

Glossary

This page provides supplementary material to assist in better understanding the business environment surrounding the SBI Group.

AML/CFT	Financial institutions are required to comply with guidelines and regulations concerning Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). Until now, the Financial Action Task Force (FATF), which conducts international inspections of the progress of its member countries, has called out Japan for its policies on these fronts, so the development of appropriate responses and countermeasures has become a priority issue for financial institutions and other businesses.
Foundry	In the semiconductor industry, foundries are a business that specializes in the manufacturing of semiconductor devices. A foundry manufactures semiconductor devices under consignment based on design data from the semiconductor maker that originates the order. In the manufacturing of semiconductor devices, this type of specialization arises from the need for large-scale investment in production facilities and the vast amount of R&D related to manufacturing technology. By having a foundry undertake the consignment of semiconductor production from manufacturers that lack such facilities, the manufacturing of a large volume of semiconductors can be concentrated in one company, which enables high efficiency in plant operations and R&D.
Metaverse	A term created by combining the words “meta” and “universe” and refers to a virtual space electronically constructed on the Internet and leveraging services provided therein. Within this virtual space, alter egos (called avatars) are created to interact with others around the world, and individuals can also engage in economic activities such as shopping. With the development of extended reality (XR) technologies such as virtual reality (VR), augmented reality (AR), and mixed reality (MR), and the advent of blockchain technology, it is expected that a part of everyday life will shift to activities in the metaverse.
NISA/iDeCo	NISA, which stands for Nippon Individual Savings Account, is a tax-deferred system for small investments. Introduced in 2014, the program provides preferred tax treatment for individual investors. Annual investment limits and the tax-exempt holding period are specified, and within these restrictions, income and capital gains from stocks and investment trusts are eligible for tax exemptions. The term “iDeCo” stands for individual-type Defined Contribution pension plan. It applies to private pension plans that are operated in accordance with the Defined Contribution Pension Act, which was adopted and took effect in 2001. Since iDeCo is a pension plan designed to build assets for retirement, tax benefits are provided. NISA and iDeCo will be amended from 2024, and individual investors can look forward to enjoying greater benefits. NISA will undergo a radical expansion and be made permanent, and there will no longer be any limits to the tax-exempt holding period. Also, iDeCo will have its contribution limit raised.
Staking Service	Staking is a scheme in which crypto-assets are locked up on a blockchain network in order to contribute indirectly to the preservation of the blockchain, and in exchange, earn additional assets as compensation for doing so. To participate in block creation and authentication of transactions necessary to maintain the existence a blockchain network, a high level of expertise is typically required. However, by using a staking service provided by a crypto-asset exchange, individual investors are also enabled to contribute indirectly to maintaining a decentralized blockchain. In recent years, the demand for crypto-assets as a source of passive income has increased. Our Group companies, SBI VC Trade and BITPoint Japan, provide staking services to meet this growing demand.
STO	A security token offering (STO) is a new funding mechanism through the issuance of tokens (substituting for fiat currency) that are backed by various tangible assets of value, such as stocks, bonds, and real estate. As a digital security using blockchain technology, these tokens have properties similar to securities, such as distributing revenue to token owners. Overseas STOs are issued as financial products that comply with the laws and regulations of each country, and there is the belief that the reliability of investors and the transparency of transactions are guaranteed to the same extent as existing financial products. In Japan, an amendment to the Payment Services Act and the Financial Instruments and Exchange Act, which came into effect in May 2020, made it clear that STOs are subject to regulation under the Financial Instruments and Exchange Act.
Web3	Web3 is said to be a next-generation Internet based on blockchain technology and characterized by “decentralization” and its “trustless” nature. Under the current Web 2.0 structure, user data is owned or transacted by large, centrally controlled companies. As a result, security risks due to information concentrated in one place, as well as problems such as the monopolization of personal information by large companies, have been pointed out. Web3 is expected to solve these problems by using blockchain technology that enables decentralized management of transaction information among multiple users connected to the Internet.