Act on Limitation of Shipowner Liability

(Act No. 94 of December 27, 1975)

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Chapter I General Provisions

(Purpose)

Article 1 This Act provides for the necessary matters concerning the limitation of the liability of shipowners, etc.

(Definitions)

Article 2 (1) In this Act, the meanings of the terms set forth in the following items are as prescribed in those items:

(i) Ship: a ship that is used for seagoing voyages, other than a boat operated solely or mainly using oars and other than a ship for official use;

(ii) Shipowner, etc.: a shipowner, ship lessee, or charterer; or the member with unlimited liability of a corporate shipowner, ship lessee, or charterer;

(ii)-2 Salvor: a person rendering services in direct connection with Salvage Operations;

(iii) Servant, etc.: the servant of a Shipowner, etc. or Salvor, or any other such person for whose actions the Shipowner, etc. or Salvor is responsible;

(iii)-2 Salvage Ship: a ship from which Salvage Operations are performed (other than Salvage Operations for or in relation to a ship which are performed only on board the ship being salvaged);

(iv) Claim Subject to Limitation: a claim in respect of which a Shipowner, etc., Salvor, or Servant, etc. may limit their liability as provided for by this Act;

(v) Personal Damage Claim: a Claim Subject to Limitation based on damage resulting from loss of life or personal injury;

(vi) Property Damage Claim: a Claim Subject to Limitation other than a Personal Damage Claim;

(vi)-2 Passenger Damage Claim: a claim against the Shipowner, etc. or the Servant, etc. thereof, for damage resulting from loss of life or personal injury to a passenger carried by the Ship under a contract for the carriage of passengers by sea, or for damage resulting from loss of life or personal injury to a person permitted to accompany a vehicle or live animal carried by the Ship under a contract for the carriage of goods by sea;

(vii) (One) Unit: the amount of money equivalent to one special drawing right, based on the special drawing rights provided for in Article 3, paragraph (1) of the Articles of Agreement of the International Monetary Fund; and

(viii) Benefiting Debtor: any debtor of a Claim Subject to Limitation in limitation of liability proceedings, other than the debtor filing the petition to commence the limitation of liability proceedings.

(2) As used in this Act, the term "Salvage Operations" includes the following measures and excludes salvage operations performed as a public service:

(i) measures for raising, removing, destroying, or rendering harmless a sunken, wrecked, stranded, or abandoned Ship or anything aboard such a Ship;

(ii) measures for removing, destroying, or rendering harmless cargo; and

(iii) measures other than as set forth in the preceding two items, which are taken in order to prevent or mitigate damages that would give rise to a Claim Subject to Limitation.

Chapter II Limitation of Shipowner Liability

(Limitation of Shipowner Liability)

Article 3 (1) Shipowner, etc. and the Servants, etc. thereof may limit their liability for the following claims as provided for in this Act:

(i) a claim based on damages resulting from a loss of life, personal injury, loss of property other than the Ship in question, or damage to property other than that Ship, which occurs on board a Ship or in direct connection with the operation of a Ship;

(ii) a claim based on damages resulting from a delay in the carriage of cargo, passengers, or their luggage;

(iii) a claim other than as set forth in the preceding two items, which is based on damages resulting from an infringement of rights that occurs in direct connection with the operation of a Ship (other than a claim based on damages resulting from the loss of the Ship in question or damage thereto, and other than a claim based on damages resulting from default on a contractual obligation);

(iv) a claim based on damages resulting from a measure as set forth in paragraph (2), item (iii) of the preceding Article (other than a claim held by the Shipowner, etc. or the Servant, etc. thereof); and

(v) a claim in connection with a measure as set forth in paragraph (2), item (iii) of the preceding Article (other than a claim held by the Shipowner, etc. or the Servant, etc. thereof, and other than a claim for remuneration and expenses under a contract concluded with such a person).

(2) A Salvor and the Servants, etc. thereof may limit their liability for the following claims as provided for in this Act:

(i) a claim based on damages resulting from a loss of life, personal injury, loss of property other than the Salvage Ship operated by the Salvor, or damage to such property, which occurs in direct connection with Salvage Operations;

(ii) a claim other than set forth in the preceding paragraph, which is based on damages resulting from an infringement of rights that occurs in direct connection with Salvage Operations (other than a claim based on damages resulting from the loss of the Salvage Ship operated by the Salvor or damage thereto, and other than a claim based on damages resulting from default on a contractual obligation);

(iii) a claim based on damages resulting from a measure as set forth in paragraph (2), item (iii) of the preceding Article (other than a claim held by the Salvor or the Servant, etc. thereof); and

(iv) a claim in connection with a measure as set forth in paragraph (2), item (iii) of the preceding Article (other than a claim held by the Salvor or the Servant, etc. thereof, and other than a claim for remuneration and expenses under a contract concluded with such a person).

(3) Notwithstanding the provisions of the preceding two paragraphs, it is not permissible for a Shipowner, etc., Salvor, or Servant, etc. to limit their liability for a claim referred to in the preceding two paragraphs if the claim is due to damage that the person in question caused intentionally, or if it is due to damage arising from a reckless act that the person in question took with the knowledge that damage could result.

(4) Notwithstanding the provisions of paragraph (1), it is not permissible for a Shipowner, etc. or the Servants, etc. thereof to limit their liability for a Passenger Damage Claim.

Article 4 It is not permissible for a Shipowner, etc. or Salvor to limit their liability for the following claims:

(i) a claim based on a rescue at sea or a contribution in general average; and

(ii) a claim held by a servant of the Shipowner, etc. whose duties are connected with the Ship, or by a servant of the Salvor whose duties are connected with Salvage Operations, against their respective employers; and a claim held by a third party arising from a loss of such a servant's life or from a personal injury thereto.

(Deduction of Claims based on Damage Resulting from the Same Accident)

Article 5 If a Shipowner, etc., a Salvor, or the Servant, etc. thereof makes a claim against a person holding a claim subject to limitation that has arisen from the same accident, the provisions of this Act apply to the Claim Subject to Limitation that remains after the deduction of the amount of the former claim.

(Extent of Limitation of Liability)

Article 6 (1) Limitation of liability by a Shipowner, etc. or the Servant, etc. thereof extends to all Personal Damage Claims and Property Damage Claims against such a person arising from the same accident, for each Ship.

(2) Limitation of liability by a Salvor based on a Salvage Ship, the Shipowner, etc. of such a Salvage Ship, or the Servant, etc. thereof, extends to all Personal Damage Claims and Property Damage Claims against such a person arising from the same accident, for each Salvage Ship.

(3) Limitation of liability by a Salvor other than one referred to in the preceding paragraph or the Servant, etc. thereof extends to all Personal Damage Claims and Property Damage Claims against such a person arising from the same accident, for each Salvor.

(4) Notwithstanding the provisions of the preceding three paragraphs, if a limitation of liability as referred to in one of the preceding three paragraphs is only invoked in respect of Property Damage Claims, it does not extend to Personal Damage Claims.

(Liability Limits)

Article 7 (1) The liability limits are as follows if a limitation of liability as provided in paragraph (1) or (2) of the preceding Article is invoked:

(i) if a person seeks to limit liability only in respect of Property Damage Claims: the amounts calculated as provided in the following, based on the tonnage of the Ship; provided, however, that in the case of a wooden ship of less than 100 tons, the liability limit is an amount equivalent to 507,360 Units:

(a) for a Ship of 2,000 tons or less: an amount equivalent to 1,510,000 Units; and

(b) for a Ship of over 2,000 tons: the amount referred to in (a) plus the amount arrived at by adding 604 Units for each ton from 2,001 to 30,000 tons, 453 Units for each ton from 30,001 to 70,000 tons, and 302 Units for each ton in excess of 70,000 tons.

(ii) in other cases: the amounts calculated as provided in the following, based on the tonnage of the Ship:

(a) for a Ship of 2,000 tons or less: an amount equivalent to 4,530,000 Units; and

(b) for a Ship of over 2,000 tons: the amount referred to in (a) plus the amount arrived at by adding 1,812 Units for each ton from 2,001 to 30,000 tons, 1,359 Units for each ton from 30,001 to 70,000 tons, and 906 Units for each ton in excess of 70,000 tons.

(2) In a case as provided in item (ii) of the preceding paragraph, a portion of the amount to be allocated to pay Claims Subject to Limitation, in a proportion equivalent to the ratio of the amount set forth in item (i) of that paragraph (or, for a wooden ship of less than 100 tons, the amount referred to in (a) of that item) to the amount set forth in item (ii) of that paragraph, is to be allocated to pay Property Damage Claims, and what remains is to be allocated to pay Personal Damage Claims; provided, however, that if what remains is insufficient to settle Personal Damage Claims, the portion that would be allocated to pay Property Damage Claims is to be allocated to pay Personal Damage Claims and Personal Damage Claims, based on the ratio of the unpaid balance of those claims to the amount of Property Damage Claims.

(3) The liability limits are as follows if a limitation of liability as provided in paragraph (3) of the preceding Article is invoked:

(i) if a person seeks to limit liability only in respect of Property Damage Claims: an amount equivalent to 1,510,000 Units:

(ii) in other cases: an amount equivalent to 4,530,000 Units.

(4) The provisions of paragraph (2) apply mutatis mutandis to a case as provided in item (ii) of the preceding paragraph.

(5) A person holding a claim subject to limitation is paid based on the proportion of the Claim Subject to Limitation.

(Calculation of Ship Tonnage)

Article 8 The tonnage of a Ship referred to in paragraphs (1) and (2) of the preceding Article is a figure expressed in tons which is calculated pursuant to the provisions of Article 4, paragraph 2 of the Act on Tonnage Measurement of Ships (Act No. 40 of 1980) .

Chapter III Limitation of Liability Proceedings

Section 1 General Rules

(Jurisdiction over Limitation of Liability Cases)

Article 9 A limitation of liability case is subject to the exclusive jurisdiction of the court specified in whichever of the following items is relevant, based on the category set forth in that item:

(i) if a limitation of liability as provided in Article 6, paragraph (1) is invoked and the Ship is registered, or if a limitation of liability as provided in paragraph (2) of that Article is invoked and the Salvage Ship is registered: the district court with jurisdiction over the location of the Ship's registration;

(ii) if a limitation of liability as provided in Article 6, paragraph (1) is invoked and the Ship is not registered, or if a limitation of liability as provided in paragraph (2) of that Article is invoked and the Salvage Ship is not registered: the district court with jurisdiction over the location of the general venue for the petitioner, the place of the accident, the first place where the Ship docked after the accident, or the place where the petitioner's property was seized or subjected to execution of a provisional seizure based on a Claim Subject to Limitation (but, f in limitation of liability proceedings involves only Property Damage Claims, this excludes any Personal Damage Claim; hereinafter the same applies in this Chapter); and

(iii) if a limitation of liability as provided in Article 6, paragraph (3) is invoked: the district court with jurisdiction over the location of the general venue for the petitioner, the place of the accident, or the place where the petitioner's property was seized or subjected to execution of a provisional seizure based on a Claim Subject to Limitation.

(Transfer of Limitation of Liability Cases)

Article 10 If the court finds it to be necessary to do so in order to avoid substantial detriment or delay, it may transfer a limitation of liability case, on its own authority, to another court of jurisdiction, to the district court with jurisdiction over the location of the general venue for a person holding a claim subject to limitation, or to the court that has pending another limitation of liability case or a limitation of liability case under the provisions of the Act on Liability for Oil Pollution Damage (Act No. 95 of 1975) arising from the same accident.

(Mutatis Mutandis Application of the Code of Civil Procedure)

Article 11 Except as otherwise provided, the Code of Civil Procedure (Act No. 109 of 1996) applies mutatis mutandis to limitation of liability proceedings.

(Optional Oral Arguments and Investigation by the Court on Its Own Authority)

Article 12 (1) A judicial decision in limitation of liability proceedings may be reached without oral arguments being heard.

(2) The court may conduct the necessary investigations in a limitation of liability case on its own authority.

(Appeals)

Article 13 A person with an interest in the judicial decision in limitation of liability proceedings may file an immediate appeal against that judicial decision, but only as specially provided in this Act. If public notice of the juridical decision is issued, the period for filing the appeal is one month from the day on which that public notice is issued.

(Public Notice)

Article 14 (1) A public notice that is issued pursuant to the provisions of this Act is to be issued through publication in the Official Gazette and in any newspaper designated by the court.

(2) A public notice becomes effective on the day following its last appearance in print.

(When Public Notice and Service Are Effected)

Article 15 If both public notice and service are required to be effected pursuant to the provisions of this Act, a person may effect service by sending the necessary documents by ordinary mail or by making use of correspondence delivery services prescribed in Article 2, paragraph (2) of the Act on Correspondence Delivery by Private-Sector Businesses (Act No. 99 of 2002) which are provided by a general correspondence delivery service as prescribed in paragraph (6) of that Article or a specified correspondence delivery service as prescribed in paragraph (9) of that Article. In such a case, public notice has the same effect as service upon all persons concerned.

(Rules of the Supreme Court)

Article 16 Beyond what is provided for in this Act, the necessary particulars of limitation of liability proceedings are specified by the Rules of the Supreme Court.

Section 2 Petition to Commence Limitation of Liability Proceedings

(Petition to Commence Proceedings)

Article 17 (1) A Shipowner, etc., Salvor, or Servant, etc. may file a petition to commence limitation of liability proceedings in order to limit their own liability.

(2) Co-owners of a ship may file a petition to commence limitation of liability proceedings independently in order to limit their own liability.

(Prima Facie Showing)

Article 18 When filing a petition to commence limitation of liability proceedings, the petitioner must make a prima facie showing of the facts necessary to identify the accident from which the Claims Subject to Limitation have arisen, make a prima facie showing that the amount of the Claims Subject to Limitation (excluding claims for interest arising after the accident or claims for damages or penalties due to default; the same applies in Article 25, item (ii)) exceeds the liability limit provided in Article 7, paragraph (1) or paragraph (3) (hereinafter referred to as the "Liability Limit"), and notify the court of the names and addresses of known holders of claims subject to limitation.

(Deposit Orders)

Article 19 (1) If the court finds a petition to commence limitation of liability proceedings to be appropriate, it must order the person filing the petition (hereinafter referred to as the "Petitioner") to deposit money equivalent to the Liability Limit as determined by the court and money accrued thereon as calculated at a rate of six percent per annum for the period from the date of the accident to the date of the deposit (or, if the Petitioner concludes a deposit entrustment contract pursuant to the provisions of paragraph (1) of the following Article, the date of the notification under the provisions of that paragraph; the same applies in the following paragraph), with the official depository designated by the court, and to notify the court thereof, within a fixed period not exceeding one month.

(2) The amount of money equivalent to the Liability Limit as referred to in the preceding paragraph is to be calculated based on the last value of one Unit publicized on the date of the deposit.

(3) An immediate appeal may be filed against a ruling under the provisions of paragraph (1).

(Deposit Entrustment Contracts)

Article 20 (1) If a Petitioner concludes a deposit entrustment contract with the permission of the court and notifies the court of this within the period designated in the ruling under the provisions of paragraph (1) of the preceding Article, the Petitioner is not required to deposit the amount of money fixed by the contract during that period.

(2) A deposit entrustment contract is a contract in which the entrusted party promises that, if a ruling is issued to commence limitation of liability proceedings, the entrusted party will make a deposit with the official depository referred to in paragraph (1) of the preceding Article on behalf of the Petitioner, comprising a fixed amount of money and the amount accrued thereon as calculated at the same rate as the rate of interest charged on deposit money, for the period from the date of the ruling to commence the limitation of liability proceedings to the date of the deposit.

(3) A deposit entrustment contract may not be modified or cancelled without the permission of the court once the court has been notified as under the provisions of paragraph (1).

(4) Only a bank or other person as specified by Cabinet Order may become the entrusted party under a deposit entrustment contract (hereinafter simply referred to as the "Entrusted Party").

(Deposit by the Entrusted Party)

Article 21 (1) If the court has been notified as under the provisions of paragraph (1) of the preceding Article, the Entrusted Party must make the deposit under the deposit entrustment contract by the date designated by the court (referred to as the "Designated Date" in paragraph (1) of the following Article) and notify the court of this.

(2) A deposit that an Entrusted Party makes pursuant to the provisions of the preceding paragraph is deemed to be a deposit that the Petitioner makes as the depositor.

(Entrusted Party's Obligation If There Is a Failure to Deposit)

Article 22 (1) If an Entrusted Party fails to make a deposit as under the provisions of paragraph (1) of the preceding Article, it becomes obligated to pay the administrator the amount of money that was to be deposited on the Designated Date and the amount of money accrued thereon as calculated at a rate of six percent per annum for the period from the day following the Designated Date to the date of payment.

(2) If an Entrusted Party fails to perform the obligation referred to in the preceding paragraph, the court, at the petition of the administrator, must order the Entrusted Party to pay the administrator the amount due under the provisions of that paragraph.

(3) A ruling under the provisions of the preceding paragraph has the same effect as an enforceable title of obligation.

(4) An immediate appeal may be filed against the judicial decision on a petition as referred to in paragraph (2).

(5) When an administrator is paid by an Entrusted Party pursuant to the provisions of paragraph (1), the administrator must immediately deposit that money with the official depository referred to in Article 19, paragraph (1) and report this to the court.

(6) A deposit that an administrator makes pursuant to the provisions of the preceding paragraph is deemed to be a deposit that the Petitioner makes as a depositor.

(Stay Order against Other Procedures)

Article 23 (1) If a petition is filed to commence limitation of liability proceedings and the court finds it to be necessary to do so, at the petition of the Petitioner or a Benefiting Debtor, the court may order a stay of procedures in a compulsory execution, provisional seizure, provisional disposition, or exercise of a security interest against the property of the Petitioner or Benefiting Debtor based on a Claim Subject to Limitation, until the ruling is made on the petition to commence the limitation of liability proceedings.

(2) The court may change or reverse a ruling for a stay as under the provisions of the preceding paragraph.

(Dismissal without Prejudice)

Article 24 If the Petitioner is a bankrupt, the court must dismiss the petition to commence limitation of liability proceedings, without prejudice.

(Dismissal with Prejudice)

Article 25 In the following cases, the court must dismiss the petition to commence limitation of liability proceedings, with prejudice:

(i) procedural costs are not prepaid;

(ii) it is clear that the amount of Claims Subject to Limitation does not exceed the Liability Limit; and

(iii) the Petitioner does not comply with a ruling under the provisions of Article 19, paragraph (1).

Section 3 Ruling to Commence Limitation of Liability Proceedings

(When Limitation of Liability Proceedings Comes into Effect)

Article 26 Limitation of liability proceedings come into effect at the time the ruling to commence it is issued.

(Particulars That Must Be Specified at the Time of a Ruling to Commence Proceedings)

Article 27 At the time of the ruling to commence limitation of liability proceedings, the court must appoint an administrator and specify the following particulars:

(i) the period for notifying the court of Claims Subject to Limitation, which must be a period of not less than one month and not more than four months following the date of the ruling; and

(ii) the court dates for investigating Claims Subject to Limitation, which must be not less than one week but not more than two months after the last day of the period for notifying the court of the claims.

(Public Notice of Commencement)

Article 28 (1) After making a ruling to commence limitation of liability proceedings, the court must immediately issue public notice of the following particulars:

(i) the date and time and the main text of the ruling to commence the limitation of liability proceedings;

(ii) the total amount of money deposited based on the ruling under the provisions of Article 19, paragraph (1) or fixed amount of money under a deposit entrustment contract as referred to in Article 20, paragraph (1);

(iii) the name and address of the administrator;

(iv) the names of the Petitioner and known Benefiting Debtors, and the relationships between these parties and the Ship, Salvage Ship, or Salvor associated with the accident;

(v) the period for notifying the court of Claims Subject to Limitation and the court dates for investigating these claims; and

(vi) a demand for persons to notify the court of any Claim Subject to Limitation against the Petitioner or a Benefiting Debtor within the period for notifying the court of these claims.

(2) The administrator, the Petitioner, known holders of claims subject to limitation, and known Benefiting Debtors must be served with a document giving the particulars set forth in the items of the preceding paragraph .

(3) The provisions of the preceding two paragraphs apply mutatis mutandis when there is a change in respect of a particular set forth in paragraph (1), items (ii) to (v); provided, however, that no public notice is required with regard to a change in the court dates for investigating the Claims Subject to Limitation.

(Appeals)

Article 29 (1) An immediate appeal may be filed against the judicial decision on a petition to commence limitation of liability proceedings.

(2) The provisions of Article 23 apply mutatis mutandis when an immediate appeal is filed against a ruling dismissing, with or without prejudice, a petition to commence limitation of liability proceedings.

Article 30 (1) If an immediate appeal as referred to in paragraph (1) of the preceding Article is filed against a ruling to commence limitation of liability proceedings, and the court finds the Liability Limit or the date of the accident as fixed in the ruling under the provisions of Article 19, paragraph (1) to be inappropriate, the court must order the Petitioner to deposit, within a fixed period not exceeding two weeks, additional money equivalent to the Liability Limit and money accrued thereon as calculated at a rate of six percent per annum for the period from the date of the accident to the date of the deposit (or, if a deposit entrustment contract has been concluded pursuant to the provisions of Article 20, paragraph (1) as applied mutatis mutandis pursuant to the following paragraph, the date of the notification under the provisions of Article 20, paragraph (1)) or additional money as calculated at a rate of six percent per annum as provided in Article 19, and to notify the court before which the limitation of liability case is pending of this, within a fixed period not exceeding two weeks.

(2) The provisions of Article 19, paragraph (2) and Articles 20 through 22 apply mutatis mutandis to a case as referred to in the preceding paragraph. In this case, the phrase "date of deposit" in Article 19, paragraph (2) is deemed to be replaced with "date of deposit referred to in Article 30, paragraph (1)".

(Public Notice of a Ruling Revoking the Ruling to Commence a Proceeding)

Article 31 (1) The court must issue public notice immediately once a ruling revoking a ruling to commence limitation of liability proceedings become final and binding.

(2) The administrator, the Petitioner, known holders of claims subject to limitation, and known Benefiting Debtors must be served with a document giving the particulars of a public notice as under the provisions of the preceding paragraph.

(Restriction on the Recovery of Deposit Money If the Ruling to Commence a Procedure Is Reversed)

Article 32 The Petitioner may recover money deposited as the fund provided for in the following Article or dispose of the right to claim the recovery of such money only after the expiration of one month from the day on which the ruling referred to in paragraph (1) of the preceding Article becomes final and binding.

(Effect of Commencement of Proceedings)

Article 33 Once limitation of liability proceedings commence, a person holding a claim subject to limitation may be paid, as provided in this Act, with money deposited based on a ruling under the provisions of Article 19, paragraph (1) or Article 30, paragraph (1), with money deposited pursuant to the provisions of Article 21, paragraph (1) or Article 22, paragraph (5) (including when these provisions are applied mutatis mutandis pursuant to Article 30, paragraph (2)), with money deposited pursuant to the provisions of Article 94, paragraph (1), and with interest accrued on these monetary deposits (hereinafter such money and interest are collectively referred to as the "Fund"). In such a case, the person holding a claim subject to limitation may not exercise any right against the property of the Petitioner or the property of the Benefiting Debtor, other than the Fund.

Article 34 Once limitation of liability proceedings commence, a person holding a claim subject to limitation may not set off the Claim Subject to Limitation against a claim held by the Petitioner or the Benefiting Debtor.

(Action to Oppose a Compulsory Execution)

Article 35 (1) To allege the grounds referred to in the second sentence of Article 33 and request that a compulsory execution based on a Claim Subject to Limitation be disallowed, the Petitioner or Benefiting Debtor must file an action to oppose the compulsory execution.

(2) The provisions of the Civil Execution Act (Act No. 4 of 1979) concerning an action to oppose execution apply mutatis mutandis to the action referred to in the preceding paragraph.

(Action to Oppose Exercise of Security Interest)

Article 36 (1) To allege the grounds referred to in the second sentence of Article 33 and request that a person be disallowed from exercising a security interest based on a Claim Subject to Limitation, the Petitioner or Benefiting Debtor must file an action to oppose the exercise of the security interest.

(2) The action referred to in the preceding paragraph is subject to the exclusive jurisdiction of the court with jurisdiction over the location of the general venue for the defendant, or if there is no such court, the exclusive jurisdiction of the court with jurisdiction over the location of the property constituting the object of the security interest.

(3) The provisions of Articles 36 and 37 of the Civil Execution Act apply mutatis mutandis to the action referred to in paragraph (1).

Section 4 Expansion of Limitation of Liability Proceedings

(Petition to Expand Proceedings)

Article 37 (1) If limitation of liability proceedings that only involves Property Damage Claims is commenced, the Petitioner or a Benefiting Debtor may file a petition to expand the limitation of liability proceedings in order to limit the liability thereof for Personal Damage Claims; provided, however, that this does not apply after the court dates for investigating the Claims Subject to Limitation have commenced.

(2) The provisions of Articles 18 through 25 apply mutatis mutandis to a petition as referred to in the preceding paragraph.

(Ruling to Expand Proceedings)

Article 38 (1) A ruling to expand limitation of liability proceedings must provide that the limitation of liability proceedings is effective in respect of Personal Damage Claims.

(2) The provisions of the preceding Section (other than the part of Article 27 that concerns the appointment of an administrator) apply mutatis mutandis to a ruling as referred to in the preceding paragraph.

(When a Benefiting Debtor Is Deemed to Be the Petitioner)

Article 39 If the ruling referred to in paragraph (1) of the preceding Article is issued and a Benefiting Debtor files a petition to expand the limitation of liability proceedings, that Benefiting Debtor is deemed to be the Petitioner as regards the application of the provisions of Articles 82 through 84, Articles 90 through 92, and Article 94.

Section 5 Administrators

(Authority)

Article 40 (1) The administrator has the authority to state an opinion on a court date for investigating a Claim Subject to Limitation, to effect distribution, and to perform other duties as provided in this Act.

(2) The administrator may request the Petitioner or a Benefiting Debtor to report the necessary information or submit books and other documents to enable the administrator to perform the duties referred to in the preceding paragraph.

(Supervision)

Article 41 The court supervises the administrator.

(Duty of Care)

Article 42 The administrator must perform the duties thereof with the due care of a prudent manager.

(Deputy Administrators)

Article 43 (1) If necessary, an administrator may take it under the personal responsibility thereof to appoint a deputy administrator, in order to have that deputy administrator perform the duties of the administrator.

(2) The administrator must obtain the permission of the court to appoint a deputy administrator pursuant to the provisions of the preceding paragraph.

(Remuneration)

Article 44 (1) The administrator may be paid in advance for the necessary costs for limitation of liability proceedings, and may receive the remuneration determined by the court.

(2) An immediate appeal may be filed against a ruling under provisions of the preceding paragraph.

(Dismissal)

Article 45 The court may dismiss the administrator at the petition of an interested person or by its own authority, if there is a material reason for doing so. Before doing so, the court must hold a hearing for the administrator.

(Duty to Submit Accounting Report)

Article 46 Once the administrator's task is complete, the administrator or the heir thereof must submit an accounting report to the court without delay.

Section 6 Participation in Limitation of Liability Proceedings

(Participation)

Article 47 (1) A person holding a claim subject to limitation may participate in limitation of liability proceedings based on the Claim Subject to Limitation held thereby (but only one that arises by the day that the court dates for investigating Claims Subject to Limitation commence, if it constitutes a claim for interest or a claim for damages or penalties due to default; hereinafter the same applies in this Chapter).

(2) A Petitioner or Benefiting Debtor that pays a Claim Subject to Limitation is deemed to be the maker of that Claim Subject to Limitation to the extent that it has paid the claim, and may participate in the limitation of liability proceedings based on that claim.

(3) A person that will be subrogated to the rights of a person holding a claim subject to limitation, or that will make a claim to reimbursement against the Petitioner or a Benefiting Debtor in respect of a Claim Subject to Limitation is deemed to be the maker of that Claim Subject to Limitation, and may participate in the limitation of liability proceedings based on that claim; provided, however, that this does not apply to a Claim Subject to Limitation whose holder is participating in the limitation of liability proceedings.

(4) If there is a likelihood of a compulsory execution being carried out in a foreign country based on a Claim Subject to Limitation, the Petitioner or a Benefiting Debtor is deemed to be the maker of a Claim Subject to Limitation in the amount due to be paid from the compulsory execution, and may participate in the limitation of liability proceedings based on that claim. The proviso of the preceding paragraph applies mutatis mutandis in such a case.

(5) A person seeking to participate in limitation of liability proceedings pursuant to the provisions of one of the preceding paragraphs must notify the court of the details of the Claim Subject to Limitation and other particulars as provided by the Rules of the Supreme Court.

(6) When notifying the court as under the provisions of the preceding paragraph, the person seeking to participate in the limitation of liability proceedings pursuant to the provisions of paragraph (4) must make a prima facie showing of the likelihood of a compulsory execution being carried out in a foreign country.

(When a Person Other Than the Petitioner and Benefiting Debtors Bears the Full Obligation for the Claim Subject to Limitation)

Article 48 (1) If a person other than the Petitioner and the Benefiting Debtors bears the obligation for full performance of a Claim Subject to Limitation and limitation of liability proceedings are also commenced for the benefit of that person or the limitation of liability proceedings are expanded for that person, the holder of a claim subject to limitation may exercise the right held thereby in each limitation of liability proceedings as regards the entire amount of the Claim Subject to Limitation held at the time the limitation of liability proceedings commence or the time the limitation of liability proceedings are expanded.

(2) The provisions of the preceding paragraph apply mutatis mutandis to a claim arising from tanker oil pollution damage as provided in Article 2, item (vi) of the Act on Liability for Oil Pollution Damage if a person other than the Petitioner and the Benefiting Debtors bears the obligation for full performance of a Claim Subject to Limitation and limitation of liability proceedings are commenced for the benefit of that person pursuant to the provisions of that Act (but only if the claim falls within the category of a Claim Subject to Limitation).

(Non-monetary Claims)

Article 49 If a claim is a non-monetary claim, a monetary claim of an indeterminate amount, or a monetary claim of an amount that has been fixed in a foreign currency, the amount of that claim is its estimated value at the time the limitation of liability proceedings commence or the time the limitation of liability proceedings are expanded.

(Period for Notifying the Court)

Article 50 (1) A person must notify the court in accordance with the provisions of Article 47, paragraph (5) within the period for notifying the court that the court designates pursuant to the provisions of Article 27 (including as applied mutatis mutandis pursuant to Article 38, paragraph (2)).

(2) Notwithstanding the provisions of the preceding paragraph, if a person that is entitled to participate in limitation of liability proceedings pursuant to the provisions of Article 47, paragraphs (1) through (4) is unable to notify the court of a claim within the period for notifying the court thereof due to grounds not attributable to that person, the person may notify the court of the claim after the expiration of the period for notifying the court; provided, however, that this does not apply after the end of the court dates for investigating Claims Subject to Limitation.

(Filing Notification of a Change)

Article 51 (1) A participant in limitation of liability proceedings must notify the court if a particular of which the participant has notified the court changes or if the participant seeks to change a particular of which the participant has notified the court.

(2) The provisions of the preceding Article apply mutatis mutandis if a person notifies the court of a change that would prejudice the interests of any other holder of a claim subject to limitation.

(3) A person participating in limitation of liability proceedings pursuant to the provisions of Article 47, paragraph (3) or paragraph (4) must notify the court after being subrogated to the rights of the person holding the claim subject to limitation, after acquiring the claim to reimbursement against the Petitioner or a Benefiting Debtor, or after paying the Claim Subject to Limitation. In such a case, the person must show proof of the facts constituting the cause of such notification.

(Succession to the Status of Participant in Proceedings)

Article 52 (1) A person acquiring a claim of which a person participating in limitation of liability proceedings has notified the court may succeed to the status of that participant.

(2) A person seeking to succeed to the status of a participant pursuant to the provisions of the preceding paragraph must notify the court of the claim acquired and of any other particulars specified by the Rules of the Supreme Court. In doing so, the person must show proof of having acquired the claim in question.

(3) The provisions of the preceding two paragraphs apply mutatis mutandis to the Petitioner or a Benefiting Debtor that pays a claim of which a person participating in limitation of liability proceedings pursuant to the provisions of Article 47, paragraph (1) has notified the court.

(Dismissal of Notification)

Article 53 (1) If a notification filed with the court pursuant to the provisions of this Section is in violation of the provisions of Article 47, paragraph (5) or paragraph (6); Article 50 (including as applied mutatis mutandis pursuant to Article 51, paragraph (2)); Article 51, paragraph (3); or paragraph (2) of the preceding Article (including as applied mutatis mutandis pursuant to paragraph (3) of that Article), the court must dismiss that notification.

(2) An immediate appeal may be filed against a ruling under the provisions of the preceding paragraph.

(Interruption of Prescription)

Article 54 Participation in limitation of liability proceedings has the effect of interrupting prescription; provided, however, that this does not apply if the notification of the claim is withdrawn or dismissed.

(Obligation to File Notification of Known Holders of Claims Subject to Limitation)

Article 55 (1) If the Petitioner or a Benefiting Debtor comes to know the name and address of a person holding a claim subject to limitation that is other than a person of which the court has been notified pursuant to the provisions of Article 18 (including as applied mutatis mutandis pursuant to Article 37, paragraph (2)) and that is not yet participating in the limitation of liability proceedings, the Petitioner or Benefiting Debtor must notify the court of that name and address immediately; provided, however, that this does not apply if the Petitioner or Benefiting Debtor comes to know this after the court dates for investigating Claims Subject to Limitation have concluded.

(2) The provisions of the Article 28, paragraphs (2) and (3) (including as applied mutatis mutandis pursuant Article 38, paragraph (2)) apply mutatis mutandis to a person holding a claim subject to limitation of which the court is notified pursuant to the provisions of the preceding paragraph.

(Permission for Advance Payment for Distribution)

Article 56 (1) If it is urgently necessary to do so in order to prevent a substantial detriment to a person participating in limitation of liability proceedings pursuant to the provisions of Article 47, paragraph (1), at the petition of the administrator or by the court's own authority, the court may issue an order for the administrator to pay a reasonable amount of money from the Fund as part of the distribution for a Claim Subject to Limitation, even before the claim of which the participant has notified the court is determined.

(2) If a person holding a claim subject to limitation as provided in the preceding paragraph requests the administrator to file the petition referred to in that paragraph, the administrator must report this to the court immediately, and if the administrator decides not to file the petition, the administrator must report the reasons for such decision to the court without delay.

Section 7 Investigation and Determination of Claims Subject to Limitation

(Investigation of Claims Subject to Limitation)

Article 57 On a court date for investigating Claims Subject to Limitation, the court investigates whether each claim of which it has been notified is a Claim Subject to Limitation, and if it is a Claim Subject to Limitation, the court investigates the details thereof and the distinction of whether it is a Personal Damage Claim or a Property Damage Claim.

(Appearance of Persons Concerned)

Article 58 The Petitioner, Benefiting Debtors, and participants in limitation of liability proceedings, as well as agents of these persons, may appear on the court dates for investigating Claims Subject to Limitation and dispute any claim of which the court has been notified.

(Presence of the Administrator)

Article 59 The investigation of Claims Subject to Limitation may not be conducted without the presence of the administrator.

(Determination of Undisputed Claims Subject to Limitation)

Article 60 If, on a court date for investigating Claims Subject to Limitation, neither the administrator nor any of the persons set forth in Article 58 disputes a claim, the claim is determined as a Claim Subject to Limitation, as are the details of the claim and the distinction of whether it is a Personal Damage Claim or Property Damage Claim.

(Decision Assessing the Validity of a Disputed Claim)

Article 61 (1) The court must issue a decision that assesses the validity of any disputed claim.

(2) If the relevant claim is not a Claim Subject to Limitation, this is established in a decision assessing its validity, and if the relevant claim is a Claim Subject to Limitation, the details of the claim and the distinction as to whether it is a Personal Damage Claim or Property Damage Claim on Damage to Property is established in the decision assessing its validity.

(3) The person notifying the court of the claim and the person disputing the claim are served with the decision assessing its validity.

(Investigation by the Administrator)

Article 62 To reach a decision assessing the validity of a disputed claim, the court may order the administrator to investigate a matter in need of investigation or ask for the administrator's opinion.

(Action to Oppose a Decision Assessing the Validity of a Disputed Claim)

Article 63 (1) A person (other than the administrator) that is dissatisfied with a decision assessing the validity of a disputed claim may file an action to oppose the enforcement of that decision during an inalterable time frame of one month from the day on which the person is served with the ruling.

(2) The party that disputed the claim must be named as the defendant if the action referred to in the preceding paragraph is brought by the person that notified the court of the claim in dispute, and the person that notified the court of the claim in dispute must be named as the defendant if the action referred to in the preceding paragraph is filed by the party disputing the claim.

(3) The action referred to in paragraph (1) is subject to the exclusive jurisdiction of the court before which the limitation of liability case is pending, and oral arguments may not begin until the period set forth in paragraph (1) has expired.

(4) If two or more actions are pending on the same claim concurrently, oral arguments must be held and judicial decisions reached following their consolidation. In such a case, the provisions of Article 40, paragraphs (1) through (3) of the Code of Civil Procedure apply mutatis mutandis.

(5) Unless an action as referred to in paragraph (1) is dismissed as unlawful, in the judgment rendered with regard to that action, the court must uphold or overturn the decision assessing the validity of the disputed claim.

(Suspension of Court Proceedings)

Article 64 (1) If notification of a Claim Subject to Limitation is filed pursuant to the provisions of Article 47, paragraph (5) and action is pending between the holder of that claim and the Petitioner or a Benefiting Debtor (hereinafter referred to as "Actions Outside the Proceedings"), the court may issue an order suspending the court proceedings under actions, at the petition of the plaintiff.

(2) At the petition of the plaintiff, the court may reverse the ruling to suspend as under the provisions of the preceding paragraph.

(Expansion of Jurisdiction over Actions Outside Proceedings)

Article 65 If an action to oppose a decision assessing the validity of a disputed claim is pending, an action between the person making the claim involved in the action to oppose and the Petitioner or a Benefiting Debtor may be filed in connection with that claim with the court before which the limitation of liability case is pending.

(Transfer)

Article 66 (1) If an action to oppose a decision assessing the validity of a disputed claim is pending and Action Outside the Proceedings which relates to the claim involved in the action to oppose is pending before another court of first instance, the court before which the limitation of liability case is pending may request that Action Outside the Proceedings be transferred thereto, upon petition.

(2) If a ruling under the provisions of the preceding paragraph is issued, the court that is requested to make the transfer must transfer the Action Outside the Proceedings to the court before which the limitation of liability case is pending.

(3) A transfer under the provisions of the preceding paragraph may be effected even during a continuance or suspension of court proceedings.

(Consolidation)

Article 67 If both an action to oppose a decision assessing the validity of a disputed claim and Action Outside the Proceedings are pending before the court before which the limitation of liability case is pending, oral arguments must be held and judicial decisions reached following their consolidation.

Section 8 Distribution

(Distribution)

Article 68 A Fund, less what is paid out pursuant to the provisions of Article 92, paragraph (5) (including as applied mutatis mutandis pursuant to Article 94, paragraph (2)) or Article 93, paragraph (1) or paragraph (3), is allocated to cover distribution.

(Timing of Distribution)

Article 69 (1) The administrator must effect the distribution without delay after the court dates for investigating Claims Subject to Limitation have concluded.

(2) If an objection is raised on a court date for investigating a Claim Subject to Limitation, the administrator may effect a distribution only after the expiration of the period for filing an action to oppose the decision assessing the validity of a disputed claim; provided, however, that this does not apply if the administrator obtains the permission of the court to effect the distribution.

(Distribution List)

Article 70 (1) Before seeking to effect a distribution, the administrator must prepare a distribution list and obtain the approval of the court.

(2) A distribution list must give the names of persons holding claims subject to limitation that are eligible for distribution, the amounts of the Claims Subject to Limitation that are eligible for distribution, the amount of money available for distribution, the distribution percentage, and other information specified by the Rules of the Supreme Court, separately for Personal Damage Claims and Property Damage Claims.

(Public Notice of Approval of Distribution List)

Article 71 Once the court approves a distribution list, it must issue public notice of this.

(Objection to the Distribution List)

Article 72 (1) A person that is dissatisfied with an entry in the distribution list may file an objection with the court during an inalterable time frame of two weeks from the date of the public notice under the provisions of the preceding Article.

(2) If the court finds an objection to be reasonable, it must order the administrator to correct the distribution list.

(3) An immediate appeal may be filed against a judicial decision on an objection.

(Request to Defer Distribution)

Article 73 A participant in limitation of liability proceedings may request the administrator to defer distribution prior to the expiration of the period for filing an objection to the distribution list by showing proof that Action Outside the Proceedings is pending in connection with the claim of which the participant has notified the court or that the claim has been subject to a compulsory execution or the exercise of a security interest.

(Deferral of Distribution)

Article 74 The administrator must defer distribution with regard to the following claims:

(i) a claim with regard to which the administrator has been requested to defer distribution pursuant to the provisions of the preceding Article;

(ii) a claim of which a participant in the limitation of liability proceedings has notified the court pursuant to the provisions of Article 47, paragraph (3) or paragraph (4), but with regard to which the court has not been notified as under the provisions of Article 51, paragraph (3); and

(iii) a claim other than as set forth in either of the preceding two items which has not yet been determined through the limitation of liability proceedings.

(Order to Withhold Expenses)

Article 75 (1) If it is unclear what amount of expenses and other costs or what amount of remuneration for an attorney or legal professional corporation will be paid on behalf of the Petitioner pursuant to the provisions of Article 92, paragraph (1) or Article 93, paragraph (2) or will be paid out pursuant to Article 93, paragraph (1), the court must order the administrator to withhold a reasonable amount of the Fund for this.

(2) The court may change or reverse a ruling under the provisions of the preceding paragraph.

(Effect of Distribution)

Article 76 Once it becomes possible for a participant in limitation of liability proceedings to be paid from the Fund in the amount that is to be distributed to the participant pursuant to the provisions of laws and regulations concerning deposits, the Petitioner and Benefiting Debtors are discharged from liability outside the limitation of liability proceedings for the claim in respect of which the distribution is made to that participant.

(Exclusion from Proceedings)

Article 77 If it is determined in Action Outside the Proceedings that a claim of which the court has been notified is not a Claim Subject to Limitation, that claim is excluded from the limitation of liability proceedings.

(Deferred Distribution)

Article 78 Once the relevant of the following circumstances arise with regard to a claim as set forth in one of the items of Article 74, the administrator must implement the distribution without delay:

(i) the details of a claim as set forth in Article 74, item (i) are determined and the person requesting the deferral asks the administrator to make the distribution;

(ii) the details of a claim as set forth in Article 74, item (ii) are determined and the court has been notified as under the provisions of Article 51, paragraph (3); and

(iii) the details of a claim as set forth in Article 74, item (iii) are determined.

(Additional Distribution)

Article 79 (1) If any part of a Fund allocable to distribution is newly identified, the administrator must effect another distribution.

(2) An administrator may temporarily refrain from effecting the distribution referred to in the preceding paragraph with the permission of the court.

(Conclusion of Proceedings)

Article 80 The court must rule to conclude limitation of liability proceedings and issue public notice of the same once distribution is completed.

(Compensation for Damages)

Article 81 If the Petitioner or a Benefiting Debtor violates the duty to notify the court as provided in Article 18 (including as applied mutatis mutandis pursuant to Article 37, paragraph (2)) or Article 55, paragraph (1), once the ruling concluding the limitation of liability proceedings is issued, these persons are liable to compensate for any damage resulting from their violation of that duty.

Section 9 Discontinuing Limitation of Liability Proceedings

(Discontinuing Proceedings)

Article 82 In the following cases, the court must rule to discontinue limitation of liability proceedings, either upon petition or by its own authority; provided, however, that this does not apply in a case as referred to in item (iii) if discontinuing proceedings is likely to greatly harm a person holding a claim subject to limitation:

(i) the administrator shows proof of being unable to get payment from the Entrusted Party pursuant to a ruling under the provisions of Article 22, paragraph (2) (including as applied mutatis mutandis pursuant to Article 30, paragraph (2) and Article 37, paragraph (2));

(ii) the Petitioner does not comply with a ruling as under the provisions of Article 30, paragraph (1) (including as applied mutatis mutandis pursuant to Article 38, paragraph (2)); and

(iii) the Petitioner does not comply with a ruling as under the provisions of the second sentence of Article 91.

Article 83 (1) The Petitioner may petition to discontinue limitation of liability proceedings with the consent of all known Benefiting Debtors and participants in the limitation of liability proceedings.

(2) If a petition as referred to in the preceding paragraph is filed, the court must rule to discontinue limitation of liability proceedings.

Article 84 If a Petitioner has become subject to a ruling to commence bankruptcy proceedings and the continuation of limitation of liability proceedings is likely to greatly harm bankruptcy creditors, the court must rule to discontinue the limitation of liability proceedings at the petition of the bankruptcy trustee; provided, however, that this does not apply once the court has issued public notice of its approval of the distribution list or once permission has been given for a final distribution as provided in Article 195, paragraph (1) of the Bankruptcy Act (Act No. 75 of 2004), for a simplified distribution as provided in Article 204, paragraph (1) of that Act, for consensual distribution as provided in Article 208, paragraph (1) of that Act, or for an interim distribution as provided in Article 209, paragraph (1) of that Act.

(Public Notice of Discontinuance)

Article 85 (1) If the court rules to discontinue limitation of liability proceedings, it must issue public notice of the main text of the ruling and an overview of the reasons for that ruling immediately.

(2) The provisions of Article 31, paragraph (2) apply mutatis mutandis in the case referred to in the preceding paragraph.

(Appeal)

Article 86 An immediate appeal may be filed against a ruling dismissing a petition to discontinue limitation of liability proceedings with or without prejudice, or against a ruling to discontinue limitation of liability proceedings.

(Public Notice of the Reversal of a Ruling to Discontinue)

Article 87 (1) Once a ruling reversing a ruling to discontinue limitation of liability proceedings becomes final and binding, the court must give public notice of this immediately.

(2) The provisions of Article 31, paragraph (2) apply mutatis mutandis to the case referred to in the preceding paragraph.

(Coming into Effect of a Ruling to Discontinue)

Article 88 A ruling to discontinue limitation of liability proceedings does not become effective until it becomes final and binding.

(Restriction on the Recovery of Deposit Money Once a Ruling to Discontinue Becomes Final and Binding)

Article 89 The provisions of Article 32 apply mutatis mutandis once a ruling to discontinue limitation of liability proceedings becomes final and binding.

Section 10 Expenses

(Principle Governing the Bearing of Expenses)

Article 90 Except as provided in Article 93, paragraph (1) and paragraph (2), the necessary expenses for limitation of liability proceedings and the remuneration of the administrator (hereinafter referred to as "Expenses and Other Costs" in this Section) are borne by the Petitioner.

(Duty to Prepay)

Article 91 When filing a petition to commence limitation of liability proceedings, the Petitioner must prepay the amount designated by the court as Expenses and Other Costs. The same applies if the prepaid amount of Expenses and Other Costs falls short and the court orders the prepayment of the shortfall in Expenses and Other Costs

(Payment of Expenses and Other Costs on Behalf of a Petitioner Not Complying with a Prepayment Order)

Article 92 (1) In a case that falls under Article 82, item (iii), if circumstances are as prescribed in the proviso to that Article, Expenses and Other Costs are paid out of the Fund on behalf of the Petitioner.

(2) The administrator is to collect from the Petitioner the Expenses and Other Costs paid on the Petitioner's behalf pursuant to the provisions of the preceding paragraph.

(3) In the case referred to in the preceding paragraph and at the petition of the administrator, the court must order the Petitioner to pay the administrator an amount of money equal to the amount of Expenses and Other Costs paid on the Petitioner's behalf pursuant to the provisions of paragraph (1).

(4) The provisions of Article 22, paragraphs (3) and (4) apply mutatis mutandis to a ruling under the provisions of the preceding paragraph.

(5) If it is impossible to collect Expenses and Other Costs that are to be collected pursuant to the provisions of paragraph (2), those Expenses and Other Costs must be paid out of the Fund.

(Expenses and Other Costs for Administrator's Conduct of Action)

Article 93 (1) Other than expenses prescribed in the following paragraph, the Expenses and Other Costs and remuneration for an attorney or legal professional corporation which the administrator needs in order to conduct an action to oppose a decision assessing the validity of a disputed claim are paid out of the Fund.

(2) Among the expenses that the administrator needs in order to conduct an action to oppose a decision assessing the validity of a disputed claim, those falling under the scope of court costs are to be paid from the Fund on behalf of the Petitioner.

(3) Court costs that the administrator is to bear as decided in the judgment on an action to oppose a decision assessing the validity of a disputed claim are paid out of the Fund.

(4) At the petition of the administrator, the court fixes the amounts of the Expenses and Other Costs and remuneration which are referred to in paragraph (1).

(5) An immediate appeal may be filed against a ruling under the provisions of the preceding paragraph.

(Deposit of Expenses and Other Costs and Court Costs Collected by Administrator)

Article 94 (1) After collecting the Expenses and Other Costs or court costs paid on behalf of the Petitioner pursuant to the provisions of Article 92, paragraph (1) or paragraph (2) of the preceding Article, the administrator must deposit the collected money as part of the Fund for the benefit of the Petitioner.

(2) The provisions of Article 22, paragraph (6) apply mutatis mutandis to a deposit made by the administrator pursuant to the provisions of the preceding paragraph, and the provisions of Article 92, paragraph (5) apply mutatis mutandis if it is impossible to collect the court costs referred to in the preceding paragraph that are to be collected by the administrator.

Chapter IV Auxiliary Provisions

(Maritime Lien)

Article 95 (1) A person holding a claim subject to limitation holds a statutory lien over the Ship involved in the accident, its equipment, and freight charges yet to be received, as regards that claim.

(2) The statutory lien referred to in the preceding paragraph is next in order of precedence to the statutory lien referred to in Article 842, item (viii) of the Commercial Code (Act No. 48 of 1899).

(3) The provisions of Article 843 of the Commercial Code and the main clause of Article 844, paragraph (2); Article 844, paragraph (3); Article 845; Article 846; Article 847, paragraph (1); and Article 849 of that Code apply mutatis mutandis to the statutory lien referred to in paragraph (1).

(4) Notwithstanding the provisions of Article 847, paragraph (1) of the Commercial Code as applied mutatis mutandis pursuant to the preceding paragraph, if a ruling to commence limitation of liability proceedings is issued prior to the extinguishment of the statutory lien referred to in paragraph (1) and a ruling reversing the ruling to commence the limitation of liability proceedings or a ruling discontinuing the limitation of liability proceeding becomes final and binding, the statutory lien referred to in paragraph (1) extinguishes once one year has passed after the ruling to reverse or discontinue becomes final and binding,.

(Effect of Formation of a Limitation Fund in a Foreign Contracting State)

Article 96 (1) If a limitation fund as provided by the Convention on Limitation of Liability for Maritime Claims of 1976 as amended by the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims of 1976 (hereinafter referred to as the "Convention on Limitation of Liability for Maritime Claims") has been formed in a foreign country that is a State Party to the Protocol, t the person making a claim subject to limitation that is to be paid from that fund may not exercise their rights against the property of the Shipowner, etc., the property of the Salvor, or the property of the Servant, etc., other than the limitation fund.

(2) The provisions of Articles 34 through 36 apply mutatis mutandis to the case referred to in the preceding paragraph.

Article 97 Deleted

(Application of This Act to the Manager of a Ship)

Article 98 (1) This Act applies to the manager of a Ship and the operator of a Ship as provided in Article 1, paragraph (2) of the Convention on Limitation of Liability for Maritime Claims, as well as to the members with unlimited liability of a corporate manager or operator, in the same manner as it applies to a Shipowner, etc., and applies to the servants of the manager or operator of a Ship as provided in that paragraph and other persons for whose acts the manager or operator is responsible in the same manner as it applies to Servants, etc.

(2) This Act applies to the insurer under an insurance policy covering damage arising from a person's taking responsibility for paying a Claim Subject to Limitation, in the same manner as it applies to the insured.

Chapter V Penal Provisions

Article 99 (1) An administrator or deputy administrator that accepts, solicits, or agrees to a bribe in connection with the duties thereof is subject to imprisonment with required labor for not more than three years or a fine of not more than three million yen.

(2) In a case as referred to in the preceding paragraph, any bribe that has been accepted is confiscated. If all or part of the bribe cannot be confiscated, an equivalent value is collected.

Article 100 A person paying, offering, or agreeing to a bribe prescribed in paragraph (1) of the preceding Article is subject to imprisonment with required labor for not more than three years or a fine of not more than one million yen.

Article 101 (1) A person that has been requested to make a report or submit a document as under the provisions of Article 40, paragraph (2), but that either does not make the report or submit the document, or that makes a false report or submits a false document, is subject to imprisonment with required labor for not more than one year or a fine of not more than 500,000 yen.

(2) If the representative of a corporation or the agent, employee, or other worker of a corporation or individual commits the violation referred to in the preceding paragraph in connection with the business of the corporation or individual, in addition to the offender being subject to punishment, the corporation or individual is also subject to punishment in the form of the fine referred to in that paragraph.