

Money Lending Business Act

(Act No. 32 of May 13, 1983)

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Supplementary Provisions

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act shall be, in light of the role of the money lending business in Japan's economy and society, to implement a system for registration of persons who engage in the money lending business and to enforce the necessary regulations on their business, and also to establish a system for authorization of associations organized by money lenders and to promote proper business activities thereby, as well as to establish a system for designated credit bureaus, thereby ensuring the proper management of business operations performed by persons who engage in the money lending business, so as to protect the interests of persons Seeking funds, etc. and contribute to the proper management of the national economy.

(Definitions)

- Article 2 (1) The term "the Money Lending Business" as used in this Act means the business of loaning money or acting as an intermediary for the lending or borrowing of money (including acting as an intermediary for delivering money through discounts of negotiable instruments, mortgage by sale, or any other method similar thereto, or for providing or receiving money through such method; hereinafter collectively referred to as a "Loan(s)") on a regular basis; provided, however, that the following Loans shall be excluded:
- (i) Loans made by the State or by local public entities;
 - (ii) Loans made by persons governed by special provisions of other Acts for making Loans on a regular basis;
 - (iii) Loans made by persons engaged in the business of buying and selling, transporting, or storing goods, or who act as intermediaries in the buying and selling of goods, in the course of their transactions;
 - (iv) Loans made by employers to their workers; and
 - (v) In addition to what is listed in the preceding items, Loans made by persons specified by a Cabinet Order who make Loans that are found to be unlikely to harm the interests of Persons Seeking Funds, etc.
- (2) The term "Money Lender" as used in this Act means a person who has been registered under paragraph (1) of the following Article.
- (3) The term "Contract for a Loan" as used in this Act means a loan contract or a guarantee contract pertaining thereto.
- (4) The term "Customer, etc." as used in this Act means a customer who is a person seeking funds or a person who intends to be a guarantor.
- (5) The term "Obligor, etc." as used in this Act means an obligor or guarantor.
- (6) The term "Person Seeking Funds, etc." as used in this Act means a Customer, etc. or Obligor, etc.
- (7) The term "Basic Contract for a Revolving Credit Loan" as used in this Act means a loan contract which is based on a promise that Loans shall be made for a customer who is a person seeking funds upon his/her request, within the limit of the maximum amount, on the condition that the customer shall repay the Loans according to the predetermined terms.
- (8) The term "Revolving Credit Loan" as used in this Act means a Loan made under a Basic Contract for a Revolving Credit Loan.
- (9) The term "Contract for a Revolving Guarantee" as used in this Act means a guarantee contract, the principal obligation of which is one or more unidentified obligations under a Basic Contract for a Revolving Credit Loan.
- (10) The term "Money Lenders' Association" as used in this Act means a juridical person established under the provisions of Chapter III, Section 1.
- (11) The term "Electromagnetic Record" as used in this Act means a record in an

electronic form, a magnetic form, or any other form not recognizable to human perception, which is used in information processing by computers and is specified by a Cabinet Office Ordinance.

- (12) The term "Electromagnetic Means" as used in this Act means a means of using an electronic data processing system or other means of using information and communications technology that is specified by a Cabinet Office Ordinance.
- (13) The term "Credit Information" as used in this Act means information concerning the capacity of a customer who is a person seeking funds or of an obligor, to repay his/her borrowings.
- (14) The term "Personal Credit Information" as used in this Act means matters listed in the items of Article 41-35, paragraph (1) with regard to a loan contract concluded with an individual (excluding Basic Contract for a Revolving Credit Loan and any other contracts specified by a Cabinet Office Ordinance).
- (15) The term "Credit Information Service" as used in this Act means a service to collect Credit Information and to provide it to Money Lenders.
- (16) The term "Designated Credit Bureau" as used in this Act means an association designated under the provisions of Article 41-13, paragraph (1).
- (17) The term "Home Loan Contract" as used in this Act means a loan contract for the funds necessary for building or purchasing housing (including funds necessary for acquisition of lands for housing or for acquisition of lease-holding rights) or fund necessary for improvements to housing.

Chapter II Money Lenders

Section 1 Registration

(Registration)

Article 3 (1) A person who intends to engage in the Money Lending Business shall, where the person intends to engage in business and establishes business offices or other offices within two or more prefectural areas, be registered by the Prime Minister, or where the person intends to engage in business and establishes a business office(s) or other office(s) within only one prefectural area, be registered by the prefectural governor who has jurisdiction over the locations of such business office(s) or other office(s).

- (2) The registration set forth in the preceding paragraph shall, unless it is renewed every three years, cease to be effective upon the expiration of said period.
- (3) A person who wishes to be registered by the Prime Minister under paragraph (1) shall pay registration and licensing taxes pursuant to the provisions of the Registration and Licensing Tax Act (Act No. 35 of 1967), and a person who wishes to have his/her registration renewed by the Prime Minister under the preceding paragraph shall pay the necessary fees pursuant to the provisions of

a Cabinet Order.

(Application for Registration)

Article 4 (1) A person who wishes to be registered under paragraph (1) of the preceding Article shall, where the person intends to engage in business and establishes business offices or other offices within two or more prefectural areas, submit a written application for registration stating the following matters to the Prime Minister, or where the person intends to engage in business and establishes a business office(s) or other office(s) within only one prefectural area, submit such written application for registration to the prefectural governor who has jurisdiction over the locations of such business office or other office:

(i) The trade name, name, and address;

(ii) In the case of a juridical person (including an association or foundation without juridical personality having a representative person or administrator; hereinafter the same shall apply in this Section, Article 24-6-6, paragraph (1), item (i), Article 24-27, paragraph (1), item (iii), and Article 31, item (viii)), the name of the juridical person's Officer (meaning a member in charge of executing business, a director, an executive officer, a representative person, an administrator, or any other person equivalent thereto, and including a person specified by a Cabinet Office Ordinance who, irrespective of his/her title, is found to have control over the juridical person which is equivalent to or greater than that of any of those listed herein; the same shall apply hereinafter except for under Article 24-6-4, paragraph (2) and from the following Chapter to Chapter III-2), the Officer's name or trade name, and where the juridical person also has an employee specified by a Cabinet Order, such employee's name;

(iii) In the case of an individual who has an employee specified by a Cabinet Order, such employee's name;

(iv) In the case of a minor, the name of his/her statutory agent;

(v) The name and location of the business office or other office;

(vi) The name and registration number of the Chief of Money Lending Operations (meaning a chief of money lending operations who has been registered as prescribed in Article 24-25, paragraph (1); the same shall apply hereinafter) assigned to each business office or other office;

(vii) The telephone number or other point of contact, etc. of the business office or other office that is to be indicated when conducting advertising or solicitation in relation to the applicant's business operations, which is specified by a Cabinet Office Ordinance;

(viii) The type and method of the operations; and

(ix) Where the applicant engages in any other business, the type of such

business.

- (2) The following documents shall be attached to the written application set forth in the preceding paragraph as provided by a Cabinet Office Ordinance:
- (i) A document pledging that the applicant does not fall under any of the items of Article 6, paragraph (1);
 - (ii) In the case of a juridical person, a copy of the driver's license, passport, or any other document specified by a Cabinet Office Ordinance as identification with regard to the juridical person's Officer and its employee specified by a Cabinet Order;
 - (iii) In the case of an individual, a copy of his/her driver's license, passport, or any other document specified by a Cabinet Office Ordinance as identification with regard to the individual and his/her employee specified by a Cabinet Order;
 - (iv) A document proving the location of the business office or other office, or a copy thereof; and
 - (v) In addition to what is listed in the preceding items, any other document specified by a Cabinet Office Ordinance.

(Implementation of Registration)

Article 5 (1) The Prime Minister or prefectural governor shall, where an application for registration has been filed under Article 3, paragraph (1), register the matters listed in the following items in a money lenders' registry, except in the case where registration is refused pursuant to the provisions of paragraph (1) of the following Article:

- (i) The matters listed in the items of paragraph (1) of the preceding Article; and
 - (ii) The date of registration and the registration number.
- (2) The Prime Minister or the prefectural governor shall, when he/she has carried out the registration under the provisions of the preceding paragraph, notify the applicant to that effect without delay.

(Refusal of Registration)

Article 6 (1) The Prime Minister or prefectural governor shall refuse to register a person who wishes to be registered under Article 3, paragraph (1) when said person falls under any of the following items, or when a written application for registration or the documents attached thereto contain any false statement about important matters or lack statements about material facts:

- (i) An adult ward or a person under curatorship;
- (ii) A bankrupt person who has not had his/her rights restored;
- (iii) A person whose registration has been rescinded pursuant to the provisions of Article 24-6-4, paragraph (1), Article 24-6-5, paragraph (1), or Article 24-6-

- 6, paragraph (1) (limited to the part concerning item (i)) and for whom five years have not elapsed since the date of rescission (in the case where the person whose registration has been rescinded is a juridical person, this shall also apply to a person who was the juridical person's Officer within 30 days prior to the date of rescission and for whom five years have not elapsed since the date of rescission);
- (iv) A person who has been sentenced to imprisonment without work or a severer punishment and for whom five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;
 - (v) A person who has been sentenced to a fine for having violated the provisions of this Act, the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates (Act No. 195 of 1954), the Former Act on Facilitating Self-Regulation by Money Lenders (Act No. 102 of 1972), or the Act on the Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991) (excluding the provisions of Article 32-2, paragraph (7) of that Act), or having violated the provisions of Article 12 of the Price Control Ordinance (Imperial Ordinance No. 118 of 1946), or having committed a crime prescribed in the Penal Code (Act No. 45 of 1907) or the Act on Punishment of Violence and Other Acts (Act No. 60 of 1926) in the course of concluding a Contract for a Loan or collecting a claim under such contract, and for whom five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;
 - (vi) An organized crime group member as prescribed in Article 2, item (vi) of the Act on the Prevention of Unjust Acts by Organized Crime Group Members (hereinafter referred to as an "Organized Crime Group Member" in this item) or a person for whom five years have not elapsed since the day on which the person ceased to be an Organized Crime Group Member (hereinafter collectively referred to as an "Organized Crime Group Member, etc.");
 - (vii) A person specified by a Cabinet Office Ordinance as a person for whom there are reasonable grounds to find that he/she is likely to commit a wrongful or untrustworthy act in relation to the Money Lending Business;
 - (viii) A minor who does not have the same legal capacity as an adult with regard to business and whose statutory agent falls under any category of the persons listed in the preceding items;
 - (ix) A juridical person whose Officers or employees specified by a Cabinet Order include a person who falls under any category of the persons listed in item (i) through item (vii);
 - (x) An individual whose employees specified by a Cabinet Order include a

- person who falls under any category of the persons listed in item (i) through item (vii);
- (xi) A person whose business activities are controlled by an Organized Crime Group Member, etc.;
 - (xii) A person who is likely to engage an Organized Crime Group Member, etc. in his/her business operations or to use an Organized Crime Group Member, etc. as an assistant in those operations;
 - (xiii) A person who fails to satisfy the requirements prescribed in Article 12-3 with regard to the business office or other office;
 - (xiv) A person whose amount of net assets is less than the amount specified by a Cabinet Order as those necessary and appropriate to properly operate in the Money Lending Business (excluding a person who is, for the grounds specified by a Cabinet Office Ordinance, regarded as being unlikely to harm the interests of Persons Seeking Funds, etc.);
 - (xv) A person who is not found to have developed the infrastructure necessary for carrying out the Money Lending Business properly; or
 - (xvi) A person who also engages in another business that is found to be contrary to the public interest.
- (2) The Prime Minister or prefectural governor shall, when he/she has refused registration pursuant to the provisions of the preceding paragraph, notify the applicant to that effect and indicate the reason therefor without delay.
- (3) The amount specified by a Cabinet Order as set forth in item (xiv) of paragraph (1) shall not be less than 50 million yen.
- (4) The amount of net assets prescribed in item (xiv) of paragraph (1) shall be calculated pursuant to the provisions of a Cabinet Office Ordinance.

(Effectiveness of Prior Registration in the Case of Transferred Registration)

Article 7 Where a Money Lender, after being registered under Article 3, paragraph (1), falls under any of the cases listed in the following items but intends to continue to engage in the Money Lending Business, and newly receives a registration from the Prime Minister or prefectural governor pursuant to the provisions of Article 3, paragraph (1), the registration pertaining to the Money Lender previously received from the Prime Minister or prefectural governor shall cease to be effective:

- (i) Where a Money Lender who was previously registered by the Prime Minister has come to maintain business offices or other offices within only one prefectural area;
- (ii) Where a Money Lender who was previously registered by a prefectural governor has abolished the business office(s) or other office(s) within the relevant prefectural area and has established a business office(s) or other office(s) within another prefectural area; or

(iii) Where a Money Lender who was previously registered by a prefectural governor has come to maintain business offices or other offices within two or more prefectural areas.

(Notification of Changes)

Article 8 (1) A Money Lender shall, where there has been a change to any of the matters listed in the items of Article 4, paragraph (1) (excluding item (v) and item (vii)) or where the Money Lender intends to make a change to any of the matters listed Article 4, paragraph (1), item (v) or item (vii) (except in any of the cases listed in the items of the preceding Article), notify the Prime Minister or prefectural governor who registered the Money Lender to that effect within two weeks from the day on which such change took place in the former case or before making a change in the latter case.

(2) The Prime Minister or prefectural governor shall, when he/she has accepted the notification given under the provisions of the preceding paragraph, register the matters reported in the notification in a money lenders' registry, except in the case where the matters to which the notification pertains are any of the matters listed in Article 6, paragraph (1), item (viii) through item (x), item (xiii), or item (xvi).

(3) The document specified by a Cabinet Office Ordinance shall be attached to the notification under the provisions of paragraph (1).

(Inspection of the Money Lenders' Registry)

Article 9 The Prime Minister or prefectural governor shall make the money lenders' registry available for public inspection.

(Notification of Discontinuance of Business, etc)

Article 10 (1) Where a Money Lender has come to fall under any of the following items, the person prescribed in each item shall notify the Prime Minister or prefectural governor who registered the Money Lender to that effect within 30 days from the day on which the event set forth therein took place (or in the case of item (i), within 30 from the day on which the person became aware of the event):

(i) Where the Money Lender has died: His/her heir(s);

(ii) Where the juridical person was extinguished due to a merger (in the case of an association or foundation without juridical personality, any other act equivalent to a merger; the same shall apply in item (iv)): The person who was an officer who represented the juridical person;

(iii) Where a ruling to commence bankruptcy proceedings was made in regard to the Money Lender: The bankruptcy trustee for the Money Lender;

(iv) Where the juridical person was dissolved by a reason other than a merger

or ruling to commence bankruptcy proceedings (in the case of an association or foundation without juridical personality, any other act equivalent to dissolution): The liquidator for the juridical person (in the case of an association or foundation without juridical personality, the person who was its representative person or administrator); or

(v) Where the Money Lender has discontinued the Money Lending Business:

The individual who was the Money Lender or the officer who represented the juridical person that was the Money Lender.

(2) Where the Money Lender has come to fall under any of the items of the preceding paragraph, the registration under Article 3, paragraph (1) shall cease to be effective.

(3) Where the Money Lender has died, his/her heir (where there are two or more heirs and where an heir to succeed to the business has been selected by the consent of all heirs, said person; hereinafter the same shall apply in this Article) may continue to conduct the Money Lending Business for 60 days after the death of the decedent (if registration has been refused pursuant to the provisions of Article 6, paragraph (1) within that period, the period up to the day when registration is refused). In the case where the heir has filed an application for registration under Article 3, paragraph (1) within that period and when such a period has elapsed, the same shall apply to the period until the registration or the refusal of the registration with regard to said filing is determined. In this case, with regard to the business conducted during said period, the heir shall be deemed to be the Money Lender.

(Prohibition of Unregistered Business Operation, etc.)

Article 11 (1) A person who does is not registered under Article 3, paragraph (1) shall not engage in the Money Lending Business.

(2) A person who is not registered under Article 3, paragraph (1) shall not conduct the following acts:

(i) Indicating or advertising to the effect that the person engages in the Money Lending Business; and

(ii) Soliciting to conclude Contracts Related to Loans for the purpose of engaging in the Money Lending Business.

(3) A Money Lender shall not engage in the Money Lending Business having established a business office or office other than those registered in the money lenders' registry.

(Prohibition of Name Lending)

Article 12 A person who has been registered under Article 3, paragraph (1) shall not have another person engage in the Money Lending Business under the Money Lender's name.

Section 2 Operations

(Measures Concerning Operational Management)

Article 12-2 A Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, take the necessary measures to ensure the appropriate handling of information pertaining to Persons Seeking Funds, etc. obtained in the course of its money lending operations, the appropriate execution of money lending operations by third parties in the case of entrustment thereof, and shall take other measures to ensure the appropriate management of money lending operations.

(Placement of Chiefs of Money Lending Operations)

- Article 12-3 (1) A Money Lender shall, as provided by a Cabinet Office Ordinance, assign the number of Chiefs of Money Lending Operations specified by a Cabinet Office Ordinance, in consideration of the size and other matters of its money lending operations, and shall have them give the necessary advice or guidance to the Money Lender's employees and other workers who engage in money lending operations at the business office or other office so that these employees and workers carry out money lending operations properly in compliance with laws and regulations (including prefectural or municipal ordinances; the same shall apply in Article 20-2) concerning the Money Lending Business.
- (2) A Money Lender shall give due consideration so as to enable a Chief of Money Lending Operations to properly perform his/her duties in relation to the advice or guidance set forth in the preceding paragraph, and the Money Lender's employees and other workers who engage in the money lending operations shall respect the advice given by the Chief of Money Lending Operations under that paragraph as well as following the guidance given under that paragraph.
- (3) A Money Lender shall, when the number of Chiefs of Money Lending Operations assigned to a business office or other office has become lower than the number specified by a Cabinet Office Ordinance set forth in paragraph (1) due to any unforeseeable reasons, take the necessary measures to satisfy the provisions of that paragraph within two weeks.
- (4) A Money Lender shall, when requested by a Person Seeking Funds, etc. in the course of carrying out money lending operations, disclose the name of the Chief of Money Lending Operations who carries out the business affairs at the business office or other office.

(Carrying, etc. of Identification Cards)

Article 12-4 (1) A Money Lender shall, as provided by a Cabinet Office

Ordinance, not allow its employees and other workers who engage in money lending operations to actually engage in operations without carrying identification cards that certify that they are the Money Lender's employees or workers.

(2) A Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve a roster of employees for each business office or other office that contains the employees' names, addresses, the numbers from the identification cards as prescribed in the preceding paragraph, and other matters specified by a Cabinet Office Ordinance.

(Prohibition of the Use of Organized Crime Group Members, etc.)

Article 12-5 A Money Lender shall not allow an Organized Crime Group Member, etc. to engage in the Money Lender's business operations nor shall a Money Lender use such member as an assistant in its operations.

(Prohibited Acts)

Article 12-6 A Money Lender shall not conduct any of the following acts in relation to its money lending operations:

- (i) An act of making false statements to a Person Seeking Funds, etc. or not providing such person with information on important matters on the details of a Contract for a Loan;
- (ii) An act of providing a Person Seeking Funds, etc. with a conclusive evaluation on uncertain matters, or making statements that are likely to mislead such person as to the certainty of the matters (excluding the act set forth in the following item);
- (iii) An act of making statements that are likely to cause a person who intends to be a guarantor to misunderstand that the principal obligor is certain to make performance; and
- (iv) In addition to what is listed in the preceding three items, an act of deceiving others or any other wrongful or extremely unjust act.

(Restrictions on the Conclusion of Life Insurance Contracts, etc.)

Article 12-7 A Money Lender shall, when he/she intends to conclude an insurance contract under which he/she is to receive payment of insurance claims upon the death of the counterparty or the person who intends to be the counterparty to the Contract for a Loan (excluding Home Loan Contracts and other contracts specified by a Cabinet Office Ordinance), not make death resulting from suicide an insured event in said insurance contract.

(Restrictions, etc. on Interests and Guarantee Charges, etc.)

Article 12-8 (1) A Money Lender shall not conclude a contract for interest

wherein the amount of interest (including Payment Regarded as Interest; the same shall apply to paragraphs (3) and (4)) exceeds the amount defined in Article 1 of the Interest Rate Restriction Act (Act No. 100 of 1954).

- (2) The term "Payment Regarded as Interest" prescribed in the preceding paragraph means a reward, discount, fee, investigation fee, or any money irrespective of the name given to it, excluding the principal received by the creditor in relation to money lending (excluding costs for concluding contracts or for performance of obligations which are listed in the following items), and also excluding reissuance fees for cards issued to the obligors for the purpose of borrowing of money or the performance therefor and any other costs specified by a Cabinet Order as those related to any service rendered by the creditor at the obligor's request:
 - (i) Money to be appropriated for payment of taxes and other public charges;
 - (ii) Costs for compulsory execution, costs for auction procedures to exercise security interests, or any other costs payable to a public organ for procedures conducted by such public organ; and
 - (iii) Charges for using a mono-function automated teller machine or any other machine whereby the obligor receives money or makes performance (limited to those which are within the scope of the amount provided by a Cabinet Order).
- (3) A Money Lender shall not conclude a contract for interest prescribed in the paragraphs of Article 9 of the Interest Rate Restriction Act wherein the amount of interest exceeds the amount defined in those paragraphs (in cases where the contract for interest falls under that set forth in paragraph (1) of that Article, the increased interest provided in that paragraph; the same shall apply in the second sentence of the following paragraph).
- (4) A Money Lender shall not receive or request payment of interest which exceeds the amount specified in Article 1 of the Interest Rate Restriction Act. The same shall apply to the portion of the amount of interest pertaining to the contract for interest as set forth in paragraphs of Article 9 of that Act which exceeds the amounts set forth in those respective paragraphs.
- (5) A Money Lender shall not, when concluding a loan contract, require the counterparty or the person who intends to be the counterparty to the loan contract to conclude a contract for Security Measures for Performance of Obligations (meaning guarantees, insurance, and other measures specified by a Cabinet Office Ordinance as being similar thereto which are arranged for the purpose of securing performance of obligations under the contract; hereinafter the same shall apply in this paragraph) (limited to contracts covering a portion of the amount which is to be invalid under Article 8 of the Interest Rate Restriction Act, given that said provisions are applied by deeming that the amount of money paid as consideration for the Security Measures for

Performance of Obligations is a guarantee charge provided for in that Article) with a person who is engaged in the business of Security Measures for Performance of Obligations on a regular basis, as a condition for concluding said loan contract.

- (6) A Money Lender shall, when concluding a guarantee contract with a person who provides guarantees on a regular basis (hereinafter referred to as the "Guarantee Business Operator") in relation to a loan contract, confirm the matters listed in the following items by making inquiries to said Guarantee Business Operator or by using other methods, in advance of the conclusion of said guarantee contract:
 - (i) Whether the Guarantee Business Operator has concluded a contract for guarantee charges with the counterparty to the loan contract or the person who intends to be the counterparty thereto; and
 - (ii) When concluding a contract for guarantee charges as set forth in the preceding item, the amount of guarantee charges.
- (7) A Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve a record of the matters confirmed under the preceding paragraph.
- (8) A Money Lender shall not, when concluding a loan contract, require the counterparty or the person who intends to be the counterparty to said loan contract to conclude a contract for guarantee charges (limited to those which fall under the contract for guarantee charges as specified by a Cabinet Office Ordinance wherein the amount of guarantee charges or the proportion of guarantee charges to the principal of the principal obligation is not fixed at the time of conclusion of said contract) with a Guarantee Business Operator, as a condition for concluding said loan contract.
- (9) A Money Lender shall not, when concluding a Contract for a Revolving Guarantee (meaning a guarantee contract the principal obligation of which is the obligation of one or more unidentified loans within a certain scope; hereinafter the same shall apply in this paragraph) with a Guarantee Business Operator, conclude a Contract for a Revolving Guarantee if such contract falls under one that provides a maximum amount or a guarantee period which is found to be inappropriate in light of the amount of the principal obligation or the period of the loan contract pertaining to the principal obligation as specified by a Cabinet Office Ordinance.
- (10) A Money Lender who has acted as an intermediary for lending money shall not, when he/she has received fees for acting as the intermediary from the obligor of the loan contract concluded through said intermediary, and when said loan contract has been renewed (including juridical acts which are found not to be accompanied by any additional services for an intermediary as provided by a Cabinet Office Ordinance), receive additional fees for such

renewal or request that the obligor provide such payment.

- (11) A reward, investigation fee, or other money irrespective of the name given to it received by a Money Lender in relation to acting as an intermediary for lending money shall be deemed as fees and the provisions of the preceding paragraph shall apply.

(Consultation and Advice)

Article 12-9 A Money Lender shall, when he/she finds it necessary for protecting the interests of Persons Seeking Funds, etc., endeavor to introduce associations that are found to be capable of providing the Persons Seeking Funds, etc. with consultation, advice, or any other support concerning their borrowings or repayments in a proper and reliable manner.

(Investigation of Repayment Capacity)

- Article 13 (1) A Money Lender shall, in concluding a Contract for a Loan, investigate matters concerning the repayment capacity of the Customer, etc., such as income or profits or other financial resources, credit, the status of borrowings, repayment plans, and any other matters.
- (2) A Money Lender shall, when he/she intends to conclude a Contract for a Loan (excluding contract for a Revolving Credit Loan and any other Contract for a Loan as specified by a Cabinet Office Ordinance) with a Customer, etc. who is an individual, make use of the Credit Information held by a Designated Credit Bureau in carrying out an investigation under the preceding paragraph.
- (3) In the case referred to in the preceding paragraph and in the cases where any of the following items apply, a Money Lender shall, when conducting an investigation under the provisions of paragraph (1), have the Individual Customer submit or provide Withholding Records (meaning withholding records as provided in Article 226, paragraph (1) of the Income Tax Act (Act No. 33 of 1965); hereinafter the same shall apply in this paragraph and Article 13-3, paragraph (3)) or other documents or Electromagnetic Records containing or in which are recorded the matters that disclose the income or profits or other financial resources of an individual customer who is a person seeking funds (hereinafter referred to as an "Individual Customer" in this Section) as specified by a Cabinet Office Ordinance and that have been submitted or provided by the Individual Customer; provided, however, that this shall not apply if the Money Lender has already received the Individual Customer's Withholding Records or other documents or Electromagnetic Records containing or in which are recorded the matters that disclose the income or profits or other financial resources of the Individual Customer as specified by a Cabinet Office Ordinance:
- (i) When the total of the amount listed in the following sub-items (referred to

as the "Total Amount Loaned by the Money Lender" in sub-item (a) of the following item) exceeds 500,000 yen:

- (a) The amount of the Loan pertaining to the Contract for the Loan (limited to a loan contract; the same shall apply in sub-item (b)) (in cases of a Basic Contract for a Revolving Credit Loan, the maximum amount thereof (in cases where the Money Lender has made available to the Individual Customer an amount smaller than the maximum amount as an upper limit on the outstanding balance of the principal of the Revolving Credit Loan under the Basic Contract for the Revolving Credit Loan, such smaller amount)); and
 - (b) When the Money Lender has concluded a loan contract other than the relevant Contract for the Loan with the Individual Customer, the total amount of the outstanding balance of the Loan made thereunder (in cases of a Basic Contract for a Revolving Credit Loan, the maximum amount (in cases where the Money Lender has made available to the Individual Customer an amount smaller than the maximum amount as an upper limit on the outstanding balance of the principal of the Revolving Credit Loan under the Basic Contract for the Revolving Credit Loan, such smaller amount)).
- (ii) When the total of the amounts listed in the following items (referred to as "Total Borrowings of an Individual Customer" in paragraph (2) of the following Article) exceeds one million yen (excluding the cases specified in the preceding item):
- (a) The Total Amount Loaned by a Money Lender; and
 - (b) The total amount of the outstanding balance of Loans made by Money Lenders other than the Money Lender referred to in the preceding sub-item to the Individual Customer, which were found based on the Credit Information provided by the Designated Credit Bureau.
- (4) A Money Lender shall, when he/she has concluded a Contract for a Loan with a Customer, etc., pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve a record on the investigation conducted under paragraph (1).
- (5) The provisions of the preceding paragraphs shall apply mutatis mutandis to an increase in the maximum amount under the Basic Contract for a Revolving Credit Loan (in cases where the Money Lender has made available to the Individual Customer an amount smaller than the maximum amount as an upper limit on the outstanding balance of the principal of the Revolving Credit Loan under the Basic Contract for the Revolving Credit Loan, the smaller amount) (excluding cases specified by a Cabinet Office Ordinance as those for which it is found not to hinder the protection of interests of the counterparty to the Basic Contract for a Revolving Credit Loan). In this case, any necessary

technical replacement of terms shall be specified by a Cabinet Order.

(Prohibition on Excessive Loans, etc.)

Article 13-2 (1) In the case where a Money Lender intends to conclude a Contract for a Loan, when he/she then finds that the Contract for the Loan is an Excessive Loan Contract for an Individual Customer or another Contract for a Loan that exceeds the repayment capacity of a Customer, etc. as a result of an investigation carried out under paragraph (1) of the preceding Article, he/she shall not conclude a Contract for said Loan.

(2) An "Excessive Loan Contract for an Individual Customer" as provided in the preceding paragraph means a loan contract concluded with an Individual Customer (excluding Home Loan Contracts and other contracts specified by a Cabinet Office Ordinance (hereinafter collectively referred to as "Home Loan Contracts, etc.") and contracts for Revolving Credit Loans), under which the Total Borrowings of an Individual Customer pertaining to said Individual Customer (excluding the outstanding balance pertaining to a Home Loan Contract, etc.) exceed the Base Amount (meaning the amount obtained by dividing the total amount of said Individual Customer's annual salary and other regular income similar thereto as specified by a Cabinet Office Ordinance by three; the same shall apply in paragraph (5) of the following Article) (excluding contracts specified by a Cabinet Office Ordinance as those that will not hinder the protection of the Individual Customer's interests).

(Investigation Concerning the Basic Contract for a Revolving Credit Loan Exceeding the Base Amount)

Article 13-3 (1) A Money Lender shall, when he/she has concluded a Basic Contract for a Revolving Credit Loan with an Individual Customer and if the Basic Contract for the Revolving Credit Loan falls under the requirements provided by a Cabinet Office Ordinance, taking into consideration the period, amount, and other conditions of the Revolving Credit Loan made under the Basic Contract for the Revolving Credit Loan, use the Credit Information on the Individual Customer held by a Designated Credit Bureau and investigate whether or not the Basic Contract for the Revolving Credit Loan falls under a Basic Contract for a Revolving Credit Loan Exceeding the Base Amount, pursuant to the provisions of a Cabinet Office Ordinance.

(2) In addition to what is provided for in the preceding paragraph, a Money Lender shall, when he/she has concluded a Basic Contract for a Revolving Credit Loan with an Individual Customer, use the Credit Information on the Individual Customer held by a Designated Credit Bureau and investigate whether or not the Basic Contract for the Revolving Credit Loan falls under a Basic Contract for a Revolving Credit Loan Exceeding the Base Amount for

each period specified by a Cabinet Office Ordinance; provided, however, that, this shall not apply to cases where the outstanding balance of the Revolving Credit Loan pertaining to the Basic Contract for the Revolving Credit Loan is low or other cases specified by a Cabinet Office Ordinance.

- (3) A Money Lender shall, in cases where he/she must carry out an investigation under the provisions of the preceding two paragraphs and when the Total Borrowings of an Individual Customer under a Revolving Credit Loan prescribed in paragraph (5) pertaining to the Individual Customer exceed one million yen, have the Individual Customer submit or provide a Withholding Record or other documents or Electromagnetic Records containing or in which are recorded matters that disclose the income or profits or other financial resources of the Individual Customer as specified by a Cabinet Office Ordinance in carrying out the investigation; provided, however, that, this shall not apply to cases where the Money Lender has already received a Withholding Record or other documents or Electromagnetic Records containing or in which are recorded matters that disclose the income or profits or other financial resources of the Individual Customer as specified by a Cabinet Office Ordinance that have been submitted or provided by the Individual Customer.
- (4) A Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve a record on investigations carried out under the provisions of paragraph (1) and paragraph (2).
- (5) The "Basic Contract for a Revolving Credit Loan Exceeding the Base Amount" as provided in paragraph (1) and paragraph (2) means a Basic Contract for a Revolving Credit Loan concluded with an Individual Customer, by which the Total Borrowings of an Individual Customer under a Revolving Credit Loan pertaining to said Individual Customer (meaning the total of the amounts listed in the following items) exceed the Base Amount for the Individual Customer (excluding a Basic Contract for a Revolving Credit Loan specified by a Cabinet Office Ordinance as that which will not hinder the protection of the Individual Customer's interest):
- (i) The maximum amount under the Basic Contract for the Revolving Credit Loan (in cases where the Money Lender has made available to the Individual Customer an amount smaller than the maximum amount as an upper limit on the outstanding balance of the principal of the Revolving Credit Loan under the Basic Contract for the Revolving Credit Loan, such smaller amount);
 - (ii) In the case where the Money Lender has concluded a loan contract other than the Basic Contract for the Revolving Credit Loan with the Individual Customer, the total amount of the outstanding balance pertaining to the Loan (in cases of a Basic Contract for a Revolving Credit Loan, the maximum amount (in cases where the Money Lender has made available to the

Individual Customer an amount smaller than the maximum amount as an upper limitation on the outstanding balance of the principal of the Revolving Credit Loan under the Basic Contract for the Revolving Credit Loan, such smaller amount)) (excluding the outstanding balance of a Loan pertaining to a Home Loan Contract, etc.); and

(iii) The total amount of the outstanding balance of Loans made by Money Lenders other than the Money Lender prescribed in the preceding items to the Individual Customer which were found based on the Credit Information provided by a Designated Credit Bureau (excluding the outstanding balance of a Loan pertaining to a Home Loan Contract, etc.).

(Necessary Measures Concerning Basic Contracts for Revolving Credit Loans Exceeding the Base Amount)

Article 13-4 A Money Lender shall, when having concluded a Basic Contract for a Revolving Credit Loan with an Individual Customer and having found said Basic Contract for the Revolving Credit Loan to fall under the category of a Basic Contract for a Revolving Credit Loan Exceeding the Base Amount as set forth in paragraph (5) of the preceding Article as a result of the investigation carried out under the provisions of paragraph (1) or paragraph (2) of that Article, reduce the maximum amount founded in the provisions of the Basic Contract for the Revolving Credit Loan or take any other measures to reduce new Revolving Credit Loans under the Basic Contract for the Revolving Credit Loan as specified by a Cabinet Office Ordinance.

(Posting of the Conditions of a Loan, etc.)

Article 14 A Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, post the following matters in a place accessible to the customer at each of its business offices or other offices:

(i) The Loan Interest Rate (meaning the annual rate (when the annual rate includes a fractional amount beyond the third decimal place, such fractional amount shall be rounded down to the third decimal place) indicated as a percentage, which is obtained by dividing the total amount of interest and Payment Regarded as Interest as prescribed in Article 12-8, paragraph (2) (in cases of contracts incorporating interest that is less than a yearly amount and Payment Regarded as Interest under those provisions into the principal, the amount of money incorporated into the principal under said contracts shall be included) by the amount of principal calculated by the methods specified by a Cabinet Office Ordinance (in cases where the Loan Interest Rate is calculated from the amount of interest obtained by adding a certain interest rate to the market rate of interest or where there is a compelling reason as provided by a Cabinet Office Ordinance as a case where the Loan

Interest Rate cannot be indicated nor explained, that specified by a Cabinet Office Ordinance as being equivalent to the Loan Interest Rate); the same shall apply hereinafter);

- (ii) The method of repayment;
- (iii) The repayment period and the number of repayment installments;
- (iv) The names of the Chiefs of Money Lending Operations assigned at the business office or other office; and
- (v) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.

(Advertising, etc. the Conditions of a Loan)

Article 15 (1) A Money Lender shall, when advertising the conditions of its Loans, or when indicating or explaining the conditions of its Loans in solicitation to conclude a Contract for a Loan, indicate or explain the following matters pursuant to the provisions of a Cabinet Office Ordinance:

- (i) The trade name, name, and registration number of the Money Lender;
- (ii) The Loan Interest Rate; and
- (iii) In addition to what is listed in the preceding two items, matters specified by a Cabinet Office Ordinance.

(2) A Money Lender shall, when advertising under the preceding paragraph or soliciting by sending documents or Electromagnetic Records in lieu of such documents (limited to solicitation specified by a Cabinet Office Ordinance as being equivalent to advertising), not indicate or have recorded telephone numbers or other points of contact, etc. as defined by a Cabinet Office Ordinance other than those listed in Article 4, paragraph (1), item (vii) and registered in the Money Lenders' registry.

(Prohibition, etc. on Misleading Advertising)

Article 16 (1) A Money Lender shall not make an indication or explanation of a Loan Interest Rate or any other conditions of a Loan that is significantly contradictory to facts or which is likely to mislead people to understand such conditions to be more favorable than they actually are in advertising or soliciting with regard to its money lending operations.

- (2) In addition to what is provided for in the preceding paragraph, a Money Lender shall not make the following indications or explanations in advertising or soliciting with regard to its money lending operations:
- (i) Indications or explanations which are likely to cause the misunderstanding that a specified loan product intended to draw in a Person Seeking Funds, etc. is the main loan product of the Money Lender;
 - (ii) Indications or explanations to the effect that customers of other Money Lenders or persons who lack repayment capacity are the target of

- solicitation;
- (iii) Indications or explanations that arouse the willingness of a Person Seeking Funds, etc. to borrow funds, by overemphasizing the ease of borrowing;
 - (iv) Indications or explanations that arouse the willingness of pensioners or recipients of other public subsidies to borrow funds;
 - (v) Indications or explanations which are likely cause the misunderstanding that an interest rate other than the Loan Interest Rate is the actual Loan Interest Rate; or
 - (vi) In addition to what is listed in the preceding items, indications or explanations specified by a Cabinet Office Ordinance as being likely to result in insufficient protection of the interests of Persons Seeking Funds, etc.
- (3) A Money Lender shall conduct its money lending operations while refraining from solicitation that is found to be inappropriate in light of the knowledge, experience, and status of property of the Person Seeking Funds, etc. and in light of a purpose for concluding a Contract for a Loan which clearly would or is likely to result in insufficient protection of the interests of Persons Seeking Funds, etc.
- (4) A Money Lender shall, when he/she has conducted solicitation for concluding a Contract for a Loan, and if the solicited Person Seeking Funds, etc. has indicated his/her intention not to conclude a Contract for said Loan (including cases where the Person Seeking Funds, etc. has indicated to the effect that he/she does not wish for such solicitation to continue), not continue such solicitation.
- (5) A Money Lender shall, in advertising or soliciting with regard to its money lending operations, give due consideration so as to prevent such Person Seeking Funds, etc. from borrowing under a Loan that exceeds his/her repayment capacity, and shall endeavor to ensure that such advertisement or solicitation does not become excessive.

(Delivery of Documents Prior to the Conclusion of a Contract)

Article 16-2 (1) A Money Lender shall, in concluding a loan contract (excluding Basic Contracts for Revolving Credit Loans and contracts for Revolving Credit Loans), deliver documents that disclose the following matters and explain the details of said contract to the person who intends to be the counterparty thereto by the time of conclusion thereof, pursuant to the provisions of a Cabinet Office Ordinance:

- (i) The trade name, name, and address of the Money Lender;
- (ii) The amount of the Loan;
- (iii) The Loan Interest Rate;
- (iv) The method of repayment;

- (v) The repayment period and the number of repayment installments;
 - (vi) If any agreement for liquidated damages (including penalties; the same shall apply hereinafter) are provided, the details thereof; and
 - (vii) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.
- (2) A Money Lender shall, in concluding a Basic Contract for a Revolving Credit Loan, deliver documents that disclose the following matters and explain the details of the Basic Contract for the Revolving Credit Loan to the person who intends to be the counterparty thereto by the time of conclusion thereof, pursuant to the provisions of a Cabinet Office Ordinance:
- (i) The trade name, name, and address of the Money Lender;
 - (ii) The maximum amount (in cases where the Money Lender makes available to the person who intends to be the counterparty to the Basic Contract for a Revolving Credit Loan an amount smaller than the maximum amount as an upper limitation on the outstanding balance of the principal of the Loan, the smaller amount and the maximum amount);
 - (iii) The Loan Interest Rate;
 - (iv) The method of repayment;
 - (v) If any agreement for liquidated damages are provided, the details thereof; and
 - (vi) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.
- (3) A Money Lender shall, when concluding a guarantee contract in relation to a Contract for a Loan, deliver documents that disclose the following matters (in cases of a guarantee contract the principal obligation of which is the obligation of one or more unidentified loans within a certain scope, excluding the matters set forth in item (iii)) and that explain the details of said guarantee contract to the person who intends to be the guarantor under said guarantee contract by the time of conclusion thereof, pursuant to the provisions of a Cabinet Office Ordinance:
- (i) The trade name, name, and address of the Money Lender;
 - (ii) The guarantee period;
 - (iii) The amount of the guarantee;
 - (iv) Matters concerning the scope of the guarantee which are specified by a Cabinet Office Ordinance;
 - (v) Where the guarantor assumes the obligation jointly and severally with the principal obligor, the gist of Article 454 of the Civil Code (Act No. 89 of 1896) and other matters concerning the details of the joint and several suretyship for said obligations as provided by a Cabinet Office Ordinance; and
 - (vi) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.

(4) A Money Lender may, in lieu of delivering the documents prescribed in the preceding three paragraphs and pursuant to the provisions of a Cabinet Order, provide the matters required to be disclosed under those paragraphs by way of Electromagnetic Means, with the consent of the person who intends to be the counterparty to the Contract for the Loan as provided in paragraph (1) or paragraph (2), or with the consent of the person who intends to be the guarantor set forth in the preceding paragraph. In this case, the Money Lender shall be deemed to have delivered the documents.

(Delivery of Documents prior to Obtaining Consent on Life Insurance Contracts, etc.)

Article 16-3 (1) A Money Lender shall, when he/she intends to conclude an insurance contract under which he/she is to receive payment of insurance claims upon the death of the counterparty to a loan contract or a person who intends to be the counterparty thereto, and when he/she wishes to obtain the consent under Article 38 or Article 67, paragraph (1) of the Insurance Act (Act No. 56 of 2008) from such counterparty or person, deliver a document containing the following matters to such person in advance, pursuant to the provisions of a Cabinet Office Ordinance:

- (i) The effect that the insurance contract provides that the insurance claim should be paid to the Money Lender when the above-mentioned counterparty or person dies; and
- (ii) In addition to what is listed in the preceding item, matters specified by a Cabinet Office Ordinance.

(2) A Money Lender may, in lieu of delivering the documents under the preceding paragraph and pursuant to the provisions of a Cabinet Order, provide the matters set forth in the items of that paragraph by way of Electromagnetic Means, with the consent of the counterparty or the person who intends to be the counterparty to the Contract for the Loan. In this case, the Money Lender shall be deemed to have delivered the documents.

(Delivery of Documents upon the Conclusion of a Contract)

Article 17 (1) A Money Lender shall, when he/she has concluded a loan contract (excluding Basic Contracts for Revolving Credit Loans; the same shall apply in paragraph (4)), pursuant to the provisions of a Cabinet Office Ordinance, deliver a document that discloses the details of the contract and that states the following matters to the counterparty thereto without delay. The same shall apply when the Money Lender has changed any description stated therein with regard to important matters as provided by a Cabinet Office Ordinance:

- (i) The trade name, name, and address of the Money Lender;
- (ii) The date of the contract;

- (iii) The amount of the Loan;
 - (iv) The Loan Interest Rate;
 - (v) The method of repayment;
 - (vi) The repayment period and number of repayment installments;
 - (vii) If any agreement for liquidated damages is provided, the details thereof;
and
 - (viii) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.
- (2) A Money Lender shall, when he/she has concluded a Basic Contract for a Revolving Credit Loan, pursuant to the provisions of a Cabinet Office Ordinance, deliver documents disclosing the details of said Basic Contract for the Revolving Credit Loan and shall state the following matters to the counterparty thereto without delay. The same shall apply to cases where a Money Lender has changed any description stated therein with regard to important matters as provided by a Cabinet Office Ordinance (excluding cases specified by a Cabinet Office Ordinance as being unlikely to hinder the protection of the counterparty's interests):
- (i) The trade name, name, and address of the Money Lender;
 - (ii) The date of the contract;
 - (iii) The maximum amount (in cases where the Money Lender makes available to the counterparty to the Basic Contract for a Revolving Credit Loan an amount smaller than the maximum amount as an upper limitation of the outstanding balance of the principal of the Loan, the smaller amount and the maximum amount);
 - (iv) The Loan Interest Rate;
 - (v) The method of repayment;
 - (vi) If any agreement for liquidated damages is provided, the details thereof;
and
 - (vii) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.
- (3) Where a Money Lender has concluded a guarantee contract for a loan contract, such Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, deliver a document containing the matters set forth in the items of Article 16-2, paragraph (3) which discloses the details of said guarantee contract (in cases of a guarantee contract the principal obligation of which is the obligation of one or more unidentified loans within a certain scope, the matters listed in item (iii) of that paragraph shall be excluded) and other matters specified by a Cabinet Office Ordinance to the guarantor of said guarantee contract without delay. The same shall apply when the Money Lender has changed any description of an important matter as provided by a Cabinet Office Ordinance stated in said document.

- (4) Where a Money Lender has concluded a guarantee contract for a loan contract or has concluded a loan contract pertaining to a guarantee contract, such Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, deliver documents containing the matters listed in the items of paragraph (1) which disclose the details of said loan contract to the guarantor under the guarantee contract without delay. The same shall apply to cases where the Money Lender has changed any descriptions stated therein with regard to important matters as provided by a Cabinet Office Ordinance.
- (5) Where a Money Lender has concluded a contract for a Revolving Guarantee, such Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, deliver documents containing the matters set forth in the items of paragraph (2) which disclose the details of the Basic Contract for the Revolving Credit Loan pertaining to the contract for said Revolving Guarantee to the guarantor thereunder without delay. The same shall apply to cases where the Money Lender has changed any descriptions stated therein with regard to important matters as specified by a Cabinet Office Ordinance (excluding cases specified by a Cabinet Office Ordinance as being unlikely to hinder the protection of interests of said guarantor).
- (6) Where a Money Lender has concluded a contract for a Revolving Credit Loan and where he/she intends to deliver a document containing the status of the Loan, performance, or other transactions made within a certain period as provided by a Cabinet Office Ordinance to the counterparty to said contract for the Revolving Credit Loan or to the guarantor of the Contract for the Revolving Guarantee pertaining to the Basic Contract for the Revolving Credit Loan which forms the basis for said contract for the Revolving Credit Loan with the consent of such person pursuant to the provisions of a Cabinet Office Ordinance, such Money Lender may deliver to such person documents containing the following matters in lieu of delivering the documents under the first sentence of paragraph (1) or the first sentence of paragraph (4). In this case, the Money Lender shall be deemed to have conducted the delivery of documents under the first sentence of paragraph (1) or the first sentence of paragraph (4):
- (i) The date of the contract;
 - (ii) The amount of the Loan (in cases of a contract for Revolving Guarantee, the amount of Loan for which the guarantee has been provided); and
 - (iii) In addition to what is listed in the preceding two items, matters specified by a Cabinet Office Ordinance.
- (7) A Money Lender may, in lieu of delivering documents under the provisions of paragraph (1) through paragraph (5), delivering documents specified by a Cabinet Office Ordinance under the preceding paragraph, or delivering documents in lieu of delivering them under the first sentence of paragraph (1)

or the first sentence of paragraph (4) as provided in the preceding paragraph, pursuant to the provisions of a Cabinet Order, provide the matters specified in the preceding paragraphs or the matters to be stated in the documents as specified by a Cabinet Office Ordinance under the preceding paragraph by way of Electromagnetic Means, with the consent of the counterparty to said loan contract or guarantee contract. In this case, the Money Lender shall be deemed to have delivered these documents.

(Delivery of Receipts)

Article 18 (1) A Money Lender shall, upon receiving performance of all or part of his/her claim under a Contract for a Loan, deliver to the person who has made performance a document containing the following matters immediately after each instance in which he/she has received performance, pursuant to the provisions of a Cabinet Office Ordinance:

- (i) The trade name, name, and address of the Money Lender;
- (ii) The date of the contract;
- (iii) The amount of the Loan (in the case of a guarantee contract, the amount of the Loan for which the guarantee has been provided; the same shall apply in the following Article and Article 21, paragraph (2), item (iv));
- (iv) The amount received and amounts appropriated for repayment of the interest, the agreed liquidated damages, or the principal;
- (v) The date of receipt; and
- (vi) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.

(2) The preceding paragraph shall apply to cases where performance is made by means of payment into a deposit or savings account or by other methods specified by a Cabinet Office Ordinance, only when requested by the person who has made performance.

(3) A Money Lender may, upon receiving performance of all or part of his/her claim under a contract for a Revolving Credit Loan or under a Contract for a Revolving Guarantee concluded pertaining to the Basic Contract for a Revolving Credit Loan under which said contract for the Revolving Credit Loan was concluded, deliver a document containing the following matters in lieu of the document required under paragraph (1), if the Money Lender delivers to the person who has made performance a document specified by a Cabinet Office Ordinance as one that contains the details of the Loan provided and performance made in a specified period of time and other matters pertaining to transactions with the consent of the person and pursuant to the provisions of a Cabinet Office Ordinance. In this case, the Money Lender shall be deemed to have delivered the document required under the paragraph (1):

- (i) The date of receipt;

- (ii) The amount received; and
 - (iii) In addition to what is listed in the preceding two items, matters specified by a Cabinet Office Ordinance.
- (4) A Money Lender may provide the matters specified in paragraph (1) or the preceding paragraph or the matters to be contained in the document specified by a Cabinet Office Ordinance referred to in the preceding paragraph by Electromagnetic Means, in lieu of delivery of the document required by paragraph (1), the document specified by a Cabinet Office Ordinance referred to in the preceding paragraph, or the document to be delivered in lieu of the document required by paragraph (1) under the preceding paragraph, with the consent of the person who has made performance under paragraph (1) or the preceding paragraph and pursuant to the provisions of a Cabinet Order. In this case, the Money Lender shall be deemed to have delivered these documents.

(Keeping of the Books)

Article 19 A Money Lender shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve books on its business for each business office or other office, containing information on the Contracts for the Loans with each obligor such as the date of the contract, the amount of the Loan, the amount received, and other matters specified by a Cabinet Office Ordinance.

(Inspection of the Books)

Article 19-2 An Obligor, etc. or a person who formerly was an Obligor, etc. and any other person specified by a Cabinet Office Ordinance may make a request of the Money Lender for the inspection or copying of the books provided in the preceding Article (limited to the part regarding which said persons have interests), pursuant to the provisions of a Cabinet Office Ordinance. In this case, the Money Lender shall not refuse such a request unless it is clear that the purpose thereof is not to investigate matters concerning the exercise of rights of the person who has made such request.

(Restrictions on Specified Notarized Deeds)

Article 20 (1) Persons who engage in the Money Lending Business shall not obtain from the Obligor, etc. documents proving that the Obligor, etc. has delegated to an agent the authority to commission a notary to prepare Specified Notarized Deeds with regard to a Contract for a Loan (meaning notarized deeds containing statements to the effect that in case of the Obligor's default under the Contract for the Loan, he/she shall immediately be subject to compulsory execution; hereinafter the same shall apply in this Article).

(2) Persons who engage in the Money Lending Business shall, when the Obligor, etc. delegates to an agent the authority to commission a notary to prepare a

Specified Notarized Deed for a Contract for a Loan, refrain from any involvement in appointment of said agent, such as recommendations on the selection thereof or any act similar thereto.

- (3) A Money Lender shall, when commissioning a notary to prepare a Specified Notarized Deed for the Contract for a Loan, deliver and explain documents containing the following matters to the Person Seeking Funds, etc. who is to be the Obligor, etc. in advance (in cases where the Money Lender concludes a contract promising to commission a notary to prepare Specified Notarized Deeds with the Person Seeking Funds, etc. concerned with the Contract for a Loan, by the time of concluding such contract), pursuant to the provisions of a Cabinet Office Ordinance:
- (i) To the effect that, in the case of default under the Contract for the Loan, the Obligor, etc. shall immediately be subject to compulsory execution under the Specified Notarized Deed; and
 - (ii) In addition to what is listed in the preceding item, matters concerning the impact on the legal interests of the Obligor, etc. as provided by a Cabinet Office Ordinance.

(Restrictions on Custody, etc. of Deposit Passbooks, etc. Pertaining to Public Benefits)

Article 20-2 A person who engages in the Money Lending Business shall not conduct the following acts for the purpose of receiving performance of claims under a Contract for a Loan from the funds in a deposit or savings account of the Obligor, etc., relatives of the Obligor, etc., or any other person who is the beneficiary of Public Benefits (meaning benefits which, pursuant to the provisions of laws and regulations, the State or local public entities bear or subsidize all or part of the costs necessary for paying or necessary for the affairs related to the service of Public Benefits (excluding salaries and other payments which have the nature of a consideration) and which may not be transferred, used as securities, or attached pursuant to the provisions of laws and regulations; the same shall apply hereinafter) (hereinafter such persons shall collectively be referred to as "Specified Beneficiaries" in this Article) when such Public Benefits are paid into such account:

- (i) Acts of requesting a Specified Beneficiary to deliver or to provide his/her Deposit Passbook, etc. (meaning a passbook or card used for withdrawal with said deposit or savings account, the information necessary for withdrawal or payment from said deposit or savings account, and any of those things necessary for withdrawal or payment from said deposit or savings account as provided by a Cabinet Order, or documents or other materials including a pension certificate proving that the Specified Beneficiary is entitled to receive Public Benefits) and retaining them; or

- (ii) Acts of requesting a Specified Beneficiary to entrust withdrawals from the deposit or savings account and performance of said claims with the money withdrawn to the financial institution where said deposit or savings account is held.

(Restrictions on Acts of Collection)

Article 21 (1) Persons who engage in the Money Lending Business or persons who have been entrusted by a person who engages in the Money Lending Business or by any other person with the collection of claims under the Contract for a Loan pertaining to such persons engaging in the Money Lending Business shall not, in collecting claims under the Contract for the Loan, intimidate persons, act in any of the following ways, or act in any way which may harm the tranquility of a person's personal life or business operations:

- (i) Telephoning the Obligor, etc., transmitting a message by using a facsimile machine, or visiting the residence of the Obligor, etc. during hours found to be clearly inappropriate in terms of general social norms as provided by a Cabinet Office Ordinance, without any justifiable grounds;
- (ii) Where the Obligor, etc. has made a request on the timing of performance or on contact to or from such Obligor, the act of telephoning the Obligor, etc., transmitting a message by using a facsimile machine, or visiting the residence of the Obligor, etc. during hours other than those provided by a Cabinet Office Ordinance as prescribed in the preceding item, without justifiable grounds such as that said request is not found to be reasonable in terms of general social norms;
- (iii) Telephoning the Obligor, etc. at his/her place of work or at a place other than his/her residence, sending a telegram or transmitting a message by using a facsimile machine thereto, or visiting the place of work or a place other than the residence of the Obligor, etc., without justifiable grounds;
- (iv) Failing to leave the residence or the place of work of the Obligor, etc. or any other place where the Money Lender has visited the Obligor, etc., in spite of the fact that the Obligor, etc. has indicated to the effect that he/she would like the Money Lender to leave that place;
- (v) Disclosing facts regarding the borrowings of an Obligor, etc. or any other facts concerning the personal life of the Obligor, etc. to persons other than the Obligor, etc. by putting up a poster, billboard, or any other means whatsoever;
- (vi) Requesting that an Obligor, etc. raise funds toward performance of his/her obligations under the Contract for a Loan by borrowing money from persons other than the Obligor, etc. or any other similar means;
- (vii) Requesting that persons other than the Obligor, etc. make performance of the obligations on behalf of the Obligor, etc.;

- (viii) Continuing to request that persons other than the Obligor, etc. cooperate in the collection of claims, although said persons have refused to inform the Money Lender of the residence or contact address of the Obligor, etc. or have refused to conduct any other acts in cooperation with the Money Lender in the collection of claims;
 - (ix) Requesting that the Obligor, etc. perform his/her obligations by calling, sending a telegram, transmitting a message by using a facsimile machine, or visiting the Obligor, etc., without justifiable grounds and in spite of the fact that the Obligor, etc. has entrusted the arrangement of obligations under the Contract for a Loan to an attorney-at-law or legal professional corporation or to a judicial scrivener or judicial scrivener corporation (hereinafter collectively referred to as an "Attorney-at-Law, etc." in this item), or in spite of the fact that the Obligor, etc. has taken procedures toward a civil case in the necessary court for such arrangements and the Money Lender has received notice to that effect in writing from his/her Attorney-at-Law, etc. or from the court, and continues to request performance of said obligations in any of the aforementioned manners, although the Obligor, etc. has requested that the Money Lender not directly demand performance; and
 - (x) Informing the Obligor, etc. that the Money Lender intends to use any of the words or conduct any of the deeds set forth in the preceding items (excluding item (vi)).
- (2) Persons who engage in the Money Lending Business or persons who have been entrusted by persons who engage in Money Lending Business or by any other person with the collection of claims under the Contract for a Loan of a person engaging in the Money Lending Business shall, when they intend to send documents or Electromagnetic Records in lieu of such documents to the Obligor, etc. to demand payment therefrom, have the following matters contained or recorded therein, pursuant to the provisions of a Cabinet Office Ordinance:
- (i) The trade name, name, address, and telephone number of the person who engages in the Money Lending Business;
 - (ii) The name of the person who sends said documents or Electromagnetic Record;
 - (iii) The date of the contract;
 - (iv) The amount of the Loan;
 - (v) The Loan Interest Rate;
 - (vi) The due date of performance of claims pertaining to demands for payment;
 - (vii) The amount of demanded payment; and
 - (viii) In addition to what is listed in the preceding items, matters specified by a Cabinet Office Ordinance.
- (3) In addition to what is provided in the preceding paragraph, persons who

engage in the Money Lending Business or persons who have been entrusted by a person engaging in the Money Lending Business or by any other person with the collection of claims under the Contract for a Loan of a person who engages in Money Lending Business shall, in collecting claims under the Contract for a Loan and in response to a request from the counterparty to the Contract for a Loan, disclose the trade name and name of the person who engages in the Money Lending Business, the name of the person conducting the collection of claims, and other matters provided by a Cabinet Office Ordinance to the counterparty by methods specified by a Cabinet Office Ordinance.

(Return of Claim Deeds)

Article 22 A Money Lender shall, if he/she has received full performance of claims under the Contract for a Loan and holds deeds to the claims, return them without delay to the person who has made such performance.

(Posting of Signs)

Article 23 A Money Lender shall post a sign in the format specified by a Cabinet Office Ordinance in a place accessible to the public at each of its business offices or other offices.

(Restrictions on the Assignment, etc. of Claims.)

Article 24 (1) A Money Lender shall, in assigning the claims under the loan contract to any other person, notify him/her that said claims have accrued under the Money Lender's loan contract, other matters specified by a Cabinet Office Ordinance, and to the effect that the provisions of Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-6-10, and this paragraph shall apply (excluding, with regard to claims contained in mortgage securities as prescribed in Article 1, paragraph (1) of the Mortgage Securities Act (Act No. 15 of 1931), the provisions of Article 16-2, paragraph (3) and paragraph (4) and Article 17 (excluding paragraph (6)), and including the penal provisions pertaining thereto) to acts conducted by said persons in relation to the claims under the Contract for a Loan pertaining to said claims, by a method specified by a Cabinet Office Ordinance.

(2) When a claim under a Money Lender's loan contract has been assigned, the provisions of Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22 inclusive, Article 24-6-10, and the preceding paragraph (excluding, with regard to claims contained in mortgage securities as prescribed in Article 1, paragraph (1) of the Mortgage Securities Act, Article 16-2, paragraph (3) and paragraph (4) and Article 17 (excluding paragraph (6))) shall apply mutatis mutandis to

an assignee of such claim. In this case, the term "the Prime Minister or prefectural governor" in Article 24-6-10, paragraph (1) through paragraph (4) shall be deemed to be replaced with "the prefectural governor," the term "a Money Lender registered thereby" in paragraph (1) of that Article shall be deemed to be replaced with "an assignee of claims under the Money Lender's loan contract who has a business office or other office within the relevant prefectural area (if the person has no business office or other office, his/her domicile or residence; hereinafter the same shall apply in this Article)," the term "Money Lender's loan contract registered by him/her [the Prime Minister or prefectural governor]" in paragraph (2) of that Article shall be deemed to be replaced with "the claims of an assignee of claims under the Money Lender's loan contract (limited to persons who have business offices or other offices within the relevant prefectural area)," the term "a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (3) of that Article shall be deemed to be replaced with "an assignee of claims under the Money Lender's loan contract (limited to those who have business offices or other offices within the relevant prefectural area)," the term "the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (4) shall be deemed to be replaced with "the claims of an assignee of claims under the Money Lender's loan contract (limited to those who have business offices or other offices within the relevant prefectural area)," and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

(3) Where a Money Lender intends to assign claims under a loan contract or entrust the collection thereof (hereinafter collectively referred to as "Assignment, etc. of Claims") and comes to know or is capable of knowing that the other party to such assignment or entrustment falls under the category of a person listed in any of the following items (hereinafter referred to as a "Person Restricted from Collecting Claims" in this paragraph), or comes to know or is capable of knowing that a Person Restricted from Collecting Claims will accept the Assignment, etc. of Claims after the first Assignment, etc. of Claims, such Money Lender shall not make Assignment, etc. of the Claims:

(i) An Organized Crime Group Member, etc.;

(ii) A juridical person or other organization whose operations are controlled by an Organized Crime Group Member, etc., or the members of said juridical person or other organization; and

(iii) A person who is clearly likely to violate the provisions of Article 21, paragraph (1) (including the cases where applied it is *mutatis mutandis* pursuant to the preceding paragraph) or to commit a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts in the course of collecting claims under the Contract for a Loan.

(4) A Money Lender shall, when he/she has made an Assignment, etc. of the Claims under the Contract for a Loan to a person with whom he/she has a close relationship as provided by a Cabinet Order, exercise due diligence to prevent the other party from violating the provisions of Article 21, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to paragraph (2)) or from committing a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts in the course of collecting claims.

(Regulations on the Exercise of the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc.)

Article 24-2 (1) A Money Lender shall, in concluding a guarantee contract in relation to a loan contract with a Guarantee Business Operator, notify said Guarantee Business Operator to the effect that the provisions of Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-4, paragraph (1) and Article 24-6-10, paragraph (excluding, with regard to claims contained in mortgage securities prescribed in Article 1, paragraph (1) of the Mortgage Securities Act, the provisions of Article 16-2, paragraph (3) and paragraph (4) and Article 17 (excluding paragraph (6))), and including the penal provisions pertaining thereto) shall apply to the acts conducted by the Guarantee Business Operator in relation to the guarantee contract, by a method specified by a Cabinet Office Ordinance.

(2) Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-6-10, paragraph (excluding, with regard to claims contained in mortgage securities provided in Article 1, paragraph (1) of the Mortgage Securities Act, Article 16-2, paragraph (3) and paragraph (4), and Article 17 (excluding paragraph (6))) shall apply mutatis mutandis to a Guarantee Business Operator which has acquired a right to obtain reimbursement under the guarantee which the Guarantee Business Operator has provided to the Money Lender in relation to the Money Lender's loan contract, right to obtain reimbursement pertaining to the performance of obligations under the Money Lender's loan contract, or the guarantee contract therefor, claims related to subrogation by such performance, or guarantee claims related thereto (hereinafter collectively referred to as the "Right to Obtain Reimbursement Pertaining to a Guarantee, etc.," except in Article 24-6). In this case, the term "the Prime Minister or prefectural governor" in paragraph (1) through paragraph (4) of Article 24-6-10 shall be deemed to be replaced with "the prefectural governor," the term "a Money Lender registered thereby" in paragraph (1) of that Article shall be deemed to be replaced with "a Guarantee Business Operator who has acquired the Right to Obtain Reimbursement, etc.

Pertaining to a Guarantee, etc. and who has a business office or other office within the relevant prefectural area (with regard to a person who do not have a business office or other office, his/her domicile or residence; hereinafter the same shall apply in this Article)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (2) of that Article shall be deemed to be replaced with "related to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. which has been acquired by the Guarantee Business Operator (limited to those who have business offices or other offices within the relevant prefectural area)," the term "a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (3) of that Article shall be deemed to be replaced with "a Guarantee Business Operator who has acquired the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. (limited to those who have business offices or other offices within the relevant prefectural area)," the term "with respect to a loan contract made by a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (4) of that Article shall be deemed to be replaced with "related to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. which has been acquired by the Guarantee Business Operator (limited to those who have business offices or other offices within the relevant prefectural area)," and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

- (3) Where a Money Lender intends to conclude a guarantee contract for a loan contract with a Guarantee Business Operator and comes to know or is capable of knowing that the Guarantee Business Operator falls under any of the following items (hereinafter referred to as a "Person Restricted from Collecting Claims" in this paragraph) or comes to know or is capable of knowing that a Person Restricted from Collecting Claims will accept an Assignment, etc. of Claims related to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. after the conclusion of said guarantee contract, such Money Lender shall not conclude such guarantee contract:
- (i) An Organized Crime Group Member, etc.;
 - (ii) A juridical person or other organization whose operations are controlled by an Organized Crime Group Member, etc., or the members of said juridical person or other organization; or
 - (iii) A person who is clearly likely to violate the provisions of Article 21, paragraph (1) as applied *mutatis mutandis* pursuant to the preceding paragraph or to commit a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts, in the course of conducting collection with regard to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc.

(4) A Money Lender shall, when he/she has concluded a guarantee contract for a loan contract with a Guarantee Business Operator with whom he/she has a close relationship as provided by a Cabinet Order, exercise due diligence to prevent the Guarantee Business Operator from violating the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to paragraph (2) or from committing a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts in the course of conducting collection with regard to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc.

(Regulations on the Exercise of the Right to Obtain Reimbursement, etc.
Pertaining to Performance under Entrustment)

Article 24-3 (1) A Money Lender shall, when he/she entrusts to any other person performance of obligations under the Money Lender's Contract for a Loan, except in cases where paragraph (1) of the preceding Article applies, notify such person to the effect that Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-5, paragraph (1), and Article 24-6-10, paragraph (excluding, with regard to claims contained in mortgage securities provided in Article 1, paragraph (1) of the Mortgage Securities Act, the provisions of Article 16-2, paragraph (3) and paragraph (4), and Article 17 (excluding paragraph (6)), and including the penal provisions pertaining thereto) shall apply to acts conducted by said person in relation to said performance, in a manner specified by a Cabinet Office Ordinance.

(2) Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, and Article 24-6-10, paragraph (excluding, with regard to claims contained in mortgage securities provided in Article 1, paragraph (1) of the Mortgage Securities Act, the provisions of Article 16-2, paragraph (3) and paragraph (4) and Article 17 (excluding paragraph (6))) shall apply mutatis mutandis to a person who has made performance of obligations under the Money Lender's Contract for a Loan as entrusted by the Money Lender, where said person has acquired a right to obtain reimbursement pertaining to performance of such obligations or claims related to subrogation by performance or guarantee claims related thereto (hereinafter collectively referred to as "Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment" except in Article 24-6) (excluding a Guarantee Business Operator who has acquired the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. on the Contract for a Loan; hereinafter referred to as a "Person Entrusted With Performance"). In this case, the term "the Prime Minister or prefectural governor" in Article 24-6-10, paragraph (1) through paragraph (4) shall be deemed to be replaced with

"the prefectural governor," the term "a Money Lender registered thereby" in paragraph (1) of that Article shall be deemed to be replaced with "a Person Entrusted With Performance who has a business office or other office within the relevant prefectural area (with regard to a person who does not have a business office or other office, his/her domicile or residence; hereinafter the same shall apply in this Article)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (2) of that Article shall be deemed to be replaced with "with regard to the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment held by the Person Entrusted With Performance (limited to those who have business offices or other offices within the relevant prefectural area)," the term "a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (3) of that Article shall be deemed to be replaced with "a Person Entrusted With Performance (limited to those who have business offices or other offices within the relevant prefectural area)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (4) of that Article shall be deemed to be replaced with "with regard to the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment held by the Person Entrusted With Performance (limited to those who have business offices or other offices within the relevant prefectural area)," and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

(3) Where a Money Lender intends to entrust to any other person the performance of obligations under the Contract for a Loan and comes to know or is capable of knowing that the other party falls under any of the following items (hereinafter referred to as a "Person Restricted from Collecting Claims" in this paragraph) or he/she comes to know or is capable of knowing that a Person Restricted from Collecting Claims will accept the Assignment, etc. of Claims with regard to the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment after said performance, such Money Lender shall not entrust said performance:

(i) An Organized Crime Group Member, etc.;

(ii) A juridical person or other organization whose operations are controlled by an Organized Crime Group Member, etc., or the members of said juridical person or other organization; or

(iii) A person who is clearly likely to violate the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to the preceding paragraph or to commit crimes set forth in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of conducting collection with regard to the Right to Obtain Reimbursement, etc.

Pertaining to Performance under Entrustment.

- (4) A Money Lender shall, when he/she has entrusted the performance of obligations under the Contract for a Loan to a person with whom he/she has a close relationship as provided by a Cabinet Order, exercise due diligence to prevent the Person Entrusted With Performance from violating the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to paragraph (2) or from committing a crime prescribed in the provisions of Penal Code or the Act on Punishment of Violence and Other Acts in the course of conducting collection with regard to the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment.

(Regulations on the Assignment of the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc.)

Article 24-4 (1) A Guarantee Business Operator shall, in assigning to others the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc., notify such other person that the Right to Obtain Reimbursement Pertaining to the Guarantee, etc. has accrued from the guarantee pertaining to the Money Lender's Contract for a Loan, other matters prescribed by a Cabinet Office Ordinance, and to the effect that the provisions of Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-6-10, and this paragraph (with regard to claims contained in mortgage securities as provided in Article 1, paragraph (1) of the Mortgage Securities Act, Article 16-2, paragraph (3) and paragraph (4), and Article 17 (excluding paragraph (6)) shall be excluded, and the penal provisions pertaining thereto shall be included) shall apply to acts conducted by said person in relation to the Right to Obtain Reimbursement, etc. Pertaining to the Guarantee, etc., by a method specified by a Cabinet Office Ordinance.

- (2) The provisions of Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-6-10 and the preceding paragraph (excluding, with regard to claims contained in mortgage securities provided in Article 1, paragraph (1) of the Mortgage Securities Act, Article 16-2, paragraph (3) and paragraph (4) and Article 17 (excluding paragraph (6))) shall apply mutatis mutandis to an assignee of the Right to Obtain Reimbursement, etc. Pertaining to Guarantee, etc. in the case of assignment thereof. In this case, the term "the Prime Minister or prefectural governor" in paragraph (1) through paragraph (4) of Article 24-6-10 shall be deemed to be replaced with "the prefectural governor," the term "a Money Lender registered thereby" in paragraph (1) of that Article shall be deemed to be replaced with "an assignee of the Right to Obtain Reimbursement Pertaining to a Guarantee, etc. who has a business office or

other office within the relevant prefectural area (with regard to a person who does not have a business office or other office, his/her domicile or residence; hereinafter the same shall apply in this Article)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (2) of that Article shall be deemed to be replaced with "with regard to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. held by an assignee of the Right to Obtain Reimbursement, etc. Pertaining to the Guarantee, etc. (limited to those who have business offices or other offices within the relevant prefectural area)," the term "a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (3) of that Article shall be deemed to be replaced with "an assignee of the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. (limited to those who have business offices or other offices within the relevant prefectural area)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (4) of that Article shall be deemed to be replaced with "with regard to the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. held by an assignee of the Right to Obtain Reimbursement, etc. Pertaining to the Guarantee, etc. (limited to those who have business offices or other offices within the relevant prefectural area)" and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

(Regulations on the Assignment of the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment)

Article 24-5 (1) A Person Entrusted With Performance shall, in assigning to any other person the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment, notify such other person that the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment has accrued from the performance of obligations under the Money Lender's Contract for a Loan, other matters provided by a Cabinet Office Ordinance, and to the effect that Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3, Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-6-10, and this paragraph (with regard to claims contained in mortgage securities provided in Article 1, paragraph (1) of the Mortgage Securities Act, Article 16-2, paragraph (3) and paragraph (4), and Article 17 (excluding paragraph (6)) shall be excluded and the penal provisions pertaining thereto shall be included) shall apply to acts conducted by said person in relation to the Right to Obtain Reimbursement Pertaining to Performance under Entrustment, by a method specified by a Cabinet Office Ordinance.

(2) Article 12-7, Article 16-2, paragraph (3) and paragraph (4), Article 16-3,

Article 17 (excluding paragraph (6)), Article 18 through Article 22, Article 24-6-10, and the preceding paragraph (excluding, with regard to claims contained in mortgage securities provided in Article 1, paragraph (1) of the Mortgage Securities Act, Article 16-2, paragraph (3) and paragraph (4), and Article 17 (excluding paragraph (6))) shall apply mutatis mutandis to an assignee of the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment in the case of assignment thereof. In this case, the term "the Prime Minister or prefectural governor" in paragraph (1) through paragraph (4) of Article 24-6-10 shall be deemed to be replaced with "the prefectural governor," the term "a Money Lender registered thereby" in paragraph (1) of that Article shall be deemed to be replaced with "an assignee of the Right to Obtain Reimbursement Pertaining to Performance under Entrustment who has a business office or other office within the relevant prefectural area (with regard to a person who do not have a business office or other office, his/her domicile or residence; hereinafter the same shall apply in this Article)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (2) of that Article shall be deemed to be replaced with "with regard to the Right to Obtain Reimbursement Pertaining to Performance under Entrustment held by an assignee thereof (limited to those who have business offices or other offices within the relevant prefectural area)," the term "a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (3) of that Article shall be deemed to be replaced with "an assignee of the Right to Obtain Reimbursement Pertaining to Performance under Entrustment (limited to those who have business offices or other offices within the relevant prefectural area)," the term "with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor]" in paragraph (4) of that Article shall be deemed to be replaced with "with regard to the Right to Obtain Reimbursement Pertaining to Performance under Entrustment held by an assignee thereof (limited to those who have business offices or other offices within the relevant prefectural area)," and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

(Application Mutatis Mutandis)

Article 24-6 Article 24, paragraph (1) shall apply mutatis mutandis to cases where a person who engages in the Money Lending Business (excluding Money Lenders; hereinafter the same shall apply in this Article) assigns to any other person the claims under a loan contract; Article 20, paragraph (1) and paragraph (2), Article 20-2, Article 21, and Article 24, paragraph (1) shall apply mutatis mutandis to an assignee of the claims under the loan contract of a person who engages in the Money Lending Business in the case of

assignment thereof; Article 24-2, paragraph (1) shall apply mutatis mutandis to cases where a person who engages in the Money Lending Business concludes a guarantee contract in relation to a loan contract with a Guarantee Business Operator; Article 20, paragraph (1) and paragraph (2), Article 20-2, and Article 21 shall apply mutatis mutandis to a Guarantee Business Operator who has acquired the right to obtain reimbursement under a guarantee which the Guarantee Business Operator has provided to the person who engages in the Money Lending Business in relation to such person's loan contract, the right to obtain reimbursement pertaining to the performance of obligations under the loan contract of the person who engages in the Money Lending Business or the guarantee contract therefor, claims related to the subrogation by such performance, or guarantee claims related thereto (hereinafter collectively referred to as the "Right to Obtain Reimbursement Pertaining to a Guarantee, etc." in this Article); Article 24-3, paragraph (1) shall apply mutatis mutandis to cases where a person who engages in the Money Lending Business entrusts to any other person the performance of obligations under the Contract for a Loan; Article 20, paragraph (1) and (2), Article 20-2, and Article 21 shall apply mutatis mutandis to a person who, based on entrustment from a person who engaged in the Money Lending Business, has made performance of the obligations under the Contract for a Loan of said person who engages in the Money Lending Business and who has acquired the right to obtain reimbursement pertaining to the performance of obligations or claims related to the subrogation by such performance, or guarantee claims related thereto (hereinafter referred to as the "Right to Obtain Reimbursement Pertaining to Performance under Entrustment" in this Article) (excluding the cases where a Guarantee Business Operator has acquired the Right to Obtain Reimbursement Pertaining to the Guarantee, etc. in relation to the Contract for a Loan); Article 24-4, paragraph (1) shall apply mutatis mutandis to cases where a Guarantee Business Operator assigns to any other person the Right to Obtain Reimbursement Pertaining to a Guarantee, etc.; Article 20, paragraph (1) and paragraph (2), Article 20-2, Article 21, and Article 24-4, paragraph (1) shall apply mutatis mutandis to an assignee of a right to obtain reimbursement pertaining to a guarantee contract in the case of assignment of the Right to Obtain Reimbursement Pertaining to the Guarantee, etc.; paragraph (1) of the preceding Article shall apply mutatis mutandis to cases where a person who, based on entrustment from a person who engages in the Money Lending Business, has made performance of the obligations under the loan contract of such person who engages in the Money Lending Business, assigns to any other person the Right to Obtain Reimbursement, etc. Pertaining to Performance under Entrustment (excluding the Right to Obtain Reimbursement, etc. Pertaining to a Guarantee, etc. under the Contract for a Loan acquired by the

Guarantee Business Operator); and Article 20, paragraph (1) and paragraph (2), Article 20-2, Article 21, and paragraph (1) of the preceding Article shall apply mutatis mutandis to the assignee of the Right to Obtain Reimbursement Pertaining to Performance under Entrustment in the case of assignment thereof. In this case, necessary technical replacement of terms shall be specified by a Cabinet Order.

Section 3 Supervision

(Notification of Commencement, etc.)

Article 24-6-2 In any of the cases listed in the following items, a Money Lender shall, as provided by a Cabinet Office Ordinance, notify the Prime Minister or prefectural governor who registered the Money Lender to that effect:

- (i) Where the Money Lender has commenced, suspended, or resumed the Money Lending Business (including operations for advertising and solicitation conducted in relation to money lending operations or the collection of claims under a Contract for a Loan; the same shall apply in Article 24-6-6, paragraph (1), item (ii));
- (ii) Where the Money Lender has concluded a Credit Information Contract (meaning a Credit Information Contract as prescribed in Article 41-20, paragraph (1), item (i)) with a Designated Credit Bureau, or terminated said Credit Information Contract;
- (iii) Where the Money Lender has become aware that the Money Lender has come to fall under Article 6, paragraph (1), item (xiv); and
- (iv) In addition to what is listed in the preceding three items, the Money Lender falls under the case specified by a Cabinet Office Ordinance.

(Order to Improve Business Operations)

Article 24-6-3 When the Prime Minister or prefectural governor finds, with regard to the management of business operations of a Money Lender registered thereby, that it is necessary for protecting the interests of Persons Seeking Funds, etc., he/she may, within the extent necessary, order the Money Lender to change his/her operational methods or to take any other necessary measures for improving the management of the operations.

(Supervisory Dispositions)

Article 24-6-4 (1) The Prime Minister or prefectural governor may, where a Money Lender registered thereby falls under any of the following items, rescind the Money Lender's registration or order the suspension of the Money Lender's business operations in whole or in part, and may specify a period therefor of no longer than one year:

- (i) Where the Money Lender has come to fall under any of the categories in Article 6, paragraph (1), item (xiii) (excluding cases where the provisions of Article 12-3, paragraph (3) are applied) or Article 6, paragraph (1), item (xiv) through item (xvi);
- (ii) Where the Money Lender has violated laws and regulations in relation to his/her money lending operations (excluding Article 12, Article 12-5, Article 24, paragraph (3) and paragraph (4), Article 24-2, paragraph (3) and paragraph (4), and Article 24-3, paragraph (3) and paragraph (4)) or has violated a disposition made under laws and regulations by the Prime Minister or prefectural governor;
- (iii) Where the Money Lender has made an Assignment, etc. of Claims under the Contract for a Loan, knowing that the counterparty is a Person Restricted from Collecting Claims as prescribed in Article 24, paragraph (3);
- (iv) Where the Money Lender has made an Assignment, etc. of Claims under the Contract for a Loan and has come to fall under both of the following sub-items:
 - (a) Where the Money Lender fails to prove the existence of reasonable grounds for not knowing that the other party was a Person Restricted from Collecting Claims (meaning a Person Restricted from Collecting Claims as prescribed in Article 24, paragraph (3); hereinafter the same shall apply in this item) in the course of making an Assignment, etc. of Claims, or that a Person Restricted from Collecting Claims would accept the Assignment, etc. of Claims after the first Assignment, etc. of Claims; and
 - (b) Where a Person Restricted from Collecting Claims who has accepted the Assignment, etc. of Claims or a Person Restricted from Collecting Claims who has accepted the Assignment, etc. of Claims after the first Assignment, etc. of Claims has violated the provisions of Article 21, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2)) or has committed a crime prescribed in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of collecting claims.
- (v) Where the Money Lender has concluded a guarantee contract for a loan contract, knowing that the counterparty is a Person Restricted from Collecting Claims as prescribed in Article 24-2, paragraph (3);
- (vi) Where the Money Lender has come to fall under both of the following sub-items, in cases where such Money Lender has concluded a guarantee contract in relation to a loan contract with a Guarantee Business Operator:
 - (a) Where the Money Lender fails to prove the existence of reasonable grounds for not knowing that the Guarantee Business Operator was a Person Restricted from Collecting Claims (meaning a Person Restricted from Collecting Claims as defined in Article 24-2, paragraph (3));

hereinafter the same shall apply in this item) in the course of concluding the guarantee contract, or that a Person Restricted from Collecting Claims would accept the Assignment, etc. of Claims concerning the Right to Obtain Reimbursement Pertaining to the Guarantee, etc. after the conclusion of the guarantee contract; and

- (b) Where a Person Restricted from Collecting Claims who has concluded the guarantee contract or a Person Restricted from Collecting Claims who has accepted the Assignment, etc. of Claims with regard to the Right to Obtain Reimbursement Pertaining to a Guarantee, etc. after the conclusion of the guarantee contract has violated the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to Article 24-2, paragraph (2) or has committed a crime set forth in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of collection with regard to the Right to Obtain Reimbursement Pertaining to the Guarantee, etc.
- (vii) Where the Money Lender has entrusted the performance of obligations under the Contract for a Loan, knowing that the other party is a Person Restricted from Collecting Claims prescribed in Article 24-3, paragraph (3);
- (viii) Where the Money Lender has come to fall under both of the following sub-items, in cases where such Money Lender has entrusted to another person the performance of obligations under the Contract for a Loan:
 - (a) Where the Money Lender fails to prove the existence of reasonable grounds for not knowing that the entrusted party was a Person Restricted from Collecting Claims (meaning a Person Restricted from Collecting Claims as prescribed in Article 24-3, paragraph (3); hereinafter the same shall apply in this item) in the course of entrusting the performance, or that a Person Restricted from Collecting Claims would accept the Assignment, etc. of Claims concerning the Right to Obtain Reimbursement Pertaining to Performance under Entrustment after such entrustment of performance had been made; and
 - (b) Where a Person Restricted from Collecting Claims who has acquired the Right to Obtain Reimbursement Pertaining to Performance under Entrustment or a Person Restricted from Collecting Claims who has accepted the Assignment, etc. of Claims concerning the Right to Obtain Reimbursement Pertaining to Performance under Entrustment after acquiring the Right to Obtain Reimbursement Pertaining to Performance under Entrustment has violated the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to Article 24-3, paragraph (2) or has committed a crime set forth in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of conducting collection with regard to the Right to Obtain Reimbursement Pertaining to

Performance under Entrustment.

- (ix) Where a person who has accepted an Assignment, etc. of Claims with regard to the claims under a loan contract from the Money Lender and who has a close relationship with the Money Lender as provided by a Cabinet Order has violated the provisions of Article 21, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2)) or has committed a crime set forth in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of collecting said claims, and where such Money Lender has failed to prove that he/she has exercised due diligence to prevent said person from conducting such act;
 - (x) Where a Guarantee Business Operator who has acquired the Right to Obtain Reimbursement Pertaining to a Guarantee, etc. and who has a close relationship with the Money Lender as provided by a Cabinet Order has violated the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to Article 24-2, paragraph (2) or has committed a crime set forth in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of conducting collection with regard to the Right to Obtain Reimbursement Pertaining to the Guarantee, etc., and where such Money Lender has failed to prove that he/she has exercised due diligence to prevent said person from conducting such act;
 - (xi) Where a Person Entrusted With Performance who has acquired the Right to Obtain Reimbursement Pertaining to Performance under Entrustment and who has a close relationship with the Money Lender as provided by a Cabinet Order has violated the provisions of Article 21, paragraph (1) as applied mutatis mutandis pursuant to Article 24-3, paragraph (2) or has committed a crime set forth in the provisions of the Penal Code or the Act on Punishment of Violence and Other Acts in the course of conducting collection with regard to the Right to Obtain Reimbursement Pertaining to Performance under Entrustment, and where such Money Lender has failed to prove that he/she has exercised due diligence to prevent said person from conducting such act; and
 - (xii) In addition to what is listed in item (ii), where the Money Lender has violated the provisions of the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates or the Act on the Prevention of Unjust Acts by Organized Crime Group Members (excluding the provisions of Article 32-2, paragraph (7) of that Act).
- (2) The Prime Minister or prefectural governor may, when an Officer (meaning a member in charge of executing business, the director, executive officer, representative person, administrator, or any other person equivalent thereto; hereinafter the same shall apply in this paragraph) of a Money Lender registered thereby has come to fall under any of item (ii) through item (xii) of

the preceding paragraph, order the Money Lender to dismiss said Officer.

(Rescission of Registration)

Article 24-6-5 (1) The Prime Minister or prefectural governor shall, where a Money Lender registered thereby falls under any of the following items, rescind the Money Lender's registration:

- (i) Where the Money Lender has come to fall under any of Article 6, paragraph (1), item (i) or item (iv) through item (xii), or where it is found that the Money Lender already fell under any of the items of that paragraph at the time of registration;
 - (ii) Where a Money Lender who falls under any of the items of Article 7 continues to engage in the Money Lending Business, and it is found that the Money Lender has not newly was registered under Article 3, paragraph (1) as required;
 - (iii) Where a Money Lender was registered under Article 3, paragraph (1) by wrongful means;
 - (iv) Where the Money Lender has violated the provisions of Article 12; or
 - (v) Where the Money Lender has violated the provisions of Article 12-5.
- (2) The provisions of Article 5, paragraph (2) shall apply mutatis mutandis where the disposition set forth in the preceding paragraph has been made.

(Rescission of the Registration of Missing Money Lenders, etc.)

Article 24-6-6 (1) The Prime Minister or prefectural governor may, where a Money Lender registered thereby falls under any of the following items, rescind the Money Lender's registration:

- (i) Where the location of the Money Lender's business office or other office or the whereabouts of the Money Lender (in the case of a juridical person, the whereabouts of its officer) cannot be identified, and even after 30 days have elapsed since the day on which a public notice of such fact was given, there is no response from the Money Lender; or
 - (ii) Where the Money Lender, without justifiable grounds, does not commence the Money Lending Business within six months from the day on which the Money Lender was registered, or has suspended the Money Lending Business for six months or more.
- (2) With regard to a disposition made under the provisions of the preceding paragraph (limited to the part concerning item (i)), the provisions of Chapter III of the Administrative Procedure Act (Act No. 88 of 1993) shall not apply.

(Cancellation of Registration)

Article 24-6-7 The Prime Minister or prefectural governor shall, when a Money Lender's registration has ceased to be effective pursuant to the provisions of

Article 3, paragraph (2), Article 7 or Article 10, paragraph (2), or when he/she has rescinded the registration pursuant to the provisions of Article 24-6-4, paragraph (1), Article 24-6-5, paragraph (1) or paragraph (1) of the preceding Article, cancel the Money Lender's registration.

(Public Notice of Supervisory Disposition, etc.)

Article 24-6-8 The Prime Minister or prefectural governor shall, when he/she has made a disposition under the provisions of Article 24-6-4, paragraph (1), Article 24-6-5, paragraph (1) or Article 24-6-6, paragraph (1), give a public notice to that effect as provided by a Cabinet Office Ordinance.

(Submission of Business Reports)

Article 24-6-9 A Money Lender shall, as provided by a Cabinet Office Ordinance, prepare a business report on the Money Lending Business for each business year, and submit it to the Prime Minister or prefectural governor who registered the Money Lender within three months after the end of each business year.

(Collection of Reports and On-Site Inspections)

Article 24-6-10 (1) The Prime Minister or prefectural governor may, when he/she finds it necessary for the enforcement of this Act, order a Money Lender registered thereby to submit reports or materials with regard to the Money Lender's business operations.

- (2) When the Prime Minister or prefectural governor finds it particularly necessary in order to protect the interests of Persons Seeking Funds, etc., he/she may, within the extent necessary, order a Guarantee Business Operator who has concluded a guarantee contract with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor] or a person who has been entrusted by such Money Lender with money lending operations, to submit reports or materials that are informative with regard to the Money Lender's money lending operations.
- (3) The Prime Minister or prefectural governor may, when he/she finds it necessary in order to protect the interests of Persons Seeking Funds, etc., have the relevant officials enter the business office or other office of a Money Lender registered by him/her [the Prime Minister or prefectural governor], ask questions with regard to the Money Lender's operations, or inspect books, documents, and any other articles.
- (4) When the Prime Minister or prefectural governor finds it particularly necessary in order to protect the interests of Persons Seeking Funds, etc., he/she may, within the extent necessary, have the relevant officials enter the business office or other office of a Guarantee Business Operator who has

concluded a guarantee contract with respect to the loan contract of a Money Lender registered by him/her [the Prime Minister or prefectural governor] or a person who has been entrusted by such Money Lender with money lending operations, ask questions with regard to the matters necessary for the questioning or inspection of the Money Lender, or inspect books, documents, and any other articles.

- (5) An official who conducts an on-site inspection pursuant to the provisions of the preceding two paragraphs shall carry a certificate of identification and present it when requested by any person concerned.
- (6) The authority to conduct an on-site inspection under the provisions of paragraph (3) or paragraph (4) shall not be construed as being for criminal investigation.

(Supervision of Money Lenders Who Are Not Members of a Money Lenders' Association)

- Article 24-6-11 (1) The Prime Minister or prefectural governor shall appropriately supervise the money lending operations performed by a Money Lender registered thereby who has not joined a Money Lenders' Association, in consideration of the articles of incorporation, operational rules, and any other rules of Money Lenders' Associations, so that the operations of such Money Lender do not fail to protect the interests of Persons Seeking Funds, etc.
- (2) In order to conduct the supervision prescribed in the preceding paragraph, the Prime Minister or prefectural governor may, in consideration of the articles of incorporation, operational rules, and any other rules of Money Lenders' Associations, order a Money Lender who has not joined a Money Lenders' Association to create or change rules that the Money Lender or officers or employees thereof should observe (hereinafter referred to as "Internal Rules").
 - (3) A Money Lender who has been ordered to create or change its Internal Rules pursuant to the provisions of the preceding paragraph shall, within 30 days, create or change its Internal Rules, and shall obtain approval thereof from the Prime Minister or prefectural governor who registered the Money Lender.
 - (4) Where a Money Lender who has obtained approval under the preceding paragraph intends to change or repeal the approved Internal Rules, the Money Lender shall further obtain approval thereof from the Prime Minister or prefectural governor who registered the Money Lender.

Chapter II-2 System for Chiefs of Money Lending Operations

(Qualification Examination)

- Article 24-7 (1) The Prime Minister shall, as provided by a Cabinet Office Ordinance, carry out an examination in which persons can become qualified as

Chiefs of Money Lending Operations (hereinafter referred to as a "Qualification Examination").

- (2) The Qualification Examination shall be implemented for the purpose of testing the necessary knowledge required for money lending operations.

(Designation)

Article 24-8 (1) The Prime Minister may have his/her designee administer the affairs related to implementing the Qualification Examination (hereinafter referred to as the "Examination Affairs" in this Chapter).

- (2) The designation under the preceding paragraph shall be made through the applications of persons who wish to carry out Examination Affairs.

- (3) A person who intends to file the application under the preceding paragraph shall, pursuant to the provisions of a Cabinet Office Ordinance, submit a written application for designation to the Prime Minister.

- (4) The Prime Minister shall not make the designation under paragraph (1) unless there is no other person who has been designated and the application under paragraph (2) is in compliance with all of the following items:

(i) The plan for implementation of Examination Affairs, including the employees, facilities, methods of implementing the Examination Affairs, and other matters is appropriate for the proper and sound implementation of Examination Affairs;

(ii) The applicant has a financial and technical footing secure enough for proper and sound execution of the plan for implementing Examination Affairs set forth in the preceding item; and

(iii) Where the applicant is engaged in any business other than the Examination Affairs, the fact of the applicant operating such other business is not likely to result in unfair implementation of the Examination Affairs.

- (5) The Prime Minister shall not, when the applicant under paragraph (2) falls under any of the following items, designate him/her under paragraph (1):

(i) The applicant is not a nonprofit juridical person;

(ii) The applicant has been sentenced to a fine or a severer punishment for having violated the provisions of this Act, the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates, or the Former Act on Facilitating Self-Regulation by Money Lenders, or for having violated the provisions of Article 12 of the Price Control Ordinance in concluding a Contract for a Loan or collecting claims thereunder, and five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;

(iii) The applicant's designation has been rescinded pursuant to the provisions of Article 24-19, paragraph (1) or paragraph (2), and five years have not

elapsed since the day of rescission;

- (iv) The applicant has an officer who falls under any of the following:
 - (a) An officer who has been sentenced to a fine or a severer punishment for having violated the provisions of this Act, the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates, the Former Act on Facilitating Self-Regulation by Money Lenders or the Act on the Prevention of Unjust Acts by Organized Crime Group Members (excluding the provision of Article 32-2, paragraph (7) of that Act) or for having violated the provision of Article 12 of the Price Control Ordinance or committed a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts in concluding a Contract for a Loan or collecting claims thereunder, and for whom five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence; or
 - (b) The applicant has been dismissed based on an order issued under Article 24-10, paragraph (2) and five years have not elapsed since the day of such dismissal.

(Public Notice, etc. of Designation)

- Article 24-9 (1) When the Prime Minister has made a designation under paragraph (1) of the preceding Article, he/she shall give public notice of the designated person's name and the location of its principal office as well as the date of designation in an official gazette.
- (2) A person who has been designated pursuant to paragraph (1) of the preceding Article (hereinafter referred to as the "Designated Examining Agency") shall, when it intends to change its name or the location of its principal office, notify the Prime Minister to that effect, by two weeks prior to the planned date of change.
 - (3) When the Prime Minister has received a notification under the preceding paragraph, he/she shall give public notice to that effect in an official gazette.

(Appointment and Dismissal of Officers)

- Article 24-10 (1) Appointments and dismissals of officers of a Designated Examining Agency shall not become effective unless they are authorized by the Prime Minister.
- (2) The Prime Minister may, when an officer of a Designated Examining Agency has carried out acts in violation of this Act (including orders or dispositions issued under this Act) or the Operational Rules for Examination Affairs set forth in Article 24-13, paragraph (1), or an extremely inappropriate act with regard to the Examination Affairs, order the Designated Examining Agency to dismiss said officer.

(Examiner)

Article 24-11 (1) A Designated Examining Agency shall appoint examiners to carry out the Qualification Examination for Chiefs of Money Lending Operations from among those who satisfy the requirements specified by a Cabinet Office Ordinance (hereinafter referred to as "Examiners") and have them create examination questions and grade examinations for the Qualification Examination.

(2) The Designated Examining Agency shall, when it has appointed or dismissed an Examiner, notify the Prime Minister to that effect without delay.

(3) The provisions of paragraph (2) of the preceding Article shall apply mutatis mutandis to the dismissal of an Examiner.

(Obligation of Confidentiality, etc.)

Article 24-12 (1) An officer or employee of the Designated Examining Agency (including Examiners; the same shall apply in the following paragraph) or a person who was formerly in such a position shall not disclose to another person any confidential information he/she has learned during the course of the Examination Affairs.

(2) An officer or employee of a Designated Examining Agency who engages in the Examination Affairs shall, with regard to the application of the Penal Code or other penal provisions, be deemed as an employee engaged in public services as provided by laws and regulations.

(Operational Rules for Examination Affairs)

Article 24-13 (1) A Designated Examining Agency shall provide Operational Rules for Examination Affairs for matters concerning the implementation of the Examination Affairs specified by a Cabinet Office Ordinance, and shall obtain authorization thereon from the Prime Minister. The same shall apply when said rules are to be changed.

(2) The Prime Minister may, when he/she finds that the Operational Rules for Examination Affairs authorized under the preceding paragraph have become inappropriate for the proper and sound implementation of Examination Affairs, order the Designated Examining Agency to change them.

(Authorization, etc. of Business Plans)

Article 24-14 (1) A Designated Examining Agency shall prepare a business plan and a budget statement for the Examination Affairs every business year, and shall obtain authorization from the Prime Minister before the commencement of the relevant business year (with regard to a business year which includes the date of designation under Article 24-8, paragraph (1), without delay after

the designation). The same shall apply when the Designated Examining Agency intends to change them.

- (2) A Designated Examining Agency shall prepare a business report and the statement of settlement of accounts every business year, and shall submit them to the Prime Minister within three months after the end of the relevant business year.

(Keeping of the Books)

Article 24-15 A Designated Examining Agency shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve books containing matters related to the Examination Affairs as provided by a Cabinet Office Ordinance.

(Supervisory Orders)

Article 24-16 The Prime Minister may, when he/she finds it necessary for ensuring the proper implementation of Examination Affairs, issue the necessary orders for supervision with regard to Examination Affairs to a Designated Examining Agency.

(Collection of Reports and On-Site Inspections)

Article 24-17 (1) The Prime Minister may, when he/she finds it necessary for ensuring the proper implementation of the Examination Affairs, order a Designated Examining Agency to submit reports or materials with regard to the status of its Examination Affairs, or have the relevant officials enter the Designated Examining Agency's office, ask questions with regard to the status of Examination Affairs, or inspect books, documents, and any other articles.

- (2) When the Prime Minister finds it particularly necessary for ensuring the proper implementation of Examination Affairs, he/she may, within the extent necessary, order a person who has been entrusted by the Designated Examining Agency with its business to submit reports or materials that are informative with regard to the status of Examination Affairs, or have the relevant officials enter the business office or other office of such person who has been entrusted by the Designated Examining Agency with its business, ask questions with regard to the status of Examination Affairs, or inspect books, documents, and any other articles.
- (3) An official who conducts an on-site inspection pursuant to the provisions of the preceding two paragraphs shall carry a certificate of identification and present it when requested by any person concerned.
- (4) The authority to conduct an on-site inspection under the provisions of paragraph (1) or paragraph (2) shall not be construed as being for criminal investigation.

(Suspension or Abolition of Examination Affairs)

Article 24-18 (1) A Designated Examining Agency shall not suspend or abolish its Examination Affairs in whole or in part without permission from the Prime Minister.

(2) The Prime Minister shall not grant permission under the preceding paragraph unless he/she finds that the suspension or abolition of Examination Affairs by the Designated Examining Agency in whole or in part is unlikely to hinder the proper and sound implementation of the Examination Affairs.

(Rescission, etc. of Designation)

Article 24-19 (1) The Prime Minister shall, when a Designated Examining Agency has come to fall under any of the items of Article 24-8, paragraph (5) (excluding item (iii)) or when a Designated Examining Agency has received the designation under paragraph (1) of that Article by wrongful means, rescind such designation.

(2) The Prime Minister shall, when a Designated Examining Agency falls under any of the following items, rescind its designation or order the Designated Examining Agency to suspend its Examination Affairs in whole or in part for a fixed period of time:

(i) Where the Designated Examining Agency is found to no longer satisfy any item of Article 24-8, paragraph (4);

(ii) Where the Designated Examining Agency has violated an order issued under Article 24-10, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 24-11, paragraph (3)), Article 24-13, paragraph (2) or Article 24-16;

(iii) Where the Designated Examining Agency has violated the provisions of Article 24-11, paragraph (1), Article 24-14, Article 24-15, or paragraph (1) of the preceding Article;

(iv) Where the Designated Examining Agency has implemented the Examination Affairs without complying with the Operational Rules for Examination Affairs which has been authorized under Article 24-13, paragraph (1);

(v) Where the Designated Examining Agency has violated the conditions set forth in paragraph (1) of the following Article; or

(vi) Where the Designated Examining Agency has conducted an extremely inappropriate act with regard to Examination Affairs or an Examiner or Officer who engages in Examination Affairs has conducted an extremely inappropriate act with regard to Examination Affairs.

(3) When the Prime Minister has made a disposition under the preceding two paragraphs, he/she shall give public notice to that effect in an official gazette.

(Conditions of Designation, etc.)

Article 24-20 (1) Conditions may be attached to the designation, authorization, or permission under Article 24-8, paragraph (1), Article 24-10, paragraph (1), Article 24-13, paragraph (1), Article 24-14, paragraph (1), or Article 24-18, paragraph (1) and such conditions may be changed.

(2) The conditions under the preceding paragraph shall be limited to the minimum necessary for ensuring the sound implementation of the matters pertaining to the designation, authorization, or permission, and shall not impose undue obligations on the person who receives said designation, authorization, or permission.

(Implementation of Examination Affairs, etc. by the Prime Minister)

Article 24-21 (1) When the Prime Minister has made a designation under Article 24-8, paragraph (1), he/she shall not conduct Examination Affairs.

(2) The Prime Minister shall carry out Examination Affairs by himself/herself in whole or in part when a Designated Examining Agency has suspended its Examination Affairs in whole or in part with the permission provided in Article 24-18, paragraph (1), when the Prime Minister has ordered the Designated Examining Agency to suspend its Examination Affairs in whole or in part under Article 24-19, paragraph (2), or when the Prime Minister finds it necessary where a natural disaster or other cause has impeded the Designated Examining Agency from implementing its Examination Affairs in whole or in part.

(3) Matters necessary for transferring Examination Affairs and other matters necessary for implementing Examination Affairs shall be specified by a Cabinet Office Ordinance, in the case where the designation under Article 24-8, paragraph (1) has been made, where the Prime Minister is required to conduct Examination Affairs pursuant to the preceding paragraph, or where the Prime Minister has permitted the abolition of Examination Affairs under Article 24-18, paragraph (1) or has rescinded the designation pursuant to the provisions of Article 24-19, paragraph (1) or paragraph (2).

(Examination Fees)

Article 24-22 (1) A person who intends to take the Qualification Examination shall pay the State the examination fees provided by a Cabinet Order which are set forth in consideration of the actual cost involved.

(2) With regard to the application of the preceding paragraph where a Designated Examining Agency is conducting Examination Affairs, the term "the State" in that paragraph shall be deemed to be replaced with "a Designated Examining Agency."

(3) The examination fees paid to a Designated Examining Agency pursuant to

paragraph (1) as applied by replacing certain terms under the preceding paragraph shall be the revenue of the Designated Examining Agency.

- (4) The examination fees under paragraph (1) (including cases where applied by replacing certain terms pursuant to paragraph (2)) shall not be refunded even if the payer does not take the Qualification Examination.

(Rescission, etc. of Passing)

Article 24-23 (1) Where the Prime Minister finds that any wrongful act has been conducted in relation to the Qualification Examination, he/she may disqualify the person related to the wrongful act from taking the examination, invalidate said Qualification Examination, or rescind the decision of passing thereof.

- (2) The Prime Minister may prohibit a person who has been subject to a disposition under the preceding paragraph from taking the Qualification Examination for a fixed period of time.
- (3) With regard to the application of the preceding two paragraphs in cases where a Designated Examining Agency is implementing Examination Affairs, the term "the Prime Minister" in that paragraph shall be deemed to be replaced with "the Designated Examining Agency."

(Application for Examination Concerning Dispositions, etc. Rendered by a Designated Examining Agency)

Article 24-24 With regard to a disposition rendered by a Designated Examining Agency in relation to its Examination Affairs or its inaction thereof, an application for examination under the Administrative Appeal Act (Act No. 160 of 1962) may be filed with the Prime Minister.

(Registration of Chiefs of Money Lending Operations)

Article 24-25 (1) Any person who has passed the Qualification Examination may apply for registration as a Chief of Money Lending Operations (hereinafter referred to as "Registration as a Chief") with the Prime Minister.

- (2) Where a person who has passed the Qualification Examination wishes to receive Registration as a Chief, he/she shall take training courses given pursuant to the provisions of a Cabinet Office Ordinance by a person who has been registered by the Prime Minister as provided in Article 24-36, paragraph (1) (hereinafter referred to as "Registered Training Agency") and which is provided within six months before the date of application for Registration as a Chief; provided, however, that this shall not apply where the person applies for Registration as a Chief within one year from the date of passing the Qualification Examination.
- (3) The Registration as a Chief shall, unless it is renewed every three years, cease to be effective upon the expiration of said period.

(4) The Registration as a Chief shall be completed by the Prime Minister by entering the name, birth date, and address of the Chief of Money Lending Operations, other matters specified by a Cabinet Office Ordinance, the registration number, and the date of registration into the Chiefs of Money Lending Operations' registry.

(Registration Procedures)

Article 24-26 (1) Any person who is qualified for Registration as a Chief and who wishes to be registered as such shall submit a written application for registration to the Prime Minister.

(2) The resume of a person who wishes for Registration as a Chief and other documents specified by a Cabinet Office Ordinance shall be attached to the written application for registration set forth in the preceding paragraph.

(3) When a written application for registration under paragraph (1) has been submitted, the Prime Minister shall complete the applicant's Registration as a Chief without delay, except for cases where he/she refuses to effect the applicant's Registration as a Chief pursuant to the provisions of paragraph (1) of the following Article.

(4) When the Prime Minister has completed an applicant's Registration as a Chief, he/she shall notify the applicant to that effect in writing.

(Refusal of Registration)

Article 24-27 (1) The Prime Minister shall refuse an applicant's Registration as a Chief when said applicant falls under any of the following items or when his/her written application for registration or the documents attached thereto contain any false statement or lack any statement on important facts:

(i) An adult ward or a person under curatorship;

(ii) A bankrupt person who has not had his/her rights restored;

(iii) A person whose registration under Article 3, paragraph (1) has been rescinded pursuant to the provisions of Article 24-6-4, paragraph (1), Article 24-6-5, paragraph (1), or Article 24-6-6, paragraph (1) (limited to the part concerning item (i)) and for whom five years have not elapsed since the date of rescission (in the case where the person whose registration has been rescinded is a juridical person, this shall also apply to a person who, within 60 days prior to the date of public notice concerning the date and place of a hearing to be held for rescission, was the juridical person's Officer (meaning a member in charge of executing business, director, executive officer, representative person, administrator, or any other person equivalent thereto, and including a person specified by a Cabinet Office Ordinance who, irrespective of title, is found to have control over the juridical person which is equivalent to or greater than that of any of these persons), and for whom

- five years have not elapsed since the date of rescission);
- (iv) A person who has been sentenced to imprisonment without work or a severer punishment and for whom five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;
 - (v) A person who has been sentenced to a fine for having violated the provisions of this Act, the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates, the Former Act on Facilitating Self-Regulation by Money Lenders, or the Act on the Prevention of Unjust Acts by Organized Crime Group Members (excluding the provisions of Article 32-2, paragraph (7) of that Act), or for having violated the provisions of Article 12 of the Price Control Ordinance or committed a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts in the course of concluding a Contract for a Loan or collecting a claim under such contract, and for whom five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;
 - (vi) An Organized Crime Group Member, etc.;
 - (vii) A person whose Registration as a Chief has been rescinded for falling under any of the items of Article 24-30 and for whom five years have not elapsed since the day of said rescission; or
 - (viii) A person specified by a Cabinet Office Ordinance as a person for whom there are reasonable grounds to find that he/she is likely to commit a wrongful or unfaithful act in relation to the Money Lending Business.
- (2) When the Prime Minister has refused an applicant's Registration as a Chief, he/she shall notify the applicant to that effect in writing.

(Change of Registration)

Article 24-28 When there are any changes in the matters contained in the Chiefs of Money Lending Operations registry set forth in Article 24-25, paragraph (4), the Chief of Money Lending Operations shall file an application for change of his/her Registration as a Chief without delay.

(Notification of Death, etc.)

Article 24-29 When a Chief of Money Lending Operations has come to fall under any of the following items, the person set forth in the relevant item shall notify the Prime Minister to that effect within 30 days from the day on which any of the events listed therein took place (or in the case of item (i), within 30 days from the day on which said persons became aware of the event):

- (i) Where the Chief of Money Lending Operations has died: His/her heir(s);
- (ii) Where the Chief of Money Lending Operations has come to fall under

Article 24-27, paragraph (1), item (i): His/her ward or curator; or
(iii) Where the Chief of Money Lending Operations has come to fall under any of the provisions of Article 24-27, paragraph (1), item (ii) through item (vi): the Chief of Money Lending Operations himself/herself.

(Rescission of Registration)

Article 24-30 The Prime Minister may rescind a Chief of Money Lending Operations' Registration as a Chief when said Chief of Money Lending Operations falls under any of following items:

- (i) Where the Chief of Money Lending Operations has come to fall under any of the items of Article 24-27, paragraph (1) (excluding item (vii));
- (ii) Where the person's Registration as a Chief was accomplished by wrongful means;
- (iii) Where the decision of the Chief of Money Lending Operations' having passed the Qualification Examination has been rescinded pursuant to Article 24-23, paragraph (1) (including cases where applied by replacing certain terms under paragraph (3) of that Article); or
- (iv) Where the Chief of Money Lending Operations has violated the provisions of laws and regulations of the Money Lending Business during the course of his/her duties, or has conducted an extremely inappropriate act.

(Cancellation of Registration)

Article 24-31 The Prime Minister shall cancel a Chief of Money Lending Operations' Registration as a Chief in the following cases:

- (i) Where the Chief of Money Lending Operations has applied to cancel his/her Registration as a Chief;
- (ii) Where the Chief of Money Lending Operations' Registration as a Chief has ceased to be effective upon the expiration of the period set forth in Article 24-25, paragraph (3);
- (iii) Where a notification under Article 24-29 has been made;
- (iv) Where there is no heir(s) in the case of Article 24-29, item (i); or
- (v) Where the Chief of Money Lending Operations' Registration as a Chief has been rescinded under the preceding Article.

(Renewal of Registration)

Article 24-32 (1) A Chief of Money Lending Operations' Registration as a Chief shall be renewed subject to application.

- (2) The main clause of Article 24-25, paragraph (2) shall apply mutatis mutandis to a person who wishes to renew his/her Registration as a Chief pursuant to the preceding paragraph, paragraph (3) of that Article shall apply mutatis mutandis to renewed Registration as a Chief, Article 24-26 shall apply mutatis

mutandis to the procedures for renewal, and Article 24-27 shall apply mutatis mutandis to the refusal of a renewal.

(Delegation of Registration Affairs)

Article 24-33 (1) The Prime Minister may, as provided by a Cabinet Office Ordinance, have a Money Lenders' Association (hereinafter referred to as the "Association" in this Chapter) administer the duties related to an applicant's Registration as a Chief as provided in Article 24-25 through the preceding Article (hereinafter referred to as "Registration Affairs" in this Article through Article 24-35).

(2) When the Prime Minister has decided to have the Association administer Registration Affairs pursuant to the preceding paragraph, he/she shall not conduct said Registration Affairs.

(3) When an Association has been delegated to conduct Registration Affairs under paragraph (1), it shall specify matters concerning applicants' Registration as Chiefs in its operational rules, and shall obtain authorization thereon from the Prime Minister.

(4) When an Association that conducts Registration Affairs under paragraph (1), grants a person Registration as a Chief, makes changes to a person's Registration as a Chief under Article 24-28, rescinds a person's Registration as a Chief pursuant to Article 24-30, cancels a person's Registration as a Chief under Article 24-31 or renews a person's Registration as a Chief pursuant to paragraph (1) of the preceding Article, it shall notify the Prime Minister to that effect as provided by a Cabinet Office Ordinance without delay.

(5) Where there are two or more Associations that conduct Registration Affairs under paragraph (1), each Association shall promote information exchange between the relevant Associations, and shall endeavor to provide the necessary cooperation and information to other Associations so as to ensure the appropriate implementation of said Registration Affairs.

(Registration Fees)

Article 24-34 (1) A person who wishes for Registration as a Chief or who wishes to renew his/her Registration as a Chief under Article 24-32, paragraph (1) shall, pursuant to the provisions of a Cabinet Order, pay the State (in cases where an Association conducts Registration Affairs under paragraph (1) of the preceding Article, said Association) registration fees.

(2) The fees set forth in the preceding paragraph and paid to an Association shall be the revenue of said Association.

(Request for Examination Concerning Registration Affairs)

Article 24-35 Any person who is dissatisfied with inaction with regard to an

application for Registration as a Chief under Article 24-26, paragraph (1), refusal of Registration as a Chief under Article 24-27, paragraph (1) or rescission of Registration as a Chief under Article 24-30 by an Association that conducts Registration Affairs as provided in Article 24-33, paragraph (1) may file a request for examination under the Administrative Appeal Act with the Prime Minister.

(Registration of Registered Training Agencies)

- Article 24-36 (1) A person who intends to offer training courses for obtaining Registration as a Chief to persons who have passed the Qualification Examination shall be registered by the Prime Minister.
- (2) A person who wishes to be registered by the Prime Minister under the preceding paragraph shall submit a written application for registration pursuant to the provisions of a Cabinet Office Ordinance.

(Refusal of Registration as a Registered Training Agency)

Article 24-37 The Prime Minister shall refuse registration when a person who wishes to be registered under paragraph (1) of the preceding Article falls under any of the following items or when said person's written application for registration contains any false statement on important matters from among those which should be contained therein or lacks any statement on important facts:

- (i) A person who has been sentenced to a fine or severer punishment for having violated the provisions of this Act, the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates, the Former Act on Facilitating Self-Regulation by Money Lenders, or the Act on the Prevention of Unjust Acts by Organized Crime Group Members (excluding the provisions of Article 32-2, paragraph (7) of that Act), or having violated the provisions of Article 12 of the Price Control Ordinance or committed a crime prescribed in the Penal Code or the Act on Punishment of Violence and Other Acts in the course of concluding a Contract for a Loan or collecting a claim under such contract, and for whom two years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;
- (ii) A person whose registration under paragraph (1) of the preceding Article has been rescinded pursuant to Article 24-46 and for whom two years have not elapsed since the date of rescission;
- (iii) A juridical person who has an officer that conducts business relating to the implementation of a training course (hereinafter referred to as "Training Affairs") and who falls under any of the preceding two items; or
- (iv) A person who is found to lack the financial or technical foundation

necessary for the proper and sound implementation of the training course.

(Implementation of Registration of Registered Training Agencies)

Article 24-38 (1) Where the training course to be conducted by a person who has filed a written application for registration under Article 24-36, paragraph (2) consists of the subjects listed in the left-hand column of the following appended table taught by the instructors listed in the corresponding rows in the right-hand column of said appended table, the Prime Minister shall register to that effect, except in the case where he/she refuses the registration under the preceding Article. In this case, the procedures necessary for registration shall be specified by a Cabinet Office Ordinance.

Subjects	Instructor
1. Subjects concerning laws and regulations relating to the Money Lending Business	(1) A professor or associate professor who specializes in Civil Law or Administrative Law at a university accredited under the School Education Act (Act No. 26 of 1947) or a person who formerly held such a position. (2) A person who has knowledge and experience equivalent to or greater than that of persons specified in the preceding item.
2. Subjects concerning practical business	(1) A Chief of Money Lending Operations who is currently giving advice or guidance under Article 12-3, paragraph (1). (2) A person who has knowledge and experience equivalent to or greater than that of persons specified in the preceding item.

- (2) The registration under Article 24-36, paragraph (1) shall be completed by entering the following matters into the registry of Registered Training Agencies:
- (i) The date of registration and the registration number;
 - (ii) The name or trade name and address of the Registered Training Agency, and in the case of a juridical person, the name of its representative person;
 - (iii) The location of the office where the Registered Training Agency conducts its Training Affairs; and
 - (iv) In addition to what is listed in the preceding three items, matters specified by a Cabinet Office Ordinance.

(Renewal of a Registered Training Agency's Registration)

Article 24-39 (1) The registration under Article 24-36, paragraph (1) shall, unless it is renewed once every period of not less than three years as specified by a Cabinet Order, cease to be effective upon the expiration of said period.

(2) The provisions of Article 24-36, paragraph (2) and the preceding two Articles shall apply mutatis mutandis to the renewal of registration under the preceding paragraph.

(Obligations Pertaining to Implementation of Training Affairs)

Article 24-40 Registered Training Agencies shall conduct Training Affairs fairly by methods that are in compliance with Article 24-38, paragraph (1) and with the requirements specified by a Cabinet Office Ordinance.

(Notification of Changes in the Registered Matters Pertaining to a Registered Training Agency)

Article 24-41 When a Registered Training Agency intends to change any of the matters set forth in Article 24-38, paragraph (2), item (ii) through item (iv), it shall notify the Prime Minister to that effect by two weeks prior to the planned date of the change.

(Operational Rules for Training Affairs)

Article 24-42 (1) Registered Training Agencies shall provide operational rules concerning Training Affairs (such rules shall be referred to as the "Operational Rules for Training Affairs" in the following paragraph) and notify the Prime Minister thereof prior to the commencement of Training Affairs. The same shall apply when said rules are to be changed.

(2) The Operational Rules for Training Affairs shall provide for the methods of carrying out the training course, training course fees, and other matters specified by a Cabinet Office Ordinance.

(Suspension or Abolition of Training Affairs)

Article 24-43 When a Registered Training Agency intends to suspend or abolish its Training Affairs in whole or in part, it shall notify the Prime Minister to that effect in advance as provided by a Cabinet Office Ordinance.

(Keeping and Inspection, etc. of Financial Statements, etc.)

Article 24-44 (1) A Registered Training Agency shall, within three months after the end of each business year, prepare an inventory of property, balance sheet, a profit and loss statement or income and expenditure statement, and a business report (in cases where these documents are prepared in the form of Electromagnetic Records, such Electromagnetic Records shall be included; hereinafter collectively referred to as "Financial Statements, etc.") and shall keep them at its office until the day when five years have passed since the day following the last day of relevant business year.

(2) A Chief of Money Lending Operations and other interested persons may make

the following requests at any time during the business hours of the Registered Training Agency; provided, however, that in making the requests set forth in item (ii) or item (iv), such person shall pay the costs determined by said Registered Training Agency:

- (i) When the Financial Statements, etc. are prepared in writing, a request to inspect or copy such written documents;
- (ii) A request for a copy or extract of the documents set forth in the preceding item;
- (iii) When the Financial Statements, etc. are prepared in the form of Electromagnetic Records, a request to inspect or copy the matters recorded in said Electromagnetic Records which are indicated by a method specified by a Cabinet Office Ordinance; and
- (iv) A request to be provided with the information recorded in the Electromagnetic Records set forth in the preceding item by the Electromagnetic Method which is specified by a Cabinet Office Ordinance, or a request to deliver the documents containing such information.

(Orders for Compliance)

Article 24-45 When the Prime Minister finds that the Registered Training Agency has violated the provisions of Article 24-40, he/she may order said Registered Training Agency to take any necessary measures to satisfy the provisions of Article 24-40.

(Rescission, etc. of the Registration of a Registered Training Agency)

Article 24-46 Where a Registered Training Agency falls under any of the following items, the Prime Minister may rescind the registration thereof or order the suspension of its Training Affairs in whole or in part for a fixed period of time:

- (i) When the Registered Training Agency comes to fall under Article 24-37, item (i), item (iii), or item (iv);
- (ii) When the Registered Training Agency has violated the provisions of Article 24-41 through Article 24-43, Article 24-44, paragraph (1), or the following Article;
- (iii) When the Registered Training Agency has refused a request under Article 24-44, paragraph (2) without justifiable grounds;
- (iv) When the Registered Training Agency has violated an order issued under the preceding Article; or
- (v) When the Registered Training Agency was registered under Article 24-36, paragraph (1) by wrongful means.

(Keeping of Books)

Article 24-47 A Registered Training Agency shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve books containing the matters specified by a Cabinet Office Ordinance with regard to Training Affairs.

(Implementation of Training Affairs by the Prime Minister)

Article 24-48 (1) The Prime Minister may conduct Training Affairs by himself/herself in whole or in part when there are no persons registered under Article 24-36, paragraph (1), when notification of the suspension or abolition of Training Affairs in whole or in part has been given pursuant to Article 24-43, when the Prime Minister has rescinded the registration set forth in Article 24-46 under that Article or has ordered the Registered Training Agency to suspend its Training Affairs in whole or in part, when it has become difficult for the Registered Training Agency to conduct its Training Affairs in whole or in part as a result of a natural disaster or other causes, or in other cases where it is found to be necessary.

(2) Where the Prime Minister conducts Training Affairs by himself/herself in whole or in part pursuant to the provisions of the preceding paragraph, the necessary matters for transferring the Training Affairs and implementing the Training Affairs shall be specified by a Cabinet Office Ordinance.

(3) A person who intends to take the training course given by the Prime Minister under paragraph (1) shall pay the State the fees provided by a Cabinet Order which are set forth in consideration of the actual cost involved.

(Collection of Reports and On-Site Inspections)

Article 24-49 (1) The Prime Minister may, when he/she finds it necessary for ensuring the proper implementation of Training Affairs, order a Registered Training Agency to submit reports or materials with regard to the status of its Training Affairs, or have the relevant officials enter the Registered Training Agency's office, ask questions with regard to the status of Training Affairs, or inspect books, documents, or any other articles, to the extent necessary.

(2) An official who conducts an on-site inspection pursuant to the provisions of the preceding paragraph shall carry a certificate of identification and present it when requested by any person concerned.

(3) The authority to conduct an on-site inspection under paragraph (1) shall not be construed as being for criminal investigation.

(Public Notice of Registration, etc.)

Article 24-50 In the following cases, the Prime Minister shall make a public notice to that effect in an official gazette:

(i) When the Prime Minister has completed the registration set forth in Article 24-36, paragraph (1);

- (ii) When a notification under Article 24-41 has been made;
- (iii) When a notification under Article 24-43 has been made;
- (iv) When the Prime Minister has rescinded a registration set forth in Article 24-36, paragraph (1) or when he/she has ordered the suspension of Training Affairs pursuant to the provisions of Article 24-46; or
- (v) When the Prime Minister intends to conduct Training Affairs by himself/herself in whole or in part under Article 24-48, paragraph (1) or when he/she has decided not to conduct the Training Affairs which he/she had been conducting in whole or in part.

Chapter III Money Lenders' Associations

Section 1 Establishment and Business

(Purpose of Associations, etc.)

Article 25 (1) The purpose of a Money Lenders' Association (hereinafter referred to as an "Association" in this Chapter) shall be to protect the interests of Persons Seeking Funds, etc. and to contribute to the proper management of money lending operations.

- (2) An Association shall be a juridical person.
- (3) An Association shall operate nationwide.
- (4) An Association shall use the term "Kashikingyo-Kyokai" (which means "Money Lenders' Association") in its name.
- (5) No person other than an Association shall use, in its name or trade name, any term by which the person is likely to be mistaken as an Association.

(Authorization for Establishment)

Article 26 (1) An Association may be established only by a Money Lender.

- (2) When a Money Lender wishes to establish an Association, the Money Lender shall obtain authorization therefor from the Prime Minister.

(Submission of Written Applications for Authorization)

Article 27 (1) A person who wishes to obtain authorization under paragraph (2) of the preceding Article shall, with regard to the Association for which authorization is sought, submit a written application for authorization to the Prime Minister, stating the following matters:

- (i) The Association's name;
 - (ii) The place where the Association's office is located; and
 - (iii) The names of the Association's officers and the names or trade names of the Association members.
- (2) To a written application for authorization set forth in the preceding paragraph shall be attached the articles of incorporation, operational rules,

and any other rules (hereinafter collectively referred to as the "Articles of Incorporation, etc.") of the Association for which authorization is sought, and any other documents specified by a Cabinet Office Ordinance.

(Examination of Written Applications for Authorization)

Article 28 (1) The Prime Minister shall, where an application for authorization has been filed pursuant to the provisions of paragraph (1) of the preceding Article, examine whether or not the application satisfies the following requirements:

(i) The provisions of the Articles of Incorporation, etc. are in compliance with laws and regulations and are sufficient for protecting the interests of Persons Seeking Funds, etc. and contributing to the proper management of Money Lending Business; and

(ii) The Association to which the application pertains is organized in compliance with the provisions of this Act.

(2) When, as a result of the examination under the provisions of the preceding paragraph, the Prime Minister finds that the application satisfies the requirements prescribed in that paragraph, he/she shall grant his/her authorization for establishment, except in the following cases:

(i) Where the applicant for authorization has been sentenced to a fine or a severer punishment under the provisions of this Act and five years have not elapsed since the day on which execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;

(ii) Where the officers of the Association for which authorization is sought include a person who falls under the category of any of the persons listed in Article 6, paragraph (1), item (i) through item (vi); or

(iii) Where the written application for authorization or the documents attached thereto contain any false statement.

(Rescission of Authorization)

Article 29 When an Association is found to have fallen under any of the items of paragraph (2) of the preceding Article at the time when authorization of establishment was granted, the Prime Minister may rescind the authorization.

(Prohibition of Profit-Seeking)

Article 30 An Association shall not conduct its business for the purpose of profit.

(Articles of Incorporation)

Article 31 The articles of incorporation of an Association shall state the following:

- (i) The purpose of the Association;
- (ii) The name of the Association;
- (iii) The location of the Association's principal office or other office;
- (iv) Matters concerning Association members;
- (v) Matters concerning general meetings of members;
- (vi) Matters concerning officers;
- (vii) Matters concerning councils and other conferences;
- (viii) Matters concerning the improvement of the abilities of the Officers
(meaning members in charge of executing business, a director, executive officer, representative person, administrator, or any other person equivalent thereto, and including a person specified by a Cabinet Office Ordinance who, irrespective of title, is found to have control over the juridical person which is equivalent to or greater than that of any of these persons; the same shall apply in Article 37, paragraph (5)) and employees of an Association member;
- (ix) Matters concerning the creation of and changes to the operational rules and other rules;
- (x) Matters concerning investigation of an Association member's compliance with laws and regulations or with dispositions made by a government agency under laws and regulations or the Articles of Incorporation, etc.;
- (xi) Matters concerning membership fees; and
- (xii) Matters concerning accounting and assets.

(Matters to Be Specified in the Operational Rules)

Article 32 An Association shall specify the following matters in its operational rules:

- (i) Matters concerning the prevention of excessive Loans pertaining to the Money Lending Business managed by an Association member (excluding those listed in the following item);
- (ii) The minimum amount of repayment for a specified period and other matters concerning repayment which are included in the predetermined conditions under a Basic Contract for a Revolving Credit Loan to be concluded by an Association member with an individual customer who is a person seeking funds in relation to the member's money lending operations;
- (iii) Matters concerning the contents, methods, frequency, and examination of the advertising to be conducted by an Association member in relation to the member's money lending operations;
- (iv) Matters concerning solicitation to be conducted by an Association member in relation to the member's money lending operations;
- (v) Matters concerning the collection of claims to be conducted by an Association member in relation to the member's money lending operations;
- (vi) Matters concerning the supervision of an Association member;

- (vii) Matters concerning the settlement of complaints from Persons Seeking Funds, etc. (including those who were Obligors, etc.) in relation to the money lending operations performed by an Association member;
- (viii) Matters concerning consultation or advice or any other support for Persons Seeking Funds, etc. with regard to their borrowing or repayment;
- (ix) Matters concerning training of persons engaging in money lending operations; and
- (x) In addition to what is listed in the preceding items, any other matters necessary for achieving the Association's purpose.

(Authorization, etc. of Changes to the Articles of Incorporation, etc.)

Article 33 (1) When an Association wishes to change its articles of incorporation or operational rules, it shall obtain authorization therefor from the Prime Minister.

(2) An Association shall, where there has been a change to any of the matters listed in Article 27, paragraph (1), item (ii) or item (iii), notify the Prime Minister to that effect without delay. The same shall apply where an Association has created, changed or abolished its rules (excluding the articles of incorporation and the operational rules).

(Branches)

Article 34 (1) An Association shall establish branches in each prefectural area.

(2) Each branch shall, for the purpose of contributing to the achievement of the Association's purpose, provide guidance for, maintain liaison with, and conduct supervision on Association members that belong to that branch.

(Liability for Damages Due to Acts of the President or Directors)

Article 35 An Association shall be liable for compensating for any damage its president or director has caused to another person in the course of his/her duties.

(Association's Address)

Article 36 The address of an Association shall be the location of its principal office.

Section 2 Association Members

(Qualification as an Association Member and Restrictions on Membership)

Article 37 (1) Only a Money Lender shall be qualified to be an Association member.

(2) An Association shall accept, as Association members, Money Lenders who

- account for a percentage specified by a Cabinet Order of all Money Lenders.
- (3) Each Association member shall belong to the Association's branch that has been established within the prefectural area that includes the location of the Association member's business office(s) or other office(s).
 - (4) An Association shall stipulate in its articles of incorporation that any Money Lender may join as an Association member, except in the case set forth in paragraph (6).
 - (5) An Association shall stipulate in its articles of incorporation that by having each Association member establish rules to be observed by the Association member and the officers and employees thereof as well as an administrative infrastructure for the purpose of ensuring compliance with laws and regulations and the Association's Articles of Incorporation, etc., the Association will endeavor to prevent any violation of laws and regulations or of its Articles of Incorporation, etc., and to secure the confidence of Persons Seeking Funds, etc.
 - (6) An Association may stipulate in its articles of incorporation that with regard to a person who has ever been ordered to suspend money lending operations for a violation of laws and regulations or of a disposition given by the Prime Minister or prefectural governor under laws and regulations, or who has ever been expelled from the Association for a violation of laws and regulations, a disposition made by a government agency under laws and regulations, or the Association's Articles of Incorporation, etc., the Association may refuse to allow such person to join as an Association member.
 - (7) An Association shall provide its register of Association members for public inspection.
 - (8) A person who has not joined an Association shall not use, in its name or trade name, any term due to which the person is likely to be mistaken as an Association member.

(Disposition on Association Members, etc.)

Article 38 An Association shall stipulate in its articles of incorporation that where an Association member has committed a violation of laws and regulations, a disposition made by a government agency under laws and regulations, or the Association's Articles of Incorporation, etc., the Association will impose a monetary fine on the Association member, order suspension or restriction of the rights given the Association member under the articles of incorporation, or expel the Association member.

Section 3 Administration

(Appointment of Officers and Their Authority)

Article 39 (1) An Association shall have one president, two or more directors, and two or more auditors as its officers.

(2) The president shall represent the Association and preside over its affairs.

(3) The directors shall, as provided by the articles of incorporation, represent the Association, administer the Association's affairs while assisting the president, perform the president's duties in his/her place when the president is unable to attend to his/her duties, and perform the president's duties when the post is vacant.

(4) The auditors shall audit the affairs of the Association.

(5) An officer of an Association shall lose his/her position when he/she has come to fall under any of Article 6, paragraph (1), item (i) through item (vi).

(Orders of Dismissal for Officers)

Article 40 Where the Prime Minister has discovered that an officer of an Association has acquired his/her position by wrongful means, or where an officer of an Association has violated laws and regulations, a disposition made by a government agency under laws and regulations, or the Association's articles of incorporation or operational rules, he/she may order the Association to dismiss such officer.

(Provisional Director or Provisional Auditor)

Article 41 The Prime Minister may, where there is no person to perform the duties of a director or auditor and when he/she finds it necessary, appoint a provisional director or provisional auditor.

(Obligation of Confidentiality)

Article 41-2 An officer or employee of an Association or a person who was formerly in such a position shall not disclose to another person or misappropriate any confidential information he/she has learned during the course of his/her duties.

Section 4 Supervision

(Order for Changes to the Articles of Incorporation, etc.)

Article 41-3 Where the Prime Minister, with regard to the Articles of Incorporation, etc. of an Association or the management of its business or status of its property, finds it necessary and appropriate to protect the interests of Persons Seeking Funds, etc., he/she may, within the extent necessary, order the Association to change its Articles of Incorporation, etc. or to take any other necessary supervisory measures.

(Rescission of Authorization, Suspension of Business, and Dismissal of Officers, etc. Due to the Violation of Laws and Regulations, etc.)

Article 41-4 Where an Association has violated laws and regulations, a disposition made by a government agency under laws and regulations, or its Articles of Incorporation, etc. (hereinafter collectively referred to as "Laws and Regulations, etc." in this Article) or where, despite the fact that an Association member has violated Laws and Regulations, etc., the Association has failed to exercise the powers vested therein under this Act, under any order issued under this Act, or under its Articles of Incorporation, etc., or where it has failed to take any other necessary measures for having that Association member observe Laws and Regulations, etc., the Prime Minister may, when he/she finds it necessary and appropriate to protect the interests of Persons Seeking Funds, etc., rescind the authorization of the establishment of the Association, specify a period of no longer than one year and order the suspension of the Association's business in whole or in part, order a change in its operational method or prohibition of its business in part, order the dismissal of its officer, or order any other necessary measures specified in its Articles of Incorporation, etc.

(Collection of Reports and On-Site Inspections)

Article 41-5 (1) The Prime Minister may, when he/she finds it necessary in order to protect the interests of Persons Seeking Funds, etc., order an Association to submit reports or materials with regard to its business or the status of its property, and may have the relevant officials enter the Association's office, ask questions with regard to the status of the Association's business or property, and inspect books, documents, and any other articles.

(2) When the Prime Minister finds it particularly necessary in order to protect the interests of Persons Seeking Funds, etc., he/she may, within the extent necessary, order a person who has been entrusted by an Association with its business, to submit reports or materials that are informative with regard to the Association's business or property, and may have the relevant officials enter the business office or other office of such person who has been entrusted by the Association with its business, ask questions with regard to the status of the Association's business or property, and inspect books, documents and any other articles.

(3) An official who conducts an on-site inspection pursuant to the provisions of the preceding two paragraphs shall carry a certificate of identification and present it when requested by any person concerned.

(4) The authority to conduct an on-site inspection under the provisions of paragraph (1) or paragraph (2) shall not be construed as being for criminal investigation.

(Documents to Be Submitted to the Prime Minister)

Article 41-6 An Association shall, for each business year, prepare the following documents, and submit them to the Prime Minister within three months after the end of each business year:

- (i) A business summary report for the previous business year and a business plan for the current business year;
- (ii) The inventory of property as of the end of the previous business year; and
- (iii) The settlement of accounts for the previous business year and the budget statements for the current business year.

Section 5 Miscellaneous Provisions

(Response to Complaints)

Article 41-7 (1) Where a Person Seeking Funds, etc. (including a person who was formerly an Obligor, etc.) has requested to settle a complaint about an Association member's money lending operations, the Association shall respond to such request, giving the necessary advice to such person and investigating the circumstances pertaining to the complaint, as well as notifying said Association member of the details of such complaint and requesting the prompt handling thereof.

- (2) Where the Association finds it necessary for the settlement of a complaint filed under the preceding paragraph, it may request the Association member to explain in writing or verbally, or to submit any relevant materials.
- (3) An Association member shall not refuse a request made under the preceding paragraph by the Association without justifiable grounds.
- (4) The Association shall inform the Association member of the request for the settlement of a complaint under paragraph (1), the circumstances with regard to the complaint and the results of the settlement thereof.

(Cooperation with the Prime Minister or Prefectural Governor)

Article 41-8 The Prime Minister or prefectural governor may, in order to ensure smooth enforcement of this Act, have an Association cooperate with him/her in the application of registration, notification, and other necessary matters under the provisions of this Act.

(Awareness-Raising Activities, etc. by Associations)

Article 41-9 The Association shall endeavor to promote protection of the interests of Persons Seeking Funds, etc. through dissemination of financial knowledge, enlightenment activities, and publicity campaigns.

(Registration of the Association)

Article 41-10 (1) An Association shall be registered pursuant to the provision of a Cabinet Order.

(2) An Association shall be established by registering its establishment at the location of its principal office.

(3) The matters that are required to be registered under paragraph (1) may not be duly asserted against a third party until after registration.

(Dissolution of the Association)

Article 41-11 (1) An Association shall be dissolved based on the following grounds:

(i) The occurrence of causes specified in its articles of incorporation;

(ii) A resolution made at a general meeting;

(iii) A ruling to commence bankruptcy proceedings; or

(iv) The rescission of authorization for establishment of the Association.

(2) A resolution made at a general meeting concerning dissolution of an Association shall not become effective unless it is authorized by the Prime Minister.

(3) When an Association has dissolved pursuant to item (i) of paragraph (1), the former representative person shall notify the Prime Minister to that effect without delay.

(4) With regard to an Association, when an order for the commencement of bankruptcy proceedings or an order for the termination of bankruptcy proceedings has been rendered, or when rescission of an order for the commencement of bankruptcy proceedings or an order for the discontinuance of bankruptcy proceedings has become final and binding, the court clerk shall notify the Prime Minister to that effect.

(5) In addition to what is provided for in the preceding paragraphs, matters necessary for the dissolution of an Association shall be specified by a Cabinet Order.

(Public Notice of Authorization, etc.)

Article 41-12 In the following cases, the Prime Minister shall give public notice to that effect in an official gazette (in the case set forth in item (i), to that effect and of the Articles of Incorporation, etc. of the authorized Association; in the case set forth in item (iii), to that effect and of the changed articles of incorporation and operational rules; and in the case set forth in item (iv), to that effect and of the notified matters):

(i) When the Prime Minister has granted an authorization under Article 26, paragraph (2);

(ii) When the Prime Minister has rescinded an authorization pursuant to

- Article 29;
- (iii) When the Prime Minister has granted an authorization under Article 33, paragraph (1);
 - (iv) When an Association has made a notification under Article 33, paragraph (2);
 - (v) When the Prime Minister has ordered an Association to change its Articles of Incorporation, etc. or to take other necessary supervisory measures under Article 41-3;
 - (vi) When the Prime Minister has rescinded his/her authorization for the establishment of an Association, ordered the suspension of an Association's business, ordered a change to its operational methods or prohibition of its business, ordered the dismissal of its officer, or ordered any other necessary measures specified in its Articles of Incorporation, etc., pursuant to Article 41-4;
 - (vii) When the Prime Minister has granted an authorization set forth in paragraph (2) of the preceding Article;
 - (viii) When a notification under paragraph (3) of the preceding Article has been made; or
 - (ix) When the Prime Minister has received a notification under paragraph (4) of the preceding Article.

Chapter III-2 Designated Credit Bureaus

Section 1 General Rules

(Designation of a Person to Conduct Credit Information Services)

Article 41-13 (1) The Prime Minister may designate a person who satisfies the following requirements as a person to perform Credit Information Services, subject to his/her application and pursuant to the provisions of this Chapter:

- (i) That the person is a juridical person (including an association or foundation without juridical personality having a representative person or administrator, and excluding a juridical person established in compliance with laws and regulations of a foreign state and other foreign associations; hereinafter the same shall apply in this Chapter);
- (ii) That the person is not a person whose designation set forth in this paragraph has been rescinded pursuant to Article 41-33, paragraph (1) and for whom five years have not elapsed from the date of said rescission;
- (iii) That the person is not a person who has been sentenced to a fine (including a punishment under laws and regulations of a foreign state equivalent thereto) for having violated the provisions of this Act, the Act on the Protection of Personal Information (Act No. 57 of 2003), or the provisions of laws and regulations of a foreign state equivalent thereto, and for whom five

years have not elapsed since the day on which the execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;

- (iv) That the person has no Officer (meaning a member in charge of executing business (including, in cases where the member in charge of executing business is a juridical person, a person who is to perform its duties), director, executive officer, accounting advisor (including, in cases where an accounting advisor is a juridical person, the member who is to perform its duties), auditor, representative person, administrator, or any other person equivalent thereto; the same shall apply in this Chapter) who falls under any of the following sub-items:
- (a) An adult ward or a person under curatorship, or a person who is treated in the same manner under laws and regulations of a foreign state;
 - (b) A bankrupt person who has not had his/her rights restored or a person who is treated in the same manner under laws and regulations of a foreign state;
 - (c) A person who has been sentenced to imprisonment without work or a severer punishment (including a punishment under laws and regulations of a foreign state equivalent thereto) and for whom five years have not elapsed since the day on which the execution of the sentence was completed or since the day on which said person ceased to be subject to execution of the sentence;
 - (d) Where the designation provided in this paragraph has been rescinded pursuant to Article 41-33, paragraph (1) or an administrative disposition equivalent thereto which has been issued in a foreign state under laws and regulations thereof that are equivalent to this Act has been rescinded, a person who, within 30 days prior to the day of rescission, was an officer of the juridical person (including a person who is treated in the same manner under laws and regulations of a foreign state; the same shall apply in sub-item (e)) and for whom five years have not elapsed since the day of rescission;
 - (e) An officer whose dismissal has been ordered under Article 41-33, paragraph (1) or the provisions of laws and regulations of a foreign state equivalent to this Act, and for whom five years have not elapsed since the day of such disposition; or
 - (f) A person who has been sentenced to a fine (including a punishment under laws and regulations of a foreign state equivalent thereto) for having violated the provisions of this Act, the Act on the Protection of Personal Information, or the provisions of laws and regulations of a foreign state equivalent thereto, and for whom five years have not elapsed since the day on which the execution of the sentence was completed or since the day on

- which said person ceased to be subject to execution of the sentence.
- (v) That the amount of Credit Information handled by the person as provided by a Cabinet Office Ordinance satisfies the standard specified by a Cabinet Office Ordinance as being sufficient to conduct Credit Information Services properly and efficiently;
 - (vi) That the person is found to have the financial basis necessary for conducting Credit Information Services as provided by a Cabinet Office Ordinance; and
 - (vii) In light of its personnel structure, the person is found to have sufficient knowledge and experience for conducting Credit Information Services properly and reliably and have sufficient social credibility.
- (2) When the Prime Minister has made a designation under the preceding paragraph, he/she shall give public notice of the trade name or name of the Designated Credit Bureau, the location of its principal business office or office, and the date of its designation in an official gazette.

(Application for Designation)

- Article 41-14 (1) A person who wishes to receive the designation provided in paragraph (1) of the preceding Article shall submit a written application for designation to the Prime Minister in which the following matters are stated:
- (i) The trade name or name;
 - (ii) The name and location of its principal business office or office, or of the business office or office where the Credit Information Services are to be conducted;
 - (iii) The names or trade names of its Officers; and
 - (iv) When the person conducts any business other than Credit Information Services and business incidental thereto, the details of such business.
- (2) The following documents shall be attached to the written application for designation set forth in the preceding paragraph:
- (i) A document pledging that the person satisfies the requirements set forth in paragraph (1), item (iii), and item (iv) of the preceding Article;
 - (ii) The articles of incorporation and a certificate of registered matters of the juridical person (including the documents equivalent to these);
 - (iii) The operational rules;
 - (iv) An inventory of property, balance sheet, profit and loss statement or income and expenditure statement, and business report; and
 - (v) In addition to what is listed in the preceding items, documents specified by a Cabinet Office Ordinance.
- (3) In the case referred to in the preceding paragraph, when the articles of incorporation, inventory of property, balance sheet, profit and loss statement or income and expenditure statement, or business reports have been prepared

in the form of Electromagnetic Records, such Electromagnetic Records may be attached in lieu of the above-mentioned documents.

(Restriction on Concurrent Positions Being Held by Officers of a Designated Credit Bureau)

Article 41-15 The representative person of a Designated Credit Bureau or an Officer who regularly engages in the business of a Designated Credit Bureau shall not, except in the case where he/she has obtained authorization from the Prime Minister, become a representative person of a Money Lender or other juridical person specified by a Cabinet Office Ordinance, nor shall he/she engage in the ordinary business thereof or conduct Money Lending Business or any other business specified by a Cabinet Office Ordinance.

(Obligation of Confidentiality)

Article 41-16 An officer or employee of a Designated Credit Bureau or a person who was formerly in such a position shall not disclose to another person or misappropriate any confidential information he/she has learned during the course of Credit Information Services.

Section 2 Operations

(Business of a Designated Credit Bureau)

Article 41-17 A Designated Credit Bureau shall, pursuant to the provisions of this Chapter and its operational rules, conduct Credit Information Services.

(Restriction on Additional Business)

- Article 41-18 (1) A Designated Credit Bureau shall not engage in business other than Credit Information Service and business incidental thereto; provided, however, that this shall not apply to business which is found not to hinder the proper and sound implementation of Credit Information Services by the Designated Credit Bureau and which are approved by the Prime Minister pursuant to the provisions of a Cabinet Office Ordinance.
- (2) A Designated Credit Bureau shall, when it has abolished business approved under the proviso to the preceding paragraph, notify the Prime Minister to that effect as provided by a Cabinet Office Ordinance.
- (3) In cases where a written application for designation set forth in Article 41-14, paragraph (1) states to the effect that the applicant conducts business other than Credit Information Services and business incidental thereto, and when the applicant has received a designation under Article 41-13, paragraph (1), he/she shall be deemed to have been approved to conduct said business under the proviso to paragraph (1).

(Partial Entrustment of Credit Information Services)

Article 41-19 (1) A Designated Credit Bureau may, pursuant to the provisions of a Cabinet Office Ordinance, entrust part of its Credit Information Services to others with approval from the Prime Minister.

(2) A person who has been entrusted under the preceding paragraph may further entrust part of the entrusted Credit Information Services to others with the consent of the Designated Credit Bureau which made such entrustment.

(3) A person who has been entrusted under the preceding paragraph may further entrust part of the entrusted Credit Information Services to others with the consent of the person who has been entrusted under paragraph (1) and of the Designated Credit Bureau set forth in that paragraph.

(Authorization of the Operational Rules)

Article 41-20 (1) A Designated Credit Bureau shall provide operational rules concerning the following matters which pertain to its Credit Information Services, and shall obtain authorization thereof from the Prime Minister. The same shall apply when said rules are to be changed:

(i) Matters concerning the conclusion of a contract with a Money Lender under which the Designated Credit Bureau undertakes to provide Credit Information (hereinafter such contract shall be referred to as a "Credit Information Contract");

(ii) Matters concerning the collection and provision of Credit Information;

(iii) Matters concerning the prevention of leakage, loss, or damage of Credit Information and other matters concerning the safety management of Credit Information;

(iv) Matters concerning maintaining the accuracy of Credit Information;

(v) Matters concerning fees;

(vi) Where there are other Designated Credit Bureaus, matters concerning the provision of Personal Credit Information thereto and matters concerning coordination with said other Designated Credit Bureaus with regard to Credit Information Services (in the case of collecting fees under Article 41-24, paragraph (2), matters concerning said fees shall be included);

(vii) Matters concerning the supervision of a Money Lender who is the counterparty to a Credit Information Contract (hereinafter such Money Lender shall be referred to as "Member Money Lender");

(viii) Where the Designated Credit Bureau has entrusted part of its Credit Information Services to others, matters concerning measures necessary for ensuring the proper and sound implementation of entrusted business;

(ix) Matters concerning the handling of complaints; and

(x) In addition to what is listed in the preceding items, matters necessary for

conducting Credit Information Services as specified by a Cabinet Office Ordinance.

- (2) The operational rules concerning the matters listed in item (ii) of the preceding paragraph shall provide the following matters:
 - (i) When a Designated Credit Bureau receives a request to provide Credit Information pertaining to a Person Seeking Funds, etc. from a Member Money Lender, it shall provide all of the Credit Information pertaining to said Person Seeking Funds, etc.; and
 - (ii) A Designated Credit Bureau shall receive from Member Money Lenders all Personal Credit Information pertaining to each Person Seeking Funds, etc. held by Member Money Lenders.
- (3) The operational rules concerning the matters listed in item (v) of paragraph (1) shall provide for fees for Credit Information Services that are proper and fair in light of appropriate costs under efficient business management.
- (4) When the Prime Minister finds that the operational rules approved thereby under paragraph (1) have become inappropriate for implementing Credit Information Services properly and reliably, he/she may order the Designated Credit Bureau to change said operational rules.

(Prohibition on Discriminatory Treatment)

- Article 41-21 (1) A Designated Credit Bureau shall not refuse a Money Lender's request to conclude a Credit Information Contract without justifiable grounds.
- (2) No Designated Credit Bureau shall treat any particular Member Money Lender in an unjust and discriminatory way.

(Preservation of Records)

Article 41-22 A Designated Credit Bureau shall, pursuant to the provisions of a Cabinet Office Ordinance, prepare and preserve records of its Credit Information Services.

(Supervision of Member Money Lenders)

Article 41-23 A Designated Credit Bureau shall conduct the necessary and proper supervision of Member Money Lenders so that the Member Money Lenders do not use the Credit Information provided by said Designated Credit Bureau for any purpose other than investigation of the capacity of a Person Seeking Funds, etc. who is its customer to perform a monetary debt (in cases where the Designated Credit Bureau is providing Credit Information to the Member Money Lender for their investigation of a customer's capacity for performance (excluding the above-mentioned investigation of capacity for performance) with approval under the proviso to Article 41-18, paragraph (1), such investigation of capacity for performance shall be included).

(Provision of Information Held by Designated Credit Bureaus)

Article 41-24 (1) When another Designated Credit Bureau, based on a request from its Member Money Lender, has requested that a Designated Credit Bureau provide it with Personal Credit Information, said Designated Credit Bureau shall, in response to such a request, provide said Personal Credit Information, unless there are justifiable grounds for not doing so.

(2) A Designated Credit Bureau may collect fees with regard to the provision of Personal Credit Information under the preceding paragraph.

(3) A Designated Credit Bureau shall, in collecting fees pursuant to the preceding paragraph, fix the fees in a proper and fair fashion in light of appropriate costs under efficient business management concerning the provision of Personal Credit Information under paragraph (1).

(4) The provisions of Article 41-16 and Article 41-22 shall apply mutatis mutandis to business pertaining to the provision of Personal Credit Information under paragraph (1).

(Public Inspection of Member Money Lenders' Registries)

Article 41-25 A Designated Credit Bureau shall make the Member Money Lenders' registry available for public inspection.

(Restriction on the Use of Names)

Article 41-26 No person other than a Designated Credit Bureau (excluding those designated under Article 35-3-36, paragraph (1) of the Installment Sales Act (Act No. 159 of 1961)) shall use in its name or trade name any term due to which the person is likely to be mistaken as a Designated Credit Bureau.

Section 3 Supervision

(Notification of Changes)

Article 41-27 (1) When any of the matters listed in Article 41-14, paragraph (1), item (i) through item (iii) has been changed, a Designated Credit Bureau shall notify the Prime Minister to that effect.

(2) When a notification of a change to the trade name or name or the location of the principal business office or office of a Designated Credit Bureau has been made under the preceding paragraph, the Prime Minister shall give public notice to that effect in an official gazette.

(Notification of the Conclusion, etc. of a Credit Information Contract)

Article 41-28 When a Designated Credit Bureau falls under any of the following items, it shall notify the Prime Minister to that effect as provided by a Cabinet

Office Ordinance:

- (i) When a Designated Credit Bureau has concluded a Credit Information Contract with a Money Lender or has terminated said Credit Information Contract;
- (ii) When a Designated Credit Bureau has put the matters authorized under Article 41-15 or matters approved under the proviso to Article 41-18, paragraph (1) into practice; and
- (iii) In addition to what is listed in the preceding two items, the cases specified by a Cabinet Office Ordinance.

(Submission of Reports on Business and Property)

- Article 41-29 (1) A Designated Credit Bureau shall prepare reports on its business and property each business year, and shall submit them to the Prime Minister.
- (2) Matters to be stated, the date of submission, and any other necessary matters in relation to the reports set forth in the preceding paragraph shall be specified by a Cabinet Office Ordinance.

(Collection of Reports and On-Site Inspections)

- Article 41-30 (1) The Prime Minister may, when he/she finds it necessary for ensuring the proper and sound implementation of Credit Information Services, order a Designated Credit Bureau to submit reports or materials with regard to the status of its business or property, and may have the relevant officials enter the Designated Credit Bureau's business office, office or other facilities, ask questions with regard to the status of the business or property of said Designated Credit Bureau, and inspect books, documents, and any other articles.
- (2) When the Prime Minister finds it particularly necessary for ensuring the proper and sound implementation of Credit Information Services, he/she may, within the extent necessary, order the customers of a Designated Credit Bureau or a person who has been entrusted under the paragraphs of Article 41-19 to submit reports or materials that are informative with regard to the Designated Credit Bureau's business or property, and may have the relevant officials enter the business office or other office of the above-mentioned persons, ask questions with regard to the status of the Designated Credit Bureau's business or property, and inspect books, documents, and any other articles.
- (3) An official who conducts an on-site inspection pursuant to the provisions of the preceding two paragraphs shall carry a certificate of identification and present it when requested by any person concerned.
- (4) The authority to conduct on-site inspections under the provisions of paragraph (1) or paragraph (2) shall not be construed as being for criminal

investigation.

(Order to Improve Business Operations)

Article 41-31 With regard to the operation of the Credit Information Services of a Designated Credit Bureau, when the Prime Minister finds it necessary for ensuring the proper and sound implementation of Credit Information Services, he/she may, within the extent necessary, order said Designated Credit Bureau to take necessary measures to improve its business operations or the condition of its property.

(Suspension or Abolition of Credit Information Services)

Article 41-32 (1) When a Designated Credit Bureau intends to suspend or abolish its Credit Information Services in whole or in part (excluding those based on the grounds in the following paragraph), it shall obtain authorization therefor from the Prime Minister.

(2) When, as a result of a natural disaster or for any other compelling reason, a Designated Credit Bureau has suspended its Credit Information Services in whole or in part, it shall immediately make a notification to the Prime Minister to that effect and shall indicate the reason therefor, as well as notifying the Member Money Lender and other Designated Credit Bureaus. The same shall apply when the Designated Credit Bureau resumes the suspended Credit Information Services in whole or in part.

(3) In the case where the Designated Credit Bureau's Credit Information Services are under suspension pursuant to the preceding two paragraphs, and Money Lenders are not able to access the Credit Information held by the Designated Credit Bureau in whole or in part, the provisions of Article 13, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of that Article) and Article 13-3, paragraph (1) and paragraph (2) shall not apply.

(Rescission, etc. of a Designation)

Article 41-33 (1) When a Designated Credit Bureau falls under any of the following items, the Prime Minister may rescind its designation under Article 41-13, paragraph (1) or the approval given under the proviso to Article 41-18, paragraph (1), or may order said Designated Credit Bureau to suspend its business operations in whole or in part for a fixed period of not longer than six months, or to dismiss its officer:

(i) When the Designated Credit Bureau has come to no longer satisfy the requirements listed in item (iii) through item (vii) of Article 41-13, paragraph (1), or when the Designated Credit Bureau is found not to have fallen under any of the items of Article 41-13, paragraph (1) at the time of

- receiving the designation;
- (ii) When the Designated Credit Bureau has received the designation under Article 41-13, paragraph (1) by wrongful means; or
 - (iii) When the Designated Credit Bureau has violated the provisions of laws and regulations or dispositions issued under laws and regulations.
- (2) When the Prime Minister has rescinded a designation under Article 41-13, paragraph (1) pursuant to the provisions of the preceding paragraph, he/she shall give public notice to that effect in an official gazette.

(Order to Transfer Credit Information Services)

Article 41-34 (1) The Prime Minister may, when a Designated Credit Bureau falls under any of the following items, order said Designated Credit Bureau to have another Designated Credit Bureau conduct its Credit Information Services in whole or in part:

- (i) When the Designated Credit Bureau has had its designation under Article 41-13, paragraph (1) rescinded or has been ordered to suspend its business operations in whole or in part (limited to Credit Information Services), pursuant to paragraph (1) of the preceding Article;
 - (ii) When the Designated Credit Bureau has obtained authorization under Article 41-32, paragraph (1);
 - (iii) When it is found that circumstances wherein performance of the obligations on which performance is due would cause a substantial detriment to the continuation of Credit Information Services or a fact which would give rise to the commencement of bankruptcy proceedings is likely to occur; or
 - (iv) When it has become difficult for the Designated Credit Bureau to implement its Credit Information Services in whole or in part due to a natural disaster or for any other reason.
- (2) When the Prime Minister has issued orders under the preceding paragraph, he/she shall give public notice to that effect in an official gazette.

Section 4 Member Money Lenders

(Provision of Personal Credit Information)

Article 41-35 (1) When a Member Money Lender has concluded a Credit Information Contract with a Designated Credit Bureau, he/she shall provide said Designated Credit Bureau with the following matters pertaining to the loan contract which was concluded prior to the conclusion of said Credit Information Contract with an individual customer who is a person seeking funds (excluding Basic Contracts for a Revolving Credit Loan and other contracts specified by a Cabinet Office Ordinance; the same shall apply in the following paragraph) and which has an outstanding Loan balance at the time of

conclusion of said Credit Information Contract:

- (i) The name or address of the customer or any other matters to identify the customer as provided by a Cabinet Office Ordinance;
 - (ii) The date of the contract;
 - (iii) The amount of the Loan; and
 - (iv) In addition to what is listed in the preceding three items, the matters specified by a Cabinet Office Ordinance.
- (2) When a Member Money Lender has concluded a loan contract with an individual customer who is a person seeking funds, he/she shall provide the Personal Credit Information obtained through said loan contract to the Designated Credit Bureau with which he/she has concluded a Credit Information Contract (hereinafter referred to as a "Member Designated Credit Bureau").
- (3) A Member Money Lender that has provided Personal Credit Information under the preceding two paragraphs shall, when there is any change in the provided Personal Credit Information, inform the Member Designated Credit Bureau of that change without delay.

(Obtaining, etc. Consent to Provide, etc. Credit Information to Designated Credit Bureaus)

Article 41-36 (1) When a Member Money Lender requests that a Member Designated Credit Bureau provide him/her with the Credit Information of a Person Seeking Funds, etc. (including requests for the provision of the Personal Credit Information of said Person Seeking Funds, etc. that is held by other Designated Credit Bureaus), he/she shall, except in the case specified by a Cabinet Office Ordinance, obtain the consent of the Person Seeking Funds, etc. in advance, in writing or by Electromagnetic Means.

- (2) When a Member Money Lender intends to conclude a loan contract with an individual customer who is a person seeking funds (excluding contracts specified by a Cabinet Office Ordinance), he/she shall obtain the customer's consent to the following, in writing or by Electromagnetic Means; provided, however, that this shall not apply to cases where such contract is a Contract for a Revolving Credit Loan Concluded Prior to the Relevant Credit Information Contract concluded with said customer (meaning a contract for a Revolving Credit Loan under a Basic Contract for a Revolving Credit Loan concluded prior to the conclusion of the Credit Information Contract with the relevant Member Designated Credit Bureau):
- (i) Consent to the customer's Personal Credit Information being provided to the Member Designated Credit Bureau;
 - (ii) Consent to the Personal Credit Information set forth in the preceding item being provided by the Member Designated Credit Bureau to other Member

Money Lenders; and

- (iii) Consent to the Personal Credit Information set forth in item (i) being provided to the Member Money Lender of other Designated Credit Bureaus in response to a request made under Article 41-24, paragraph (1).
- (3) When a Member Money Lender has obtained consent under the preceding two paragraphs, he/she shall prepare and preserve records on said consent as provided by a Cabinet Office Ordinance.

(Publication of Trade Names, etc. of Member Designated Credit Bureaus)

Article 41-37 A Member Money Lender shall make public the trade name or name of its Member Designated Credit Bureau.

(Prohibition of Use, etc. for Other Purpose)

Article 41-38 (1) No Member Money Lender or officer or employee thereof shall request a Member Designated Credit Bureau to provide Credit Information for purposes other than the following investigation (hereinafter referred to as "Investigation of Repayment Capacity, etc.") (including requests to provide the Personal Credit Information of a Person Seeking Funds, etc. as set forth in item (i) or of the principal obligor under item (ii) which is held by other Designated Credit Bureaus), nor shall such persons use or provide to a third party the Credit Information provided by a Member Designated Credit Bureau for purposes other than the Investigation of Repayment Capacity, etc.:

- (i) Investigation on the capacity of a Person Seeking Funds, etc. who is a customer of the Member Money Lender to repay his/her borrowings and his/her capacity to perform other monetary debts; and
 - (ii) In addition to what is listed in the preceding item, investigation on the capacity of the principal obligor under the guarantee contract concluded by a Member Money Lender, with regard to the repayment of his borrowings and performance of any other monetary debts.
- (2) When a Member Money Lender or an officer or employee thereof has come to no longer hold such position, he/she shall not thereafter use nor provide to a third party the Credit Information provided by a Member Designated Credit Bureau.

Chapter IV Miscellaneous Provisions

(Invalidity of Contracts for Monetary Loans with High Interest Rates)

Article 42 (1) With regard to a contract for monetary loans made by a Money Lender on a regular basis (including contracts where money is to be delivered based on a discount of negotiable instruments, security by sale, or any other method similar thereto), where a contract for interest whose interest rate

exceeds 109.5% per annum (in the case of a leap year, such interest rate shall be 109.8% per annum, and the per diem interest rate shall be 0.3%) has been concluded (agreed liquidated damages for default shall be included as interest), said contract for monetary loans shall be void.

(2) Article 5-4, paragraph (1) through paragraph (4) of the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates shall apply mutatis mutandis to a contract for interest as set forth in the preceding paragraph.

(Completion of Transactions upon Rescission of Registration, etc.)

Article 43 With regard to a Money Lender when his/her registration has ceased to be effective pursuant to Article 3, paragraph (2) or Article 10, paragraph (2) or has been rescinded under Article 24-6-4, paragraph (1), Article 24-6-5, paragraph (1), or Article 24-6-6, paragraph (1), or when the period allowed to continue the Money Lending Business has expired under Article 10, paragraph (3), the person who was a Money Lender or his/her general successor shall be deemed to be a Money Lender for the purpose of completing transactions under Contracts for Loans concluded by said Money Lender.

(Submission of Materials to the Ministry of Finance, etc.)

Article 44 (1) When the Minister of Finance finds it necessary for planning or drafting systems for Money Lending Business, in relation to systems for the disposal of failed financial systems and for financial risk management under his/her jurisdiction, he/she may request that the Prime Minister provide the necessary materials or explanation therefor.

(2) When the Minister of Finance finds it particularly necessary for planning or drafting systems for the Money Lending Business in relation to systems for the disposal of failed financial systems and for financial risk management under his/her jurisdiction, he/she may, to the extent necessary, request that a Money Lender (limited to one who has been registered by the Prime Minister), Money Lenders' Association, or any other person concerned provide materials, explanations, and other cooperation.

(Hearing of Opinions Concerning Registration, etc.)

Article 44-2 (1) Where the Prime Minister or prefectural governor intends to make a registration under Article 5, paragraph (1) or a registration under Article 8, paragraph (2), the Prime Minister or prefectural governor shall hear the opinions of the Commissioner-General of the National Police Agency or the Superintendent-General of the Metropolitan Police Department or the chief of prefectural police headquarters (hereinafter referred to as the "Chief of Police"), with regard to the existence or absence of any of the grounds set forth in

Article 6, paragraph (1), item (vi) or item (viii) through item (xiii) (in the case of the grounds set forth in Article 6, paragraph (1), item (viii) through item (x) or item (xiii), limited to those pertaining to Article 6, paragraph (1), item (vi); hereinafter referred to as "Grounds Requiring the Statement of Opinions") for the former registration, or any of the grounds set forth in Article 6, paragraph (1), item (viii) through item (x) or item (xiii) (limited to those pertaining to Article 6, paragraph (1), item (vi)) for the latter registration.

- (2) The Prime Minister shall, when he/she intends to grant a person Registration as a Chief or authorization under Article 26, paragraph (2), hear the opinion of the Commissioner-General of the National Police Agency with regard to the existence or absence of the grounds set forth in Article 24-27, paragraph (1), item (vi) and Article 28, paragraph (2), item (ii) (limited to those pertaining to Article 6, paragraph (1), item (vi)).
- (3) The Prime Minister or prefectural governor may, when he/she intends to issue orders under Article 24-6-4 or rescind a registration under Article 24-6-4, paragraph (1) or Article 24-6-5, paragraph (1), hear the opinions of the Commissioner-General of the National Police Agency or the Chief of Police with regard to the existence or absence of Grounds Requiring the Statement of Opinions or facts in violation of the provisions of Article 12-5, Article 21, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)), Article 24, paragraph (3), Article 24-2, paragraph (3), or Article 24-3, paragraph (3) (such a fact shall be referred to as a "Fact Requiring the Statement of Opinions" in the following Article).
- (4) The Prime Minister may, when he/she intends to rescind a person's Registration as a Chief under Article 24-30, hear the opinion of the Commissioner-General of the National Police Agency with regard to the existence or absence of grounds falling under item (i) of that Article (limited to those pertaining to Article 24-27, paragraph (1), item (vi)).

(Opinions Heard by the Prime Minister, etc.)

Article 44-3 Where the Commissioner-General of the National Police Agency or the Chief of Police has reasonable grounds to suspect the existence of any Grounds Requiring the Statement of Opinions or Facts Requiring the Statement of Opinions with regard to a Money Lender, a Chief of Money Lending Operations, or an officer of a Money Lenders' Association who intends to obtain authorization under Article 26, paragraph (2), and therefor finds it necessary for the Prime Minister or prefectural governor to take appropriate measures against the Money Lender, the Chief of Money Lending Operations, or such person who intends to obtain authorization under Article 26, paragraph

(2), the Commissioner-General of the National Police Agency or the Chief of Police may state his/her opinion to that effect to the Prime Minister or prefectural governor, respectively.

(Questions to the Person Conducting Collection)

Article 44-4 (1) When the Chief of Police finds that a Money Lender or a person entrusted by a Money Lender or by any other person with the Money Lender's collection of claims under a Contract for a Loan conducts the collection of claims under a Contract for a Loan, where the Chief of Police has reasonable grounds to suspect the existence of any Grounds Requiring the Statement of Opinions with regard to the Money Lender or such person who conducts collection, and finds it necessary in order for himself/herself or the Commissioner-General of the National Police Agency to state an opinion pursuant to the preceding two Articles, the Chief of Police may have the police officials of the prefectural police ask questions with regard to the Money Lender's name or trade name and the name of the person who conducts collection, as well as about the facts upon which the relevant person's right to receive performance is based.

(2) The provisions of Article 24-6-10, paragraph (5) and paragraph (6) shall apply mutatis mutandis to the case referred to in the preceding paragraph.

(Delegation of Authority)

Article 45 (1) The Prime Minister shall delegate his/her authority under this Act (excluding the part of the authority specified by a Cabinet Order) to the Commissioner of the Financial Services Agency.

(2) The Commissioner may, pursuant to the provisions of a Cabinet Order, delegate part of the authority delegated thereto under the provisions of the preceding paragraph to the Director of a Local Finance Bureau or Local Finance Branch Bureau.

(Transitional Measures)

Article 45-2 In the case where an order is established, revised, or abolished under the provisions of this Act, the necessary transitional measures (including transitional measures concerning penal provisions) may be prescribed in said order, to the extent considered reasonable for the establishment, revision, or abolition of said order.

(Delegation to Order)

Article 46 (1) In addition to what is provided for in this Act, the procedures for applications for registration and notifications under the provisions of this Act and other matters necessary for the enforcement of this Act shall be specified

by a Cabinet Office Ordinance.

- (2) The matters necessary for administration of the affairs placed under the authority of the Commissioner-General of the National Police Agency or Chief of Police pursuant to the provisions of Article 44-2 through Article 44-4 shall be specified by the Rules of the National Public Safety Commission.

Chapter V Penal Provisions

Article 47 A person who falls under any of the following items shall be punished by imprisonment with work for not more than ten years, a fine of not more than 30 million yen, or both:

- (i) A person who was registered under Article 3, paragraph (1) by wrongful means;
- (ii) A person who has violated the provisions of Article 11, paragraph (1); or
- (iii) A person who has violated the provisions of Article 12.

Article 47-2 A person who has engaged in business operations in violation of an order of suspension of business operations issued under the provisions of Article 24-6-4, paragraph (1) shall be punished by imprisonment with work for not more than five years, a fine of not more than ten million yen, or both.

Article 47-3 (1) A person who falls under any of the following items shall be punished by imprisonment with work for not more than two years, a fine of not more than three million yen, or both. The same shall apply to a person who has knowingly received Credit Information from a person who falls under item (vi) or item (vii):

- (i) A person who has made false statements in and submitted a written application for registration as set forth in Article 4, paragraph (1) or any of the documents set forth in paragraph (2) of that Article;
- (ii) A person who has violated the provisions of Article 11, paragraph (2) or paragraph (3);
- (iii) A person who has violated the provisions of Article 21, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), Article 24-5, paragraph (2) and Article 24-6);
- (iv) A person who has violated an order issued under the provisions of Article 41-4 (excluding an order of dismissal of an officer);
- (v) A person who has disclosed to another person or appropriated confidential information in violation of Article 41-16 (including the cases where it is applied mutatis mutandis pursuant to Article 41-24, paragraph (4));
- (vi) A person who has requested that a Member Designated Credit Bureau

- provide Credit Information for purposes other than Investigation of Repayment Capacity, etc., or who has used or provided to a third party the Credit Information provided by the Member Designated Credit Bureau for purposes other than Investigation of Repayment Capacity, etc., in violation of Article 41-38, paragraph (1); or
- (vii) A person who has used or provided to a third party the Credit Information provided by the Member Designated Credit Bureau in violation of Article 41-38, paragraph (2).
- (2) A person who has violated the provisions of Article 24-12, paragraph (1) shall be punished by imprisonment with work for not more than two years or a fine of not more than three million yen.

- Article 48 (1) A person who falls under any of the following items shall be punished by imprisonment with work for not more than one year, a fine of not more than three million yen, or both:
- (i) A person who has violated the provisions of Article 12-5;
- (i)-2 A person who has made false statements in violation of Article 12-6, paragraph (limited to the part concerning item (i));
- (i)-3 A person who has violated the provisions of Article 12-7 (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2));
- (i)-4 In the case of Article 13, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of that Article), a person who has concluded a Contract for a Loan as set forth in paragraph (2) of that Article with a Customer, etc. who is an individual, or who has increased the maximum amount under the Basic Contract for a Revolving Credit Loan as provided in paragraph (5) of that Article, without conducting an investigation using the Credit Information held by a Designated Credit Bureau;
- (i)-5 A person who has violated Article 13-3, paragraph (1) or paragraph (2);
- (ii) A person who has failed to indicate or explain matters set forth in Article 15, paragraph (1) or a person who has used false indication or made false explanation;
- (ii)-2 A person who has indicated or recorded matters other than those pertaining to the matters listed in Article 4, paragraph (1), item (vii), in violation of Article 15, paragraph (2);
- (iii) A person who has given an indication or explanation that is significantly contradictory to facts or likely to mislead people, in violation of Article 16, paragraph (1);
- (iii)-2 A person who has failed to deliver documents, in violation of Article 16-2,

- paragraph (1), paragraph (2), or paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)), or who has delivered documents lacking the matters provided in Article 16-2, paragraph (1), paragraph (2), or paragraph (3) (including, with regard to the matters listed in Article 16-2, paragraph (3), the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)), or those containing false statements;
- (iii)-3 A person who has failed to deliver documents, in violation of Article 16-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)); hereinafter the same shall apply in this item), or who has delivered documents lacking the matters provided in Article 16-3, paragraph (1), or those containing false statements;
- (iv) A person who has failed to deliver documents, in violation of Article 17 (excluding paragraph (6) and paragraph (7)) or Article 18, paragraph (1) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)), or who has delivered documents lacking the matters provided in Article 17 (excluding paragraph (vi) and paragraph (vii)) and Article 18, paragraph (1) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), or Article 24-5, paragraph (2)), or those containing false statements;
- (iv)-2 A person who has violated the provisions of Article 20, paragraph (1) or paragraph (2) (including cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), Article 24-5, paragraph (2), and Article 24-6);
- (v) A person who has failed to deliver documents, in violation of Article 20, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)); hereinafter the same shall apply in this item), or who has delivered documents lacking the matters provided in Article 20, paragraph (3) or those containing false statements;
- (v)-2 A person who has requested to have a Deposit Passbook, etc. as prescribed

- in Article 20-2 delivered or provided to him/her, or who has retained a Deposit Passbook, etc. in violation of that Article (limited to the part pertaining to item (i), and the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), Article 24-5, paragraph (2), and Article 24-6 shall be included; hereinafter the same shall apply in this item);
- (v)-3 A person who has violated the provisions of Article 20-2, paragraph (limited to the part pertaining to item (ii) and including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), Article 24-5, paragraph (2), and Article 24-6);
- (vi) A person who has, in violation of Article 24, paragraph (3), made an Assignment, etc. of Claims with regard to the claims under a Contract for a Loan knowing that the counterparty falls under the provisions of item (i) or item (ii) of that Article;
- (vii) A person who has, in violation of Article 24-2, paragraph (3), concluded a guarantee contract in relation to a loan contract knowing that the counterparty falls under the provisions of Article 24-2, paragraph (3), item (i) or item (ii);
- (viii) A person who has, in violation of Article 24-3, paragraph (3), entrusted the performance of obligations under a Contract for a Loan knowing that the entrusted person falls under Article 24-3, paragraph (3), item (i) or item (ii);
- (viii)-2 A person who has violated an order issued under the provisions of Article 24-6-3;
- (viii)-3 A person who has failed to submit a business report required under the provisions of Article 24-6-9, or who has submitted a business report containing false statements;
- (viii)-4 A person who has failed to submit reports or materials required under the provisions of Article 24-6-10, paragraph (1) or paragraph (2) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)), or who has submitted false reports or materials;
- (viii)-5 A person who has failed to answer to the relevant official's questions under Article 24-6-10, paragraph (3) or paragraph (4) (including the cases where these provisions are applied mutatis mutandis pursuant to the provisions of Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2)) who has given false answers to such questions, or who has refused, obstructed, or evaded an inspection conducted under these provisions;
- (viii)-6 A person who has, in violation of Article 24-6-11, paragraph (3) or

- paragraph (4), failed to create or change the Internal Rules or obtain approval from the Prime Minister or prefectural governor within 30 days, or who has changed or abolished the approved Internal Rules without obtaining approval from the Prime Minister or prefectural governor for such a change or abolition;
- (viii)-7 A person who has made false statements in and submitted a written application for authorization set forth in Article 27, paragraph (1) or any of the documents set forth in paragraph (2) of that Article;
 - (ix) A person who has failed to submit the reports or materials required under the provisions of Article 41-5, paragraph (1) or paragraph (2), who has submitted false reports or materials, or who has failed to answer the relevant official's questions, given false answers to such questions, or refused, obstructed, or evaded an inspection conducted under these provisions;
 - (ix)-2 A person who has made false statements in and submitted a written application for a designation as set forth in Article 41-14, paragraph (1) or documents prescribed in paragraph (2) of that Article;
 - (ix)-3 A person who has failed to submit a report on the status of his/her business and property as required under Article 41-29, paragraph (1), or who has submitted a report on his/her status of business and property that contains false statements;
 - (ix)-4 A person who has failed to submit reports or materials under Article 41-30, paragraph (1) or paragraph (2), who has submitted false reports or materials, or who has failed to answer the relevant official's questions, given false answers to such questions, or refused, obstructed, or evaded an inspection conducted under these provisions;
 - (ix)-5 A person who has violated an order issued under Article 41-31;
 - (ix)-6 A person who has violated the provisions of Article 41-35;
 - (ix)-7 A person who has violated the provisions of Article 41-36, paragraph (1) or paragraph (2);
 - (x) A person who has failed to answer to the questions asked under the provisions of Article 44-4, paragraph (1) or who has given false answers to such questions.
- (2) In the case of violation of an order issued under Article 24-19, paragraph (2) or Article 24-46, an officer or employee of a Designated Examining Agency or a Registered Training Agency who has committed such violation shall be punished by imprisonment with work for not more than one year or a fine of not more than three million yen.

Article 48-2 A person who has violated the provisions of Article 30 shall be punished by imprisonment with work for not more than one year, a fine of not more than one million yen, or both.

Article 48-3 A person who has, in violation of Article 41-2, disclosed to another person or misappropriated any confidential information he/she has learned during the course of his/her duties shall be punished by imprisonment with work for not more than one year, a fine of not more than 500,000 yen, or both.

Article 49 A person who falls under any of the following items shall be punished by a fine of not more than one million yen:

- (i) A person who has, in violation of Article 12-3, paragraph (1), failed to assign a Chief of Money Lending Operations;
- (ii) A person who has violated the provisions of Article 12-3, paragraph (4);
- (iii) A person who has violated the provisions of Article 12-4, paragraph (1);
- (iii)-2 A person who has violated the provisions of Article 13, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of that Article) or Article 13-3, paragraph (3);
- (iii)-3 A person who has failed to prepare records on an investigation, who has prepared records containing false statements, or who has failed to preserve them in violation of Article 13, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of that Article) or Article 13-3, paragraph (4);
- (iv) A person who has failed to post the matters provided in Article 14 or who has made a false posting thereof;
- (v) A person who has failed to keep books in violation of Article 19 (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), and Article 24-5, paragraph (2); hereinafter the same shall apply in this item), who has failed to state the matters set forth in Article 19 or has made false statements therein, or who has failed to preserve them;
- (vi) A person who has, in violation of the second sentence of Article 19-2 (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2) or Article 24-5, paragraph (2)), refused requests to inspect or copy its books without reasonable grounds;
- (vii) A person who has, in violation of Article 21, paragraph (2) or paragraph (3) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), Article 24-5, paragraph (2), or Article 24-6), failed to state the matters set forth in the items of Article 21, paragraph (2) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2,

- paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), Article 24-5, paragraph (2), or Article 24-6), who has made false statements, failed to record or made a false record, or who has failed to disclose the name of the person conducting collection or other matters in response to a request from the other party;
- (vii)-2 A person who has violated the provisions of Article 23;
- (viii) A person who has violated the provisions of Article 24, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2) and Article 24-6), Article 24-2, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24-6), Article 24-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24-6), Article 24-4, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24-4, paragraph (2) and Article 24-6), or Article 24-5, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 24-5, paragraph (2) and Article 24-6);
- (ix) A person who has violated the provisions of Article 37, paragraph (8); or
- (x) A person who has failed to prepare or preserve the record set forth in Article 41-22 (including the cases where it is applied mutatis mutandis pursuant to Article 41-24, paragraph (4)) or who has created a false record.

Article 50 (1) A person who falls under any of the following items shall be punished by a fine of not more than 500,000 yen:

- (i) A person who has failed to give a notification required under the provisions of Article 8, paragraph (1) or Article 10, paragraph (1), or who has given a false notification;
- (ii) A person who has made false statements in and submitted a document set forth in Article 8, paragraph (3);
- (ii)-2 A person who has, in violation of Article 12-4, paragraph (2), failed to prepare a roster of employees, who has failed to state matters prescribed in that paragraph or made a false statement therein, or who has failed to preserve them;
- (iii) A person who has failed to give a notification required under the provisions of Article 24-6-2 or who has given a false notification;
- (iv) A person who has carried out other business, in violation of Article 41-18, paragraph (1);
- (v) A person who has, in violation of Article 41-20, paragraph (1), failed to provide operational rules or to obtain authorization thereof from the Prime Minister, or who has changed his/her operational rules without obtaining authorization therefor from the Prime Minister; or
- (vi) A person who has violated the provisions of Article 41-32, paragraph (1).

- (2) In the case where any of the following violations has been committed, an officer or employee of the Designated Examining Agency, a person who has been entrusted with business by the Designated Examining Agency (in the case of a juridical person, its officer or employee) or Registered Training Agency (in the case of a juridical person, its officer or employee) which has committed the violation shall be punished by a fine of not more than 500,000 yen:
- (i) When a person has, in violation of Article 24-15 or Article 24-47, failed to keep books, has failed to state matters provided in those provisions or has made false statement therein, or who has failed to preserve them;
 - (ii) When a person has failed to submit reports or materials under Article 24-17, paragraph (1) or paragraph (2) or Article 24-49, paragraph (1), has submitted false reports or materials, or who has failed to answer the relevant official's questions, given false answers to such questions, or refused, obstructed, or evaded an inspection conducted under these provisions; or
 - (iii) When a person has abolished the whole of its Examination Affairs or Training Affairs without obtaining permission under Article 24-18, paragraph (1) or without making a notification under Article 24-43.

Article 50-2 A person who falls under any of the following items shall be punished by a fine of not more than 300,000 yen:

- (i) A person who has violated the provisions of Article 33, paragraph (1);
- (ii) A person who has failed to give a notification required under the first sentence of Article 33, paragraph (2), or who has given a false notification;
- (iii) A person who has failed to give a notification required under Article 41-27, paragraph (1) or Article 41-28, or who has given a false notification; or
- (iv) A person who has failed to give a notification under Article 41-32, paragraph (2), who has given a false notification, or who has failed to give notice as provided in that paragraph or has given false notice.

Article 50-3 (1) When an officer (including a provisional director or provisional auditor) or employee of the Money Lenders' Association has accepted, requested, or promised bribes with regard to his/her duties, he/she shall be punished by imprisonment with work for not more than five years.

- (2) In the case referred to in the preceding paragraph, accepted bribes shall be confiscated. When such a bribe cannot be confiscated in whole or in part, the value equivalent thereto shall be collected.
- (3) A person who has given a bribe as set forth in paragraph (1) or who has offered or promised one shall be punished by imprisonment with work for not more than three years or a fine of not more than 3 million yen.

Article 50-4 (1) The crimes set forth in paragraph (1) of the preceding Article

shall also be applied to a person who has committed crimes prescribed in that paragraph outside Japan.

- (2) The crimes set forth in paragraph (3) of the preceding Article shall be dealt with according to the provisions of Article 2 of the Penal Code.

Article 51 (1) When the representative person or administrator of a juridical person (including an association or foundation without juridical personality and which has a representative person or administrator; hereinafter the same shall apply in this paragraph and the following paragraph), or an agent, employee, or any other worker of a juridical person or an individual has committed a violation of the provisions listed in the following items with regard to the business operations of the juridical person or individual, not only shall the offender be punished but the juridical person shall be punished by the fine prescribed in the following items and the individual shall be punished by the fine prescribed in respective Articles set forth therein:

(i) Article 47, Article 47-2, Article 47-3, paragraph (1), item (iv) or Article 48, paragraph (1), item (viii)-7 or item (ix): A fine of not more than 100 million yen;

(ii) Article 47-3 through Article 50-2 (excluding Article 47-3, paragraph (1), item (iv) and paragraph (2), Article 48, paragraph (1), item (viii)-7 and item (ix) and paragraph (2), Article 48-3, and Article 50, paragraph (2)): The fine prescribed in the respective Articles.

- (2) The period of prescription in cases where a juridical person or an individual is punished by a fine for a violation set forth in Article 47 or Article 47-2 pursuant to the preceding paragraph shall depend on the period of prescription for the crimes set forth in these provisions.

- (3) Where the provisions of paragraph (1) apply to an association or foundation without juridical personality, the representative person or administrator thereof shall represent the association or foundation without juridical personality with respect to its procedural acts, and the provisions concerning criminal proceedings applicable for the case where a juridical person stands as the accused or suspect shall apply *mutatis mutandis*.

Article 51-2 In the case of a violation of an order issued under the provisions of Article 41-3, the officer (including a provisional director or provisional auditor) of a Money Lenders' Association who has committed the act in question shall be punished by a non-penal fine of not more than one million yen.

Article 51-3 (1) In any of the cases listed in the following items, a person who was an officer (including a provisional director) or representative person of a Money Lenders' Association a Registered Training Agency (in the case where

the Registered Training Agency is a juridical person, its director, executing officer, accounting advisor, or a member who performed such duties, or its auditor, director, representative person, a member in charge of executing its business, or its liquidator) or a director, executive officer, accounting advisor, or a member who performed such duties, or an auditor, director, representative person, member in charge of executing business, or liquidator of a Designated Credit Bureau and who has committed the act in question shall be punished by a non-penal fine of not more than 300,000 yen:

- (i) When the person has failed to prepare Financial Statements, etc., in violation of Article 24-44, paragraph (1), has failed to state the matters which should be contained in Financial Statements, etc., has made a false statement, failed to keep Financial Statements, etc., or refused a request made under Article 24-44, paragraph (2) without justifiable grounds;
 - (ii) Where the person has failed to give a notification required under the provisions of the second sentence of Article 33, paragraph (2) or Article 41-11, paragraph (3), or has given a false notification;
 - (iii) Where the person has violated the provisions of Article 37, paragraph (7);
 - (iv) Where the person has violated the provisions of Article 41-10, paragraph (1);
 - (v) Where the person has, in violation of Article 41-15, become a representative person of a juridical person, is regularly engaged in its business, or has conducted business without obtaining authorization from the Prime Minister;
or
 - (vi) Where the person has violated the provisions of Article 41-25.
- (2) A person who has violated the provisions of Article 25, paragraph (5) shall be punished by a non-penal fine of not more than 300,000 yen.

Article 52 A person who has conducted the acts falling under either of the following items (in the case such person is a juridical person, its director, executing officer, accounting advisor, or a member who is to perform such duties, or its auditor, director, representative person, member in charge of executing business, or liquidator) shall be punished by a non-penal fine of not more than 100,000 yen:

- (i) Where the person has violated the provisions of Article 22 (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (2), Article 24-2, paragraph (2), Article 24-3, paragraph (2), Article 24-4, paragraph (2), or Article 24-5, paragraph (2)); or
- (ii) Where the person has violated the provisions of Article 41-26.