

**Mitsubishi UFJ Trust and Banking Corporation**  
**Binance Japan Inc**

## **Mitsubishi UFJ Trust and Banking Corporation and Binance Japan Commence Joint Study to Explore New Stablecoin Issuance Using Progmat Platform to Accelerate Web3 Adoption**

**Tokyo, September 26, 2023** --- Mitsubishi UFJ Trust and Banking Corporation (MUTB) and Binance Japan Inc (Binance Japan) have commenced a joint study for the issuance of a new stablecoin pegged to fiat currencies, including the Japanese Yen and other foreign currencies, utilizing the "Progmat Coin" platform, a stablecoin issuance and management platform compliant with Japanese law. Through this joint study, both companies aim to issue new stablecoins to help accelerate the mass adoption of Web3 in Japan.



MUTB is leading the development of the "Progmat Coin" platform as an infrastructure for issuing stablecoins in accordance with the revised Payments Services Act enforced in June 2023. MUTB has also announced various technology partnerships\*<sup>1</sup> with the aim of smooth mutual transfer and exchange of stablecoin issuance on various blockchains, including public blockchains such as Ethereum. Various brands of stablecoins based on the "Progmat Coin" platform will be available for issuance and circulation as soon as the intermediaries handling them have completed their license registration with the relevant authorities.

Binance Japan started offering 34 tokens at the launch of its services for the Japanese market in August 2023, which is the largest number of tokens offered on any digital exchange in the country. Globally, Binance is the leading blockchain ecosystem and cryptocurrency exchange by trading volume with over 150 million users and more than 350 tokens. Upon completion of additional license registration required by domestic regulations, Binance Japan strives to enrich its services to gradually close the gap between Japan and global offerings in a compliant way.

Under this partnership between MUTB and Binance, the joint study aims to drive mass adoption of Web3 and foster a thriving Web3 ecosystem in Japan by issuing new stablecoin utilizing Progmatic Coin platform compliant with the domestic regulations.

**Overview of the Issuance Structure**

Under the revised Payments Services Act enforced in June 2023, there are three options to issue stablecoins (legally termed as “Electronic Settlement Method”): "Bank Deposit-backed Digital Money\*2", stablecoins issued by licensed Fund transfer service providers (“Fund-transfer type”), and Trust banks ("Trust-type"). Based on the characteristics summarized below, the joint study will be based on "Trust-type" stablecoins which both parties believe have the advantage in terms of flexibility in issuance and usability.

		Bank Deposit Type "electronic money"	Funds Transfer Type Stablecoins	Trust Type Stablecoins
Restrictions	Prospective Issuers	Banking license required	Money transfer business registration required	No license required (no business regulation for trustees, asset management cycle shared by trust banks)
	Recipient	Only KYC-compliant addresses can be used for money transfers	Remittances allowed including addresses without KYC? (Unknown)	Remittance allowed including addresses without KYC (legal clearance has been completed).
	Remittance Amount	No Restrictions	Remittance amount is limited 1,000,000 yen per remittance.	No Restrictions

The issuance structure is as follows:

**Type of Electronic Settlement Method:**

- Item 3 (Beneficial interest in specific trusts)

**Issuance Applicant (Entruster):**

- Binance Japan Inc

**Issuer (Trustee):**

- Mitsubishi UFJ Trust and Banking Corporation,

**Placement of underlying assets (Deposits):**

- Any financial institution

**Currency of underlying assets:**

- JPY and foreign currencies

**Intermediary:**

- Binance Japan Inc

**Connected Blockchain:**

- Potential expansion to multiple chains such as [BNB Chain](#), etc., in addition to Ethereum

In order to be able to handle stablecoins (Electronic Settlement Methods) as a business in Japan, it is compulsory to obtain the newly established "Electronic Settlement Methods Transaction Business Provider" license under the revised Payments Services Act. Both companies intend on commencing stablecoin operations by the end of 2024 upon completion and approval of applicable regulatory approvals by Binance Japan.

Tatsuya Saito, Founder and CEO of Progmatic Inc, Vice President of Product of MUTB, said: "We believe that the new stablecoin from this collaboration will be a step forward in advancing the Web 3.0. Progmatic is a neutral infrastructure that enables the issuance of various brands of stablecoins with the greatest flexibility of use and the least risk of de-pegging, it does not compete with players issuing their own stablecoins. We have already announced the other stablecoin project with several Japanese financial institutions as joint issuance applicants, and we are working with several other partners equally on deals in addition to this announced initiative. Among them, Binance has a strong position in the existing crypto assets trading world, and the impact of having the most secure stablecoin functioning within this ecosystem is immeasurable. Stay tuned for further announcements."

Takeshi Chino, General Manager of Binance Japan, said: "We are honored to partner with MUTB to explore issuing new stablecoins in Japan through the Progmatic platform. Stablecoins have important use cases across the broader financial ecosystem – from a lower-cost and instantaneous cross border trade settlement for business clients, to the facilitation of trading other cryptocurrencies seamlessly for retail investors – stablecoins fill an important financial services need and are crucial for the success of Web 3.0 adoption."

- End -

<sup>\*1</sup> Announced on September 29, 2022: "Publication of Interim Report by "Payments Services WG" and Start of Cross-Chain Technology Verification of "Progmat Coin"" (Mitsubishi UFJ Trust and Banking Corporation)

March 28, 2023 Announcement: "Technical Alliance for Smooth Mutual Transfer and Exchange of a Wide Variety of stablecoins to be Issued in Japan" (Datachain, inc., Mitsubishi UFJ Trust and Banking Corporation, and soramitsu)

Announced April 27, 2023: "Successful Technical Verification of Cross-Chain Settlement of Digital Securities with stablecoins" (Mitsubishi UFJ Trust and Banking Corporation, Datachain, inc.)

Announced May 25, 2023: "Progmat Coin" x "Datachain" x "TOKI" technology alliance to enable transactions using stablecoin between public blockchains" (Mitsubishi UFJ Trust and Banking Corporation, Datachain, inc., TOKI FZCO)

<sup>\*2</sup> Based on the FSA's view on Public Comments, we understand the FSA does not contemplate the issuance of electronic payment methods by banks, except for trust-type stablecoins, at this time.

#### ◆ Roles and overview of each company

(1) Developer of the platform "Progmat Coin"

Trade name : Progmat, Inc

Representative : Tatsuya Saito

URL : <https://www.tr.mufg.jp/progmat/><sup>\*3</sup>

<sup>\*3</sup> Scheduled to be renewed and released on or after October 2

(2) Issuance Applicant (Entruster) and Intermediary

Trade name : Binance Japan Inc

Representative : Takeshi Chino

URL : <https://www.binance.com/ja>

(3) Issuer (Trustee)

Trade name : Mitsubishi UFJ Trust and Banking Corporation

Representative : Iwao Nagashima

URL : <https://www.tr.mufg.jp/>

#### ◆ About "Progmat"

The website is now open to the public, please visit the URL below.

<<https://www.tr.mufg.jp/progmat/>>

<https://speakerdeck.com/progmat/company-overveiw>

◆ **About “Progmat Coin”**

"Progmat Coin" platform is an infrastructure for issuing and managing various SCs.

Please refer to the following URL for more information.

<https://speakerdeck.com/progmat/sc>