A "BLOCK OFFER" IN THE RELEVANT STOCKS, AND THAT THESE VIOLATIONS WERE CAUSED, IN PART, DUE TO FAILURES TO IMPLEMENT A REASONABLY DESIGNED TRADE SURVEILLANCE SYSTEM AND BUSINESS OPERATIONS FRAMEWORK. THE FSA ALSO FOUND THAT NIKKO TOKYO RECEIVED CERTAIN INFORMATION ABOUT CORPORATE CUSTOMERS FROM THE SUMITOMO BANKING CORPORATION, ANOTHER AFFILIATE, IN VIOLATION OF JAPANESE INFORMATION BARRIER REQUIREMENTS. THE BLOCK OFFER ACTIVITY CITED IN THE ORDER RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND CERTAIN OF ITS EXECUTIVES AND EMPLOYEES, AND THE OCTOBER 7, 2022 ADMINISTRATIVE ACTIONS TAKEN BY THE FSA AND THE TSE.
Initiated By:	TOKYO STOCK EXCHANGE



Date Initiated: 12/20/2022

Docket/Case Number:

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought: UNDERTAKINGS, CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S)

Resolution: Order

Resolution Date: 12/20/2022

Sanctions Ordered: Monetary/Fine \$2,300,000.00
Suspension

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: IN THE ADMINISTRATIVE ORDER, NIKKO TOKYO WAS SUSPENDED FROM CONDUCTING PROPRIETARY TRADING ON THE TSE, UNLESS SPECIFICALLY AUTHORIZED BY THE TSE, FROM JANUARY 16, 2023 THROUGH JANUARY 20, 2023. IN ADDITION, NIKKO TOKYO WAS ORDERED TO PAY A JPY 300 MILLION FINE (APPROXIMATELY \$2,300,000.00), AND SUBMIT A BUSINESS IMPROVEMENT REPORT.

Disclosure 5 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES, INC.

Current Status: Final

Allegations: ON OCTOBER 7, 2022 THE FINANCIAL SERVICES AGENCY OF JAPAN ("FSA") ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO") THAT REQUIRED NIKKO TOKYO TO SUSPEND ITS BLOCK OFFER BUSINESS FOR THREE MONTHS (OCTOBER 7, 2022 TO JANUARY 6, 2023) AND COMPLY WITH CERTAIN UNDERTAKINGS. ON OCTOBER 11, 2022, THE TOKYO STOCK EXCHANGE ("TSE") ENTERED AN ADMINISTRATIVE ORDER THAT SUSPENDED NIKKO TOKYO FROM ENGAGING IN BLOCK OFFER ACTIVITY ON THE TSE FOR THE DURATION OF THE FSA SUSPENSION, AS REQUIRED BY RULE 39 OF THE TSE'S TRADING PARTICIPANT REGULATIONS. THE BLOCK OFFER ACTIVITY CITED IN THE FSA AND TSE ORDERS RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND



CERTAIN OF ITS EXECUTIVES AND EMPLOYEES.

Initiated By: TOKYO STOCK EXCHANGE

Date Initiated: 10/11/2022

Docket/Case Number:

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 10/11/2022

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: IN THE ADMINISTRATIVE ORDER, THE TSE SUSPENDED NIKKO TOKYO FROM ENGAGING IN BLOCK-OFFER ACTIVITY ON THE TSE FOR THREE MONTHS (OCTOBER 7, 2022 TO JANUARY 6, 2023), UNLESS SPECIFICALLY AUTHORIZED BY THE FSA.

Disclosure 6 of 19

Reporting Source: Firm

Affiliate: SUMITOMO MITSUI BANKING CORPORATION

Current Status: Final

Allegations: ON OCTOBER 7, 2022 THE FINANCIAL SERVICES AGENCY OF JAPAN ("FSA") ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO"), SUMITOMO MITSUI FINANCIAL GROUP, INC. ("SMFG"), AND THE SUMITOMO MITSUI BANKING CORPORATION ("SMBC"). THE ORDER FOUND THAT NIKKO TOKYO VIOLATED ARTICLE 159(3) OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT BY ATTEMPTING TO MAINTAIN THE SHARE PRICE OF 10 LISTED STOCKS ON DAYS IN WHICH NIKKO TOKYO WAS CONDUCTING A "BLOCK OFFER" IN THE RELEVANT STOCKS. THE ORDER FOUND THAT THESE VIOLATIONS WERE CAUSED, IN PART, DUE TO FAILURES TO IMPLEMENT A TRADE SURVEILLANCE SYSTEM AND BUSINESS OPERATIONS FRAMEWORK THAT WAS REASONABLY DESIGNED TO MANAGE THE RISKS OF NIKKO TOKYO'S BLOCK OFFER



BUSINESS. THE ORDER ALSO FOUND THAT NIKKO TOKYO RECEIVED CERTAIN INFORMATION ABOUT CORPORATE CUSTOMERS FROM SMBC IN VIOLATION OF JAPANESE INFORMATION BARRIER REQUIREMENTS. THE BLOCK OFFER ACTIVITY CITED IN THE ORDER RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND CERTAIN OF ITS EXECUTIVES AND EMPLOYEES.

Initiated By: FINANCIAL SERVICES AGENCY OF JAPAN

Date Initiated: 10/07/2022

Docket/Case Number:

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought: UNDERTAKINGS

Resolution: Order

Resolution Date: 10/07/2022

Sanctions Ordered: Suspension

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: IN THE ADMINISTRATIVE ORDER, NIKKO TOKYO WAS ORDERED TO SUSPEND ITS BLOCK OFFER BUSINESS FOR THREE MONTHS (OCTOBER 7, 2022 TO JANUARY 6, 2023) AND COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING ENHANCING CERTAIN INTERNAL CONTROLS. IN ADDITION, SMFG WAS ORDERED TO ENHANCE ITS OVERSIGHT OF NIKKO TOKYO AND TO PROVIDE THE FSA WITH REPORTS ANALYZING THE CAUSE OF THE UNDERLYING VIOLATIONS AND SMFG'S PROPOSED REMEDIATION PLAN. SEPARATELY, SMBC WAS ORDERED TO PROVIDE THE FSA WITH REPORTS ANALYZING THE CAUSE OF THE INFORMATION BARRIER VIOLATIONS AND SMBC'S PROPOSED REMEDIATION PLAN.

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES, INC.

Current Status: Final

Allegations: ON OCTOBER 7, 2022 THE FINANCIAL SERVICES AGENCY OF JAPAN ("FSA")



ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO"), SUMITOMO MITSUI FINANCIAL GROUP, INC. ("SMFG"), AND THE SUMITOMO MITSUI BANKING CORPORATION ("SMBC"). THE ORDER FOUND THAT NIKKO TOKYO VIOLATED ARTICLE 159(3) OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT BY ATTEMPTING TO MAINTAIN THE SHARE PRICE OF 10 LISTED STOCKS ON DAYS IN WHICH NIKKO TOKYO WAS CONDUCTING A "BLOCK OFFER" IN THE RELEVANT STOCKS. THE ORDER FOUND THAT THESE VIOLATIONS WERE CAUSED, IN PART, DUE TO FAILURES TO IMPLEMENT A TRADE SURVEILLANCE SYSTEM AND BUSINESS OPERATIONS FRAMEWORK THAT WAS REASONABLY DESIGNED TO MANAGE THE RISKS OF NIKKO TOKYO'S BLOCK OFFER BUSINESS. THE ORDER ALSO FOUND THAT NIKKO TOKYO RECEIVED CERTAIN INFORMATION ABOUT CORPORATE CUSTOMERS FROM SMBC IN VIOLATION OF JAPANESE INFORMATION BARRIER REQUIREMENTS. THE BLOCK OFFER ACTIVITY CITED IN THE ORDER RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND CERTAIN OF ITS EXECUTIVES AND EMPLOYEES.

Initiated By: FINANCIAL SERVICES AGENCY OF JAPAN

Date Initiated: 10/07/2022

Docket/Case Number:

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought: UNDERTAKINGS

Resolution: Order

Resolution Date: 10/07/2022

Sanctions Ordered: Suspension

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: IN THE ADMINISTRATIVE ORDER, NIKKO TOKYO WAS ORDERED TO SUSPEND ITS BLOCK OFFER BUSINESS FOR THREE MONTHS (OCTOBER 7, 2022 TO JANUARY 6, 2023) AND COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING ENHANCING CERTAIN INTERNAL CONTROLS. IN ADDITION, SMFG WAS ORDERED TO ENHANCE ITS OVERSIGHT OF NIKKO TOKYO AND TO PROVIDE THE FSA WITH REPORTS ANALYZING THE CAUSE OF THE UNDERLYING VIOLATIONS AND SMFG'S PROPOSED REMEDIATION PLAN.



SEPARATELY, SMBC WAS ORDERED TO PROVIDE THE FSA WITH REPORTS ANALYZING THE CAUSE OF THE INFORMATION BARRIER VIOLATIONS AND SMBC'S PROPOSED REMEDIATION PLAN.

Reporting Source:	Firm
Affiliate:	SUMITOMO MITSUI FINANCIAL GROUP, INC.
Current Status:	Final
Allegations:	ON OCTOBER 7, 2022 THE FINANCIAL SERVICES AGENCY OF JAPAN ("FSA") ENTERED AN ADMINISTRATIVE ORDER AGAINST SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO"), SUMITOMO MITSUI FINANCIAL GROUP, INC. ("SMFG"), AND THE SUMITOMO MITSUI BANKING CORPORATION ("SMBC"). THE ORDER FOUND THAT NIKKO TOKYO VIOLATED ARTICLE 159(3) OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT BY ATTEMPTING TO MAINTAIN THE SHARE PRICE OF 10 LISTED STOCKS ON DAYS IN WHICH NIKKO TOKYO WAS CONDUCTING A "BLOCK OFFER" IN THE RELEVANT STOCKS. THE ORDER FOUND THAT THESE VIOLATIONS WERE CAUSED, IN PART, DUE TO FAILURES TO IMPLEMENT A TRADE SURVEILLANCE SYSTEM AND BUSINESS OPERATIONS FRAMEWORK THAT WAS REASONABLY DESIGNED TO MANAGE THE RISKS OF NIKKO TOKYO'S BLOCK OFFER BUSINESS. THE ORDER ALSO FOUND THAT NIKKO TOKYO RECEIVED CERTAIN INFORMATION ABOUT CORPORATE CUSTOMERS FROM SMBC IN VIOLATION OF JAPANESE INFORMATION BARRIER REQUIREMENTS. THE BLOCK OFFER ACTIVITY CITED IN THE ORDER RELATES TO THE SAME CONDUCT AT ISSUE IN THE MARCH 24, 2022 AND APRIL 13, 2022 INDICTMENTS OF NIKKO TOKYO AND CERTAIN OF ITS EXECUTIVES AND EMPLOYEES.
Initiated By:	FINANCIAL SERVICES AGENCY OF JAPAN
Date Initiated:	10/07/2022
Docket/Case Number:	
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	UNDERTAKINGS
Resolution:	Order
Resolution Date:	10/07/2022



Sanctions Ordered:	Suspension
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	IN THE ADMINISTRATIVE ORDER, NIKKO TOKYO WAS ORDERED TO SUSPEND ITS BLOCK OFFER BUSINESS FOR THREE MONTHS (OCTOBER 7, 2022 TO JANUARY 6, 2023) AND COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING ENHANCING CERTAIN INTERNAL CONTROLS. IN ADDITION, SMFG WAS ORDERED TO ENHANCE ITS OVERSIGHT OF NIKKO TOKYO AND TO PROVIDE THE FSA WITH REPORTS ANALYZING THE CAUSE OF THE UNDERLYING VIOLATIONS AND SMFG'S PROPOSED REMEDIATION PLAN. SEPARATELY, SMBC WAS ORDERED TO PROVIDE THE FSA WITH REPORTS ANALYZING THE CAUSE OF THE INFORMATION BARRIER VIOLATIONS AND SMBC'S PROPOSED REMEDIATION PLAN.

Disclosure 7 of 19

Reporting Source:	Firm
Affiliate:	SUMITOMO MITSUI BANKING CORPORATION NEW YORK BRANCH
Current Status:	Final
Allegations:	SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH WAS FOUND TO BE DEFICIENT WITH REGARD TO COMPLIANCE WITH FEDERAL LAWS, RULES AND REGULATIONS RELATING TO ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES.
Initiated By:	FEDERAL RESERVE BANK OF NEW YORK
Date Initiated:	04/23/2019
Docket/Case Number:	19-013-WA/RB-FB & 19-013-WA/RB-FRB
Principal Product Type:	Banking Products (Other than CD(s))
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	A WRITTEN AGREEMENT AMONG THE FEDERAL RESERVE BOARD, SUMITOMO MITSUI BANKING CORPORATION (TOKYO, JAPAN) AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH REGARDING DEFICIENCIES TO THE SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S RISK MANAGEMENT AND COMPLIANCE WITH APPLICABLE FEDERAL LAWS, RULES, AND REGULATIONS RELATING TO ANTI-MONEY LAUNDERING.
Resolution:	Other



Resolution Date: 04/23/2019

Sanctions Ordered:

Other Sanctions Ordered: A WRITTEN AGREEMENT AMONG THE FEDERAL RESERVE BOARD, SUMITOMO MITSUI BANKING CORPORATION (TOKYO, JAPAN) AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH REGARDING DEFICIENCIES TO THE SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S RISK MANAGEMENT AND COMPLIANCE WITH APPLICABLE FEDERAL LAWS, RULES, AND REGULATIONS RELATING TO ANTI-MONEY LAUNDERING.

Sanction Details: UNDER THE TERMS OF THE WRITTEN AGREEMENT, SUMITOMO MITSUI BANKING CORPORATION AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH WILL BE REQUIRED TO UNDERTAKE A NUMBER OF ACTIONS TO ENHANCE SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S OVERALL ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM, CORPORATE GOVERNANCE AND MANAGEMENT OVERSIGHT, SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S CUSTOMER DUE DILIGENCE AND SUSPICIOUS ACTIVITY MONITORING AND REPORTING PROGRAMS, INTERNAL AUDIT, AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S PROGRAM FOR COMPLIANCE WITH THE LAWS AND REGULATIONS ADMINISTERED BY THE U.S. DEPARTMENT OF THE TREASURY'S OFFICE OF FOREIGN ASSETS CONTROL ACCEPTABLE TO THE FEDERAL RESERVE BOARD.

Firm Statement UNDER THE TERMS OF THE WRITTEN AGREEMENT, SUMITOMO MITSUI BANKING CORPORATION AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH WILL BE REQUIRED TO UNDERTAKE A NUMBER OF ACTIONS TO ENHANCE SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S OVERALL ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM, CORPORATE GOVERNANCE AND MANAGEMENT OVERSIGHT, SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S CUSTOMER DUE DILIGENCE AND SUSPICIOUS ACTIVITY MONITORING AND REPORTING PROGRAMS, INTERNAL AUDIT, AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH'S PROGRAM FOR COMPLIANCE WITH THE LAWS AND REGULATIONS ADMINISTERED BY THE U.S. DEPARTMENT OF THE TREASURY'S OFFICE OF FOREIGN ASSETS CONTROL ACCEPTABLE TO THE FEDERAL RESERVE BOARD.

Disclosure 8 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES INC.

Current Status: Final



Allegations:	IN CONNECTION WITH A FORMER EXECUTIVE OFFICER OF SMBC NIKKO SECURITIES INC. (THE "CONTROL AFFILIATE") THAT WAS PROSECUTED DURING JULY AND AUGUST 2012 AND WAS FOUND GUILTY BY THE YOKOHAMA (JAPAN) DISTRICT COURT ON SEPTEMBER 30,2013, IT WAS ACKNOWLEDGED THAT THE CONTROL AFFILIATE DID NOT HAVE THE NECESSARY MEASURES FOR PREVENTING UNFAIR TRADING RELATED TO MANAGEMENT OF CORPORATE INFORMATION.
Initiated By:	OSAKA SECURITIES EXCHANGE ("OSE")
Date Initiated:	02/27/2014
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	OSE REPRIMANDED THE CONTROL AFFILIATE AND REQUESTED SUBMISSION OF A BUSINESS IMPROVEMENT PLAN.
Resolution:	Order
Resolution Date:	02/27/2014
Sanctions Ordered:	
Other Sanctions Ordered:	OSE REPRIMANDED THE CONTROL AFFILIATE AND REQUESTED SUBMISSION OF A BUSINESS IMPROVEMENT PLAN.
Sanction Details:	OSE REPRIMANDED THE CONTROL AFFILIATE AND REQUESTED SUBMISSION OF A BUSINESS IMPROVEMENT PLAN.

Disclosure 9 of 19

Reporting Source:	Firm
Affiliate:	SMBC NIKKO SECURITIES INC.
Current Status:	Final
Allegations:	IN CONNECTION WITH A FORMER EXECUTIVE OFFICER OF SMBC NIKKO SECURITIES INC. (THE "CONTROL AFFILIATE") THAT WAS PROSECUTED DURING JULY AND AUGUST 2012 AND WAS FOUND GUILTY BY THE YOKOHAMA (JAPAN) DISTRICT COURT ON SEPTEMBER 30,2013, IT WAS ACKNOWLEDGED THAT THE CONTROL AFFILIATE DID NOT HAVE THE NECESSARY MEASURES FOR PREVENTING UNFAIR TRADING RELATED TO THE MANAGEMENT OF CORPORATE INFORMATION.



Initiated By: TOKYO STOCK EXCHANGE ("TSE")

Date Initiated: 02/27/2014

Docket/Case Number:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: TSE IMPOSED DISCIPLINARY ACTION (IMPOSITION OF A JPY 10 MILLION FINE) PURSUANT TO RULE 34, PARAGRAPH 1, ITEM 8 OF THE TRADING PARTICIPANT REGULATIONS. ADDITIONALLY, TSE HAS REQUESTED THE COMPANY TO SUBMIT A BUSINESS IMPROVEMENT PLAN PURSUANT TO THE PROVISIONS OF RULE 19 OF THE TRADING PARTICIPANT REGULATIONS.

Resolution: Order

Resolution Date: 02/27/2014

Sanctions Ordered: Monetary/Fine \$98,073.00

Other Sanctions Ordered: TSE IMPOSED A FINE OF JPY 10 MILLION AGAINST (APPROXIMATELY \$98,073.00 USD) AGAINST THE CONTROL AFFILIATE AND REQUESTED SUBMISSION OF A BUSINESS IMPROVEMENT PLAN.

Sanction Details: TSE IMPOSED A FINE OF JPY 10 MILLION AGAINST (APPROXIMATELY \$98,073.00 USD) AGAINST THE CONTROL AFFILIATE AND REQUESTED SUBMISSION OF A BUSINESS IMPROVEMENT PLAN.

Disclosure 10 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES, INC.

Current Status: Final

Allegations: A FORMER EXECUTIVE OF THE CONTROL AFFILIATE INDICTED ON THE CHARGES OF VIOLATING THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT (PROVISION FOR PROHIBITED ACTS OF CORPORATE INSIDERS).AS SUCH, THE FSA HAS REQUIRED THE CONTROL AFFILIATE TO IMPLEMENT MEASURES TO PREVENT THE RECURRENCE OF SUCH ACTS BY ITS EMPLOYEES.

Initiated By: FINANCIAL SERVICES AGENCY, THE JAPANESE GOVERNMENT ("FSA")



Date Initiated: 08/10/2012

Docket/Case Number:

Principal Product Type: Other

Other Product Type(s): JAPANESE EQUITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ISSUANCE OF A BUSINESS IMPROVEMENT ORDER FROM THE FSA UNDER ARTICLE 51 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN REQUIRING THE CONTROL AFFILIATE TO (1)IMPLEMENTATION OF THE RECURRENCE PREVENTION MEASURES RECOMMENDED BY THE INVESTIGATION COMMITTEE (2)SUBMIT PERIODIC REPORTS ON THE IMPLEMENATION STATUS OF THE PREVENTION MEASURES (3)PERIODICALLY EXAMINE THE EFFECTIVENESS OF THE PREVENTION MEASURES AND REPORT THE RESULTS , AND (4) SUBMIT A REPORT REGARDING 1-3 ABOVE TO THE FSA BY AUGUST 10, 2012.

Resolution: Consent

Resolution Date: 08/10/2012

Sanctions Ordered:

Other Sanctions Ordered: FSA ORDER REQUIRES A WRITTEN REPORT ON THE BUSINESS IMPROVEMENT ORDER BY AUGUST 17, 2012

Sanction Details: FSA ORDER REQUIRES A WRITTEN REPORT ON THE BUSINESS IMPROVEMENT ORDER BY AUGUST 17, 2012

Firm Statement THE CONTROL AFFILIATE HAS PROMPTLY DEVELOPED IMPROVEMENT MEASURES BASED ON THE RECOMMENDATIONS OF AN INVESTIGATION COMMITTEE AND IN ACCORDANCE WITH THE ORDER BY THE FSA AND WILL CONTINUE TO ENHANCE AND STRENGTHEN ITS TRAINING, GOVERNANCE SYSTEM AND INTERNAL CONTROL PROCEDURES TO PREVENT RECURRENT INCIDENTS.

Disclosure 11 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES INC.

Current Status: Final

Allegations: A SALES EMPLOYEE IN JAPAN WHO OBTAINED CORPORATE INFORMATION RELATED TO A PUBLIC OFFERING TRANSMITTED THE INFORMATION TO



SUBORDINATE BRANCH MANAGERS WITHOUT FOLLOWING INTERNAL PROCEDURES AND FAILED TO ISSUE CLEAR INSTRUCTIONS ON THE CONTROL OF SUCH INFORMATION. IN AT LEAST 21 BRANCH OFFICES, SOLICITATIONS FOR THE OFFERING WERE MADE PRIOR TO ITS PUBLIC ANNOUNCEMENT. ADDITIONALLY, A DEPARTMENT THAT WAS IN POSSESSION OF CORPORATE INFORMATION RELATED TO ANOTHER PUBLIC OFFERING TRANSMITTED THE INFORMATION TO THE GENERAL MANAGERS IN CHARGE OF SALES WITHOUT FOLLOWING INTERNAL PROCEDURES.

Initiated By: NAGOYA STOCK EXCHANGE ("NSE")

Date Initiated: 07/17/2012

Docket/Case Number:

Principal Product Type: Other

Other Product Type(s): FOREIGN PUBLIC EQUITY ISSUE

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: REQUIREMENT TO SUBMIT A BUSINESS IMPROVEMENT REPORT.

Resolution: Consent

Resolution Date: 07/17/2012

Sanctions Ordered:

Other Sanctions Ordered: A BUSINESS IMPROVEMENT PLAN IS DUE AUGUST 31, 2012.

Sanction Details: A BUSINESS IMPROVEMENT PLAN IS DUE AUGUST 31, 2012.

Disclosure 12 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES INC.

Current Status: Final

Allegations: A SALES EMPLOYEE IN JAPAN WHO OBTAINED CORPORATE INFORMATION RELATED TO A PUBLIC OFFERING TRANSMITTED THE INFORMATION TO SUBORDINATE BRANCH MANAGERS WITHOUT FOLLOWING INTERNAL PROCEDURES AND FAILED TO ISSUE CLEAR INSTRUCTIONS ON THE CONTROL OF SUCH INFORMATION. IN AT LEAST 21 BRANCH OFFICES, SOLICITATIONS FOR THE OFFERING WERE MADE PRIOR TO ITS PUBLIC ANNOUNCEMENT. ADDITIONALLY, A DEPARTMENT THAT WAS IN



POSSESSION OF CORPORATE INFORMATION RELATED TO ANOTHER PUBLIC OFFERING TRANSMITTED THE INFORMATION TO THE GENERAL MANAGERS IN CHARGE OF SALES WITHOUT FOLLOWING INTERNAL PROCEDURES.

Initiated By: OSAKA SECURITIES EXCHANGE ("OSE")

Date Initiated: 07/20/2012

Docket/Case Number:

Principal Product Type: Other

Other Product Type(s): FOREIGN PUBLIC EQUITY ISSUE

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: DISCIPLINARY ACTION UNDER THE RULE 42(1)(IX) OF THE REGULATIONS FOR TRANSACTION PARTICIPANTS - EIGHTY MILLION YEN (JPY 8,000,000) AS MONETARY PENALTY. IN ADDITION, UNDER RULE 17 OF THE REGULATIONS FOR TRANSACTION PARTICIPANTS, THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING (3) DEVELOP CLEAR LINES OF RESPONSIBILITY FOR THE MANAGEMENT AND STAFF REGARDING THIS ISSUE.

Resolution: Consent

Resolution Date: 07/20/2012

Sanctions Ordered: Monetary/Fine \$102,887.28

Other Sanctions Ordered:

Sanction Details: THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING (3) DEVELOP CLEAR LINES OF RESPONSIBILITY FOR THE MANAGEMENT AND STAFF REGARDING THIS ISSUE. PENALTY TOTAL AMOUNT LEVIED AGAINST CONTROL AFFILIATE WAS 8,000,000.00 YEN (APPROXIMATELY 102,887.28 USD).

Disclosure 13 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES INC.

Current Status: Final



Allegations:	A SALES EMPLOYEE IN JAPAN WHO OBTAINED CORPORATE INFORMATION RELATED TO A PUBLIC OFFERING TRANSMITTED THE INFORMATION TO SUBORDINATE BRANCH MANAGERS WITHOUT FOLLOWING INTERNAL PROCEDURES AND FAILED TO ISSUE CLEAR INSTRUCTIONS ON THE CONTROL OF SUCH INFORMATION. IN AT LEAST 21 BRANCH OFFICES, SOLICITATIONS FOR THE OFFERING WERE MADE PRIOR TO ITS PUBLIC ANNOUNCEMENT. ADDITIONALLY, A DEPARTMENT THAT WAS IN POSSESSION OF CORPORATE INFORMATION RELATED TO ANOTHER PUBLIC OFFERING TRANSMITTED THE INFORMATION TO THE GENERAL MANAGERS IN CHARGE OF SALES WITHOUT FOLLOWING INTERNAL PROCEDURES.
Initiated By:	TOKYO STOCK EXCHANGE ("TSE")
Date Initiated:	07/19/2012
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	FOREIGN PUBLIC EQUITY ISSUE
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	DISCIPLINARY ACTION UNDER RULE 34, PARAGRAPH 1, ITEM 8 OF THE TRADING PARTICIPANT REGULATIONS - EIGHTY MILLION YEN (JPY 80,000,000) AS MONETARY PENALTY. IN ADDITION, UNDER RULE 19 OF THE TRADING PARTICIPANT REGULATIONS, THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING (3) DEVELOP CLEAR LINES OF RESPONSIBILITY FOR THE MANAGEMENT AND STAFF REGARDING THIS ISSUE.
Resolution:	Consent
Resolution Date:	07/19/2012
Sanctions Ordered:	Monetary/Fine \$1,028,872.78
Other Sanctions Ordered:	
Sanction Details:	THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING (3) DEVELOP CLEAR LINES OF RESPONSIBILITY FOR THE MANAGEMENT AND STAFF REGARDING THIS ISSUE. PENALTY TOTAL AMOUNT LEVIED AGAINST CONTROL AFFILIATE WAS 80,000,000.00 YEN (APPROXIMATELY 1,028,872.78 USD).



Disclosure 14 of 19

Reporting Source:	Firm
Affiliate:	SMBC NIKKO SECURITIES INC.
Current Status:	Final
Allegations:	SALES DIVISION DIRECTORS WITHIN SMBC NIKKO SECURITIES INC. IN JAPAN WHO OBTAINED CORPORATE INFORMATION RELATED TO A PUBLIC OFFERING TRANSMITTED THE INFORMATION TO SUBORDINATE BRANCH MANAGERS WITHOUT FOLLOWING INTERNAL PROCEDURES AND FAILED TO ISSUE CLEAR INSTRUCTIONS ON THE CONTROL OF SUCH INFORMATION. IN AT LEAST 21 BRANCH OFFICES, SOLICITATIONS FOR THE OFFERING WERE MADE PRIOR TO ITS PUBLIC ANNOUNCEMENT. ADDITIONALLY, A DEPARTMENT THAT WAS IN POSSESSION OF CORPORATE INFORMATION RELATED TO ANOTHER PUBLIC OFFERING TRANSMITTED THE INFORMATION TO THE GENERAL MANAGERS IN CHARGE OF SALES WITHOUT FOLLOWING INTERNAL PROCEDURES.
Initiated By:	JAPAN SECURITIES DEALERS ASSOCIATION ("JSDA")
Date Initiated:	05/11/2012
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	FOREIGN PUBLIC EQUITY ISSUE
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	DISCIPLINARY ACTION UNDER PARAGRAPH 1 OF ARTICLE 28 OF THE ARTICLE OF ASSOCIATION OF JSDA - JPY 200,000,000 AND JPY 20,000,000 AS MONETARY PENALTY. IN ADDITION, UNDER ARTICLE 29 OF THE ARTICLE OF ASSOCIATION OF JSDA THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING.
Resolution:	Other
Resolution Date:	06/19/2012
Sanctions Ordered:	Monetary/Fine \$2,665,990.00
Other Sanctions Ordered:	UNDER ARTICLE 29 OF THE ARTICLE OF ASSOCIATION OF JSDA THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF



UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING.

Sanction Details:

PENALTY TOTAL AMOUNT LEVIED AGAINST CONTROL AFFILIATE WAS JPY 200,000,000 AND JPY 20,000,000 (APPROXIMATELY USD 2,665,990).

Firm Statement

DISCIPLINARY ACTION UNDER PARAGRAPH 1 OF ARTICLE 28 OF THE ARTICLE OF ASSOCIATION OF JSDA - TWO HUNDRED MILLION YEN (JPY 200,000,000) AS MONETARY PENALTY. IN ADDITION, UNDER ARTICLE 29 OF THE ARTICLE OF ASSOCIATION OF JSDA THE CONTROL AFFILIATE MUST (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF UNDERSTAND LAWS AND REGULATIONS THROUGH COMPREHENSIVE TRAINING.

Disclosure 15 of 19

Reporting Source:

Firm

Affiliate:

SMBC NIKKO SECURITIES, INC.

Current Status:

Final

Allegations:

A SALES EMPLOYEE IN JAPAN WHO OBTAINED CORPORATE INFORMATION RELATED TO A PUBLIC OFFERING TRANSMITTED THE INFORMATION TO SUBORDINATE BRANCH MANAGERS WITHOUT FOLLOWING INTERNAL PROCEDURES AND FAILED TO ISSUE CLEAR INSTRUCTIONS ON THE CONTROL OF SUCH INFORMATION. IN AT LEAST 21 BRANCH OFFICES, SOLICITATIONS FOR THE OFFERING WERE MADE PRIOR TO ITS PUBLIC ANNOUNCEMENT. ADDITIONALLY, A DEPARTMENT THAT WAS IN POSSESSION OF CORPORATE INFORMATION RELATED TO ANOTHER PUBLIC OFFERING TRANSMITTED THE INFORMATION TO THE GENERAL MANAGERS IN CHARGE OF SALES WITHOUT FOLLOWING INTERNAL PROCEDURES.

Initiated By:

FINANCIAL SERVICES AGENCY, THE JAPANESE GOVERNMENT ("FSA")

Date Initiated:

04/20/2012

Docket/Case Number:

Principal Product Type:

Other

Other Product Type(s):

FOREIGN PUBLIC EQUITY ISSUE

Principal Sanction(s)/Relief Sought:

Other

Other Sanction(s)/Relief Sought:

ISSUANCE OF A BUSINESS IMPROVEMENT ORDER FROM THE FSA UNDER THE ARTICLE 51 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN REQUIRING THE



CONTROL AFFILIATE TO (1) ESTABLISH AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS (2) ENSURE MANAGEMENT AND STAFF ARE FULLY AWARE OF THE IMPORTANCE OF COMPLIANCE THROUGH COMPREHENSIVE TRAINING (3) ADDRESS THE ACTION WITH MANAGEMENT AND STAFF INVOLVED IN THE CURRENT MISCONDUCT , AND (4) SUBMIT A WRITTEN BUSINESS IMPROVEMENT PLAN TO THE FSA BY MAY 18, 2012.

Resolution: Consent

Resolution Date: 04/20/2012

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: FSA ORDER REQUIRES A WRITTEN BUSINESS IMPROVEMENT PLAN BY MAY 18, 2012.

Firm Statement THE CONTROL AFFILIATE HAS COMMITTED TO PROMPTLY DEVELOPING A BUSINESS IMPROVEMENT PLAN IN ACCORDANCE WITH THE ORDER BY THE FSA AND WILL CONTINUE TO ENHANCE AND STRENGTHEN ITS GOVERNANCE SYSTEM AND INTERNAL CONTROL PROCEDURES TO PREVENT RECURRENT INCIDENTS.

Disclosure 16 of 19

Reporting Source: Firm

Affiliate: SMBC NIKKO SECURITIES, INC.

Current Status: Final

Allegations: A SMBC NIKKO SECURITIES, INC. SALES EMPLOYEE IN JAPAN DEFRAUDED CERTAIN CUSTOMERS OF THEIR MONEY THROUGH MEANS NOT CONNECTED TO THEIR ACCOUNTS AT SMBC NIKKO SECURITIES, INC.

Initiated By: FINANCIAL SERVICES AGENCY, THE JAPANESE GOVERNMENT ("FSA")

Date Initiated: 04/15/2011

Docket/Case Number:

Principal Product Type: Other

Other Product Type(s): EMPLOYEE ISSUED VOUCHERS PROMISING A GUARANTEED RETURN.

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ISSUANCE OF A BUSINESS IMPROVEMENT ORDER FROM THE FSA UNDER ARTICLE 51 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN REQUIRING THE CONTROL AFFILIATE TO (1) PROVIDE



SATISFACTORY EXPLANATIONS TO THE AFFECTED CUSTOMERS IN THE MISCONDUCT (2) IDENTIFY ROOT CAUSES AND WHERE PROBLEMS MAY EXIST, THEN ENHANCE MANAGEMENT SUPERVISION AND INTERNAL CONTROLS, AND (3) SUBMIT A WRITTEN BUSINESS IMPROVEMENT PLAN TO THE FSA BY MAY 13, 2011 AND EXECUTE THE PLAN IMMEDIATELY.

Resolution: Consent

Resolution Date: 04/15/2011

Sanctions Ordered:

Other Sanctions Ordered: 1) PROVIDE SATISFACTORY EXPLANATION TO AFFECTED CUSTOMERS AND EXERCISE THOROUGH CARE IN THEIR TREATMENT
2) IDENTIFY CAUSES AND ENHANCE SUPERVISORY CONTROLS ACCORDINGLY.

Sanction Details: FSA ORDER REQUIRES A WRITTEN BUSINESS IMPROVEMENT PLAN BY MAY 13, 2011, AND IMMEDIATE EXECUTION OF THE PLAN. PROGRESS REPORTS AND IMPLEMENTATION STATUS REGARDING REMEDIAL MEASURES ARE TO BE SENT TO FSA ON A QUARTERLY BASIS UNTIL PERMITTED TO STOP.

Firm Statement SMBC NIKKO SECURITIES, INC. HAS COMMITTED TO PROMPTLY DEVELOPING A BUSINESS IMPROVEMENT PLAN IN ACCORDANCE WITH THE ORDER BY THE FSA AND WILL CONTINUE TO ENHANCE AND STRENGTHEN ITS GOVERNANCE SYSTEM AND INTERNAL CONTROL PROCEDURES TO PREVENT RECURRENT INCIDENTS.

Disclosure 17 of 19

Reporting Source: Firm

Affiliate: SUMITOMO MITSUI BANKING CORPORATION

Current Status: Final

Allegations: DURING 2005 TO 2006, SUMITOMO MITSUI BANKING CORPORATION-NY BRANCH SETTLED US DOLLAR BILLS FOR EXPORTS TO SUDAN REQUESTED BY CUSTOMERS OUTSIDE THE US. ALSO A SUDANESE STATE OWNED ENTERPRISE WAS INVOLVED IN SOME OF THEM. SUDAN IS AN OFAC SANCTIONED COUNTRY AND EXPORTING FINANCIAL SERVICES IS PROHIBITED AND ASSETS OF THE SUDANESE GOVERNMENT MUST BE FROZEN. AS A RESULT THESE TRANSACTIONS WERE ALLEGED BY OFAC TO BE VIOLATIONS OF OFAC REGULATIONS.

Initiated By: OFFICE OF FOREIGN ASSETS CONTROL

Date Initiated: 12/18/2006



Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	LETTERS OF CREDIT
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	SETTLEMENT AGREEMENT
Resolution:	Settled
Resolution Date:	09/27/2010
Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	AN AGREEMENT TO PAY \$229,380 WAS ENTERED INTO BY SUMITOMO MITSUI BANKING CORPORATION-NY BRANCH.
Firm Statement	<p>SUMITOMO MITSUI BANKING CORPORATION HAS AGREED TO PAY \$229,380 TO SETTLE ALLEGATIONS THAT ITS NY BRANCH OFFICE VIOLATED THE SUDANESE SANCTIONS REGULATIONS, 31 C.F.R. PART 538 (THE "SSR")</p> <p>OFAC ALLEGED THAT, FROM ON OR ABOUT DECEMBER 9,2005 UNTIL ON OR ABOUT DECEMBER 1,2006, THE NY BRANCH APPEARS TO HAVE VIOLATED THE SSR WHEN IT EXPORTED SERVICES TO SUDAN THROUGH ITS PROCESSING OF THE PAYMENTS FOR SUMITOMO MITSUI BANKING CORPORATION'S PURCHASE OF SIX EXPORT BILLS, IN AN AGGREGATE AMOUNT OF \$1,037,988, RELATING TO LETTERS OF CREDIT ISSUED BY SUDANESE BANKS AND BY ITS RECEIPT OF TWO USD PAYMENTS, IN THE AGGREGATE AMOUNT OF \$15,357,720, RELATED TO APPROXIMATELY FORTY LETTERS OF CREDIT ISSUED BY A SUDANESE BANK.</p> <p>OFAC DETERMINED THAT SUMITOMO MITSUI BANKING CORPORATION VOLUNTARILY SELF DISCLOSED THE MATTER TO OFAC AND THAT THE ALLEGED VIOLATIONS CONSTITUTED A NON-EGREGIOUS CASE. THE BASE PENALTY AMOUNT FOR THE APPARENT VIOLATIONS IS \$655,373. SEE OFAC'S ECONOMIC SANCTIONS ENFORCEMENT GUIDELINES, 74 FED REG. 57,593 (NOVEMBER 9, 2009). THE SETTLEMENT AMOUNT REFLECTS OFAC'S CONSIDERATION OF THE FOLLOWING GENERAL FACTORS: SUMITOMO MITSUI BANKING CORPORATION-NY BRANCH IS PART OF A COMMERCIALY SOPHISTICATED INTERNATIONAL BANK AND HAD NO REASON TO KNOW ITS CONDUCT MAY HAVE VIOLATED THE SSR; SUMITOMO MITSUI BANKING CORPORATION HAS NO VIOLATIONS OF THIS NATURE ON RECORD WITH OFAC; SUMITOMO MITSUI BANKING</p>



CORPORATION SUBSTANTIALLY COOPERATED WITH OFAC'S INVESTIGATION OF THE ALLEGED VIOLATIONS; AND SUMITOMO MITSUI BANKING CORPORATION PROMPTLY RESPONDED TO ALL REQUESTS FOR ADDITIONAL INFORMATION AND AGREED TO A STATUTE OF LIMITATIONS TOLLING AGREEMENT WHEN REQUESTED BY OFAC.

Disclosure 18 of 19

Reporting Source:	Firm
Affiliate:	SUMITOMO MITSUI BANKING CORPORATION
Current Status:	Final
Allegations:	SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH WAS FOUND TO BE DEFICIENT WITH REGARD TO COMPLIANCE WITH FEDERAL AND STATE LAWS, RULES AND REGULATIONS RELATING TO ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES.
Initiated By:	THE FEDERAL RESERVE BANK OF NEW YORK AND THE NEW YORK STATE BANKING DEPARTMENT.
Date Initiated:	01/22/2007
Docket/Case Number:	06-029-WA/RB-FB AND 06-029-WA/RB-FBR
Principal Product Type:	Banking Products (Other than CD(s))
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	A WRITTEN AGREEMENT AMONG THE FEDERAL RESERVE BOARD, THE NEW YORK STATE BANKING DEPARTMENT, SUMITOMO MITSUI BANKING CORPORATION (TOKYO, JAPAN) AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH (THE "NEW YORK BRANCH") REGARDING DEFICIENCIES IN COMPLIANCE BY THE NEW YORK BRANCH WITH FEDERAL AND STATE LAWS, RULES AND REGULATIONS RELATING TO ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES.
Resolution:	Other
Resolution Date:	01/22/2007
Sanctions Ordered:	
Other Sanctions Ordered:	A WRITTEN AGREEMENT AMONG THE FEDERAL RESERVE BOARD, THE NEW YORK STATE BANKING DEPARTMENT, SUMITOMO MITSUI BANKING CORPORATION (TOKYO, JAPAN) AND SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH (THE "NEW YORK BRANCH")



REGARDING DEFICIENCIES IN COMPLIANCE BY THE NEW YORK BRANCH WITH FEDERAL AND STATE LAWS, RULES AND REGULATIONS RELATING TO ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES.

Sanction Details:

THE WRITTEN AGREEMENT REQUIRED THE NEW YORK BRANCH OF SUMITOMO MITSUI BANKING CORPORATION TO TAKE REMEDIAL ACTIONS TO REVISE ITS ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES.

Firm Statement

THE WRITTEN AGREEMENT REQUIRED THE NEW YORK BRANCH OF SUMITOMO MITSUI BANKING CORPORATION TO TAKE REMEDIAL ACTIONS TO REVISE ITS ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES. EFFECTIVE MAY 6, 2010, THE REQUIRED REMEDIAL ACTIONS WERE COMPLETED AND THE REGULATORY ACTION WAS FORMALLY TERMINATED BY THE FEDERAL RESERVE BOARD.

Disclosure 19 of 19

Reporting Source:	Firm
Affiliate:	SUMITOMO MITSUI BANKING CORPORATION
Current Status:	Final
Allegations:	FINANCIAL SERVICES AUTHORITY OF JAPAN ALLEGED THAT APPLICANT'S CONTROL AFFILIATE ENGAGED IN CERTAIN TYING PRACTICES IN CONNECTION WITH THE MARKETING OF CERTAIN INTEREST RATE DERIVATIVES
Initiated By:	FINANCIAL SERVICES AGENCY OF JAPAN
Date Initiated:	04/27/2006
Docket/Case Number:	
Principal Product Type:	Derivative(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	ISSUANCE OF ORDER REQUIRING CONTROL AFFILIATE TO IMPROVE CERTAIN BUSINESS PRACTICES
Resolution:	Consent
Resolution Date:	04/27/2006
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	REVIEW OF CERTAIN BUSINESS PRACTICES



Sanction Details:

CERTAIN OFFICES OF APPLICANT'S CONTROL AFFILIATE IN JAPAN WERE SUSPENDED FROM MARKETING INTEREST RATE DERIVATIVES FOR SIX MONTHS. APPLICANT'S CONTROL AFFILIATE WAS ORDERED TO IMPROVE ITS BUSINESS PRACTICES IN CONNECTION WITH THESE ACTIVITIES.

Firm Statement

ON APRIL 27, 2006, THE FINANCIAL SERVICES AGENCY OF JAPAN ISSUED TWO ADMINISTRATIVE ORDERS WITH RESPECT TO CERTAIN OFFICES OF APPLICANT'S CONTROL AFFILIATE AS NOTED ABOVE. THE APPLICANT WAS NOT INVOLVED IN ANY OF THE TRANSACTIONS THAT RESULTED IN THE ISSUANCE OF THESE ORDERS.



Criminal - Final Disposition

Disclosure 1 of 2

Reporting Source:	Firm
Affiliate:	SMBC NIKKO SECURITIES INC.
Current Status:	Final
Status Date:	2/13/2023
Charge Details:	SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO") WAS CONVICTED OF 10 COUNTS OF VIOLATING THE JAPANESE FINANCIAL INSTRUMENTS AND EXCHANGE ACT. NIKKO TOKYO DID NOT CONTEST AT LEAST CERTAIN OF THE FACTS ALLEGED BY THE PUBLIC PROSECUTOR.
Felony:	Yes
Court Details:	TOKYO DISTRICT COURT
Charge Date:	04/13/2022
Disposition Details:	ON FEBRUARY 13, 2023, NIKKO TOKYO WAS CONVICTED OF 10 VIOLATIONS OF THE FIEA, WHICH ARE EQUIVALENT OF A FELONY UNDER JAPANESE LAW. NIKKO TOKYO WAS ORDERED TO PAY A ¥700 MILLION FINE (APPROXIMATELY \$5.3 MILLION) AND A SURCHARGE OF ¥4.5 BILLION (APPROXIMATELY \$33.7 MILLION).
Firm Statement	ON APRIL 13, 2022, THE SPECIAL INVESTIGATION DEPARTMENT OF TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE INDICTED NIKKO TOKYO AND SIX NIKKO TOKYO PERSONNEL FOR ATTEMPTING TO STABILIZE THE PRICES OF TEN JAPANESE EQUITY SECURITIES THAT NIKKO TOKYO WAS ATTEMPTING TO PLACE IN "BLOCK OFFERINGS" BETWEEN DECEMBER 2019 AND APRIL 2021. THE APRIL 13, 2022 CHARGES AGAINST NIKKO TOKYO WERE CONSOLIDATED AND WERE BOTH RESOLVED THROUGH THE CONVICTION.

Disclosure 2 of 2

Reporting Source:	Firm
Affiliate:	SMBC NIKKO SECURITIES INC.
Current Status:	Final
Status Date:	2/13/2023
Charge Details:	SMBC NIKKO SECURITIES, INC. ("NIKKO TOKYO") WAS CONVICTED OF 10 COUNTS OF VIOLATING THE JAPANESE FINANCIAL INSTRUMENTS AND EXCHANGE ACT. NIKKO TOKYO DID NOT CONTEST AT LEAST CERTAIN OF



THE FACTS ALLEGED BY THE PUBLIC PROSECUTOR.

Felony:

Yes

Court Details:

TOKYO DISTRICT COURT

Charge Date:

03/24/2022

Disposition Details:

ON FEBRUARY 13, 2023, NIKKO TOKYO WAS CONVICTED OF 10 VIOLATIONS OF THE FIEA, WHICH ARE EQUIVALENT OF A FELONY UNDER JAPANESE LAW. NIKKO TOKYO WAS ORDERED TO PAY A ¥700 MILLION FINE (APPROXIMATELY \$5.3 MILLION) AND A SURCHARGE OF ¥4.5 BILLION (APPROXIMATELY \$33.7 MILLION).

Firm Statement

ON MARCH 24, 2022, THE SPECIAL INVESTIGATION DEPARTMENT OF TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE INDICTED NIKKO TOKYO AND SIX NIKKO TOKYO PERSONNEL FOR ATTEMPTING TO STABILIZE THE PRICES OF TEN JAPANESE EQUITY SECURITIES THAT NIKKO TOKYO WAS ATTEMPTING TO PLACE IN "BLOCK OFFERINGS" BETWEEN DECEMBER 2019 AND APRIL 2021. THE MARCH 24, 2022, CHARGES AGAINST NIKKO TOKYO WERE CONSOLIDATED AND WERE BOTH RESOLVED THROUGH THE CONVICTION."

End of Report



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