235. As of 31 March 1966 outstanding guarantees for suppliers' credits (medium-term and long-term) issued by the INA totalled Lit 592,000 million for suppliers' credits (medium-term and long-term) and Lit 218,000 million for financial credits.

236. The Societa Italiana Assicurazione Crediti insures transactions of up to twelve months at premium rates fluctuating between 0.3 and 1.5 per cent. Claims are payable within two months in the case of insolvency and six months in the case of protracted default.

JAPAN

INSTITUTIONAL FRAMEWORK

237. In Japan, export credits for the acquisition of capital goods are financed through "concerted financing" by the commercial banks and the Export-Import Bank of Japan.

238. These are about one hundred commercial banks, including fifteen banks which are branches of foreign banks. The Japanese banks are classified in two categories, the large "City Banks" and the locally oriented "Country Banks". The most important role is played by the thirteen "City Banks" (Bank of Tokyo, Mitsui, Hokkaido Takushoku, Mitsubishi, Sumitomo, Fuji, Sanwa, Dai-Ichi, Daiwa, Kobe, Tokai, Nippon Kangyo and Industrial Bank of Japan). Pursuant to the Foreign Exchange and Foreign Trade Act, only the commercial banks authorized by the Minister of Finance and known as "Authorized Foreign Exchange Banks" can carry out foreign exchange transactions. There are about seventy authorized banks, which are divided into two classes, A and B. Class A banks, which include most of the "City Banks" and the branches of foreign banks, are permitted to conclude correspondent arrangements with non-resident banks and can finance foreign trade. Class B banks are permitted only to act as agents: they may purchase and hold foreign exchange as agents for their clients, but may not sell it to other than class A banks.

TABLE 43.—*Japan: Outstanding export credit financing provided by 12 "A Group" and 16 "B Group" exchange banks as part of joint financing with the Export-Import Bank of Japan*

As of—	*Millions of yen*
Oct. 31, 1961	90,400
Dec. 31, 1965	93,100
Mar. 31, 1966	97,100

239. The main burden of medium-term and long-term export credit financing is carried by the Export-Import Bank of Japan. This bank was established as the Export Bank of Japan in December 1950 but assumed its present name on 1 April 1952 when the scope of its activity was expanded to cover import financing. The Bank is a public corporation whose capital, now Y 175,800 million, is entirely owned by the Government. According to the Act under which it was established, the Bank's purpose is "to supplement or encourage the financing of exports, imports and overseas investments by ordinary financial institutions, with the view of facilitating, through financial aid, trade and other economic interchange between Japan and foreign countries".

240. The Bank is administered by a President, a Vice-President and six Directors, and is inspected by two Auditors. The President, the Vice-President and the Auditors are appointed by the Prime Minister, and the Directors are appointed by the President of the Bank. The Bank is under the general supervision of the Ministry of Finance and its annual budget and accounts must be submitted to the Parliament for approval.

241. The Bank can obtain additional resources only by borrowing from the Government of Japan or by borrowing foreign currencies from foreign banks and other financial institutions. At the end of the fiscal year 1964/65, outstanding borrowing from the Government totalled Y 291,400 million. The Bank's maximum liability limit is three times the total of its capital and reserve fund. The maximum amount of loans and guarantees that it may have outstanding at any time