Callable Capital Exercise – Shareholder Information Template

(1) Shareholder

Japan

(2) Shareholding and Callable Capital Commitments

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	7.6	22.361
ADB	15.6	20.945
IDB	5.0	8.249
AfDB	5.3	9.947
EBRD	8.6	€2.023
MIGA	5.1	0.079

Figures for IBRD and MIGA are as of June 2023 and for others are as of December 2022, according to their respective financial statements.

(3) Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

(4) Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

(5) Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Procedural Step	Timeframe	Responsible Entity
The executive branch has been authorised by the Parliament to subscribe to the full amount of the callable capital. Therefore, the Ministry of Finance could immediately issue the required amount of promissory notes to the MDBs when needed at the time of a call without further Parliamentary approval.	Immediately	Ministry of Finance
Then, for the purpose of encashing the promissory notes, the government would seek the budget from (i) the existing budget, which can be mobilized within the executive branch; or (ii) an additional budget, which requires approval by the Parliament, depending on the required amount and other considerations. For the latter, it can be included in the annual budget, which is submitted to the Parliament and approved by March, or a supplementary budget, which is formulated on an ad hoc basis.	As a matter of weeks in the case of reallocation. Dependent on the Parliament in the latter case.	Ministry of Finance Parliament
Once the government had secured the budget as described above, the Ministry of Finance could encash the promissory notes through its internal procedure.	A few weeks	Ministry of Finance

(6) Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

The Government would issue the promissory notes for the amount necessary to respond to a call and the notes would be encashed through the process described above.

(7) Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

We may be able to accelerate the processes by preparing in advance, skipping or simultaneously processing multiple tasks, as far as the procedures in the MOF are concerned.

(8) Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Callable capital can be available immediately if reallocation within the existing budget is feasible, because the whole process can be completed within the executive branch.

(9) Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

The government has a legal obligation to respond to all subscribed capital, including callable capital. On the other hand, the callable capital is not listed in the contingent liabilities of the explanatory note to the balance sheet of the Japanese Government, on the grounds that the callable capital has never been called and that the probability of it being called is extremely low.

(10) Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Under the Law for the Measures in Consequence of Admission to each MDB, the Japanese Government is fully authorized, in accordance with the procedures, to subscribe and to make payments on account of callable capital not exceeding the limit as specified in the budget. Also, each Law stipulates that the Government is authorized to pay a part of the subscription in the form of notes. When payments become necessary in connection with any of the notes so issued to each MDB, the Government will be able to make such payments immediately under the Law. The Government is bound and obligated under the Law described above.

(11) Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

There is effectively no difference in terms of accounting status or process, while the method for authorization is different between the IBRD and other MDBs: subscription of callable capital to the IBRD is authorized by the relevant Law and the others are authorized by budgetary measures.

(12) Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.