

# **Bank of Japan Act**

(Act No. 89 of June 18, 1997)

The Bank of Japan Act (Act No. 67 of 1942) shall be fully revised.

Chapter I General Provisions (Article 1 - Article 13)

Chapter II Policy Board (Article 14 - Article 20)

Chapter III Officers and Employees (Article 21 - Article 32)

Chapter IV Business (Article 33 - Article 45)

Chapter V Bank of Japan Notes (Article 46 - Article 49)

Chapter VI Accounting (Article 50 - Article 53)

Chapter VII Reporting, etc. to the Diet (Article 54 and Article 55)

Chapter VIII Rectification, etc. of Illegal Acts, etc. (Article 56 - Article 58)

Chapter IX Miscellaneous Provisions (Article 59 - Article 62)

Chapter X Penal Provisions (Article 63 - Article 66)

Supplementary Provisions

## **Chapter I General Provisions**

(Purpose)

Article 1 (1) The purpose of the Bank of Japan, or the central bank of Japan, is to issue banknotes and to carry out currency and monetary control.

(2) In addition to what is prescribed in the preceding paragraph, the Bank of Japan's purpose is to ensure smooth settlement of funds among banks and other financial institutions, thereby contributing to the maintenance of stability of the financial system.

(The Principle of Currency and Monetary Control)

Article 2 Currency and monetary control by the Bank of Japan shall be aimed at achieving price stability, thereby contributing to the sound development of the national economy.

(Respecting the Autonomy of the Bank of Japan and Ensuring Transparency)

Article 3 (1) The Bank of Japan's autonomy regarding currency and monetary control shall be respected.

(2) The Bank of Japan shall endeavor to clarify to the citizen the content of its

decisions, as well as its decision-making process, regarding currency and monetary control.

(Relationship with the Government)

Article 4 The Bank of Japan shall, taking into account the fact that currency and monetary control is a component of overall economic policy, always maintain close contact with the government and exchange views sufficiently, so that its currency and monetary control and the basic stance of the government's economic policy shall be mutually compatible.

(Public Nature of the Bank of Japan's Business and Its Autonomy)

Article 5 (1) In light of the public nature of its business and property, the Bank of Japan shall endeavor to conduct its business in a proper and efficient manner.

(2) In implementing this Act, due consideration shall be given to the autonomy of the Bank of Japan's business operations.

(Juridical Personality)

Article 6 The Bank of Japan shall be a juridical person.

(Head Office and Branch Offices, etc.)

Article 7 (1) The Bank of Japan shall locate its head office in Tokyo.

(2) The Bank of Japan may, pursuant to an Ordinance of the Ministry of Finance and upon authorization from the Minister of Finance, establish, relocate, or abolish offices including branch offices.

(3) The Bank of Japan may, pursuant to an Ordinance of the Ministry of Finance and upon authorization from the Minister of Finance, establish or abolish agencies that perform a part of the Bank's business.

(4) If an application for authorization set forth in the preceding two paragraphs has been filed but the Minister of Finance has denied it, he/she shall make public this denial of authorization and the reason therefor promptly, together with the content of the requested application.

(Stated Capital)

Article 8 (1) The amount of the Bank of Japan's stated capital shall be one hundred million yen to be contributed to by both the government and non-governmental persons.

(2) Of the amount of stated capital set forth in the preceding paragraph, the amount of contribution by the government shall be no less than fifty-five million yen.

(Investment Securities)

Article 9 (1) The Bank of Japan shall issue investment securities for capital contribution pursuant to paragraph 1 of the preceding Article.

(2) Other matters concerning investment securities set forth in the preceding paragraph, as well as matters concerning capital contribution in general, shall be specified by a Cabinet Order.

(Transfer of Equity)

Article 10 Contributories to the Bank of Japan's capital may, pursuant to a Cabinet Order, transfer their equity or put it in pledge.

(Articles of Incorporation)

Article 11 The Bank of Japan shall stipulate the following matters in its articles of incorporation:

- (i) Purpose;
  - (ii) Official name;
  - (iii) Locations of the head office and branch offices;
  - (iv) Matters concerning the stated capital and contribution;
  - (v) Matters concerning the Policy Board;
  - (vi) Matters concerning officers;
  - (vii) Matters concerning its business and the execution thereof;
  - (viii) Matters concerning the issuance of banknotes;
  - (ix) Matters concerning accounting;
  - (x) Means for public notice and publication.
- (2) Any amendments to the articles of incorporation shall not come into effect unless authorized by the Minister of Finance and the Prime Minister.
- (3) The provisions of Article 7, paragraph 4 shall apply mutatis mutandis to the authorization set forth in the preceding paragraph.

(Registration)

Article 12 (1) The Bank of Japan shall register relevant matters pursuant to a Cabinet Order.

(2) Matters to be registered as prescribed in the preceding paragraph may not be asserted against a third party unless having been registered.

(Restriction on Use of the Bank of Japan's Name)

Article 13 No person other than the Bank of Japan may use the name "Bank of Japan."

## **Chapter II Policy Board**

### **(Establishment)**

Article 14 A Policy Board (hereinafter referred to as the "Board" in this and the following Chapter) shall be established in the Bank of Japan.

### **(Authority)**

Article 15 (1) The following matters concerning currency and monetary control shall be decided by the Board:

- (i) Determining or altering the basic discount rate and other discount rates pertaining to the discounting of negotiable instruments set forth in Article 33, paragraph 1, item (i), as well as the types and conditions of negotiable instruments pertaining to the said discounting;
  - (ii) Determining or altering the basic loan rate and other loan rates pertaining to the loans set forth in Article 33, paragraph 1, item (ii), as well as the types, conditions, and value of collateral pertaining to the said loans;
  - (iii) Determining, altering, or abolishing reserve requirement ratios, the base date, and other matters prescribed in Article 4, paragraph 1 of the Act on Reserve Deposit Requirement System (Act No. 135 of 1957);
  - (iv) Determining or altering the guidelines for financial market control (currency and monetary control conducted through financial markets [including open market operations]) through such measures as the buying and selling of negotiable instruments, bonds, or electronically recorded claims (electronically recorded claims prescribed in Article 2, paragraph 1 of the Electronically Recorded Claims Act [Act No. 102 of 2007]; hereinafter the same shall apply in this item and Article 33, paragraph 1) prescribed in Article 33, paragraph 1, item (iii), as well as determining or altering the types, conditions, and other matters of negotiable instruments, bonds, or electronically recorded claims pertaining to the said financial market control;
  - (v) Determining or altering other guidelines for currency and monetary control;
  - (vi) Determining or altering the Bank of Japan's view on currency and monetary control, including its basic view on economic and monetary conditions which provides the basis for matters listed in the preceding items.
- (2) In addition to matters to be subject to the Board resolution as prescribed in the preceding paragraph, the following matters shall also be decided by the Board:
- (i) Making loans pursuant to Article 37, paragraph 1, and executing business pursuant to Article 38, paragraph 2;
  - (ii) Applying for authorization pursuant to Article 39, paragraph 1, and determining important matters concerning the business pertaining to the said

- authorization;
- (iii) Conducting the buying and selling of foreign exchange to facilitate international financial business which the Minister of Finance specifies as constituting cooperation in the field of international finance as prescribed in Article 40, paragraph 3, initiating transactions with a foreign central bank, etc. (a foreign central bank, etc. prescribed in Article 41) pertaining to the business prescribed in the same Article, and executing transactions pursuant to Article 42;
  - (iv) Applying for authorization pursuant to the proviso of Article 43, paragraph 1, and determining important matters concerning the business pertaining to the said authorization;
  - (v) Determining the content of a contract concerning on-site examinations prescribed in Article 44, paragraph 1, as well as determining important matters concerning the implementation of on-site examinations for each business year;
  - (vi) Altering the articles of incorporation;
  - (vii) Preparing or altering a statement of operation procedures;
  - (viii) Establishing, relocating, or abolishing offices including branch offices and agencies;
  - (ix) Determining important matters concerning the Bank of Japan's organization and size of staff (excluding what is listed in the preceding item);
  - (x) Establishing or altering the standards for paying remuneration prescribed in Article 31, paragraph 1, as well as rules on service prescribed in Article 32;
  - (xi) Acquiring or disposing of real estate and other important property;
  - (xii) Making or altering a budget for expenses (a budget for expenses prescribed in Article 51, paragraph 1), preparing an inventory, balance sheet, profit and loss statement, and statement of accounts, and determining important matters concerning accounting including the appropriation of any surplus;
  - (xiii) Preparing a written report prescribed in Article 54, paragraph 1, as well as the outline of business operations prescribed in Article 55;
  - (xiv) Establishing or altering the rules prescribed in Article 59;
  - (xv) Determining matters to be decided by the Board pursuant to this Act or to be carried out by the Board pursuant to this Act or other laws and regulations;
  - (xvi) Determining matters which the Board finds particularly necessary, in addition to what is listed in the preceding items.
- (3) The Board shall supervise the execution of their duties by the officers (excluding Auditors and Counsellors in this paragraph) of the Bank of Japan.

(Organization)

Article 16 (1) The Board shall be composed of nine members.

(2) Board members shall consist of six Members of the Policy Board, the Bank of

Japan's Governor and two Deputy Governors. In this case, the Governor and the Deputy Governors shall perform their duties as Board members independently of each other, irrespective of the provisions of Article 22, paragraphs 1 and 2.

- (3) The Board shall have a chairperson, who shall be elected by Board members from among themselves.
- (4) The chairperson shall exercise general control over Board business.
- (5) The Board shall designate, in advance, a member who shall perform the duties of the chairperson when the chairperson is prevented from attending to his/her duties.

#### (Calling of Board Meetings)

Article 17 (1) Board meetings shall be called by the chairperson of the Board (or by the designated alternate prescribed in paragraph 5 of the previous Article; hereinafter the same shall apply in this Article, the following Article, and Article 20).

- (2) The chairperson shall, pursuant to a Cabinet Order, regularly call Board meetings at which the matters listed in the items of Article 15, paragraph 1 (hereinafter referred to as "monetary control matters" in this Chapter) are to be discussed.
- (3) The preceding paragraph shall not be interpreted as preventing a Board meeting for monetary control matters from being called on an ad hoc basis, when the chairperson finds it necessary, or when one-third or more of the total incumbent Board members find it necessary and request the chairperson to call such a meeting.

#### (Management of Board Meetings)

Article 18 (1) The Board may neither meet nor vote unless the chairperson and two-thirds or more of the total incumbent Board members are present.

- (2) Matters shall be decided by a majority of votes cast by Board members who are present. When the votes are equally split, the chairperson shall make a final decision.
- (3) Except for those specified in this Act, procedures of meetings and other necessary matters concerning the administration of the Board shall be determined by the Board.

#### (Attendance of Government Representatives)

Article 19 (1) The Minister of Finance or the Minister of State for Economic and Fiscal Policy prescribed in Article 19, paragraph 2 of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999) (referred to as the "Minister of State for

Economic and Fiscal Policy" in the following paragraph; in the case where the office is vacant, it shall be assumed by the Prime Minister) may, when necessary, attend and express opinions at Board meetings for monetary control matters, or may designate an official of the Ministry of Finance or the Cabinet Office, respectively, to attend and express opinions at such meetings.

(2) The Minister of Finance, or a delegate designed by him/her, and the Minister of State for Economic and Fiscal Policy, or a delegate designated by him/her, may, when attending the Board meetings for monetary control matters, submit proposals concerning monetary control matters, or request that the Board postpone a vote on proposals on monetary control matters submitted at the meeting until the next Board meeting for monetary control matters.

(3) When a request has been made to postpone a vote as prescribed in the preceding paragraph, the Board shall decide whether or not to accommodate the request, in accordance with the Board's practice for voting.

(Publication of Transcripts, etc.)

Article 20 (1) After each Board meeting for monetary control matters, the chairperson shall promptly prepare a document describing an outline of the discussion at the meeting in accordance with the decisions made by the Board, and make public the document following its approval at another Board meeting for monetary control matters.

(2) The chairperson shall prepare a transcript of each Board meeting for monetary control matters in accordance with the decisions made by the Board, and make public the transcript after the expiration of a period of time which is determined by the Board as appropriate.

### **Chapter III Officers and Employees**

(Officers)

Article 21 The officers of the Bank of Japan shall consist of six Members of the Policy Board, a Governor, two Deputy Governors, three or fewer Auditors, six or fewer Executive Directors, and a small number of Counsellors.

(Duties and Powers of Officers)

Article 22 (1) The Governor shall represent the Bank of Japan and exercise general control over the Bank's business in accordance with decisions made by the Board.

(2) The Deputy Governors shall, in accordance with decisions made by the

Governor, represent the Bank of Japan, administer the business of the Bank assisting the Governor, act for the Governor whenever he/she is prevented from attending to his/her duties, and perform the Governor's duties during a vacancy in the office of the Governor.

- (3) The Auditors shall audit the business of the Bank of Japan.
- (4) The Auditors may, when they find it necessary based on the audit results, submit their opinions to the Minister of Finance, the Prime Minister, or the Board.
- (5) The Executive Directors shall, in accordance with the decisions made by the Governor, administer the business of the Bank of Japan assisting the Governor and the Deputy Governors, act for the Governor when the Governor and the Deputy Governors are prevented from attending to their duties, and perform the Governor's duties during a vacancy in the office of the Governor and the Deputy Governors.
- (6) The Counsellors shall be consulted by the Board on any important matters concerning the Bank of Japan's business operations, and may express their opinions to the Board when they find it necessary.

(Restrictions on Authority of Representation)

Article 22-2 Restrictions on the authority of representation of the Governor or the Deputy Governors may not be asserted against a third party without knowledge of such restrictions.

(Acts of Conflict of Interest)

Article 22-3 The Governor or the Deputy Governors shall not have the authority of representation with regard to matters for which their interests and the interest of the Bank of Japan conflict with each other. In this case, the court shall appoint a special agent, upon a request from an interested person or a public prosecutor.

(Appointment of Officers)

Article 23 (1) The Governor and the Deputy Governors shall be appointed by the Cabinet, subject to the consent of the House of Representatives and the House of Councillors.

- (2) The Members of the Policy Board shall be appointed by the Cabinet, subject to the consent of the House of Representatives and the House of Councillors, from among persons with relevant knowledge and experience including experts on the economy or finance.
- (3) The Auditors shall be appointed by the Cabinet.
- (4) The Executive Directors and the Counsellors shall be appointed by the Minister of Finance based on the Board's recommendation.



- (5) If the term of office of a Governor, Deputy Governor, or Member of the Policy Board expires or a vacancy occurs in the office of any of these, and if the Diet is out of session or the House of Representatives has been dissolved and it is impossible to obtain the consent of both Houses, the Cabinet may appoint a Governor, Deputy Governor, or Member of the Policy Board, irrespective of the provisions of paragraphs 1 and 2.
- (6) In the case set forth in the preceding paragraph, the appointment shall be approved ex post by both Houses in the first Diet session after the said appointment. If the Cabinet fails to obtain such ex post approval, it shall immediately dismiss the said Governor, Deputy Governor, or Member of the Policy Board.

(Officers' Terms of Office)

- Article 24 (1) The terms of office shall be five years for the Governor, Deputy Governors, and Members of the Policy Board, four years for Auditors and Executive Directors, and two years for Counsellors. However, if a vacancy occurs in the office of a Governor, Deputy Governor, or Member of the Policy Board, the term of office for a substitute Governor, Deputy Governor, or Member of the Policy Board shall be limited to the remaining term of his/her predecessor.
- (2) The Governor, Deputy Governors, Members of the Policy Board, Auditors, Executive Directors, and Counsellors may be reappointed.

(Guarantee of the Officers' Status)

- Article 25 (1) Officers of the Bank of Japan (excluding Executive Directors in this paragraph) shall not be dismissed against their will during their terms of office, except in the case prescribed in the second sentence of Article 23, paragraph 6 or in the following cases:
- (i) An officer has received a ruling of the commencement of bankruptcy proceedings;
  - (ii) An officer has received punishment under this Act;
  - (iii) An officer has been sentenced to imprisonment without work or a heavier punishment;
  - (iv) An officer has been deemed incapable of carrying out his/her duties due to mental or physical disorder by the Board (or by the Board and the Cabinet in the case of the Auditors).
- (2) The Cabinet or the Minister of Finance shall dismiss an officer of the Bank of Japan if he/she falls under any of the cases listed in the items of the preceding paragraph.
- (3) In addition to the case prescribed in the preceding paragraph, the Minister of Finance may dismiss an Executive Director when the Board has requested the

dismissal thereof.

(Restriction on Officers' Acts)

Article 26 (1) An officer of the Bank of Japan (excluding Counsellors; hereinafter the same shall apply in this Article and Articles 31 and 32) shall not conduct any of the following acts during his/her term of office:

- (i) Becoming a candidate for the Diet, for any local council, or for any elected public office;
  - (ii) Becoming an officer of any political body including a political party or actively engaging in political activities;
  - (iii) Engaging in other work that brings remuneration (excluding work that the Board finds as meeting the requirements specified by the rules on service prescribed in Article 32 as the standards of work that does not interfere with the proper execution of his/her duties as an officer);
  - (iv) Carrying out commercial business or other business for the purpose of pecuniary gain.
- (2) If an officer of the Bank of Japan becomes a candidate for the Diet, for any local council, or for any elected public office, he/she shall be deemed to have resigned as an officer of the Bank.

(Appointment of Agents)

Article 27 The Governor and the Deputy Governors may appoint agents, from among the Bank of Japan's Executive Directors or employees, who shall have the authority to act on behalf of the Bank in all juridical and non-juridical matters with regard to the business of the Bank's head office and branch offices.

(Appointment of Employees)

Article 28 The Bank of Japan's employees shall be appointed by the Governor.

(Confidentiality Obligations of Officers and Employees)

Article 29 The Bank of Japan's officers and employees shall not leak or misappropriate secrets which they have learned in the course of their duties. The same shall apply even after they have left the Bank.

(Status of the Officers and Employees)

Article 30 The Bank of Japan's officers and employees shall be deemed to be those engaged in public service pursuant to laws and regulations.

(Standards for Paying Remuneration)

Article 31 (1) The Bank of Japan shall establish the standards for paying rewards

(including the payment of money such as bonuses), salaries (including the payment of money such as bonuses), and retirement allowances (collectively referred to as "remuneration" in the following paragraph) to be paid to its officers and employees, as being consistent with the general standards prevailing in society, and shall report such standards to the Minister of Finance and, at the same time, make them public. The same shall apply when making any change to the standards.

- (2) Among the standards for paying remuneration prescribed in the preceding paragraph, those pertaining to officers shall be established in consideration of salaries, retirement allowances, and other circumstances of national public officers to whom the Act on Salaries of Government Officials with Special Capacity (Act No. 252 of 1949) is applicable.

(Rules on Service)

Article 32 The Bank of Japan shall, in light of the public nature of its business and in order to ensure the proper execution of their duties by its officers and employees, establish rules on service for its officers and employees, such as rules on the obligations to devote themselves to their duties and to separate themselves from private enterprises, and shall report such rules to the Minister of Finance and, at the same time, make them public. The same shall apply when making any change to the rules.

## **Chapter IV Business**

(Regular Business)

Article 33 (1) In order to achieve the purpose prescribed in Article 1, the Bank of Japan may conduct the following business:

- (i) Discounting of commercial bills and other negotiable instruments;
- (ii) Making loans against collateral in the form of negotiable instruments, national government securities and other securities, or electronically recorded claims;
- (iii) Buying and selling of commercial bills and other negotiable instruments (including those drawn by the Bank of Japan in this item), national government securities and other bonds, or electronically recorded claims;
- (iv) Lending and borrowing of national government securities and other bonds against cash collateral;
- (v) Taking deposits;
- (vi) Conducting domestic funds transfers;
- (vii) Taking safe custody of securities and other instruments pertaining to

- property rights, or certificates;
- (viii) Buying and selling gold and silver bullion and carrying out business related to business set forth in the preceding items.
- (2) "Taking deposits" set forth in item (v) of the preceding paragraph refers to taking deposits based on a deposit contract.

(Loans, etc. to the National Government)

Article 34 As the central bank of Japan, the Bank of Japan may, in addition to the business prescribed in paragraph 1 of the preceding Article, conduct the following business with the national government:

- (i) Making uncollateralized loans within the limit decided by the Diet as prescribed in the proviso of Article 5 of the Fiscal Act (Act No. 34 of 1947);
- (ii) Making uncollateralized loans for the national government's temporary borrowing permitted under the Fiscal Act or other acts concerning the national government's accounting;
- (iii) Subscribing or underwriting national government securities within the limit decided by the Diet as prescribed in the proviso of Article 5 of the Fiscal Act;
- (iv) Subscribing or underwriting financing bills and other financing securities;
- (v) Taking safe custody of precious metals and other articles.

(Handling of Treasury Money)

Article 35 (1) As the central bank of Japan, the Bank of Japan shall handle treasury money, pursuant to laws and regulations.

- (2) When handling treasury money as prescribed in the preceding paragraph, the Bank of Japan may conduct the business necessary for this purpose in addition to the business prescribed in Article 33, paragraph 1.

(Handling of National Government Affairs)

Article 36 (1) As the central bank of Japan, the Bank of Japan shall handle national government affairs concerning currency and finance, pursuant to laws and regulations.

- (2) When handling national government affairs as prescribed in the preceding paragraph, the Bank of Japan may conduct the business necessary for this purpose in addition to the business prescribed in Article 33, paragraph 1.
- (3) Expenses necessary for handling national government affairs as prescribed in paragraph 1 may be borne by the Bank of Japan, pursuant to laws and regulations.

(Temporary Loans to Financial Institutions, etc.)

Article 37 (1) Irrespective of the provisions of Article 33, paragraph 1, the Bank of

Japan may provide financial institutions (banks and other institutions engaged in the business of taking deposits, etc. [deposits and others prescribed in Article 2, paragraph 2 of the Deposit Insurance Act {Act No. 34 of 1971} and other deposits for savings] and in funds transfers in the course of trade; the same shall apply hereinafter) and other financial business entities specified by a Cabinet Order (hereinafter collectively referred to as "financial institutions, etc.") with uncollateralized loans the amount of which is equivalent to the shortage of funds for a period no longer than the length of time prescribed by a Cabinet Order, when the relevant financial institutions, etc. unexpectedly experience a temporary shortage of funds necessary for payment due to accidental causes, including failures in electronic data processing systems, whereby their business operations may be seriously hampered if the shortage is not recovered swiftly, provided that the Bank finds the advance is necessary to secure smooth settlement of funds among financial institutions.

- (2) The Bank of Japan shall, when having provided loans as prescribed in the preceding paragraph, report to that effect to the Prime Minister and the Minister of Finance without delay.

(Business Contributing to the Maintenance of Stability of the Financial System)

Article 38 (1) The Prime Minister and the Minister of Finance may, when they find it especially necessary for the maintenance of stability of the financial system, such as in the case where they find that serious problems may arise in the maintenance of stability of the financial system based on the consultation pursuant to Article 57-5 of the Banking Act (Act No. 59 of 1981) or other laws and regulations, request the Bank of Japan to conduct the business necessary to maintain stability of the financial system, such as to provide loans to the financial institution pertaining to the said consultation.

- (2) When a request has been made from the Prime Minister and the Minister of Finance as prescribed in the preceding paragraph, the Bank of Japan may conduct the business necessary to maintain stability of the financial system, including the provision of loans under special conditions, responding to the said request, in addition to the business prescribed in Article 33, paragraph 1.

(Business Contributing to Smooth Settlement of Funds)

Article 39 (1) In addition to the business prescribed in Article 33 through the preceding Article, the Bank of Japan may, upon authorization from the Prime Minister and the Minister of Finance, conduct the business deemed to contribute to smooth settlement of funds among financial institutions in conjunction with the business prescribed in Article 33, paragraph 1, items (v) through (vii) or the business prescribed in Article 35, paragraph 2 or Article 36, paragraph 2.

- (2) The provisions of Article 7, paragraph 4 shall apply mutatis mutandis to the authorization set forth in the preceding paragraph.

(Buying and Selling of Foreign Exchange)

Article 40 (1) The Bank of Japan may, when necessary, buy and sell foreign exchange on its own account or as an agent handling national government affairs pursuant to Article 36, paragraph 1, and it may also buy and sell foreign exchange on behalf of foreign central banks, etc. (foreign central banks and those equivalent thereto; the same shall apply hereinafter) or international institutions (international institutions of which Japan has a membership, including the Bank for International Settlements; the same shall apply hereinafter) as their agent in order to cooperate with them as the central bank of Japan.

- (2) The Bank of Japan shall buy and sell foreign exchange as an agent handling national government affairs pursuant to Article 36, paragraph 1, when the purpose of the buying and selling is to stabilize the exchange rate of Japanese currency.
- (3) The Bank of Japan shall, when buying and selling foreign exchange on its own account or as an agent on behalf of foreign central banks, etc. or international institutions to cooperate with them as the central bank of Japan pursuant to paragraph 1, conduct the buying and selling for the purpose which the Minister of Finance specifies as constituting cooperation in the field of international finance, at the request, or upon the approval, of the Minister of Finance.

(International Financial Business)

Article 41 The Bank of Japan may conduct the following business with foreign central banks, etc. or international institutions in order to cooperate with them as the central bank of Japan:

- (i) Taking deposits pertaining to deposit money denominated in Japanese currency (deposits prescribed in Article 33, paragraph 2);
- (ii) Buying and selling national government securities in exchange for deposits received through the business set forth in the preceding item;
- (iii) Taking safe custody of securities, precious metals, and other articles;
- (iv) Carrying out intermediary, brokerage, or agency services for sales and purchases of national government securities conducted by the said foreign central banks, etc. or international institutions;
- (v) Other business specified by an ordinance of the Ministry of Finance as those deemed to contribute to the proper management of Japanese currency or assets denominated in Japanese currency held by the said foreign central banks, etc. or international institutions.

Article 42 In addition to the business prescribed in the preceding Article, the Bank of Japan may conduct the following transactions and other transactions necessary for cooperating, as the central bank of Japan, with foreign central banks, etc. or international institutions in the field of international finance, including the provision of international financial assistance, at the request, or upon the approval, of the Minister of Finance:

- (i) Substituting loan claims against foreign central banks, etc. which are held by the Bank for International Settlements;
- (ii) Providing credit to foreign central banks, etc. or international institutions.

(Prohibition of Other Business)

Article 43 (1) The Bank of Japan may not conduct any business other than that specified by this Act as the business of the Bank; provided, however, that this shall not apply to the case where such business is necessary to achieve the Bank's purpose specified by this Act and the Bank has obtained authorization from the Minister of Finance and the Prime Minister.

- (2) The provisions of Article 7, paragraph 4 shall apply mutatis mutandis to the authorization set forth in the preceding paragraph.

(On-Site Examinations)

Article 44 (1) The Bank of Japan may, for the purpose of appropriately conducting or preparing to conduct the business prescribed in Articles 37 through 39, conclude a contract with financial institutions, etc. which would be the counterparty in such business (hereinafter referred to as the "counterparty financial institutions, etc." in this Article) concerning on-site examinations (examinations which the Bank carries out regarding the business operations and the state of the property of the counterparty financial institutions, etc. by visiting the premises thereof; hereinafter the same shall apply in this Article) (such contract shall meet the requirements specified by a Cabinet Order including those whereby the Bank shall notify and obtain prior consent from the counterparty financial institutions, etc. when carrying out on-site examinations).

- (2) The Bank of Japan shall consider the administrative burden incurred by counterparty financial institutions, etc. when carrying out on-site examinations.
- (3) When a request has been made from the Commissioner of the Financial Services Agency, the Bank of Japan may submit the documents describing the results of the on-site examinations and other related materials to the Commissioner or have officials of the Financial Services Agency inspect them.

(Statement of Operation Procedures)

Article 45 (1) The Bank of Japan shall prepare a statement of operation procedures

and submit it to the Minister of Finance and the Prime Minister. The same shall apply when making any change to the statement.

- (2) The statement of operation procedures set forth in the preceding paragraph shall contain matters specified by a Cabinet Order, including those concerning the provision of loans.

## **Chapter V Bank of Japan Notes**

(Issuance of Bank of Japan Notes)

Article 46 (1) The Bank of Japan shall issue banknotes.

- (2) The banknotes issued by the Bank of Japan (hereinafter referred to as "Bank of Japan notes") as prescribed in the preceding paragraph shall be legal tender and hence shall be used for payment without limits.

(Types and Forms of Bank of Japan Notes)

Article 47 (1) The types of Bank of Japan notes shall be specified by a Cabinet Order.

- (2) The Minister of Finance shall decide the forms of Bank of Japan notes and publicly notify them.

(Exchange of Bank of Japan Notes)

Article 48 The Bank of Japan shall exchange, without fees, Bank of Japan notes rendered unfit for further circulation due to defacement, mutilation, or other causes, pursuant to an Ordinance of the Ministry of Finance.

(Printing and Cancellation of Bank of Japan Notes)

Article 49 (1) The Bank of Japan shall determine the procedures for printing and canceling Bank of Japan notes and submit those procedures to the Minister of Finance for approval. The same shall apply when making any change to the procedures.

- (2) The provisions of Article 7, paragraph 4 shall apply mutatis mutandis to the approval set forth in the preceding paragraph.

## **Chapter VI Accounting**

(Business Year)

Article 50 The business year of the Bank of Japan shall run April 1 through March 31 of the following year.



(Budget for Expenses)

Article 51 (1) Every business year, the Bank of Japan shall make a budget for expenses (limited to those specified by a Cabinet Order as not hampering the currency and monetary control; hereinafter such budget shall be referred to as a "budget for expenses"), and submit it to the Minister of Finance for authorization before the business year begins. The same shall apply when making any change to the budget.

(2) If the Minister of Finance finds it inappropriate to authorize the budget for expenses submitted as prescribed in the preceding paragraph, he/she shall make prompt notice to the Bank of Japan to that effect along with the reason therefor, and make public the details of the submitted budget for expenses and the said reason.

(3) When the notice as prescribed in the preceding paragraph has been made, the Bank of Japan may express its opinions to the Minister of Finance or, if necessary, make public the said opinions.

(Financial Statements, etc.)

Article 52 (1) The Bank of Japan shall prepare an inventory of property and a balance sheet for each six-month period running from April through September and from October through March and prepare a profit and loss statement for each business year as well as for each six-month period mentioned above, and submit these documents (hereinafter referred to as "financial statements") attached with Auditors' written opinions thereon to the Minister of Finance for approval within two months after the relevant six-month period or the business year has elapsed.

(2) When submitting the financial statements for a business year to the Minister of Finance as prescribed in the preceding paragraph, the Bank of Japan shall attach a statement of accounts for the business year and the Auditors' written opinions thereon.

(3) When having received the approval from the Minister of Finance as prescribed in paragraph 1, the Bank of Japan shall, without delay, keep the financial statements, the statement of accounts set forth in the preceding paragraph, and the Auditors' written opinions set forth in the preceding two paragraphs at its head office and branch offices and make them available for public inspection for a period determined by the Policy Board as appropriate.

(Appropriation of Surplus)

Article 53 (1) The Bank of Japan shall reserve, as a reserve fund, five-hundredths of the surplus resulting from the settlement of profits and losses for each business

- year.
- (2) Irrespective of the provisions of the preceding paragraph, the Bank of Japan may, when it finds it especially necessary, reserve the money which exceeds the amount prescribed in the preceding paragraph as a reserve fund, upon authorization from the Minister of Finance.
  - (3) The reserve fund reserved as prescribed in the preceding two paragraphs shall not be disposed of, except to cover losses incurred by the Bank of Japan or to be appropriated for dividends as prescribed in the following paragraph.
  - (4) The Bank of Japan may, upon authorization from the Minister of Finance, pay dividends to contributories out of the surplus resulting from the settlement of profits and losses for each business year; provided, however, that the rate of dividend payments against paid-up capital may not exceed five-hundredths per annum.
  - (5) After deducting the amount reserved as prescribed in paragraphs 1 and 2 and the dividend payments prescribed in the preceding paragraph from the surplus resulting from the settlement of profits and losses for each business year, the Bank of Japan shall pay the remaining surplus to the national treasury within two months after each relevant business year ends.
  - (6) The government may have the Bank of Japan make the payment to the national treasury for each business year as prescribed in the preceding paragraph, partially during the said business year, by estimate, pursuant to a Cabinet Order.
  - (7) The amount of the payment to the national treasury pursuant to paragraph 5 shall be treated as losses when accounting the amount of income prescribed by the Corporation Tax Act (Act No. 34 of 1965) and the amount of income pertaining to the business tax prescribed by the Local Tax Act (Act No. 226 of 1950).
  - (8) In addition to what is prescribed in the preceding three paragraphs, necessary matters concerning the payment to the national treasury pursuant to paragraph 5 shall be specified by a Cabinet Order.
  - (9) The provisions of Article 7, paragraph 4 shall apply *mutatis mutandis* to the authorization set forth in paragraphs 2 and 4.

## **Chapter VII Reporting, etc. to the Diet**

(Reporting to and Attendance at the Diet)

Article 54 (1) The Bank of Japan shall, approximately every six months, prepare a written report on the Policy Board resolutions regarding the matters listed in the items of Article 15, paragraph 1 and conditions of business operations that the Bank has conducted based thereon and submit it to the Diet through the Minister

of Finance.

- (2) The Bank of Japan shall endeavor to explain to the Diet the written report set forth in the preceding paragraph.
- (3) The Bank of Japan's Governor or the chairperson of the Policy Board, or a representative designated by them, shall attend the sessions of the House of Representatives, the House of Councillors, or their Committees when requested by them, in order to explain the state of the Bank's business operations and property.

(Publication of an Outline of Business Operations)

Article 55 When having received the approval regarding financial statements for each business year as prescribed in Article 52, paragraph 1, the Bank of Japan shall prepare, without delay, an outline of its business operations for the business year and make it public along with the said financial statements and a statement of accounts for the said business year.

## **Chapter VIII Rectification, etc. of Illegal Acts, etc.**

(Rectification of Illegal Acts, etc.)

- Article 56 (1) The Minister of Finance or the Prime Minister may, when he/she finds that the Bank of Japan, its officers or employees have violated or are likely to violate this Act, other laws and regulations, or articles of incorporation, request the Bank to take the measures necessary to rectify such acts.
- (2) When a request has been made from the Minister of Finance or the Prime Minister as prescribed in the preceding paragraph, the Bank of Japan shall promptly take measures which the Policy Board finds necessary, such as rectifying the said acts, and report those measures to the Minister of Finance or the Prime Minister.

(Audit at the Request of the Minister of Finance or the Prime Minister)

- Article 57 (1) The Minister of Finance or the Prime Minister may, when he/she finds that the Bank of Japan, its officers or employees have violated or are likely to violate this Act, other laws and regulations, or articles of incorporation, request the Auditors of the Bank to audit such acts and other necessary matters and report the results thereof to the Minister of Finance or the Prime Minister.
- (2) When a request has been made from the Minister of Finance or the Prime Minister as prescribed in the preceding paragraph, the Auditors of the Bank of Japan shall promptly audit such matters and report the results thereof to the Minister of Finance or the Prime Minister and also to the Policy Board.

(Reports, etc.)

Article 58 The Minister of Finance or the Prime Minister may, when he/she finds it necessary in light of the conditions of the business operations of the Bank of Japan, request the Bank to submit a report or relevant materials.

## **Chapter IX Miscellaneous Provisions**

(Rules)

Article 59 The Bank of Japan shall, when having established rules regarding the organization or other matters other than those specified by this Act separately, report such rules to the Minister of Finance without delay.

The same shall apply when making any change to the rules.

(Dissolution)

Article 60 (1) The dissolution of the Bank of Japan shall be specified separately by an Act.

(2) In the case where the Bank of Japan has been dissolved, when the residual assets of the Bank exceed the amount of paid-up capital, the residual assets equivalent to the excess amount shall belong to the national treasury.

(Jurisdiction over Cases Concerning Appointment of Special Agents)

Article 60-2 Cases concerning the appointment of special agents shall be under the jurisdiction of the District Court which exercises jurisdiction over the location of the head office of the Bank of Japan.

(Mutatis Mutandis Application of the Act on General Incorporated Associations and General Incorporated Foundations)

Article 61 The provisions of Article 4 and Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) shall apply mutatis mutandis to the Bank of Japan.

(Delegation of Authority)

Article 61-2 The Prime Minister shall delegate the authority under this Act (excluding Article 19) to the Commissioner of the Financial Services Agency except for those prescribed by a Cabinet Order.

(Delegation to a Cabinet Order)

Article 62 In addition to what is prescribed in this Act, matters necessary to

implement this Act shall be specified by a Cabinet Order.

## **Chapter X Penal Provisions**

Article 63 Those who have leaked or misappropriated secrets in violation of Article 29 shall be punished by imprisonment with work for not exceeding a year or a fine not exceeding five hundred thousand yen.

Article 64 Those who have failed to conduct an audit pursuant to Article 57, paragraph 2, or have failed to make a report pursuant to the same paragraph or have made a false report shall be punished by a fine not exceeding five hundred thousand yen.

Article 65 The Bank of Japan's officers or employees shall be punished by a non-penal fine not exceeding five hundred thousand yen when falling under any of the following items:

- (i) Having failed to obtain the authorization from the Minister of Finance or from both the Minister of Finance and the Prime Minister, or the approval from the Minister of Finance, as required by this Act (excluding the provisions of Article 43, paragraph 1);
- (ii) Having failed to make a report to the Minister of Finance or to both the Minister of Finance and the Prime Minister as required by this Act, or having made a false report;
- (iii) Having failed to make public what is required by this Act, or having made it public falsely;
- (iv) Having neglected to register in violation of a Cabinet Order prescribed in Article 12, paragraph 1;
- (v) Having been engaged in other work that brings remuneration or having carried out commercial business or other business for the purpose of pecuniary gain in violation of Article 26, paragraph 1;
- (vi) Having conducted any business other than that specified as the business of the Bank of Japan in violation of Article 43, paragraph 1;
- (vii) Having violated Article 48;
- (viii) Having failed to keep the financial statements, the statement of accounts, or the Auditors' written opinions or having failed to make them available for public inspection in violation of Article 52, paragraph 3;
- (ix) Having failed to reserve a surplus as a reserve fund in violation of Article 53, paragraph 1;
- (x) Having disposed of a reserve fund in violation of Article 53, paragraph 3;

- (xi) Having paid dividends in violation of the proviso of Article 53, paragraph 4;
- (xii) Having failed to make a report as required in Article 56, paragraph 2 or having made a false report;
- (xiii) Having failed to submit a report or materials as required in Article 58 or having submitted a false report or false materials.

Article 66 Those who have violated Article 13 shall be punished by a non-penal fine not exceeding five hundred thousand yen.

### **Supplementary Provisions (Extract)**

(Effective Date)

Article 1 This Act shall come into effect as from April 1, 1998; provided, however, that the provisions of Article 23, paragraphs 1 and 2 (limited to the part pertaining to obtaining the consent of both Houses) and provisions of Article 5, Article 10, paragraphs 1 and 2, Article 15, and Article 19, paragraph 2 of the Supplementary Provisions shall come into effect as from the day of promulgation.

(Identity of the Bank of Japan and Continuation of the Status of Its Employees)

Article 2 The Bank of Japan existing prior to the enforcement of this Act shall be deemed to exist preserving the identity as the Bank of Japan based on the provisions of the revised Bank of Japan Act (hereinafter referred to as the "New Act"), and persons who are the Bank's employees (officers are not included) prior to the enforcement of this Act shall be deemed to have been appointed as the Bank's employees pursuant to Article 28 of the New Act as on the day of the enforcement of this Act (hereinafter referred to as the "day of enforcement") without issuing a letter of appointment.

(Transitional Measures Pertaining to Offices Including Branch Offices, etc.)

Article 3 Out of branch offices and local offices, other offices equivalent to those prescribed in Article 7, paragraph 2 of the New Act, and agencies authorized pursuant to Article 4, paragraph 2 of the Bank of Japan Act prior to the revision (hereinafter referred to as the "Former Act") of the Bank of Japan, those which exist prior to the enforcement of this Act shall be respectively deemed to be offices including branch offices and agencies established upon authorization from the Minister of Finance pursuant to Article 7, paragraph 2 or paragraph 3 of the New Act.

(Transitional Measures Pertaining to Contribution and Investment Securities)

Article 4 Contribution and investment securities pursuant to the provisions of the Former Act shall be deemed to be contribution and investment securities pursuant to the relevant provisions of the New Act, respectively.

(Transitional Measures Pertaining to Changes to Articles of Incorporation)

Article 5 (1) The Bank of Japan shall make a change to the articles of incorporation necessary for the enforcement of this Act and obtain authorization from the Minister of Finance by the day of enforcement. In this case, such authorization shall become effective as from the day of enforcement.

(2) With regard to the authorization from the Minister of Finance in the case set forth in the preceding paragraph, the provisions of Article 11, paragraph 3 of the New Act shall be applicable.

(Transitional Measures Pertaining to the Policy Board Resolutions)

Article 6 (1) The determination, change, or abolition pursuant to Article 2, paragraph 1 or paragraph 2 of the Temporary Interest Rate Adjustment Act (Act No. 181 of 1947) of the maximum interest rate prescribed in Article 2, paragraph 1 of the same Act shall be deemed to fall under any of the matters listed in the items of Article 15, paragraph 1 of the New Act, for the time being.

(2) Resolutions by the Bank of Japan's Policy Board prescribed in Article 13-2 of the Former Act shall be deemed to be resolutions made by the Bank's Policy Board prescribed in Article 14 of the New Act pursuant to the relevant provisions of the New Act (including the provisions of the preceding paragraph).

(Appointment of Officers and Special Provisions on Their Term of Office)

Article 7 (1) Regarding the appointment of the first Deputy Governors and Members of the Policy Board of the Bank of Japan after the day of enforcement, if the Diet is out of session or the House of Representatives has been dissolved and it is impossible to obtain the consent of both Houses, the provisions of Article 23, paragraphs 5 and 6 of the New Act shall apply *mutatis mutandis*.

(2) Persons who are any of a Governor, Deputy Governor, Executive Director, Auditor, or Counsellor prescribed in Article 16 of the Former Act prior to the enforcement of this Act shall be deemed to have been appointed as a Governor, Deputy Governor, Executive Director, Auditor, or Counsellor, respectively, as on the day of enforcement pursuant to the relevant provisions of the New Act. In this case, the term of office of those deemed to have been appointed shall be for the same period as their remaining terms of office as the Governor, Deputy Governor, Executive Director, Auditor, or Counsellor, respectively, pursuant to Article 16, paragraph 5 of the Former Act, irrespective of the provisions of Article 24, paragraph 1 of the New Act.

- (3) If the total numbers of persons deemed to have been appointed as an Executive Director or an Auditor as prescribed in the preceding paragraph exceed the fixed number of Executive Directors or Auditors prescribed respectively in Article 21 of the New Act, the current total number of Executive Directors or Auditors shall be deemed to be the fixed number until the total number becomes equal to or less than the fixed number prescribed respectively in the same Article due to their resignation or the expiration of their terms of office, irrespective of the provisions of the same Article.
- (4) A person who is an appointed member prescribed in Article 13-4, paragraph 3 of the Former Act prior to the enforcement of this Act shall be deemed to have been appointed as a Member of the Policy Board pursuant to Article 23, paragraph 2 of the New Act as on the day of enforcement. In this case, the term of office of the person deemed to have been appointed shall be for the same period as the remaining term of office as an appointed member prescribed in Article 13-5, paragraph 1 of the Former Act as on the day of enforcement, irrespective of the provisions of Article 24, paragraph 1 of the New Act.
- (5) The Cabinet may appoint the first Deputy Governors or Members of the Policy Board after the day of enforcement pursuant to Article 23, paragraph 1 or paragraph 2 of the New Act (excluding persons deemed to have been appointed as Deputy Governors or Members of the Policy Board as on the day of enforcement as prescribed in paragraph 2 or the preceding paragraph and including the first Deputy Governors or Members of the Policy Board appointed after the resignation or the expiration of the term of office of such persons) by specifying the term of office between two years or more and five years or less so that the expiration dates of the Board members' terms of office range evenly, irrespective of the provisions of Article 24, paragraph 1 of the New Act.

(Transitional Measures Pertaining to Guarantee of the Officers' Status)

- Article 8 (1) With regard to the application of the provisions of Article 25, paragraph 1, item (i) of the New Act, a person who has been declared incompetent, quasi-incompetent, or bankrupt prior to the enforcement of this Act (excluding those whose declarations of incompetence or quasi-incompetence have been rescinded or who have had their rights restored prior to the enforcement of this Act) shall be deemed to have been declared incompetent, quasi-incompetent, or bankrupt as on the day of enforcement.
- (2) With regard to the application of the provisions of Article 25, paragraph 1, item (ii) of the New Act, a person who has been punished under the penal provisions which are deemed to remain applicable pursuant to Article 38 of the Supplementary Provisions shall be deemed to have been punished pursuant to the provisions of the New Act.



- (3) With regard to the application of the provisions of Article 25, paragraph 1, item (iii) of the New Act, a person who has been sentenced to imprisonment without work or a heavier punishment prior to the enforcement of this Act (excluding those who have served out their sentences or have been exempted from the execution of their sentences prior to the enforcement of this Act) shall be deemed to have been sentenced to imprisonment without work or a heavier punishment as on the day of enforcement.

(Transitional Measures Pertaining to Agents)

Article 9 Persons who have been appointed as agents by the Governor of the Bank of Japan pursuant to Article 17 of the Former act prior to the enforcement of this Act (limited to those who are either an Executive Director or an employee of the Bank as from the day of enforcement) shall be deemed to have been appointed as agents as from the day of enforcement pursuant to Article 27 of the New Act.

(Transitional Measures Pertaining to Standards for Remuneration and Rules on Service)

Article 10 (1) The Bank of Japan shall establish standards for paying remuneration prescribed in Article 31, paragraph 1 of the New Act (excluding those pertaining to the Bank's employees; the same shall apply in the following paragraph and paragraph 3) and rules on service prescribed in Article 32 of the New Act which shall become effective as from the day of enforcement, as well as report them to the Minister of Finance and make them public by the day of enforcement.

(2) The establishment of standards for paying remuneration and rules on service set forth in the preceding paragraph shall be decided by the Bank of Japan's Policy Board as prescribed in Article 13-2 of the Former Act.

(3) Standards for paying remuneration and rules on service set forth in paragraph 1 shall be decided by the Bank of Japan's Policy Board after the day of enforcement without delay.

(4) With regard to remuneration prescribed in Article 31, paragraph 1 of the New Act pertaining to the Bank of Japan's employees (referred to as "remuneration" in the following paragraph), the provisions of paragraph 1 of the same Article shall apply to those to be paid on and after October 1, 1998.

(5) Where standards for paying remuneration established with regard to remuneration for the Bank of Japan's employees to be paid on and after October 1, 1998 have come to be applied as prescribed in the preceding paragraph and the application has caused a change to the basis of calculation of the budget for expenses for the business year including that date, the Bank shall submit to the Minister of Finance, for authorization, a budget for expenses for the said business year newly made based on the new basis of calculation by that date.

- (6) The provisions of Article 51, paragraphs 2 and 3 of the New Act shall apply mutatis mutandis to the authorization set forth in the preceding paragraph.

(Transitional Measures Pertaining to Confidentiality Obligations)

Article 11 The provisions of Article 29 and Article 63 of the New Act shall apply to persons who are the Bank of Japan's appointed members prescribed in Article 13-4, paragraph 3 of the Former Act or the Bank's employees prescribed in Article 19 of the Former Act prior to the enforcement of this Act, deeming that such persons resigned as the Bank's officers or employees prescribed in Article 21 or Article 28 as on the day of enforcement.

(Transitional Measures Pertaining to the Basic Discount Rate)

Article 12 The basic discount rate and the basic loan interest rate publicly notified pursuant to Article 21 of the Former Act prior to the enforcement of this Act shall be deemed to be the basic discount rate prescribed in Article 15, paragraph 1, item (i) of the New Act and the basic loan interest rate prescribed in item (ii) of the same paragraph which the Bank of Japan's Policy Board decided pursuant to Article 15, paragraph 1 of the New Act, respectively.

(Transitional Measures Pertaining to Business for the Maintenance of Stability of the Financial System)

Article 13 (1) Where any business for which the Bank of Japan has obtained authorization from the competent minister as prescribed in Article 25 of the Former Act prior to the enforcement of this Act falls under the business allowed pursuant to Article 37, paragraph 1 of the New Act, it shall not be required to make a report pursuant to paragraph 2 of the same Article regarding the said business.

- (2) Where any business for which the Bank of Japan has obtained authorization from the competent minister as prescribed in Article 25 of the Former Act prior to the enforcement of this Act falls under the business deemed to be necessary for the maintenance of stability of the financial system pursuant to Article 38, paragraph 1 of the New Act (excluding the business prescribed in Article 33, paragraph 1 of the New Act), it shall be deemed that there has been a request from the Minister of Finance regarding the said business pursuant to Article 38, paragraph 1 of the New Act as on the day of enforcement.

(Transitional Measures Pertaining to International Financial Business)

Article 14 In addition to what is prescribed in the preceding Article, where any business or transaction for which the Bank of Japan has obtained authorization from the competent minister as prescribed in Article 24, Article 25, or Article 27

of the Former Act prior to the enforcement of this Act falls under a business or transaction which requires authorization or approval from the Minister of Finance pursuant to Article 39, paragraph 1, Article 40, paragraph 3, Article 42, or Article 43, paragraph 1 of the New Act, such business or transaction shall be deemed to have been authorized or approved by the Minister of Finance pursuant to these relevant provisions according to the types thereof.

(Transitional Measures Pertaining to Statement of Operation Procedures)

- Article 15 (1) The Bank of Japan shall specify operation procedures which are to become effective as from the day of enforcement in the statement of operation procedures prescribed in Article 45, paragraph 1 of the New Act and report them to the Minister of Finance by the day of enforcement.
- (2) The provisions of Article 10, paragraphs 2 and 3 of the Supplementary Provisions shall apply mutatis mutandis to the statement of operation procedures set forth in the preceding paragraph.

(Transitional Measures Pertaining to Bank of Japan Notes)

- Article 16 (1) Banknotes issued pursuant to Article 29, paragraph 1 of the Former Act shall be deemed to be Bank of Japan notes issued pursuant to Article 46, paragraph 1 of the New Act.
- (2) The forms of banknotes specified and publicly notified by the competent minister pursuant to Article 33, paragraphs 1 and 2 of the Former Act shall be deemed to be the forms of Bank of Japan notes specified and publicly notified by the Minister of Finance pursuant to Article 47, paragraph 2 of the New Act.

(Transitional Measures Accompanying Abolition of the Issue Tax)

- Article 17 With regard to the issue tax which has been imposed or should have been imposed pursuant to Article 31-2 of the Former Act prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Transitional Measures Pertaining to Procedures for Printing and Canceling Bank of Japan Notes)

- Article 18 The procedures for printing and canceling banknotes which have been determined by the Bank of Japan and authorized by the competent minister pursuant to Article 36 of the Former Act prior to the enforcement of this Act shall be deemed to be the procedures for printing and canceling Bank of Japan notes which have been determined by the Bank and approved by the Minister of Finance pursuant to Article 49, paragraph 1 of the New Act.

(Transitional Measures Pertaining to Budget for Expenses, etc.)

Article 19 (1) The provisions of Articles 51 through 53 and Article 55 of the New Act shall apply to the publication of the budget for expenses, settlement-related documents, appropriation of surplus, and outline of business operations pertaining to the business year which starts on or after the day of enforcement, and with regard to the public notice of the budget, settlement-related documents, appropriation of surplus, and the business outlines pertaining to the business year which has started prior to the day of enforcement, the provisions then in force shall remain applicable.

(2) In the case set forth in the preceding paragraph, with regard to authorization for the budget for expenses pertaining to the business year which starts as from the day of enforcement, the provisions of Article 51 of the New Act shall apply.

(Transitional Measures Pertaining to a Reserve Fund)

Article 20 The reserve fund reserved pursuant to Article 39, paragraph 1 or paragraph 2 of the Former Act (including reserve funds reserved upon appropriation of a surplus for which the provisions then in force are deemed to remain applicable pursuant to paragraph 1 of the preceding Article) shall be deemed to be the reserve fund reserved pursuant to Article 53, paragraph 1 or paragraph 2 of the New Act.

(Effect of Authorization, etc. under the Former Act)

Article 21 Authorization or other dispositions, or an application for authorization or other acts conducted based on the provisions of the Former Act shall be deemed to have been conducted based on the relevant provisions of the New Act, except for those otherwise provided for by these Supplementary Provisions.

(Transitional Measures Pertaining to a Special Reserve Fund and Special Provisions on Its Belonging to the National Treasury upon Dissolution)

Article 22 (1) With regard to the special reserve fund reserved pursuant to paragraphs 5 and 6 of the Supplementary Provisions of the Act for Partial Revision of the Bank of Japan Act (Act No. 46 of 1947), the provisions then in force shall remain applicable.

(2) When the Bank of Japan has been dissolved and there are remains of the special reserve fund as prescribed in the preceding paragraph, the residual assets limited to those equivalent to the amount exceeding the total of paid-up capital and the said special reserve fund shall belong to the national treasury, irrespective of the provisions of Article 60, paragraph 2 of the New Act.

(Transitional Measures Pertaining to the Application of Penal Provisions)

Article 38 With regard to the application of penal provisions to acts committed prior

to the enforcement of this Act and acts committed after the enforcement of this Act pertaining to matters for which the provisions then in force are deemed to remain applicable pursuant to the provisions of these Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 39 In addition to what is specified in Articles 2 through 22 and the preceding Article of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by a Cabinet Order.

### **Supplementary Provisions (Act No. 102 of June 20, 1997) (Extract)**

(Effective Date)

Article 1 This Act shall come into effect as from the day of enforcement of the Finance Supervisory Agency Establishment Act (Act No. 101 of 1997).

(Transitional Measures Pertaining to Dispositions, etc. by the Minister of Finance, etc.)

Article 2 (1) Dispositions including licensing, permission, authorization, approval, and designation, or notice or other acts conducted by the Minister of Finance or other national government organs pursuant to the provisions of the Secured Debenture Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Association Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Japan Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on the Body Calculating Premium Rate of Damage Insurance, the Fisheries Cooperatives Act, the Act on the Cooperative Associations of Small and Medium Enterprises, the Act on Finance Business Conducted by Cooperative Associations, the Shipowner Mutual Insurance Association Act, the Securities Investment Trust Act, the Credit Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Foreign Exchange Bank Act, the Automobile Damages Guarantee Act, the Agriculture Credit Guarantee Insurance Act, the Act on Merger and Conversion of Financial Institutions, the Act on Foreign Security Business Entities, the Deposit Insurance Act, the Agricultural District Industry Introduction Promotion Act, the Agricultural and Fishery Business Cooperative Association Deposit Insurance Act, the Banking Act, the Act on Regulation of Loan Business, the Act on Regulation, etc. of

Security Advisory Business, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Voucher of Prepayment Type, the Act on Regulation of Business of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business of Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Contribution of Cooperative Structure Financial Institution, the Specified Real Estate Cooperative Business Act, the Insurance Business Act, the Act on Special Measures, etc. of Reorganization Procedure of Financial Institutions, the Act on Merger, etc. of Central Bank for Agriculture, Forestry and Fishery and Federation for Credit Agriculture Cooperative Association, the Bank of Japan Act, or the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies prior to the revision by this Act (hereinafter referred to as the "Former Secured Debenture Trust Act, etc.") shall be deemed to be dispositions including licensing, permission, authorization, approval, and designation, or notice or other acts conducted by the Prime Minister or other relevant national government organs pursuant to the relevant provisions of the Secured Debenture Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Association Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Japan Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on the Body Calculating Premium Rate of Damage Insurance, the Fisheries Cooperatives Act, the Act on the Cooperative Associations of Small and Medium Enterprises, the Act on Finance Business Conducted by Cooperative Associations, the Shipowner Mutual Insurance Association Act, the Securities Investment Trust Act, the Credit Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Foreign Exchange Bank Act, the Automobile Damages Guarantee Act, the Agriculture Credit Guarantee Insurance Act, the Act on Merger and Conversion of Financial Institutions, the Act on Foreign Security Business Entities, the Deposit Insurance Act, the Agricultural District Industry Introduction Promotion Act, the Agricultural and Fishery Business Cooperative Association Deposit Insurance Act, the Banking Act, the Act on Regulation of Loan Business, the Act on Regulation, etc. of Security Advisory Business, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Voucher of Prepayment Type, the

Act on Regulation of Business of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business of Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Contribution of Cooperative Structure Financial Institution, the Specified Real Estate Cooperative Business Act, the Insurance Business Act, the Act on Special Measures, etc. of Reorganization Procedure of Financial Institutions, the Act on Merger, etc. of Central Bank for Agriculture, Forestry and Fishery and Federation for Credit Agriculture Cooperative Association, the Bank of Japan Act, or the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies after the revision by this Act (hereinafter referred to as the "New Secured Debenture Trust Act, etc.").

- (2) Application, notification, or other acts made to the Minister of Finance or other national government organs pursuant to the provisions of the Former Secured Debenture Trust Act, etc. prior to the enforcement of this Act shall be deemed to have been made to the Prime Minister and other relevant national government organs based on the relevant provisions of the New Secured Debenture Trust Act, etc.
- (3) With regard to matters which require procedures including reporting, notification, and submission to the Minister of Finance or other national government organs pursuant to the provisions of the Former Secured Debenture Trust Act, etc. and for which such procedures have not been taken prior to the enforcement of this Act, it shall be deemed that procedures including reporting, notification, and submission to the Prime Minister or other national government organs have not been taken for matters which require such procedures pursuant to the relevant provisions of the New Secured Debenture Trust Act, etc. and the provisions of the New Secured Debenture Trust Act, etc. shall be applicable.

(Transitional Measures Pertaining to Penal Provisions)

Article 5 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 6 In addition to what is specified in Article 2 through the preceding Article of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by a Cabinet Order.

## **Supplementary Provisions (Act No. 121 of December 12, 1997)**

### **(Extract)**

#### **(Effective Date)**

Article 1 This Act shall come into effect as from the day of enforcement of the Act on Preparation of Relevant Financial Acts Accompanying Cancellation of Prohibition of Establishment, etc. of Holding Companies (Act No. 120 of 1997).

## **Supplementary Provisions (Act No. 131 of October 16, 1998)**

#### **(Effective Date)**

Article 1 This Act shall come into effect as from the day of enforcement of the Act for Establishment of the Financial Reconstruction Commission (Act No. 130 of 1998).

#### **(Transitional Measures)**

Article 2 (1) Dispositions including licensing, permission, authorization, approval, and designation, or notice or other acts conducted by the Prime Minister or other national government organs pursuant to the provisions of the Secured Debenture Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Association Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Japan Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on the Body Calculating Premium Rate of Damage Insurance, the Fisheries Cooperatives Act, the Act on the Cooperative Associations of Small and Medium Enterprises, the Act on Finance Business Conducted by Cooperative Associations, the Shipowner Mutual Insurance Association Act, the Local Tax Act, the Act on Securities Investment Trust and Securities Investment Corporations, the Credit Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Automobile Damages Guarantee Act, the Agriculture Credit Guarantee Insurance Act, the Act on Earthquake Insurance, the Registration and License Tax Act, the Act on Merger and Conversion of Financial Institutions, the Act on Foreign Security Business Entities, the Agricultural District Industry Introduction Promotion Act, the Agricultural and Fishery Business Cooperative Association Deposit Insurance Act, the Banking



Act, the Act on Regulation of Loan Business, the Act on Regulation, etc. of Security Advisory Business, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Voucher of Prepayment Type, the Act on Regulation of Business of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business of Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Contribution of Cooperative Structure Financial Institution, the Specified Real Estate Cooperative Business Act, the Insurance Business Act, the Act on Special Measures, etc. of Reorganization Procedure of Financial Institutions, the Act on Merger, etc. of Central Bank for Agriculture, Forestry and Fishery and Federation for Credit Agriculture Cooperative Association, the Bank of Japan Act, the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies, the Act on Liquidation of Special Assets by Special Purpose Companies, the Act on Preparation of Relevant Acts for Financial System Reform prior to the revision by this Act (hereinafter referred to as the "Former Secured Debenture Trust Act, etc.") shall be deemed to be dispositions including licensing, permission, authorization, approval, and designation, or notice or other acts conducted by the Financial Reconstruction Commission or other relevant national government organs pursuant to the relevant provisions of the Secured Debenture Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Association Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Japan Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on the Body Calculating Premium Rate of Damage Insurance, the Fisheries Cooperatives Act, the Act on the Cooperative Associations of Small and Medium Enterprises, the Act on Finance Business Conducted by Cooperative Associations, the Shipowner Mutual Insurance Association Act, the Local Tax Act, the Act on Securities Investment Trust and Securities Investment Corporations, the Credit Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Automobile Damages Guarantee Act, the Agriculture Credit Guarantee Insurance Act, the Act on Earthquake Insurance, the Registration and License Tax Act, the Act on Merger and Conversion of Financial Institutions, the Act on Foreign Security Business Entities, the Agricultural District Industry Introduction Promotion Act, the Agricultural and Fishery Business Cooperative

Association Deposit Insurance Act, the Banking Act, the Act on Regulation of Loan Business, the Act on Regulation, etc. of Security Advisory Business, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Voucher of Prepayment Type, the Act on Regulation of Business of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business of Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Contribution of Cooperative Structure Financial Institution, the Specified Real Estate Cooperative Business Act, the Insurance Business Act, the Act on Special Measures, etc. of Reorganization Procedure of Financial Institutions, the Act on Merger, etc. of Central Bank for Agriculture, Forestry and Fishery and Federation for Credit Agriculture Cooperative Association, the Bank of Japan Act, the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies, the Act on Liquidation of Special Assets by Special Purpose Companies, the Act on Preparation of Relevant Acts for Financial System Reform after the revision by this Act (hereinafter referred to as the "New Secured Debenture Trust Act, etc.").

- (2) Application, notification, or other acts made to the Prime Minister or other national government organs pursuant to the provisions of the Former Secured Debenture Trust Act, etc. prior to the enforcement of this Act shall be deemed to have been made to the Financial Reconstruction Commission and other relevant national government organs based on the relevant provisions of the New Secured Debenture Trust Act, etc.
- (3) With regard to matters which require procedures including reporting, notification, and submission to the Prime Minister or other national government organs pursuant to the provisions of the Former Secured Debenture Trust Act, etc. and for which such procedures have not been taken prior to the enforcement of this Act, it shall be deemed that procedures including reporting, notification, and submission to the Financial Reconstruction Commission or other national government organs have not been taken for matters which require such procedures pursuant to the relevant provisions of the New Secured Debenture Trust Act, etc. and the provisions of the New Secured Debenture Trust Act, etc. shall be applicable.

Article 3 Orders based on the provisions of the Former Secured Debenture Trust Act, etc. which have come into effect prior to the enforcement of this Act shall be deemed to have the same effect as orders based on the relevant provisions of the

New Secured Debenture Trust Act, etc.

Article 4 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 5 In addition to what is specified in the preceding three Articles, transitional measures necessary for the enforcement of this Act shall be specified by a Cabinet Order.

### **Supplementary Provisions (Act No. 151 of December 8, 1999)**

#### **(Extract)**

(Effective Date)

Article 1 This Act shall come into effect as from April 1, 2000.

(Transitional Measures)

Article 3 With regard to the application of the provisions revised by this Act concerning quasi-incompetent persons and the curators thereof for whom the provisions then in force shall be deemed to remain applicable pursuant to Article 3, paragraph 3 of the Supplementary Provisions of the Act for Partial Revision of the Civil Code (Act No. 149 of 1999), the provisions then in force shall remain applicable except for the following provisions:

- (i) The provisions for revising Article 138 of the Non-Contentious Cases Procedure Act pursuant to Article 4;
- (ii) The provisions in Article 7 for revising Articles 14 and 16 of the Notary Act;
- (iii) The provisions for revising Article 14-6 of the Teito Rapid Transit Authority Act pursuant to Article 14;
- (iv) The provisions for revising Article 31 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade pursuant to Article 17;
- (v) The provisions in Article 20 for revising Article 5, paragraph 3 of the National Public Service Act;
- (vi) The provisions for revising Article 23-13 of the Horse Racing Act, Article 13 of the Japan Racing Association Act, Article 5, paragraph 4 of the Act for Establishment of the Atomic Energy Commission and the Nuclear Safety Commission, Article 7, paragraph 4 of the Act for Establishment of the Council for Science and Technology Policy, Article 7, paragraph 4 of the Act for

- Establishment of the Space Activities Commission, Article 78, paragraph 4 of the City Planning Act, Article 11 of the Northern Territories Issue Association Act, Article 15, paragraph 4 of the Public Notice of Land Prices Act, Article 6, paragraph 4 of the Act for Establishment of the Aircraft Accidents Investigation Commission, and Article 39, paragraph 5 of the National Land Use Planning Act pursuant to Article 28;
- (vii) The provisions in Article 31 for revising Article 25-4 of the Construction Business Act;
  - (viii) The provisions for revising Article 7, paragraph 1 of the Civil Rights Commissioner Act pursuant to Article 32;
  - (ix) The provisions for revising Article 8, paragraph 1 of the Offenders Prevention and Rehabilitation Act pursuant to Article 33;
  - (x) The provisions in Article 35 for revising Article 19-4, paragraph 1 and Article 19-7, paragraph 1 of the Labor Union Act;
  - (xi) The provisions in Article 44 for revising Article 5-2, paragraph 4 of the Public Offices Election Act;
  - (xii) The provisions in Article 50 for revising Article 80-2 of the Building Standards Act;
  - (xiii) The provisions in Article 54 for revising Article 426 of the Local Tax Act;
  - (xiv) The provisions in Article 55 for revising Article 141, paragraph 1 of the Commodity Exchange Act;
  - (xv) The provisions in Article 56 for revising Article 9, paragraphs 3 and 8 of the Local Public Service Act;
  - (xvi) The provisions in Article 67 for revising Article 54 of the Eminent Domain Act;
  - (xvii) The provisions for revising Article 11, paragraph 1 of the Act on UNESCO Activities, Article 7 of the Act for Establishment of the Public Security Committee, and Article 24 of the Act on Social Insurance Examiners and the Examination Committee of Social Insurance pursuant to Article 70;
  - (xviii) The provisions for revising Article 7, paragraph 4 and Article 39, paragraph 2 of the Police Act pursuant to Article 78;
  - (xix) The provisions for revising Article 30 of the Act on Labor Insurance Examiners and the Labor Insurance Appeal Committee, Article 9 of the Act for Establishment of the Environmental Disputes Coordination Commission, and Article 116 of the Act on Compensation for Pollution-Related Health Damage pursuant to Article 80;
  - (xx) The provisions for revising Article 4, paragraph 2 of the Act on the Organization and Operation of Local Educational Administration pursuant to Article 81;
  - (xxi) The provisions for revising Article 75, paragraph 1 of the Mutual Aid

Associations of Agriculture, Forestry and Fishery Corporation Personnel Act pursuant to Article 84;

(xxii) The provisions in Article 97 for revising Article 16, paragraph 2 of the Act for the Settlement of Environmental Pollution Disputes;

(xxiii) The provisions for revising Article 15, paragraph 6 of the Act Governing the Transfer of the Diet and Other Central Government Offices, and Article 13, paragraph 4 of the Act on the Promotion of Decentralization pursuant to Article 104;

(xxiv) The provisions for revising Article 25, paragraph 1 of the Bank of Japan Act pursuant to Article 108;

(xxv) The provisions for revising Article 9, item (i) of the Act for Establishment of the Financial Reconstruction Commission pursuant to Article 110.

Article 4 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

#### **Supplementary Provisions (Act No. 160 of December 22, 1999)**

##### **(Extract)**

(Effective Date)

Article 1 This Act (excluding Articles 2 and 3) shall come into effect as from January 6, 2001; provided, however, that the provisions listed in the following items shall come into effect as from the day specified in the respective items:

(ii) The provisions of Chapter III (excluding Article 3) and the following Article:  
July 1, 2000.

#### **Supplementary Provisions (Act No. 76 of June 2, 2004) (Extract)**

(Effective Date)

Article 1 This Act shall come into effect as from the day of enforcement of the Bankruptcy Act (Act No. 75 of 2004; referred to as the "New Bankruptcy Act" in paragraph 8 of the following Article, and Article 3, paragraph 8, Article 5, paragraph 8, paragraph 16, and paragraph 21, Article 8, paragraph 3, and Article 13 of the Supplementary Provisions).

(Delegation to Cabinet Order)

Article 14 In addition to what is prescribed in Article 2 through the preceding Article of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by a Cabinet Order.

**Supplementary Provisions (Act No. 87 of July 26, 2005) (Extract)**

This Act shall come into effect as from the day of enforcement of the Companies Act.

**Supplementary Provisions (Act No. 50 of June 2, 2006) (Extract)**

(Effective Date)

- (1) This Act shall come into effect as from the day of enforcement of the Act on General Incorporated Associations and General Incorporated Foundations.

(Adjustment Provisions)

- (2) Where the day of enforcement of the Act for Partial Revision of the Penal Code, etc. to Respond to an Increase in International and Organized Crimes and Advancement of Information Processing (Act No.     of 2006) comes after the day of enforcement, with regard to the application of the provisions of item (lxii) of the Appended Table of the Act for Punishment of Organized Crimes, Control of Crime Proceeds and Other Matters (Act No. 136 of 1999; referred to as the "Anti-Organized Crime Act" in the following paragraph) for the period from the day of enforcement until the day preceding the day of enforcement of the same Act for Partial Revision, the phrase "crime pursuant to Article 157 of the Intermediate Corporation Act (Act No. 49 of 2001) (Special Breach of Trust by Directors, etc.)" in item (lxii) shall be replaced with "crime pursuant to Article 334 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) (Special Breach of Trust by Directors, etc.)."
- (3) In addition to what is prescribed in the preceding paragraph, in the case referred to in the same paragraph, with regard to the application of the provisions of the Anti-Organized Crime Act for the period until the day preceding the day of enforcement of the Act for Partial Revision of the Penal Code, etc. to Respond to an Increase in International and Organized Crimes and Advancement of Information Processing, the crime pursuant to Article 157 of the Former Intermediate Corporation Act (Special Breach of Trust by Directors, etc.) in the cases where the provisions then in force shall remain applicable or remain in force pursuant to Article 457 shall be deemed to be the crime set forth in item

(lxii) of the Appended Table of the Anti-Organized Crime Act.

**Supplementary Provisions (Act No. 102 of June 27, 2007) (Extract)**

(Effective Date)

Article 1 This Act shall come into effect as from the date specified by a Cabinet Order within a period not exceeding one and a half years from the day of promulgation.

(Review)

Article 12 Where five years have passed since the enforcement of this Act, the government shall review the system pertaining to the organization for electronically recorded claims by taking into account the status of the enforcement of this Act, changes in socioeconomic situations, etc. and shall, when it finds it necessary, take necessary measures based on the results of the review.