Act on General Rules for Incorporated Administrative Agencies

(Act No. 103 of July 16, 1999)

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Chapter I General Provisions

Section 1 General Rules

(Purpose)

Article 1 (1) The purpose of this Act is to establish the fundamental commonalities that manage the basis for the system of incorporated administrative agencies, including the basis for the administration of these agencies, and to achieve the establishment of the incorporated administrative agencies system and the secure implementation of the affairs and businesses conducted by incorporated administrative agencies from a public perspective, interdependently with laws that provide for matters concerning the name, purpose, and scope of operations, etc. of the respective incorporated administrative agencies (hereinafter referred to as the "Individual Acts"), thereby contributing to the stability of the lives of the people and to the sound development of society and the economy.

(2) The organization, administration and management of the respective incorporated administrative agencies are governed by the provisions of this Act, beyond the provisions of the relevant Individual Acts.

(Definitions)

Article 2 (1) The term "Incorporated Administrative Agency" as used in this Act means a corporation, incorporated pursuant to the provisions of this Act and the relevant Individual Act as an agency managed under the medium-term objectives, a national research and development agency or an agency engaged in administrative execution, for the purpose of effectively and efficiently conducting, from among the processes and services that need to be implemented securely from a public perspective, such as the stability of the lives of the people, society and the economy, and that do not need to be implemented directly by the State itself, those affairs that may not necessarily be implemented properly if entrusted to private entities or that need to be conducted monopolistically by a single entity (hereinafter referred to as " Public-Sector Processes, etc." in this Article).

(2) The term "Agency Managed under the Medium-term Objectives" as used in this Act means a corporation provided for by the relevant Individual Act as an Incorporated Administrative Agency whose purpose is to conduct, from among the Public-Sector Processes, etc., those processes that are required to be executed by the agency from a medium-term perspective in light of the characteristics of such affairs while displaying its independency and autonomy to a certain extent ( other than those to be conducted by a national research and development agency), in accordance with a plan for achieving the objectives concerning the running of its operations that are set by the State for a medium term, and thereby promoting the public interest through the provision of diverse and quality services that precisely meet the demands of citizens.

(3) The term "National Research and Development Agency" as used in this Act means a corporation provided for by the relevant Individual Act as an Incorporated Administrative Agency whose purpose is to conduct, as its major operations, from among the Public-Sector Processes, etc., those processes that are related to experiment, research or development in science and technology (hereinafter referred to as "Research and Development") and that are required to be executed by the agency from a medium and long term perspective in light of the characteristics of such processes while displaying its independency and autonomy to a certain extent, in accordance with a plan for achieving the objectives concerning the running of its operations that are set by the State for a medium and long term, and thereby ensuring the maximum results of the research and development in order to contribute to the sound development of the national economy and other public interests through the improvement in the level of science and technology in Japan.

(4) The term "Agency Engaged in Administrative Execution" as used in this Act means a corporation provided for by the relevant Individual Act as an Incorporated Administrative Agency whose purpose is to conduct, from among the Public-Sector Processes, etc., those processes that are required to be securely executed under the instructions of the State or other considerable involvement of the State given closely in relation to the administrative processes of the State, in accordance with a plan for achieving the objectives concerning the running of its operations that are set by the State for each business year, and thereby accurately and securely executing such Public-Sector Processes, etc.

(Public Nature, Transparency and Independency of Operations)

Article 3 (1) As the affairs and businesses that Incorporated Administrative Agencies conduct needs to be securely implemented from a public viewpoint, such as ensuring the stability of the lives of the people, society and the economy, these agencies must strive to administer their operations properly and efficiently.

(2) Incorporated Administrative Agencies must strive to make the status of their organization and administration transparent to citizens through means such as making public, the contents of their operations pursuant to the provisions of this Act.

(3) When implementing this Act and the Individual Acts, sufficient consideration must be given to the specifics of the processes and services of Incorporated Administrative Agencies, as well as the independency of Incorporated Administrative Agencies in the running of their operations, so that the processes and services of the Incorporated Administrative Agencies are conducted appropriately in light of the social and economic situations at home and abroad.

(Name)

Article 4 (1) The name of an Incorporated Administrative Agency is provided by the relevant Individual Act.

(2) A National Research and Development Agency is to use the characters "国立研究開発法人" (pronounced ''kokuritsu kenkyu kaihatsu houjin'' (meaning "National Research and Development Agency")) as part of its name.

(Purpose)

Article 5 The purpose of an Incorporated Administrative Agency is determined by the relevant Individual Act within the scope of the respective purposes referred to in Article 2, paragraph (2), paragraph (3) or paragraph (4).

(Legal Personality)

Article 6 An Incorporated Administrative Agency is a corporation.

(Office)

Article 7 (1) An Incorporated Administrative Agency establishes its principal office at the location provided by the relevant Individual Act.

(2) An Incorporated Administrative Agency can establish secondary offices at necessary locations.

(Financial Basis)

Article 8 (1) An Incorporated Administrative Agency must possess the stated capital and any other financial basis that are necessary for securely conducting its operations.

(2) The government may make capital contributions to an Incorporated Administrative Agency pursuant to the provisions of the relevant Individual Act if it finds this to be necessary in order to ensure that the Incorporated Administrative Agency can conduct its operations reliably..

(3) If any of the important property of an Incorporated Administrative Agency which is specified by order of the competent ministry (meaning an Order of the Cabinet Office or the relevant ministry that has jurisdiction over the Incorporated Administrative Agency concerned; provided, however, that with regard to an Incorporated Administrative Agency under the jurisdiction of the Nuclear Regulation Authority, an Regulation of the Nuclear Regulation Authority is Order of the Competent Ministry; the same applies hereinafter) is found to be no longer necessary for securely implementing its operations for the future due to a review of its operations, changes in the social and economic situations or any other grounds, the Incorporated Administrative Agency must dispose of the property (hereinafter referred to as "Unnecessary Property") pursuant to the provisions of Article 46-2 or Article 46-3.

(Registration)

Article 9 (1) An Incorporated Administrative Agency must complete its registration pursuant to the provisions of Cabinet Order.

(2) The particulars that must be registered pursuant to the provisions of the preceding paragraph cannot be asserted against a third party until after they are registered.

(Restriction on the Use of Name)

Article 10 No person other than an Incorporated Administrative Agency or National Research and Development Agency may use the characters "独立行政法人" (pronounced ''dokuritsu gyousei houjin'' (referring to "Incorporated Administrative Agency")) or "国立研究開発法人" (pronounced ''kokuritsu kenkyu kaihatsu houjin'' (meaning "National Research and Development Agency")) as part of its name.

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

Article 11 The provisions of Article 4 and 78 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) apply mutatis mutandis to Incorporated Administrative Agencies.

Section 2 Committee on the System of Evaluating Incorporated Administrative Agencies

(Establishment)

Article 12 An Committee on the System of Evaluating Incorporated Administrative Agencies (hereinafter referred to as the "Committee") is set up within the Ministry of Internal Affairs and Communications.

(Processes under Jurisdiction)

Article 12-2 (1) The Committee is responsible for conducting the following processes:

(i) to state its opinions to the Minister of Internal Affairs and Communications pursuant to the provisions of Article 28-2, paragraph (2);

(ii) to state its opinions to the competent minister pursuant to the provisions of Article 29, paragraph (3), Article 32, paragraph (5), Article 35, paragraph (3), Article 35-4, paragraph (3), Article 35-6, paragraph (8), Article 35-7, paragraph (4) or Article 35-11, paragraph (7);

(iii) to make recommendations to the competent minister pursuant to the provisions of Article 35, paragraph (4) or Article 35-7, paragraph (5);

(iv) to offer its opinions to the Prime Minister pursuant to the provisions Article 35-2 (including cases where applied mutatis mutandis pursuant to Article 35-8 after a replacement has deemed to have been made);

(v) to investigate and deliberate on important matters concerning the system of evaluation of the running of operations of Incorporated Administrative Agencies (referred to as the "Evaluation" in the following item), and to state its opinions to the Minister of Internal Affairs and Communications if it finds it necessary;

(vi) to investigate and deliberate on important matters concerning the implementation of the Evaluation, and to state its opinions to the competent minister when it finds that the Evaluation has been implemented in an extremely improper manner; and

(vii) to manage other matters that are placed under its authority by law.

(2) When the Committee states its opinions pursuant to the provisions referred to in item (i) or item (ii) of the preceding paragraph or pursuant to the provisions of item (v) or item (vi) of the paragraph, it must publish the contents of such opinions.

(Organization)

Article 12-3 (1) The Committee is composed of not more than ten committee members.

(2) If it is necessary to investigate and deliberate on any special matters, temporary committee members may be appointed.

(3) If it is necessary to investigate any matters requiring expertise, expert committee members may be appointed.

(Appointment of Committee Members)

Article 12-4 (1) Committee members and temporary members are appointed by the Prime Minister from among persons with relevant knowledge and experience.

(2) Expert members are appointed by the Prime Minister from among persons with the knowledge and experience on the matters requiring the relevant expertise.

(Term of Office of Committee Members)

Article 12-5 (1) The term of office of a committee member is two years; provided, however, that the term of office of a committee member appointed to fill a vacancy is the period of the successors remaining term.

(2) Committee members may be reappointed.

(3) Upon the conclusion of the investigation and deliberation on the special matters for which the members have been appointed, temporary members are to be dismissed.

(4) Upon the conclusion of the investigation on the matters requiring the expertise for which the members have been appointed, expert members are to be dismissed

(5) Committee members, temporary members and expert members serve on a part-time basis.

(Chairperson)

Article 12-6 (1) The Committee has a chairperson who is elected from among the committee members.

(2) The chairperson presides over the operations of the Committee and represents the Committee.

(3) If the chairperson is unable to attend to their duties, a committee member who has been designated by the chairperson in advance performs the duties of the chairperson on their behalf.

(Request for Submission of Materials)

Article 12-7 The Committee may request the head of the relevant administrative organ to submit materials, express opinions, provide explanation and offer any other necessary cooperation if it finds this to be necessary in order to carry out the processes under its jurisdiction.

(Delegation to Cabinet Order)

Article 12-8 Beyond what is provided for in this Section, the organization as well as the members and other officials of the Committee and any other necessary matters concerning the Committee are specified by Cabinet Order.

Section 3 Incorporation

(Procedure for Incorporation)

Article 13 The procedure concerning the incorporation of an Incorporated Administrative Agency is as provided for in this Section, except as otherwise provided for by the relevant Individual Act.

(The Person Who Is to Become the President or an Auditor of an Agency)

Article 14 (1) The competent minister nominates a person who is to be the president of an Incorporated Administrative Agency (hereinafter referred to as the "Agency President") and a person(s) who is to be an auditor(s) thereof.

(2) A person who is nominated to be the Agency President or an auditor pursuant to the provisions of the preceding paragraph is deemed to be appointed respectively as the Agency President or auditor at the time of the formation of the Incorporated Administrative Agency as determined for in this Act.

(3) The provisions of Article 20, paragraph (1) apply mutatis mutandis to the nomination of a person who is to be the Agency President as referred to in paragraph (1).

(Organizing Committee Members)

Article 15 (1) The competent minister appoints organizing committee members for the purpose of processing the affairs concerning the incorporation of an Incorporated Administrative Agency.

(2) When organizing committee members complete the preparation for incorporating an Incorporated Administrative Agency, they must notify the competent minister thereof and hand over the affairs concerning the incorporation to the person who is nominated to be the Agency President pursuant to the provisions of paragraph (1) of the preceding Article, without delay.

(Registration of Incorporation)

Article 16 When the person who is nominated to be the Agency President pursuant to the provisions of Article 14, paragraph (1) takes over the affairs pursuant to the provisions of paragraph (2) of the preceding Article, the person must complete the registration of the incorporation without delay pursuant to the provisions of Cabinet Order.

Article 17 An Incorporated Administrative Agency is formed upon the registration of its incorporation.

Chapter II Officers and Employees

(Officers)

Article 18 (1) An Incorporated Administrative Agency has an Agency President and an auditor(s) in place as its officers, pursuant to the provisions of the relevant Individual Act.

(2) An Incorporated Administrative Agency may have other officers in place beyond the officers provided for in the preceding paragraph, pursuant to the provisions of the relevant Individual Act.

(3) The title of the Agency President of an Incorporated Administrative Agency, the fixed number, and titles of its officers provided for in the preceding paragraph, and the fixed number of its auditors are specified by the relevant Individual Act.

(Duties and Authority of Officers)

Article 19 (1) The Agency President represents the Incorporated Administrative Agency and presides over its operations.

(2) The officers provided for by the relevant Individual Act (other than the Agency President) perform the duties of the Agency President on their behalf when the Agency President is unable to attend to their duties, and perform the duties of the Agency President when the post is vacant, as determined by the Agency President.

(3) The duties and authority of the officers put in place pursuant to the provisions of paragraph (2) of the preceding Article are specified by the relevant Individual Act.

(4) An auditor audits the operations of an Incorporated Administrative Agency. In this case, the auditor must prepare an audit report, pursuant to the provisions of order of the competent ministry.

(5) Auditors may request reports on processes and services from officers (other than another auditor(s)) and employees, or investigate the status of the operations and property of the Incorporated Administrative Agency at any time.

(6) When an Incorporated Administrative Agency intends to submit the following documents to the competent minister, its auditor must examine the documents:

(i) documents concerning the authorization, approval, certification and notification under the provisions of this Act, as well as reports and other documents specified by Order of the Ministry of Internal Affairs and Communications; and

(ii) other documents specified by order of the competent ministry.

(7) An auditor may request reports on the operations from a subsidiary of the Incorporated Administrative Agency (meaning a corporation specified by Order of the Ministry of Internal Affairs and Communications as a corporation whose management is controlled by an Incorporated Administrative Agency; the same applies hereinafter) or investigate the status of the operations and property of the subsidiary if this is necessary in order to perform the duties of the auditor.

(8) If reasonable grounds for a refusal exist, the subsidiary referred to in the preceding paragraph may refuse the report or investigation referred to in the paragraph

(9) An auditor may submit their opinions based on the results of an audit to the Agency President or the competent minister, if the auditor finds it necessary.

(Duty to Report to the Agency President)

Article 19-2 If an auditor finds that an officer (other than an auditor) engages in or is likely to engage in misconduct or finds any fact which would constitute violation of this Act, the relevant Individual Act or any other laws and orders or any fact, the auditor must notify the Agency President thereof and report the information to the competent minister without delay.

(Appointment of Officers)

Article 20 (1) The Agency President is appointed by the competent minister from among the following persons:

(i) persons who have advanced knowledge and experience concerning the processes and services conducted by the Incorporated Administrative Agency; and

(ii) beyond what is set forth in the preceding item, persons who are competent to properly and efficiently administer the processes and services conducted by the Incorporated Administrative Agency.

(2) An auditor is appointed by the competent minister.

(3) When the competent minister intends to appoint the Agency President or an auditor pursuant to the provisions of the preceding two paragraphs, the minister must strive to make use of Open Recruitment (meaning the recruitment of candidates by announcing through a public notice, the details of the duties, working terms and conditions, and other necessary matters concerning the office of the Agency President or auditor; hereinafter the same applies in this paragraph). In a case where Open Recruitment is not used, the competent minister must strive to take the necessary measures to appoint a person who is considered to be suitable for the office, by seeking recommendation of candidates from another person, while securing transparency.

(4) Officers put in place pursuant to the provisions of Article 18, paragraph (2) are appointed by the Agency President from among the persons set forth in the items of paragraph (1).

(5) When the Agency President appoints an officer pursuant to the provisions of the preceding paragraph, the president must notify the competent minister of such appointment and make it public without delay.

(Terms of Office of Officers of an Agency Managed under the Medium-term Objectives)

Article 21 (1) The term of office of the president of an Agency Managed under the Medium-term Objectives begins on the date of appointment and ends on the last day of the period for the medium-term objectives provided for in Article 29, paragraph (2), item (i), (simply referred to as the "Period for the Medium-term Objectives" in the following paragraph) which is specified for the Agency Managed under the Medium-term Objectives and which includes the date of appointment.

(2) The term of office of an auditor of an Agency Managed under the Medium-term Objectives is specified as corresponding to each Period for the Medium-term Objectives, and it begins on the date of appointment and ends on the Date of Approval of Financial Statements (meaning the date on which the financial statements referred to in Article 38, paragraph (1) are approved pursuant to the provisions of the paragraph; the same applies hereinafter) for the last business year within the corresponding Period for the Medium-term Objectives; provided, however, that the term of office of an auditor of an Agency Managed under the Medium-term Objectives appointed to fill a vacancy is the remaining period of their successor.

(3) The term of office of an officer of an Agency Managed under the Medium-term Objectives (other than the president and an auditor of the Agency Managed under the Medium-term Objectives; hereinafter the same applies in this paragraph) is specified by the relevant Individual Act; provided, however, that the term of office of an officer of an Agency Managed under the Medium-term Objectives appointed to fill a vacancy is the remaining period of their successor.

(4) Officers of an Agency Managed under the Medium-term Objectives may be reappointed.

(The Term of Office of Officers of a National Research and Development Agency)

Article 21-2 (1) The term of office of the president of a National Research and Development Agency begins on the date of appointment and ends on the last day of the period for the medium to long-term objectives provided for in Article 35-4, paragraph (2), item (i) (simply referred to as the "Period for the Medium to Long-term Objectives" in this paragraph and the following paragraph) which is specified for the National Research and Development Agency and which includes the date of appointment; provided, however, that if the Period for the Medium to Long-term Objectives is six years or seven years and the competent minister finds it to be particularly necessary in order to appoint a person who is considered to be more suitable for office, the term of office of the first president of a National Research and Development Agency to be appointed on or after the first day of the Period for the Medium to Long-term Objectives (hereinafter simply referred to as the "First Day" in this paragraph and the following paragraph) may be specified as a period that begins on the date of appointment and ends on the day specified in each of the following items according to the cases set forth respectively in these items:

(i) if the Period for the Medium to Long-term Objectives is six years: the day on which a period of three years elapses from the First Day; or

(ii) if the Period for the Medium to Long-term Objectives is seven years: the day on which a period of three or four years elapses from the First Day.

(2) Notwithstanding the provisions of the preceding paragraph, if the competent minister finds it to be particularly necessary in order to appoint a person who is considered to be more suitable as a person to be the president of the National Research and Development Agency pursuant to the provisions of Article 14, paragraph (1) and the Period for the Medium to Long-term Objectives is not less than six years and not more than seven years, the term of office of the president of the National Research and Development Agency, who is deemed to be appointed at the time of its formation as provided for in paragraph (2) of the Article, may be specified as a period that begins on the date of appointment and ends on the day specified in each of the following items according to the cases set forth respectively in these items:

(i) if the Period for the Medium to Long-term Objectives is six years: the day on which a period of three years elapses from the First Day;

(ii) if the Period for the Medium to Long-term Objectives is more than six years and less than seven years: the last day of the last business year that ends by the day on which a period of four years elapses from the First Day; or

(iii) if the Period for the Medium to Long-term Objectives is seven years: the day on which a period of three or four years elapses from the First Day.

(3) Notwithstanding the provisions of the preceding two paragraphs, the term of office of the president of a National Research and Development Agency appointed to fill a vacancy is for the remaining term of their predecessor.

(4) The term of office of an auditor of a National Research and Development Agency is specified as corresponding to the term of office of the president of the National Research and Development Agency (including the term of office of the president of the National Research and Development Agency appointed to fill a vacancy; hereinafter the same applies in this paragraph), and it begins on the date of appointment and ends on the Date of Approval of Financial Statements for the business year in which the last day of the corresponding term of office of the president of the National Research and Development Agency falls; provided, however, that the term of office of an auditor of a National Research and Development Agency appointed to fill a vacancy is for the remaining term of their predecessor.

(5) The term of office of an officer of a National Research and Development Agency (other than the president and an auditor of the National Research and Development Agency; hereinafter the same applies in this paragraph) is specified by the relevant Individual Act; provided, however, that the term of office of an officer of a National Research and Development Agency appointed to fill a vacancy is for the remaining term of their predecessor.

(6) Officers of a National Research and Development Agency may be reappointed.

(Term of Office of Officers of an Agency Engaged in Administrative Execution)

Article 21-3 (1) The term of office of the president of an Agency Engaged in Administrative Execution begins on the date of appointment and ends on the final day of the last full business year before the end of the period specified in units of year by the relevant Individual Act elapses from the date of appointment; provided, however, that the term of office of the president of an Agency Engaged in Administrative Execution appointed to fill a vacancy is for the remaining term of their predecessor.

(2) The term of office of an auditor of an Agency Engaged in Administrative Execution is specified as corresponding to the term of office of the president of the Agency Engaged in Administrative Execution (including the term of office of the president of the Agency Engaged in Administrative Execution appointed to fill a vacancy; hereinafter the same applies in this paragraph), and it begins on the date of appointment and ends on the Date of Approval of Financial Statements for the business year in which the final day of the corresponding term of office of the president of the Agency Engaged in Administrative Execution falls; provided, however, that the term of office of an auditor of an Agency Engaged in Administrative Execution appointed to fill a vacancy is for the remaining period of their predecessor.

(3) The term of office of an officer of an Agency Engaged in Administrative Execution (other than the president and an auditor of the Agency Engaged in Administrative Execution; hereinafter the same applies in this paragraph) is specified by the relevant Individual Act; provided, however, that the term of office of an officer of an Agency Engaged in Administrative Execution appointed to fill a vacancy is the remaining period of their successor.

(4) Officers of an Agency Engaged in Administrative Execution may be reappointed.

(Officers' Duty of Loyalty)

Article 21-4 Officers of an Incorporated Administrative Agency must, in connection with its operations, observe the laws and orders , the dispositions made by the competent minister under the laws and orders, the statement of operational procedures and other regulations established by the Incorporated Administrative Agency, and perform their duties with due loyalty to the Incorporated Administrative Agency.

(Officers' Duty to Report)

Article 21-5 If an officer (other than an auditor) of an Incorporated Administrative Agency finds any fact that is likely to cause considerable damage to the Incorporated Administrative Agency, the officer must report such fact to the auditor immediately.

(Disqualification of Officers)

Article 22 A government official or an official of a local public entity (other than a part-time official) is ineligible to be an officer of an Incorporated Administrative Agency.

(Dismissal of Officers)

Article 23 (1) If an officer appointed respectively by the competent minister or the Agency President becomes a person who is ineligible to be an officer pursuant to the provisions of the preceding Article, the minister or the president must dismiss the officer.

(2) If an officer appointed respectively by the competent minister or the Agency President falls under any of the following items or is otherwise found to be unfit to serve as an officer, the minister or the president may dismiss the officer:

(i) if the officer is found to be unable to perform their duties due to a mental or physical disorder; or

(ii) if the officer violates an obligation in the course of their duties.

(3) Beyond what is provided for in the preceding paragraph, if the operational performance of the Incorporated Administrative Agency have deteriorated due to the unsatisfactory performance of the duties by an officer (other than an auditor) appointed respectively by the competent minister or the Agency President and the minister or the president finds it inappropriate to have the officer continue to perform those duties, the minister or the president may dismiss the officer.

(4) If, pursuant to the provisions of the preceding two paragraphs, the Agency President dismisses an officer appointed thereby, the president must notify the competent minister of such dismissal and make it public without delay.

(Limitation on Right to Represent)

Article 24 The Agency President or any other officer with the authority to represent is not entitled to exercise the authority to represent with regard to matters for which there is a conflict of interest between the Incorporated Administrative Agency and the president or the officer. In this case, an auditor represents the Incorporated Administrative Agency.

(Appointment of Agent)

Article 25 The Agency President or any other officer with the right to represent may appoint an agent who is authorized to conduct all judicial or extra-judicial acts concerning a part of the operations of the Incorporated Administrative Agency, from among the officers without the authority to represent or the employees of the Incorporated Administrative Agency.

(Officers' Liability to Compensate for Damage)

Article 25-2 (1) If an officer or accounting auditor (referred to as "Officer, etc." in paragraph (4)) of an Incorporated Administrative Agency is negligent in performing the duties thereof, the officer or accounting auditor bears liability to compensate for any damage arising from such negligence to the Incorporated Administrative Agency.

(2) The Officer, etc. bearing the liability referred to in the preceding paragraph may not be exempted from that liability without the approval of the competent minister.

(3) The competent minister must consult with the Minister of Internal Affairs and Communications before granting the approval referred to in the preceding paragraph.

(4) Notwithstanding the provisions of the preceding two paragraphs, an Incorporated Administrative Agency may provide in its statement of operational procedures that if the Officer, etc. bearing the liability referred to in paragraph (1) has performed the duties thereof in good faith and without gross negligence, and the Incorporated Administrative Agency finds it to be particularly necessary while taking into account the details of the facts that caused the liability, the status of performance of duties by the Officer, etc., and other circumstances, the Incorporated Administrative Agency may exempt the Officer, etc. from that liability, with the approval of the competent minister, up to the amount calculated by deducting the amount specified by the Minister of Internal Affairs and Communications in consideration of the characteristics of the affairs and businesses of the Incorporated Administrative Agency, the responsibility of the Officer, etc. and other circumstances, from the amount for which the Officer, etc. is liable to compensate for damage.

(Appointment of Employees)

Article 26 Employees of an Incorporated Administrative Agency are appointed by the Agency President.

Chapter III Running of Operations

Section 1 General Rules

(Extent of Operations)

Article 27 The extent of operations of an Incorporated Administrative Agency is specified by the relevant Individual Act.

(Statement of Operational Procedures)

Article 28 (1) On commencing operations, an Incorporated Administrative Agency must prepare a statement of operational procedures and obtain the authorization thereof from the competent minister. The same applies when the agency intends to revise such statement.

(2) The statement of operational procedures referred to in the preceding paragraph must contain the matters concerning the development of a system for ensuring that the performance of duties by its officers (other than auditors) complies with this Act, the relevant Individual Act and any other laws and orders and any other system for ensuring the proper operations of the Incorporated Administrative Agency, and other matters specified by order of the competent ministry.

(3) When an Incorporated Administrative Agency obtains the authorization referred to in paragraph (1), the authorized statement of operational procedures must be made public without delay.

(Formulation of Guidelines for Evaluation)

Article 28-2 (1) The Minister of Internal Affairs and Communications must formulate the guidelines for setting the medium-term objectives referred to in Article 29, paragraph (1), the medium to long-term objectives referred to in Article 35-4, paragraph (1), and the annual objectives referred to in Article 35-9, paragraph (1) and for conducting the evaluation referred to in Article 32, paragraph (1), Article 35-6, paragraphs (1) and (2), and Article 35-11, paragraphs (1) and (2), and must notify the competent minister of such guidelines and make them public. The same applies when the minister revises such guidelines.

(2) When the Minister of Internal Affairs and Communications intends to formulate or revise the guidelines referred to in the preceding paragraph, the minister must ensure that the contents of the guidelines related to the matters concerning the affairs and businesses in Research and Development, which are drafted by the Council for Science, Technology and Innovation pursuant to the provisions of the following Article, are reflected appropriately in the guidelines to be formulated or revised, and must hear the opinions of the Committee in advance.

(3) The competent minister must set the medium-term objectives referred to in Article 29, paragraph (1), the medium to long-term objectives referred to in Article 35-4, paragraph (1), and the annual objectives referred to in Article 35-9, paragraph (1), and conduct the evaluation referred to in Article 32, paragraph (1), Article 35-6, paragraphs (1) and (2), and Article 35-11, paragraphs (1) and (2), according to the guidelines referred to in paragraph (1).

(Drafting of Guidelines Related to Matters Concerning Affairs and Businesses in Research and Development)

Article 28-3 The Council for Science, Technology and Innovation drafts the guidelines referred to in paragraph (1) of the preceding Article which are related to the matters concerning the affairs and businesses in Research and Development, upon the request of the Minister of Internal Affairs and Communications and in light of the characteristics of the affairs and businesses in Research and Development.

(Treatment of Evaluation Results)

Article 28-4 An Incorporated Administrative Agency must ensure that the results of the evaluation referred to in Article 32, paragraph (1), Article 35-6, paragraph (1) or paragraph (2) or Article 35-11, paragraph (1) or paragraph (2) are reflected appropriately in the medium-term plan referred to in Article 30, paragraph (1) and the annual plan referred to in Article 31, paragraph (1), the medium to long-term plan referred to in Article 35-5, paragraph (1) and the annual plan referred to in Article 31, paragraph (1) as applied mutatis mutandis pursuant to Article 35-8 after deemed replacement, or the annual objective plan referred to in Article 35-10, paragraph (1), and in the improvement of the running of its operations, and must make public how the evaluation results are reflected in these items for each fiscal year.

Section 2 Agency Managed under the Medium-term Objectives

(Medium-term Objectives)

Article 29 (1) The competent minister must set objectives concerning the running of the operations to be achieved by an Agency Managed under the Medium-term Objectives during a period of not less than three years and not more than five years (hereinafter referred to as "Medium-term Objectives"), and give instructions to the Agency Managed under the Medium-term Objectives with regard to these objectives and make them public. The same applies when the minister revises those objectives.

(2) The Medium-term Objectives are to specifically set forth the following matters:

(i) the Period for the Medium-term Objectives (meaning the period specified by the competent minister to the extent of the period referred to in the preceding paragraph; the same applies hereinafter);

(ii) matters concerning the improvement of the quality of the services provided to citizens and any other operations;

(iii) matters concerning the improvement of the efficiency of the running of the operations;

(iv) matters concerning the improvement of the financial conditions; and

(v) other important matters concerning the running of the operations.

(3) When the competent minister intends to set or revise the Medium-term Objectives, the minister must hear the opinions of the Committee in advance.

(Medium-term Plan)

Article 30 (1) When an Agency Managed under the Medium-term Objectives is given the instructions referred to in paragraph (1) of the preceding Article, it must prepare a plan for achieving the Medium-term Objectives (hereinafter referred to as a "Medium-term Plan" in this Section) pursuant to the provisions of order of the competent ministry based on the Medium-term Objectives and obtain the authorization for such a plan from the competent minister. The same applies when the agency intends to revise such plan.

(2) The Medium-term Plan is to specify the following matters:

(i) the measures to be taken for achieving the objectives concerning the improvement of the quality of the services provided to citizens and any other operations;

(ii) the measures to be taken for achieving the objectives concerning the improvement of the efficiency of the running of the operations;

(iii) the budget (including an estimate of personnel expenses), an income and expenditure plan, and a funding plan;

(iv) the maximum amount of short-term borrowings;

(v) if the agency has any Unnecessary Property or any property that is expected to be Unnecessary Property, a plan for disposal of such property;

(vi) if the agency intends to transfer or provide as collateral any important property other than the property provided for in the preceding item, a plan therefor;

(vii) use of a surplus; and

(viii) other matters concerning the running of the operations specified by order of the competent ministry.

(3) If the competent minister finds that the Medium-term Plan authorized thereby as referred to in paragraph (1) has become inappropriate for implementing the matters set forth in items (ii) through (v) of paragraph (2) of the preceding Article properly and securely, the minister may order such Medium-term Plan to be changed.

(4) When an Agency Managed under the Medium-term Objectives obtains the authorization referred to in paragraph (1), it must make public the authorized Medium-term Plan without delay.

(Annual Plan)

Article 31 (1) Prior to the start of each business year, an Agency Managed under the Medium-term Objectives must establish a plan for the running of the operations for the business year (referred to as an "Annual Plan" in the following paragraph) pursuant to the provisions of order of the competent ministry based on the Medium-term Plan as authorized under paragraph (1) of the preceding Article, and must notify the competent minister of such plan and make it public. The same applies when the agency changes such plan.

(2) With regard to the Annual Plan of an Agency Managed under the Medium-term Objectives for its first business year, the phrase "Prior to the start of each business year, ... the Medium-term Plan as authorized under paragraph (1) of the preceding Article" in the preceding paragraph is deemed to be replaced with "Without delay after obtaining the authorization referred to in paragraph (1) of the preceding Article for the first Medium-term Plan prepared since its formation, ... the Medium-term Plan."

(Evaluation on Operational Performance in Each Business Year)

Article 32 (1) An Agency Managed under the Medium-term Objectives must undergo an evaluation conducted by the competent minister after the end of each business year with regard to the matters specified in each of the following items according to the business year among the years set forth respectively in these items to which the relevant business year corresponds:

(i) a business year other than the business years set forth in the following item and item (iii): the operational performance during the relevant business year;

(ii) the business year immediately preceding the last business year within the Period for the Medium-term Objectives: the operational performance during the relevant business year and the operational performance during the Period for the Medium-term Objectives that are expected to be achieved by the time of the end of the Period for the Medium-term Objectives; or

(iii) the last business year within the Period for the Medium-term Objectives: the operational performance during the relevant business year and the operational performance during the Period for the Medium-term Objectives.

(2) When an Agency Managed under the Medium-term Objectives intends to undergo the evaluation referred to in the preceding paragraph, it must submit a report to the competent minister which clearly indicates the matters specified in item (i), item (ii) or item (iii) of the paragraph and the results of the self-evaluation on these matters within three months from the end of each business year pursuant to the provisions of order of the competent minister, and must make such report public.

(3) The evaluation referred to in paragraph (1) must be conducted by comprehensively assessing the matters specified in item (i), item (ii) or item (iii) of the paragraph. In this case, the evaluation on the operational performance provided for in the items of the paragraph during the relevant business year must be conducted by investigating and analyzing the status of the implementation of the Medium-term Plan during the relevant business year and by taking into consideration the results of such investigation and analysis.

(4) When the competent minister conducts the evaluation referred to in paragraph (1), the minister must notify the Agency Managed under the Medium-term Objectives of the results of the evaluation and make such results public without delay. In this case, if the competent minister conducts the evaluation on the operational performance during the Period for the Medium-term Objectives that are expected to be achieved by the end of the Period for the Medium-term Objectives as provided for in item (ii) of the paragraph, the minister must also notify the Committee of the results of the evaluation without delay.

(5) The Committee must state its opinions to the competent minister with regard to the results of the evaluation that it has been notified of pursuant to the provisions of the preceding paragraph if it finds this to be necessary.

(6) The competent minister may order the Agency Managed under the Medium-term Objectives to improve the running of its operations or take any other necessary measures if the minister finds this to be necessary based on the results of the evaluation referred to in paragraph (1).

Article 33 Deleted

Article 34 Deleted

(Review at the End of the Period for the Medium-Term Objectives)

Article 35 (1) When the competent minister conducts the evaluation on the operational performance during the Period for the Medium-term Objectives that are expected to be achieved by the time of the end of the Period for the Medium-term Objectives as provided for in Article 32, paragraph (1), item (ii), the minister is to make a review, by the end of the Period for the Medium-term Objectives, with regard to the necessity for having the Agency Managed under the Medium-term Objectives continue its operations or maintain its organization and the overall aspects of its operations and organization, and must take measures for the discontinuation or transfer of its operations or the disestablishment of its organization or any other required measures based on the results of such review.

(2) The competent minister must notify the Committee of the results of the review referred to in the preceding paragraph and the details of the measures to be taken pursuant to the provisions of the paragraph and make public of such results and details.

(3) The Committee must state its opinions to the competent minister with regard to the matters which have been given notification pursuant to the provisions of the preceding paragraph if the Committee finds this to be necessary.

(4) In the case referred to in the preceding paragraph, the Committee may make recommendations to the competent minister with regard to the reform or discontinuation of any major affairs and businesses of the Agency Managed under the Medium-term Objectives.

(5) If the Committee makes recommendations as referred to in the preceding paragraph, it must report the details of the recommendations to the Prime Minister and make such contents public.

(6) If the Committee makes recommendations as referred to in paragraph (4), it may request reports from the competent minister with regard to the measures that the minister has taken or intends to take based on its recommendations.

(Offering Opinions to the Prime Minister)

Article 35-2 If the Committee makes recommendations pursuant to the provisions of paragraph (4) of the preceding Article and finds it to be particularly necessary, it may offer its opinions to the Prime Minister to propose that the measures under the provisions of Article 6 of the Cabinet Act (Act No. 5 of 1947) be taken with regard to the matters for which it has made the recommendations.

(Rectification of Illegal Acts)

Article 35-3 If the competent minister finds that an Agency Managed under the Medium-term Objectives, its officer or employees have engaged in misconduct or committed an act that violates this Act, the relevant Individual Act, any other laws and orders or is likely to engage in misconduct, commit such act, or if an Agency Managed under the Medium-term Objectives runs its operations in an extremely improper manner and it is obvious that the public interest would be harmed if such running of the operations were left unaddressed, and the minister finds it to be particularly necessary, the minister may order the Agency Managed under the Medium-term Objectives to take the necessary measures for rectifying such misconduct or act or for improving the operation of business.

Section 3 National Research and Development Agency

(Medium to Long-term Objectives)

Article 35-4 (1) The competent minister must set objectives concerning the running of the operations to be achieved by a National Research and Development Agency during a period of not less than five years and not more than seven years (hereinafter referred to as "Medium to Long-term Objectives"), and give instructions to the National Research and Development Agency with regard to these objectives and make them public. The same applies when the minister revises those objectives.

(2) The Medium to Long-term Objectives are to specifically set forth the following matters:

(i) the Period for the Medium to Long-term Objectives (meaning the period specified by the competent minister to the extent of the period referred to in the preceding paragraph; the same applies hereinafter);

(ii) matters concerning the maximization of the results of Research and Development and the improvement of the quality of any other operations;

(iii) matters concerning the improvement of efficiency of the running of the operations;

(iv) matters concerning the improvement of the financial conditions; and

(v) other important matters concerning the running of the operations.

(3) When the competent minister intends to set or revise the Medium to Long-term Objectives, the minister must hear the opinions of the Committee in advance.

(4) When the competent minister intends to hear opinions concerning the Medium to Long-term Objectives pursuant to the provisions of the preceding paragraph, the minister must hear the opinions of a council, etc. (meaning the organ provided for in Article 37 or Article 54 of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999) or Article 8 of the National Government Organization Act (Act No. 120 of 1948)) which is specified by Cabinet Order (hereinafter referred to as the "Council for Research and Development") with regard to the matters concerning the processes and services in Research and Development (other than those specified by Cabinet Order as minor processes or services; the same applies in Article 35-6, paragraph (6) and Article 35-7, paragraph (2)) in advance.

(5) The competent minister may appoint a Foreign National (meaning a person who does not have Japanese nationality; the same applies in the following paragraph) who has great insight in Research and Development as a member of the Council for Research and Development.

(6) In the case referred to in the preceding paragraph, a member of the Council for Research and Development who is a Foreign National may not preside over the processes of the Council for Research and Development or represent the Council for Research and Development, and the number of such members may not exceed one-fifth of the total number of members of the Council for Research and Development.

(Medium to Long-term Plan)

Article 35-5 (1) When a National Research and Development Agency is given the instructions referred to in paragraph (1) of the preceding Article, it must prepare a plan for achieving the Medium to Long-term Objectives (hereinafter referred to as a "Medium to Long-term Plan" in this Section) pursuant to the provisions of Order of the competent ministry based on the Medium to Long-term Objectives and obtain the authorization for such a plan from the competent minister. The same applies when the agency intends to revise such plan.

(2) The Medium to Long-term Plan is to specify the following matters:

(i) the measures to be taken for achieving the objectives concerning the maximization of the results of Research and Development and the improvement of the quality of any other operations;

(ii) the measures to be taken for achieving the objectives concerning the improvement of the efficiency of the running of the operations;

(iii) the budget (including an estimate of personnel expenses), an income and expenditure plan, and a funding plan;

(iv) the maximum amount of short-term borrowings;

(v) if the agency has any Unnecessary Property or any property that is expected to be Unnecessary Property, a plan for disposal of such property;

(vi) if the agency intends to transfer or provide as collateral any important property other than the property provided for in the preceding item, a plan therefor;

(vii) use of a surplus; and

(viii) other matters concerning the running of the operations specified by Order of the competent ministry.

(3) If the competent minister finds that the Medium to Long-term Plan authorized thereby as referred to in paragraph (1) has become inappropriate for implementing the matters set forth in items (ii) through (v) of paragraph (2) of the preceding Article properly and securely, the minister may order such Medium to Long-term Plan to be revised.

(4) When a National Research and Development Agency obtains the authorization referred to in paragraph (1), it must make the authorized Medium to Long-term Plan public without delay.

(Evaluation on Operational Performance in Each Business Year)

Article 35-6 (1) A National Research and Development Agency must undergo an evaluation conducted by the competent minister after the end of each business year with regard to the matters specified in each of the following items according to the business year among the years set forth respectively in these items to which the relevant business year corresponds:

(i) a business year other than the business years set forth in the following item, and item (iii): the operational performance during the relevant business year;

(ii) the business year immediately preceding the last business year within the Period for the Medium to Long-term Objectives: the operational performance during the relevant business year and the results of the operations during the Period for the Medium to Long-term Objectives that are expected to be achieved by the completion of the Period for the Medium to Long-term Objectives; or

(iii) the last business year within the Period for the Medium to Long-term Objectives: the operational performance during the relevant business year and the operational performance during the Period for the Medium to Long-term Objectives.

(2) If the term of office of the first president of a National Research and Development Agency to be appointed on or after the first day of the Period for the Medium to Long-term Objectives is specified pursuant to the provisions of the proviso to Article 21-2, paragraph (1), or the term of office of the president of a National Research and Development Agency who is deemed to be appointed at the time of its formation pursuant to the provisions of Article 14, paragraph (2) is specified pursuant to the provisions of Article 21-2, paragraph (2), such National Research and Development Agency must undergo an evaluation conducted by the competent minister after the end of the business year in which the last day of the term of office of such president of the National Research and Development Agency (hereinafter referred to as the "First President of the National Research and Development Agency" in this paragraph) (including the term of office of the president of the National Research and Development Agency appointed to fill a vacancy) falls, with regard to the operational performance during the period between the business year in which the date of appointment of the First President of the National Research and Development Agency falls and the end of the business year in which the last day falls, beyond the evaluation under the provisions of the preceding paragraph.

(3) When a National Research and Development Agency intends to undergo the evaluation referred to in paragraph (1), it must submit to the competent minister a report which clearly indicates the matters specified in item (i), item (ii) or item (iii) of the paragraph and the results of its self-evaluation on these matters and make such reports public within three months from the end of each business year, pursuant to the provisions of order of the competent minister.

(4) When a National Research and Development Agency intends to undergo the evaluation referred to in paragraph (2), it must submit to the competent minister a report which clearly indicates the operational performance provided for in the paragraph and the results of its self-evaluation on the operational performance and make such reports public within three months from the end of the business year in which the last day provided for in the paragraph falls, pursuant to the provisions of order of the competent minister

(5) The evaluation referred to in paragraph (1) or paragraph (2) must be conducted by comprehensively assessing the matters specified in paragraph (1) item (i), item (ii), item (iii) or the operational performance provided for in paragraph (2). In this case, the evaluation on the operational performance provided for in the items of paragraph (1) during the relevant business year must be conducted by investigating and analyzing the status of the implementation of the Medium to Long-term Plan during the relevant business year and by taking into consideration the results of such investigation and analysis.

(6) When the competent minister intends to conduct the evaluation referred to in paragraph (1) or paragraph (2), the minister must hear the opinions of the Council for Research and Development with regard to the matters concerning the processes and serivices in Research and Development in advance.

(7) When the competent minister conducts the evaluation referred to in paragraph (1) or paragraph (2), the minister must notify the National Research and Development Agency of the results of the evaluation and make such results public without delay. In this case, if the competent minister conducts the evaluation on the operational performance during the Period for the Medium to Long-term Objectives that are expected to be achieved by the time of the end of the Period for the Medium to Long-term Objectives as provided for in paragraph (1), item (ii), the minister must also notify the Committee of the results of the evaluation without delay.

(8) The Committee must state its opinions to the competent minister with regard to the results of the evaluation that it has been notified of pursuant to the provisions of the preceding paragraph if it finds this to be necessary.

(9) The competent minister may order the National Research and Development Agency to improve the running of its operations or take any other necessary measures if the minister finds this to be necessary based on the results of the evaluation referred to in paragraph (1) or paragraph (2).

(Medium to Long-Term Objectives Review at the End of the Period)

Article 35-7 (1) When the competent minister conducts the evaluation on the operational performance during the Period for the Medium to Long-term Objectives that are expected to be achieved by the end of the Period for the Medium to Long-term Objectives as provided for in paragraph (1), item (ii) of the preceding Article, the minister is to make a review, by the end of the Period for the Medium to Long-term Objectives, with regard to the necessity for having the National Research and Development Agency continue its operations or maintain its organization and the overall aspects of its operations and organization, and must take measures for the discontinuation or transfer of its operations or the disestablishment of its organization or any other required measures based on the results of such review.

(2) When making the review pursuant to the provisions of the preceding paragraph, the competent minister must hear the opinions of the Council for Research and Development with regard to the matters concerning the processes and services in Research and Development.

(3) The competent minister must notify the Committee of the results of the review referred to in paragraph (1) and the details of the measures to be taken pursuant to the provisions of same paragraph and make such results and details public.

(4) If the Committee finds it necessary, it must state its opinions to the competent minister with regard to the matters that it has been notified of, pursuant to the provisions of the preceding paragraph.

(5) In the case referred to in the preceding paragraph, the Committee may make recommendations to the competent minister with regard to the reform or abolishment of any major processes and services of the National Research and Development Agency.

(6) If the Committee makes recommendations as referred to in the preceding paragraph, it must report the contents of the recommendations to the Prime Minister and make such contents public.

(7) If the Committee makes recommendations as referred to in paragraph (5), it may request reports from the competent minister with regard to the measures that the minister has taken or intends to take based on its recommendations.

(Application Mutatis Mutandis of Provisions Concerning Running of Operations)

Article 35-8 The provisions of Articles 31, 35-2, and 35-3 apply mutatis mutandis to a National Research and Development Agency. In this case: in Article 31, paragraph (1), the phrase "paragraph (1) of the preceding Article" is deemed to be replaced with "Article 35-5, paragraph (1)" and the term "Medium-term Plan" is deemed to be replaced with "Medium to Long-term Plan referred to in same paragraph"; in Article 31, paragraph (2), the phrase "as authorized under paragraph (1) of the preceding Article" is deemed to be replaced with "referred to in Article 35-5, paragraph (1) as authorized under same paragraph" and the phrase "authorization referred to in paragraph (1) of the preceding Article for the first Medium-term Plan" is deemed to be replaced with "authorization referred to in Article 35-5, paragraph (1) for the first Medium to Long-term Plan (meaning the medium to long-term plan referred to in same paragraph; hereinafter the same applies in this paragraph)"; and in Article 35-2, the phrase "paragraph (4) of the preceding Article" is deemed to be replaced with "Article 35-7, paragraph (5)."

Section 4 Agency Engaged in Administrative Execution

(Annual Objectives)

Article 35-9 (1) The competent minister must set objectives for each business year concerning the running of the operations to be achieved by an Agency Engaged in Administrative Execution (hereinafter referred to as "Annual Objectives"), and give instructions to the Agency Engaged in Administrative Execution with regard to these objectives and make them public. The same applies when the minister revises those objectives.

(2) The Annual Objectives are to specifically set forth the following matters:

(i) matters concerning the improvement of the quality of the services provided to citizens and any other operations;

(ii) matters concerning the improvement of the efficiency of the running of the operations;

(iii) matters concerning the improvement of the financial conditions; and

(iv) other important matters concerning the running of the operations.

(3) The Annual Objectives referred to in the preceding paragraph must contain the matters that should serve as a reference from a medium-term perspective with regard to the matters set forth in the items of same paragraph.

(Annual Objective Plan)

Article 35-10 (1) When an Agency Engaged in Administrative Execution is given the instruction referred to in paragraph (1) of the preceding Article for each business year, prior to the start of the relevant business year, it must prepare a plan for achieving the Annual Objectives (hereinafter referred to as a "Annual Objective Plan" in this Article) pursuant to the provisions of order of the competent ministry based on the Annual Objectives and obtain the authorization for such a plan from the competent minister. The same applies when the agency intends to revise such plan.

(2) With regard to the Annual Objective Plan of an Agency Engaged in Administrative Execution for its first business year, the term "each business year" in the preceding paragraph is deemed to be replaced with "the first business year since its formation" and the phrase "prior to the start of the relevant business year" in the paragraph is deemed to be replaced with "without delay."

(3) The Annual Objective Plan is to specify the following matters:

(i) the measures to be taken for achieving the objectives concerning the improvement of the quality of the services provided to citizens and any other operations;

(ii) the measures to be taken for achieving the objectives concerning the improvement of the efficiency of the running of the operations;

(iii) the budget (including an estimate of personnel expenses), an income and expenditure plan, and a funding plan;

(iv) the maximum amount of short-term borrowings;

(v) if the agency has any Unnecessary Property or any property that is expected to be Unnecessary Property, a plan for disposal of such property;

(vi) if the agency intends to transfer or provide as collateral any important property other than the property provided for in the preceding item, a plan therefor;

(vii) other matters concerning the running of the operations specified by order of the competent ministry.

(4) If the competent minister finds that the Annual Objective Plan authorized thereby as referred to in paragraph (1) has become inappropriate for implementing the matters set forth in the items of paragraph (2) of the preceding Article properly and securely, the minister may order such Annual Objective Plan to be revised.

(5) When an Agency Engaged in Administrative Execution obtains the authorization referred to in paragraph (1), it must make the authorized Annual Objective Plan public without delay.

(Evaluation on Operational performance in Each Business Year)

Article 35-11 (1) An Agency Engaged in Administrative Execution must undergo an evaluation conducted by the competent minister after the end of each business year with regard to its operational performance s in the relevant business year.

(2) Beyond the evaluation under the provisions of the preceding paragraph, an Agency Engaged in Administrative Execution must undergo an evaluation conducted by the competent minister after the end of the last business year within a period specified by order of the competent ministry, which is not less than three years and not more than five years, with regard to the status of the implementation during the period of the matters concerning the improvement of the efficiency of the running of the operations specified in the Annual Objectives.

(3) When an Agency Engaged in Administrative Execution intends to undergo the evaluation referred to in paragraph (1), it must submit to the competent minister a report which clearly indicates the operational performance provided for in same paragraph and the results of its self-evaluation on the operational performance and make such reports public within three months from the end of each business year, pursuant to the provisions of order of the competent minister.

(4) When an Agency Engaged in Administrative Execution intends to undergo the evaluation referred to in paragraph (2), it must submit to the competent minister a report which clearly indicates the status of the implementation of the matters provided for in same paragraph and the results of its self-evaluation on the status of the implementation of these matters and make such reports public within three months from the end of the business year provided for in the paragraph, pursuant to the provisions of order of the competent minister.

(5) The evaluation referred to in paragraph (1) or paragraph (2) must be conducted by comprehensively assessing the operational performance provided for in paragraph (1) or the status of the implementation of the matters provided for in paragraph (2).

(6) When the competent minister conducts the evaluation referred to in paragraph (1) or paragraph (2), the minister must notify the Agency Engaged in Administrative Execution of the results of the evaluation and make such results public without delay. In this case, if the competent minister conducts the evaluation referred to in paragraph (1) or paragraph (2), the minister must also notify the Committee of the results of the evaluation without delay.

(7) The Committee must state its opinions to the competent minister with regard to the results of the evaluation that it has been notified of pursuant to the provisions of the preceding paragraph if it finds this to be necessary.

(Supervision Order)

Article 35-12 The competent minister may issue an order to an Agency Engaged in Administrative Execution as necessary for the supervision of its operations if the minister finds this to be particularly necessary in order to ensure that the agency achieves the Annual Objectives or to enforce this Act or the relevant Individual Act.

Chapter IV Finance and Accounting

(Business Year)

Article 36 (1) The business year of an Incorporated Administrative Agency begins on April 1 each year and ends on March 31 of the following year.

(2) Notwithstanding the provisions of the preceding paragraph, the first business year of an Incorporated Administrative Agency begins on the date of its formation and ends on March 31 of the following year (March 31 of the same year in the case of an Incorporated Administrative Agency formed during the period from January 1 to March 31).

(Corporate Accounting Principles)

Article 37 As a general rule, the accounting of an Incorporated Administrative Agency is to be based on corporate accounting principles, pursuant to the provisions of order of the competent ministry.

(Financial Statements)

Article 38 (1) For each business year, an Incorporated Administrative Agency must prepare a balance sheet, a profit and loss statement, documents concerning the appropriation of profits or the disposal of losses, other documents specified by order of the competent ministry, and any annexed detailed statements thereof (hereinafter referred to as "Financial Statements"), and must submit them to the competent minister within three months from the end of the relevant business year and obtain the competent minister's approval.

(2) When an Incorporated Administrative Agency submits Financial Statements to the competent minister pursuant to the provisions of the preceding paragraph, it must attach thereto a business report prepared for the relevant business year prepared pursuant to the provisions of order of the competent ministry and a statement of accounts prepared in accordance with the categories of the budget, and also attach an audit report concerning the Financial Statements and the statement of accounts (in the case of an Incorporated Administrative Agency that needs to be audited by an accounting auditor pursuant to the provisions of paragraph (1) of the following Article, an audit report and a financial audit report; the same applies hereinafter).

(3) When an Incorporated Administrative Agency obtains the approval of the competent minister under the provisions of paragraph (1), it must give public notice of the Financial Statements in the Official Gazette without delay, and must keep the Financial Statements as well as the business report, the statement of accounts and the audit report referred to in the preceding paragraph in each office and make them available for public inspection for a period specified by order of the competent ministry.

(4) An Incorporated Administrative Agency may give public notice of the annexed detailed statement referred to in paragraph (1) and any other documents specified by order of the competent ministry by any of the methods set forth below, in lieu of giving public notice under the provisions of the preceding paragraph:

(i) publication in a daily newspaper that publishes particulars of current events; or

(ii) Electronic Public Notice (meaning a method of public notice, whereby measures specified by Ordinance of the Ministry of Internal Affairs and Communications are implemented to make the information which should be given in public notice available to the general public, through a method using an electronic data processing system or using other information communications technology specified by Ordinance of the Ministry of Internal Affairs and Communications; hereinafter the same applies in the following paragraph).

(5) If an Incorporated Administrative Agency gives public notice by way of Electronic Public Notice pursuant to the provisions of the preceding paragraph, it must maintain the public notice for the period specified by order of the competent ministry referred to in paragraph (3).

(Audit by Accounting Auditors)

Article 39 (1) An Incorporated Administrative Agency (other than an Incorporated Administrative Agency whose operational size, including its capital amount, fails to reach the standards provided by Cabinet Order; hereinafter the same applies in this Article) must be audited by an accounting auditor, beyond being audited by an auditor, with regard to the Financial Statements, the business report (limited to the portion related to accounting) and the statement of accounts. In this case, an accounting auditor must prepare an accounting audit report pursuant to the provisions of order of the competent ministry.

(2) An accounting auditor may inspect and copy the following documents or request reports on accounting from officers (other than auditors) and employees at any time:

(i) if accounting books or related materials are prepared in the form of a document, that document; and

(ii) if accounting books or related materials are prepared in Electronic or Magnetic Records (meaning a record made 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 specified by Order of the Ministry of Internal Affairs and Communications; hereinafter the same applies in this item), anything recorded in the Electronic or Magnetic Records and displayed by a method specified by Order of the Ministry of Internal Affairs and Communications.

(3) The accounting auditor may request reports on accounting from a Subsidiary of an Incorporated Administrative Agency or investigate the status of the operations and property of an Incorporated Administrative Agency or its Subsidiary, if it is necessary for the accounting auditor to perform such duties.

(4) The Subsidiary referred to in the preceding paragraph may refuse the report or investigation referred to in same paragraph if reasonable grounds for such refusal exist.

(5) An accounting auditor may not use any of the persons as specified in the following items in the course of performing the duties thereof:

(i) a person set forth in Article 41, paragraph (3), item (i) or item (ii);

(ii) an officer or employee of an Incorporated Administrative Agency or its Subsidiary for which the accounting auditor is appointed as an accounting auditor pursuant to the provisions of Article 40; or

(iii) a person who continuously receives remuneration for the services other than the services of a certified public accountant (including a foreign certified public accountant provided for in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies in Article 41, paragraph (1), and paragraph (3), item (ii)) or an audit corporation, from an Incorporated Administrative Agency or its Subsidiary for which the accounting auditor is appointed as an accounting auditor pursuant to the provisions of Article 40.

(Report to Auditor)

Article 39-2 (1) If an accounting auditor, in the course of performing the duties thereof, finds any misconduct or a material fact which would constitute the violation of this Act, the relevant Individual Act or any other laws and orders in relation to the performance of duties by an officer (other than an auditor), the accounting auditor must report this to an auditor without delay.

(2) An auditor may request reports on auditing from an accounting auditor if the auditor finds this to be necessary in order to perform the duties thereof.

(Appointment of Accounting Auditors)

Article 40 An accounting auditor is appointed by the competent minister.

(Qualifications of Accounting Auditors)

Article 41 (1) An accounting auditor must be a certified public accountant or an audit corporation.

(2) An audit corporation appointed as an accounting auditor must appoint from among its members a person who is to perform the duties of an accounting auditor and notify the Incorporated Administrative Agency of the person. In this case, the audit corporation may not appoint a person set forth in item (ii) of the following paragraph.

(3) None of the persons set forth below can be an accounting auditor:

(i) a person who may not audit Financial Statements pursuant to the provisions of the Certified Public Accountant Act;

(ii) a person who receives remuneration on an ongoing basis for performing services other than the services of a certified public accountant or an audit corporation from the Subsidiary of the Incorporated Administrative Agency to be audited or officers thereof, or a spouse of such person; or

(iii) an audit corporation, half or more of whose members fall into the category of person set forth in the preceding item.

(Term of Office of Accounting Auditors)

Article 42 The term of office of an accounting auditor is until the Date of Approval of Financial Statements for the first business year that ends after the date of the appointment.

(Dismissal of Accounting Auditors)

Article 43 If an accounting auditor falls under any of the following items, the competent minister may dismiss the accounting auditor:

(i) the accounting auditor has violated the obligations of their duties or has been negligent in the performance thereof;

(ii) the accounting auditor has engaged in conduct unbecoming of an accounting auditor; or

(iii) due to a mental or physical disorder, the accounting auditor is unable to perform their duties or is incapable of bearing the demands of their duties.

(Management of Profits and Losses)

Article 44 (1) For each business year, when profits have accrued as a result of the calculation of profits and losses, an Incorporated Administrative Agency must offset any losses carried forward from the preceding business year, and if there is a remainder, it must record the amount of the remainder as reserve funds; provided, however, that this does not apply if it appropriates the amount of the remainder for the use referred to in paragraph (3) pursuant to the provisions of the paragraph.

(2) For each business year, an Incorporated Administrative Agency must, when losses have occurred as a result of the calculation of profits and losses, record the losses by reducing the amount of the reserve funds under the provisions of the preceding paragraph, and if there is still a shortfall, it must dispose of the amount of the shortfall as a loss carried forward.

(3) When there is a remainder provided for in paragraph (1), an Agency Managed under the Medium-term Objectives and a National Research and Development Agency may appropriate all or a part of the amount of the remainder for the use of a surplus referred to in Article 30, paragraph (2), item (vii) for a Medium-term Plan (meaning a Medium-term Plan referred to in Article 30, paragraph (1) as authorized under same paragraph (or a revised plan if the agency obtains authorization for revision under the provisions of the second sentence of same paragraph); the same applies hereinafter) or the use of a surplus referred to in Article 35-5, paragraph (2), item (vii) for a Medium to Long-term Plan (meaning a Medium to Long-term Plan referred to in Article 35-5, paragraph (1) as authorized under the paragraph (or a revised plan if the agency obtains authorization for revision under the provisions of the second sentence of the paragraph); the same applies hereinafter), by obtaining the approval of the competent minister.

(4) The disposal of reserve funds under the provisions of paragraph (1) is specified by the relevant Individual Act.

(Borrowings)

Article 45 (1) An Incorporated Administrative Agency may make short-term borrowings within the scope of the maximum amount of short-term borrowings referred to in Article 30, paragraph (2), item (iv) for the Medium-term Plan of an Agency Managed under the Medium-term Objectives, in Article 35-5, paragraph (2), item (iv) for the Medium to Long-term Plan of a National Research and Development Agency, or in Article 35-10, paragraph (3), item (iv) for the Annual Objective Plan (meaning an Annual Objective Plan referred to in Article 35-10, paragraph (1) authorized under same paragraph (or a revised plan if the agency obtains authorization for revision under the provisions of the second sentence of same paragraph); the same applies hereinafter) of an Agency Engaged in Administrative Execution; provided, however, that an Incorporated Administrative Agency may make short-term borrowings exceeding the maximum amount, if it obtains the authorization from the competent minister regarding the presence of unavoidable circumstances.

(2) Short-term borrowings under the preceding paragraph must be repaid within the relevant business year; provided, however, that, when the short-term borrowings cannot be repaid due to a shortage of funds, only the amount that cannot be repaid may be refinanced by obtaining the authorization of the competent minister.

(3) The short-term borrowings that have been refinanced pursuant to the provisions of the proviso to the preceding paragraph must be repaid within one year.

(4) An Incorporated Administrative Agency may not make long-term borrowings or issue bonds, unless otherwise provided for by the relevant Individual Act.

(Delivery of Financial Resources)

Article 46 (1) The government may, within the scope of the budget, deliver to an Incorporated Administrative Agency an amount, equivalent to all or part of the necessary amount of money, to be appropriated to the financial resources for its operations.

(2) For the purpose of the running of the operations, an Incorporated Administrative Agency must strive to use the funds under the provisions of the preceding paragraph in an appropriate and efficient manner in accordance with the provisions of laws and orders as well as the Medium-term Plan of an Agency Managed under the Medium-term Objectives, the Medium to Long-term Plan of a National Research and Development Agency or the Annual Objective Plan of an Agency Engaged in Administrative Execution, bearing in mind that the funds are procured from tax collected from people and other invaluable financial resources.

(Payment to National Treasury in relation to Unnecessary Property)

Article 46-2 (1) An Incorporated Administrative Agency is to make payments to the national treasury in relation to any Unnecessary Property pertaining to contribution or expenditure from the government (other than any property which the contribution is in the form of money)(hereinafter referred to as "Unnecessary Property Pertaining to Government Contribution, etc." in this paragraph) with an authorization of the competent minister, without delay; provided, however, that the Incorporated Administrative Agency is not required to obtain an authorization of the competent minister if it specifies the plan referred to in Article 30, paragraph (2), item (v) for a Medium-term Plan of an Agency Managed under the Medium-term Objectives, the plan referred to in Article 35-5, paragraph (2), item (v) for a Medium to Long-term Plan of a National Research and Development Agency, or the plan referred to in Article 35-10, paragraph (3), item (v) for an Annual Objective Plan of an Agency Engaged in Administrative Execution, and it makes payment to the national treasury in relation to the Unnecessary Property Pertaining to Government Contribution, etc. in accordance with the relevant plan.

(2) An Incorporated Administrative Agency may make a payment to the national treasury in the amount calculated in accordance with the standards specified by the competent minister to the extent of the amount of income derived from the transfer of Unnecessary Property Pertaining to Government Contribution, etc. (other than money; hereinafter the same applies in this paragraph and the following paragraph) with the authorization of the competent minister (other than any amount exceeding the book value of the property (hereinafter referred to as "Amount Exceeding the Book Value" in the following paragraph)), in lieu of making payment to the national treasury in relation to the Unnecessary Property Pertaining to Government Contribution, etc. pursuant to the provisions of the preceding paragraph; provided, however, that the Incorporated Administrative Agency is not required to obtain an authorization of the competent minister if it specifies the plan referred to in Article 30, paragraph (2), item (v) for a Medium-term Plan of an Agency Managed under the Medium-term Objectives, the plan referred to in Article 35-5, paragraph (2), item (v) for a Medium to Long-term Plan of a National Research and Development Agency, or the plan referred to in Article 35-10, paragraph (3), item (v) for an Annual Objective Plan of an Agency Engaged in Administrative Execution, and it pays the amount to the national treasury in accordance with the relevant plan.

(3) In the case referred to in the preceding paragraph, if there is any Amount Exceeding the Book Value derived from the transfer of Unnecessary Property Pertaining to Government Contribution, etc., an Incorporated Administrative Agency is to pay the amount to the national treasury without delay; provided, however, that this does not apply to the amount authorized if the agency obtains an authorization from the competent minister for the exemption of payment of all or part of the amount.

(4) If an Incorporated Administrative Agency makes payment to the national treasury pursuant to the provisions of paragraph (1) or paragraph (2), and the Unnecessary Property Pertaining to Government Contribution, etc. for which the payment made, pertains to the contribution from the government, the amount specified by the competent minister as the portion pertaining to the Unnecessary Property Pertaining to Government Contribution, etc. for which the payment is made, out of the stated capital of the agency, is to be deemed to have not been contributed by the government to the agency, and the agency is to reduce the amount of its stated capital commensurate with such amount.

(5) Beyond what is provided for in the preceding paragraphs, the matters necessary for the disposal of the Unnecessary Property Pertaining to Government Contribution, etc. are specified by Cabinet Order.

(Return of Contributions from Private Sectors Pertaining to Unnecessary Properties)

Article 46-3 (1) With regard to any Unnecessary Property pertaining to the contribution from non-government parties (hereinafter referred to as "Unnecessary Property Pertaining to Contribution from the Private Sector, etc." in this Article), an Incorporated Administrative Agency must give a notice to the contributor pertaining to the Unnecessary Property Pertaining to Contribution from the Private Sector, etc. (hereinafter simply referred to as "Contributor" in this Article) pursuant to the provisions of order of the competent ministry, to the effect that the Contributor is entitled to request return of its equity interest, in all or part, in the amount specified by the competent minister as the amount of contribution pertaining to the Unnecessary Property Pertaining to Contribution from the Private Sector, etc., with an authorization of the competent minister; provided, however, that the Incorporated Administrative Agency is not required to obtain an authorization of the competent minister if the agency specifies the plan referred to in Article 30, paragraph (2), item (v) for a Medium-term Plan of an Agency Managed under the Medium-term Objectives, the plan referred to in Article 35-5, paragraph (2), item (v) for a Medium to Long-term Plan of a National Research and Development Agency, or the plan referred to in Article 35-10, paragraph (3), item (v) for an Annual Objective Plan of an Agency Engaged in Administrative Execution, and gives a notice to inform the Contributor of the entitlement to make a request for return in accordance with the relevant plan.

(2) A Contributor may file a request for return of equity interest with an Incorporated Administrative Agency only for the period from the day when the Contributor receives the demand under the provisions of the preceding paragraph to the day when one month elapses from the date.

(3) When an Incorporated Administrative Agency receives a request under the provisions of the preceding paragraph, it must return the equity interest for which the request was made pursuant to the provisions of the preceding paragraph to the Contributor who made such request, in the amount calculated in accordance with the standards specified by the competent minister to the extent of the Unnecessary Property Pertaining to Contribution from the Private Sector, etc. for which the request was made or to the extent of the amount of income derived from the transfer of the Unnecessary Property Pertaining to Contribution from the Private Sector, etc. (other than money; and other than any amount exceeding the book value of the property) (if the calculated amount is less than the amount of the requested equity interest, the equity interest in the amount specified by the competent minister out of the equity interest must be returned).

(4) When an Incorporated Administrative Agency returns equity interest pursuant to the provisions of the preceding paragraph, the amount corresponding to the returned equity interest within the stated capital of the agency is deemed to not have occurred by the Contributor to the agency, and the agency is to reduce its stated capital commensurate with such amount.

(5) If a Contributor fails to make a request for return of equity interest under paragraph (2), or makes a request for the part of the equity interest in relation to the Unnecessary Properties Pertaining to Contribution from the Private Sector, etc. pursuant to the provisions of the paragraph, the Incorporated Administrative Agency is not to return the equity interest for which no request for return was made.

(Investment of Surplus Funds)

Article 47 An Incorporated Administrative Agency must not make use of surplus funds that have become available in the course of its operations, except when using such funds in any of the following ways:

(i) acquisition of national government bonds, local government bonds, Government Guaranteed Bonds (meaning bonds for which the government guarantees the redemption of the principal and the payment of the interest) or any other securities designated by the competent minister;

(ii) deposits to a bank or any other financial institution designated by the competent minister; and

(iii) money trusts in a Financial Institution Engaged in the Trust Business (meaning a financial institution that has been authorized under Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institution (Act No. 43 of 1943)).

(Limitation on Disposition of Property)

Article 48 When an Incorporated Administrative Agency intends to transfer or provide as collateral any important property, other than Unnecessary Property, which is specified by order of the competent ministry, it must obtain the authorization of the competent minister; provided, however, that this does not apply when the agency specifies the plan referred to in Article 30, paragraph (2), item (vi) for a Medium-term Plan of an Agency Managed under the Medium-term Objectives, the plan referred to in Article 35-5, paragraph (2), item (vi) for a Medium to Long-term Plan of a National Research and Development Agency, or the plan referred to in Article 35-10, paragraph (3), item (vi) for an Annual Objective Plan of an Agency Engaged in Administrative Execution, and it transfers the important property or provides it as collateral in accordance with the relevant plan.

(Rules on Accounting)

Article 49 On commencing operations, an Incorporated Administrative Agency must establish the rules on matters concerning accounting and notify the competent minister of such rules. The same applies when it revises such rules.

(Delegation to order of the competent ministry)

Article 50 Beyond what is provided for in this Act and any Cabinet Order based on this Act, the necessary matters concerning the finance and accounting of Incorporated Administrative Agencies are specified by order of the competent ministry.

Chapter V Personnel Management

Section 1 Agency Managed under the Medium-term Objectives and National Research and Development Agency

(Remuneration of Officers)

Article 50-2 (1) The remuneration and retirement allowances (hereinafter referred to as the "Remuneration, etc.") of officers of an Agency Managed under the Medium-term Objectives must take into consideration the performance of the respective officers.

(2) An Agency Managed under the Medium-term Objectives must specify the standards for the payment of the Remuneration, etc. of its officers, and must notify the competent minister of such standards and make them public. The same applies when it revises such standards.

(3) The standards for the payment of the Remuneration, etc. referred to in the preceding paragraph must be specified by taking into consideration the salaries and retirement allowances (hereinafter referred to as the "Salaries, etc.") of national government employees, the Remuneration, etc. of officers of private enterprises, the operational performance of the relevant Agency Managed under the Medium-term Objectives, and any other circumstances.

(Prohibition of Concurrent Holding of Positions by Officers)

Article 50-3 While in office, an officer (other than a part-time officer) of an Agency Managed under the Medium-term Objectives must not serve as an officer of an organization for profit or engage in a business for profit independently, except when the officer obtains the approval of the appointer thereof.

(Restriction on Request for Officers and Employees of Other Agency Managed under the Medium-term Objectives)

Article 50-4 (1) An officer or employee of an Agency Managed under the Medium-term Objectives (other than a part-time officer or employee; hereinafter referred to as an "Officer or Employee of an Agency Managed under the Medium-term Objectives"), for the purpose of seeking a position with a closely-related corporation, etc. for another Officer or Employee of the Agency Managed under the Medium-term Objectives, after separation from the service, or a person who formerly served as an Officer or Employee of the Agency Managed under the Medium-term Objectives, must not provide the closely-related corporation, etc. with information on the other Officer or Employee of the Agency Managed under the Medium-term Objectives or the person who formerly served as an Officer or Employee of the Agency Managed under the Medium-term Objectives, request the closely-related corporation, etc. to provide information on the position, or demand or request the closely-related corporation, etc. to offer a position to the other Officer or Employee of the Agency Managed under the Medium-term Objectives, after separation from the service, or to the person who formerly served as an Officer or Employee of the Agency Managed under the Medium-term Objectives.

(2) The provisions of the preceding paragraph do not apply in any of the following cases:

(i) when the officer or employee conducts the relevant act for the purpose of seeking a position with a closely-related corporation, etc. for another Officer or Employee of the Agency Managed under the Medium-term Objectives who is, or was engaged in operations specified by Cabinet Order as those which require special consideration for smooth re-employment, such as basic research and operations relating to welfare, or for a person who formerly served as an Officer or Employee of the Agency Managed under the Medium-term Objectives and who was engaged in these operations;

(ii) when the officer or employee conducts the relevant act for the purpose of seeking a position with an Agency, etc. Subject to Aggregation of Retirement Allowance for an Officer or Employee Scheduled to Receive an Aggregate Retirement Allowance;

(iii) when the officer or employee conducts the relevant act for the purpose of seeking a position with a closely-related corporation, etc. for another Officer or Employee of the Agency Managed under the Medium-term Objectives who formerly served as a researcher of a university or any other education and research institution and who was employed as an employee solely engaged in research activities for a fixed term of office (the term must be ten years or less);

(iv) when the officer or employee conducts the relevant act for the purpose of seeking a position with a closely-related corporation, etc. for another Officer or Employee of the Agency Managed under the Medium-term Objectives, who has never assumed a position other than those designated by the competent minister as the position without substantial decision-making authority for the organization of the Agency Managed under the Medium-term Objectives, if it is expected that the other officer or employee will be compelled to leave the agency as a result of the downsizing of the operations or the streamlining of the internal organization of the agency based on the results of the evaluation referred to in Article 32, paragraph (1) (other than the evaluation of operational performance during the Period for the Medium-term Objectives that are expected to be achieved by the end of the period as provided for in item (ii) of the paragraph); or

(v) when the officer or employee conducts the relevant act for the purpose of seeking a position with a closely-related corporation, etc. for another Officer or Employee of the Agency Managed under the Medium-term Objectives, who is eligible to receive assistance under the relevant plan for finding new employment after the separation from the service for the agency, if the agency prepares a plan on the measures for assisting Officers or Employees of the Agency Managed under the Medium-term Objectives in finding new employment after the separation from the service so as to implement the measures under the provisions of Article 35, paragraph (1) which are expected to result in compelling its officers or employees in the number not less than the number specified by Cabinet Order, and obtains a certification for such a plan from the competent minister.

(3) The term "Closely-related Corporation, etc." referred to in the preceding two paragraphs means an Enterprise for Profit, etc. (meaning a private enterprise whose purpose is to engage in commerce, industry or financial business or any other business for profit (hereinafter referred to as an "Enterprise for Profit" in this paragraph) and a corporation other than an Enterprise for Profit (other than the national government, international organizations, local governments, Agencies Engaged in Administrative Execution, and Specified Local Incorporated Administrative Agencies provided for in Article 2, paragraph (2) of the Local Incorporated Administrative Agency Act (Act No.118 of 2003)); the same applies hereinafter), which is specified by Cabinet Order as a corporation to be in close relationship with the relevant Agency Managed under the Medium-term Objectives in terms of capital relationship, business transactions, etc.

(4) The term "Agency, etc. Subject to Aggregation of Retirement Allowance" referred to in paragraph (2), item (ii) means an Enterprise for Profit, etc. which is specified by the Minister of Internal Affairs and Communications from among those whose operations are closely related to the processes or operations of an Agency Managed under the Medium-term Objectives (limited to an Enterprise for Profit, etc. which provides in its rules on retirement allowances (including benefits equivalent thereto) that if an Officer or Employee of an Agency Managed under the Medium-term Objectives becomes an officer or employee of an Enterprise for Profit, etc. at the request of the president of the agency with no interruption between the two periods of service, the length of service as an Officer or Employee of an Agency Managed under the Medium-term Objectives is to be aggregated with the length of service as an officer or employee of the Enterprise for Profit, etc.).

(5) The term "Officer or Employee Scheduled to Receive an Aggregate Retirement Allowance" referred to in paragraph (2), item (ii) means an Officer or Employee of an Agency Managed under the Medium-term Objectives who, at the request of the Agency Managed under the Medium-term Objectives, is to retire to become an officer or employee of an Agency, etc. Subject to Aggregation of Retirement Allowance (meaning an Agency, etc. Subject to Aggregation of Retirement Allowance provided for in the preceding paragraph; the same applies hereinafter) with no interruption between the two periods of service, and is expected to be reemployed by the Agency Managed under the Medium-term Objective after working for the Agency, etc. Subject to Aggregation of Retirement Allowance with no interruption between the two periods of service, unless there are special circumstances, and who is specified by Cabinet Order.

(6) Beyond what is provided for in paragraph (1), an officer or employee of an Agency Managed under the Medium-term Objectives must not demand or request an Enterprise for Profit, etc. to offer a position with the enterprise, etc. to another officer or employee of the Agency Managed under the Medium-term Objectives, after the separation from the service, or to a person who formerly served as an officer or employee of the Agency Managed under the Medium-term Objectives, in relation to engaging in or having engaged in any Act, in the course of duties thereof, which violates this Act, the relevant Individual Act or other laws and orders , or the statement of operational procedures, rules established by the agency provided for in Article 49 or any other regulations (hereinafter referred to as an " Act that Violates the Laws and Orders, etc."), or in relation to causing or having caused another officer or employee of the Agency Managed under the Medium-term Objectives ton engage in committing an Act that Violates the Laws and Orders , etc.

(Restriction on Job-Seeking Involving an Act that Violates the Laws and Orders While in Office)

Article 50-5 An officer or employee of an Agency Managed under the Medium-term Objectives must not demand an Enterprise for Profit, etc. to offer a position with the Enterprise for Profit, etc. or promise to an Enterprise for Profit, etc. to assume a position with the Enterprise for Profit, etc. after the separation from the service, in relation to engaging or having engaged in any Act that Violates the Laws and Orders, etc. or in relation to causing or having caused another officer or employee of the Agency Managed under the Medium-term Objectives to engage in committing an Act that Violates the Laws and Orders, etc.

(Notification of Request, for an Act that Violates the Laws and Orders by Reemployed Officers or Employees)

Article 50-6 If an officer or employee of an Agency Managed under the Medium-term Objectives receives a demand or request as set forth in the following items, the officer or employee must notify the president of the Agency Managed under the Medium-term Objectives to that effect pursuant to the provisions of Cabinet Order:

(i) a demand or request for an Act that Violates the Laws and Orders, etc. made within the period of two years after the separation from the service by a person who formerly served as an Officer or Employee of an Agency Managed under the Medium-term Objectives and who has assumed the position with an Enterprise for Profit, etc. after separation from the service (hereinafter referred to as a "Reemployed Officer or Employee" in this Article) to an officer or employee who belongs to an organization specified by order of the competent ministry as an internal organization of the Agency Managed under the Medium-term Objectives to which the Reemployed Officer or Employee had belonged within five years before the separation from service, where such demand or request relates to a sale and purchase contract, lease contract, contract for work or any other contract concluded between the Agency Managed under the Medium-term Objectives and the Enterprise for Profit, etc., or to the processes concerning the disposition provided for in Article 2, item (ii) of the Administrative Procedure Act (Act No. 88 of 1993) and rendered to the Enterprise for Profit, etc. (limited to those pertaining to the operations of the Agency Managed under the Medium-term Objectives; referred to as "Contract Handling Processes, etc." in the following item), which fall within the scope of duties of the Reemployed Officer or Employee within the period of five years before the separation from the service;

(ii) beyond what is set forth in the preceding item, a demand or request for an Act that Violates the Laws and Orders, etc. made within the period of two years after the separation from the service by a Reemployed Officer or Employee who had assumed the position of an officer or a position specified by order of the competent ministry as a managerial or supervisory position of the Agency Managed under the Medium-term Objectives to an officer or employee of the Agency Managed under the Medium-term Objectives, in relation to the Contract Handling Processes; and

(iii) beyond what is set forth in the preceding two items, a demand or request for a Violation of Laws and Orders, etc. made by a Reemployed Officer or Employee, in relation to a contract between the Agency Managed under the Medium-term Objectives and an Enterprise for Profit, etc. (limited to an enterprise, etc. with which the Reemployed Officer or Employee presently holds a position) for which the Reemployed Officer or Employee made the decision as to the conclusion thereof while in office in the Agency Managed under the Medium-term Objectives, or in relation to a disposition provided for in Article 2, item (ii) of the Administrative Procedure Act and rendered from the agency to the enterprise, etc. for which the Reemployed Officer or Employee made the decision.

(Notification to President of Agency Managed Under the Medium-term Objectives)

Article 50-7 (1) If an Officer and Employee of an Agency Managed under the Medium-term Objectives (other than an Officer or Employee Scheduled to Receive an Aggregate Retirement Allowance provided for in Article 50-4, paragraph (5)) makes a promise to assume a position with an Enterprise for Profit, etc. after the separation from the service, the officer or employee must promptly notify the president of the Agency Managed under the Medium-term Objectives of the matters specified by Cabinet Order, pursuant to the provisions of Cabinet Order.

(2) The president of the Agency Managed under the Medium-term Objectives who received the notification under the provisions of the preceding paragraph is to take measures for personnel management from the standpoint of securing fairness in the operations of the Agency Managed under the Medium-term Objectives, so as to ensure that the duties of the officer or employee who made the notification will be performed in a proper manner.

(Measures to Be Taken by the President of an Agency Managed Under Medium-term Objectives)

Article 50-8 (1) If the president of an Agency Managed under the Medium-term Objectives finds that any officer or employee of the Agency Managed under the Medium-term Objectives has committed an act in violation of any of the provisions of Article 50-4 through the preceding Article, the president must take supervisory measures against the officer or employee and measures necessary to ensure the compliance of the Agency Managed under the Medium-term Objectives with these provisions.

(2) If the president of an Agency Managed under the Medium-term Objectives receives the notification under the provisions of Article 50-6 and finds any evidence for a demand or request as mentioned concerning the notification, the president must take measures necessary to ensure the prevention of the occurrence of a Violation of Laws and Orders, etc. pertaining to the demand or request.

(3) For each year, the president of an Agency Managed under the Medium-term Objectives must prepare a report on the notification under the provisions of Article 50-6 and the details of the measures referred to in the preceding two paragraphs and submit it to the competent minister pursuant to the provisions of Cabinet Order.

(Delegation to Cabinet Order)

Article 50-9 Cabinet Order prescribes the procedures necessary for the implementation of the provisions of Article 50-4 through the preceding Article.

(Salaries of Employees)

Article 50-10 (1) The salaries of employees of an Agency Managed under the Medium-term Objectives must consider the work performance of the respective employees.

(2) An Agency Managed under the Medium-term Objectives must specify the standards for payment of the Salaries, etc. for its employees, and must notify the competent minister of such standards and make them public. The same applies when the agency revises such standards.

(3) The standards for the payment of the Salaries, etc. referred to in the preceding paragraph must be determined by taking into consideration the Salaries, etc. of national government employees to whom the Act on Remuneration of Officials in the Regular Service (Act No. 95 of 1950) applies, the Salaries, etc. of employees of private enterprises, the operational performance of the relevant Agency Managed under the Medium-term Objectives, the nature of duties of employees, the employment status of employees, and any other circumstances.

(Mutatis Mutandis Application to National Research and Development Agency)

Article 50-11 The provisions of Article 50-2 through the preceding Article applies mutatis mutandis to a National Research and Development Agency. In this case, the phrase "Article 32, paragraph (1)" in Article 50-4, paragraph (2), item (iv) is deemed to be replaced with "Article 35-6, paragraph (1)," and the phrase "Period for the Medium-term Objectives" is deemed to be replaced with "Period for the Medium to Long-term Objectives," and the phrase "Article 35, paragraph (1)" in item (v) of the paragraph is deemed to be replaced with "Article 35-7, paragraph (1)."

Section 2 Agency Engaged in Administrative Execution

(Status of Officers and Employees)

Article 51 The officers and employees of an Agency Engaged in Administrative Execution are national government employees.

(Remuneration, etc. of Officers)

Article 52 (1) The Remuneration, etc. of officers of an Agency Engaged in Administrative Execution must take into consider the performance of the respective officers.

(2) An Agency Engaged in Administrative Execution must specify the standards for the payment of the Remuneration, etc. of its officers, and must notify the competent minister of such standards and make them public. The same applies when the agency revises such standards.

(3) The standards for the payment of the Remuneration, etc. referred to in the preceding paragraph must be specified by making reference to the Salaries, etc. of national government employees, and by taking into consideration the Remuneration, etc. of officers of private enterprises, the operational performance of the relevant Agency Engaged in Administrative Execution, the estimate of personnel expenses referred to in Article 35-10, paragraph (3), item (iii) for the Annual Objective Plan, and any other circumstances.

(Services of Officers)

Article 53 (1) An officer of an Agency Engaged in Administrative Execution (hereinafter simply referred to as an "Officer" from this Article through Article 56 and Article 69) must not disclose any secrets which the Officer has come to know in the course of their duties. The same applies after the Officer has retired.

(2) The provisions of the preceding paragraph do not apply to information required for the investigation at the Reemployment Surveillance Commission delegated pursuant to the provisions of Article 18-4 of the National Public Service Act (Act No. 120 of 1947) as applied mutatis mutandis pursuant to paragraph (1) of the following Article, and pursuant to the provisions of paragraph (6) of the following Article.

(3) If an Officer is requested by the Reemployment Surveillance Commission to make a statement or to testify for the purpose of the investigation referred to in the preceding paragraph, the Officer must not refuse such request without reasonable grounds.

(4) While in office, an Officer must not become an officer of a political party or any other political organization, or actively engage in a political campaign.

(5) While in office, an Officer (other than a part-time Officer; the same applies in the following Article) must not engage in any other service for remuneration, operate a business for profit, or carry out any other operations for monetary profit, except when the Officer obtains the approval of the appointer.

(Retirement Management of Officers)

Article 54 (1) The provisions of Article 18-2, paragraph (1), Article 18-3, paragraph (1), Article 18-4, Article 18-5, paragraph (1), Article 18-6, Article 106-2 (excluding paragraph (2), item (iii)), Article 106-3, Article 106-4, and Article 106-16 through Article 106-27 of the National Public Service Act (including penal provisions pertaining to these provisions), as well as the provisions of Article 109 (limited to the portion pertaining to items (xiv) to (xviii)) and Article 112 of the Act apply mutatis mutandis to an Officer or a former Officer. In this case: in Article 18-2, paragraph (1) of the Act, the phrase "affairs concerning government positions pertaining to recruitment examinations, types of recruitment examinations and human resources to be secured by recruitment examinations , affairs concerning the ability to perform standard duties, basic policy on initial appointment, promotion, etc., special provisions for appointment, etc. of executive officials and fostering courses for executive candidates (including matters necessary for enforcing the basic standard provided for in Article 33, paragraph (1), concerning cultivation and utilization of excellent personnel in order to deal with change of demand for administrative services), affairs concerning methods of deciding the pay step for officials to whom the designated service salary schedule applies, provided for by Article 6-2, paragraph (1) of the Act on Remuneration of Officials in the Regular Service and deciding and revising the fixed numbers of officials in each grade of the salary schedules provided for by Article 8, paragraph (1) of said Act; and affairs concerning personnel evaluation of officials (which mean the evaluation of official's work performance after understanding their abilities and achievements shown in the course of duty in order to form a basis for appointment, remuneration, status, and other personnel management; the same applies hereinafter), training, efficiency, welfare, service discipline, and retirement management, etc. of officials (except those particulars under the jurisdiction of the National Personnel Authority, pursuant to the provisions of Article 3, paragraph (2))" is deemed to be replaced with "affairs relating to retirement management of officers"; in Article 18-3, paragraph (1) and Article 106-16 in the Act, the phrase "Article 106-2 to Article 106-4" is deemed to be replaced with "Article 106-2 through Article 106-4 as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-2, paragraphs (2) and (4), Article 106-3, paragraph (2) and Article 106-4, paragraph (2) of the Act, the phrase "the preceding paragraph" is deemed to be replaced with "the preceding paragraph as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-2, paragraph (2), item (ii) and paragraph (4), Article 106-3, paragraph (2), item (i), Article 106-4, paragraph (1) and Article 106-23, paragraph (1) of the Act, the phrase "official scheduled to receive an aggregate retirement allowance" is deemed to be replaced with "officer scheduled to receive an aggregate retirement allowance"; in Article 106-2, paragraph (2), item (ii) of the Act, the phrase "including cases where the purpose is to have an officer scheduled to receive an aggregate retirement allowance provided for in paragraph (4) as applied mutatis mutandis by replacing the terms under Article 54-2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agency, assume a position in the aggregate retirement allowance corporation provided for in the following paragraph as applied mutatis mutandis pursuant to the provisions of paragraph (1) of the same Article" is deemed to be replaced with "including the cases where the purpose is to have an employee scheduled to receive an aggregate retirement allowance provided for in paragraph (4) assume a position in the Agency, etc. Subject to Aggregation of Retirement Allowance provided for in the following paragraph"; in Article 106-2, paragraph (3) and Article 106-24, paragraph (2) of the Act, the phrase "item (ii) of the preceding paragraph" is deemed to be replaced with "item (ii) of the preceding paragraph, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-2, paragraph (4) of the Act, the phrase " paragraph (2), item (ii)" is deemed to be replaced with "paragraph (2), item (ii), as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies," and the phrase "appointed by means of selection" is deemed to be replaced with "appointed"; in Article 106-3, paragraph (2), item (i) of the Act, the phrase "paragraph (4) of the preceding Article" is deemed to be replaced with "paragraph (4) of the preceding Article, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-4, paragraph (3) of the Act, the phrase "the preceding two paragraphs" is deemed to be replaced with "the preceding two paragraphs, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-4, paragraph (4) of the Act, the phrase "the preceding three paragraphs" is deemed to be replaced with "the preceding three paragraphs, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-4, paragraph (5) of the Act, the phrase "the preceding paragraphs" is deemed to be replaced with "the preceding paragraphs, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-22 of the Act, the term "Article 106-5" is deemed to be replaced with "Article 106-16 as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 106-23, paragraph (3) of the Act, the phrase "promptly notify the particulars pertaining to the said notification to the Prime Minister, when the official who submitted said notification is an official holding a managerial or supervisory government position (hereinafter referred to as a "managerial-supervisory official") specified by Cabinet Order" is deemed to be replaced with "promptly notify the Prime Minister of the particulars pertaining to the notification"; in Article 106-24 of the Act, the phrase "paragraph (1) of the preceding Article" is deemed to be replaced with "paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 109, item (xviii) of the Act, the phrase "a demand or request (including a demand or request listed in item (xiv) through the preceding item, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agency) from reemployed officials listed in item (xiv) through the preceding item" is deemed to be replaced with "a demand or request (including a demand or request listed in item (xiv) through the preceding item) from a Reemployed Officer and Employee set forth in item (xiv) to the preceding item as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agency"; in Article 112, item (i) of the Act, the phrase "Article 106-2, paragraph (1)" is deemed to be replaced with "Article 106-2, paragraph (1) as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 113, item (i) of the Act, the phrase "Article 106-4, paragraphs (1) to (4)" is deemed to be replaced with "Article 106-4, paragraphs (1) through (4) as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; in Article 113, item (ii) of the Act, the phrase "Article 106-24, paragraph (1)" is deemed to be replaced with "Article 106-24, paragraph (1) as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies"; any other necessary technical changes in interpretation are specified by Cabinet Order.

(2) If it is necessary in relation to the investigation referred to in Article 18-3, paragraph (1) of the National Public Service Act as applied mutatis mutandis pursuant to the preceding paragraph, the Prime Minister may summon a witness, or request the submission of documents which may be considered relevant to the matters to be investigated or copies thereof.

(3) When the Prime Minister finds it necessary in relation to the investigation referred to in Article 18-3, paragraph (1) of the National Public Service Act as applied mutatis mutandis pursuant to paragraph (1), the Prime Minister may summon an Officer or a former Officer who is under investigation to appear and question the Officer, or may enter the place where the Officer works (including places where the Officer has worked before as an Officer), inspect books, documents and other objects as necessary, or question the persons concerned.

(4) A person who conducts an on-site inspection pursuant to the provisions of the preceding paragraph must carry an identification card and present it to the persons concerned.

(5) The authority for the on-site inspection pursuant to the provisions of paragraph (3) must not be interpreted as having been accorded for the purpose of a criminal investigation.

(6) The Prime Minister delegates the authority under the provisions of paragraphs (2) and (3) to the Reemployment Surveillance Commission.

(Accident Compensation for Officers)

Article 55 Compensation for an accident in the line of public duty or a commuting accident of an Officer or welfare services for an Officer who was involved in an accident in the line of public duty or a commuting accident, is governed by the rules for an employee of an Agency Engaged in Administrative Execution.

(Exclusion of Officers from Application of the Industrial Accident Compensation Insurance Act)

Article 56 The provisions of the Industrial Accident Compensation Insurance Act (Act No. 50 of 1947) do not apply to Officers.

(Salaries of Employees)

Article 57 (1) The salaries of employees of an Agency Engaged in Administrative Execution must be in accordance with the contents of their duties and the level of their responsibility and the efficiency demonstrated by the respective employees must be taken into consideration.

(2) An Agency Engaged in Administrative Execution must specify the standards for the payment of salaries of its employees, and must notify the competent minister of such standards and make them public. The same applies when the agency revises such standards.

(3) The standards for the payment of salaries referred to in the preceding paragraph must be specified by making reference to the salaries of national government employees to whom the Act on Remuneration of Officials in the Regular Service applies, and by taking into consideration the salaries of employees of private enterprises, the operational performance of the relevant Agency Engaged in Administrative Execution, the estimate of personnel expenses referred to in Article 35-10, paragraph (3), item (iii) for the Annual Objective Plan, and any other circumstances.

(Working Hours of Employees)

Article 58 (1) An Agency Engaged in Administrative Execution must provide rules on the working hours, recesses, holidays and leave of its employees, and must notify the competent minister of such rules and make them public. The same applies when the agency revises such rules.

(2) The rules referred to in the preceding paragraph must take into consideration the working conditions of national government employees to whom the Act on Working Hours, Leave, etc. for National Public Officers Engaged in Regular Services (Act No. 33 of 1994) applies, and any other circumstances.

(Exclusion of Employees from Application of Other Laws)

Article 59 (1) The following provisions of the laws do not apply to employees of an Agency Engaged in Administrative Execution (hereinafter simply referred to as "Employees" in this Article):

(i) the provisions of the Industrial Accident Compensation Insurance Act;

(ii) the provisions of Article 18, Article 28 (other than the first sentence of paragraph (1)), Articles 62 through 70, Article 70-3, paragraph (2), Article 70-4, paragraph (2), Article 75, paragraph (2) and Article 106 of the National Public Service Act;

(iii) the provisions of the Act on Special Allowances for National Public Officers Serving in Cold Districts (Act No. 200 of 1949);

(iv) the provisions of the Act on Remuneration of Officials in the Regular Service;

(v) deleted;

(vi) the provisions of Article 5, paragraph (2), Article 8, Article 9, Articles 16 through 19, and Articles 24 through 26 of the Act on Childcare Leave, etc. of National Public Officers (Act No. 109 of 1991);

(vii) the provisions of the Act on Working Hours, Leave, etc. for National Public Officers Engaged in Regular Services;

(viii) the provisions of Articles 7 through 9 of the Act on Special Measures of Employment and Remuneration of Officials with Fixed Term of Office in the Regular Service (Act No. 125 of 2000);

(ix) the provisions of Article 5, paragraph (2) and Article 7 of the Act on National Public Officers' Leave for Self-Development, etc. (Act No. 45 of 2007); and

(x) the provisions of Article 5, paragraph (2) and Article 8 of the Act on Leave of National Government Employees Relocating due to Job Transfer of Spouses (Act No. 78 of 2013).

(2) With regard to the application of the National Public Service Act to Employees, the term "government" in Article 2, paragraph (6) of the Act is deemed to be replaced with "Agency Engaged in Administrative Execution provided for in Article 2, paragraph (4) of the Act on General Rules for Incorporated Administrative Agencies (hereinafter referred to as an Agency Engaged in Administrative Execution)," the phrase "the government or governmental organ" in paragraph (7) of the Article is deemed to be replaced with "the Agency Engaged in Administrative Execution," the term "the Prime Minister" in Article 34, paragraph (1), item (v) of the Act is deemed to be replaced with "the Agency Engaged in Administrative Execution," the phrase "specified by Cabinet Order" in paragraph (2) of the Article is deemed to be replaced with "specified and publicized by an Agency Engaged in Administrative Execution," the phrase "may effect, with the approval of the National Personnel Authority" in Article 60, paragraph (1) of the Act is deemed to be replaced with "may effect," the phrase "may, with the approval of the National Personnel Authority" in the paragraph is deemed to be replaced with "may," the phrase "the head of the government agency appointing those officials" in Article 70-3, paragraph (1) of the Act is deemed to be replaced with "the president of the Agency Engaged in Administrative Execution for which the employee works," the phrase "the head of the government agency appointing officials" in Article 70-4, paragraph (1) of the Act is deemed to be replaced with "the president of the Agency Engaged in Administrative Execution for which the employee works," the term "the administrative organization" in Article 78, item (iv) of the Act is deemed to be replaced with "the organization," the phrase "the Act on Remuneration" in Article 80, paragraph (4) of the Act is deemed to be replaced with "the standards for the payment of salaries provided for in Article 57, paragraph (2) of the Act on General Rules for Incorporated Administrative Agencies," the phrase "by the rules of the National Personnel Authority" in the items of Article 81-2, paragraph (2) of the Act is deemed to be replaced with "by the president of the Agency Engaged in Administrative Execution," the phrase "one year, with the approval of the National Personnel Authority" in Article 81-3, paragraph (2) of the Act is deemed to be replaced with "one year," the phrase "the head of the government agency appointing the official" in Article 100, paragraph (2) of the Act is deemed to be replaced with "the president of the Agency Engaged in Administrative Execution for which the employee works," the phrase "the head of the government agency having jurisdiction over" in the paragraph is deemed to be replaced with "the president of the Agency Engaged in Administrative Execution," the term "the government" in Article 101, paragraph (1) of the Act is deemed to be replaced with "the Agency Engaged in Administrative Execution for which the employee works," the term "government agency" in paragraph (2) of the Act is deemed to be replaced with "Agency Engaged in Administrative Execution," the phrase "the head of the government agency appointing that official" in Article 103, paragraph (2) of the Act is deemed to be replaced with "the president of the Agency Engaged in Administrative Execution for which the employee works," and the phrase "the Prime Minister and the head of the government agency appointing that official" in Article 104 of the Act is deemed to be replaced with "the president of the Agency Engaged in Administrative Execution for which the employee works."

(3) With regard to the application of the provisions of Article 5 and Article 6, paragraph (3) of the Act on Treatment, etc. of National Public Officers Engaged in Regular Services Dispatched to International Organizations, etc. (Act No. 117 of 1970), the phrase "no more than one hundred percent of the salary, dependency allowance, district allowance, wide-area transfer allowance, researcher adjustment allowance, housing allowance and term-end allowance" in Article 5, paragraph (1) of the Act is deemed to be replaced with "salary," the phrase "rules of the National Personnel Authority (in the case where the dispatched official is subject to the application of the Act on the Salaries of Public Prosecutors (Act No. 76 of 1948), the rules provided for in Article 3, paragraph (1) of the Act" in paragraph (2) of the Article is deemed to be replaced with "the standards on the payment of salaries provided for in Article 57, paragraph (2) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)," and the term "the State" in Article 6, paragraph (3) of the Act is deemed to be replaced with "an Agency Engaged in Administrative Execution provided for in Article 2, paragraph (4) of the Act on General Rules for Incorporated Administrative Agencies," and the term "the Act" is deemed to be replaced with "the National Public Officers' Accident Compensation Act."

(4) With regard to the application of the provisions of Article 3, paragraph (1), Article 12, paragraph (1), Article 15 and Article 22 of the Act on Childcare Leave, etc. of National Public Officers: in the proviso to Article 3, paragraph (1) of the Act, the phrase "the leave to be given in cases specified by rules of the National Personnel Authority such as the case where it is appropriate that an employee is absent from work due to childbirth, among the special leave provided for in Article 19 of the Act on Working Hours," is deemed to be replaced with "the leave for childbirth of an employee, among the types of leave specified by the rules under the provisions of Article 58, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)," the phrase "the period specified by rules of the National Personnel Authority pursuant to the provisions of the Article" is deemed to be replaced with "the period specified by the rules," the phrase "within the period specified by rules of the National Personnel Authority" is deemed to be replaced with "within the period specified by the rules," the phrase "the leave, or the leave specified by rules of the National Personnel Authority as being equivalent to the leave pursuant to the provisions of Article 23 of the Act on Working Hours" is deemed to be replaced with "the leave"; in Article 12, paragraph (1) of the Act, the phrase "the working arrangement provided for in any of the following items (in the case of an employee subject to the application of the provisions of Article 7, paragraph (1) of the Act on Working Hours, the working arrangement set forth in item (v))" is deemed to be replaced with "the working arrangement specified by the president of the Agency Engaged in Administrative Execution provided for in Article 2, paragraph (4) of the Act on General Rules for Incorporated Administrative Agencies so that the number of working hours would be within a range between the number of hours obtained by the sum of One-Fifth of the Working Hours (meaning the number of hours calculated by multiplying the Employee's regular working hours per week (hereinafter referred to as "Weekly Working Hours" in this paragraph) by one-fifth and Rounding-up (meaning rounding-up of a fraction less than the minimum unit of five minutes; hereinafter the same applies in this paragraph); the same applies in Article 15), multiplied by two, and One-Tenth of the Working Hours (meaning the number of hours calculated by multiplying the Weekly Working Hours by one-tenth and Rounding-up; the same applies in the Article), and the number of hours obtained by multiplying One-Eighth of the Working Hours (meaning the number of hours calculated by multiplying the Weekly Working Hours by one-eighth and making a Round-up) by five"; in Article 15 of the Act, the phrase "within the range between 19 hours 25 minutes to 19 hours 35 minutes" is deemed to be replaced with "within the range between the number of hours obtained by the sum of One-Fifth of the Working Hours multiplied by two and One-Tenth of the Working Hours and the number of hours obtained by multiplying One-Tenth of the Working Hours by five"; and in Article 22 of the Act, the phrase "from Article 15 to the preceding Article" is deemed to be replaced with "Article 15 and the preceding two Articles."

(5) With regard to the application of the provisions of Article 12, paragraph (3), item (iv) and Article 39, paragraph (8) of the Labor Standards Act (Act No. 49 of 1947) to Employees, the phrase "Article 2, item (i) of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991)" in Article 12, paragraph (3), item (iv) of the Act is deemed to be replaced with "Article 3, paragraph (1) of the Act on Childcare Leave, etc. of National Public Officers (Act No. 109 of 1991)," the phrase "item (ii) of the Article" in the item is deemed to be replaced with "Article 2, item (ii) of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991)," the phrase "Article 2, item (i) of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" in Article 39, paragraph (8) of the Act is deemed to be replaced with "Article 3, paragraph (1) of the Act on Childcare Leave, etc. of National Public Officers," and the phrase "item (ii) of the Article" in the paragraph is deemed to be replaced with "Article 2, item (ii) of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave."

(6) With regard to the application of the provisions of Article 74, paragraph (4) of the Mariners Act (Act No. 100 of 1947) to Employees, the phrase "Article 2, item (i) of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991)" in the paragraph is deemed to be replaced with "Article 3, paragraph (1) of the Act on Childcare Leave, etc. of National Public Officers (Act No. 109 of 1991)," and the phrase "item (ii) of the Article" in the paragraph is deemed to be replaced with "Article 2, item (ii) of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991)."

(Report to the Diet)

Article 60 (1) For each business year, an Agency Engaged in Administrative Execution must report the number of its employees who are required to engage in full-time service (including employees who are not required to engage in full-time service and who are specified by Cabinet Order, such as those who have received a disposition of administrative leave or suspension from duty under the provisions of Article 79 or Article 82 of the National Public Service Act and those who are exempted from an obligation to give full attention to their duty pursuant to the provisions of any laws or orders; referred to as "Full-time Employees" in the following paragraph) to the competent minister, pursuant to the provisions of Cabinet Order.

(2) The government must report the number of Full-time Employees of an Agency Engaged in Administrative Execution to the Diet every year.

(3) An Agency Engaged in Administrative Execution must notify the Prime Minister of the matters specified by the Prime Minister as being necessary for the enforcement of the provisions of Chapter III, Section 8 and Chapter IV (including the cases where applied mutatis mutandis pursuant to Article 54, paragraph (1)) of the National Public Service Act, by the day specified by the Prime Minister.

Article 61 Deleted

Article 62 Deleted

Article 63 Deleted

Chapter VI Miscellaneous Provisions

(Report and Inspection)

Article 64 (1) When the competent minister finds it to be necessary for the enforcement of this Act, the minister may have an Incorporated Administrative Agency report on the status of its operations, assets and liabilities or have employees of the ministry enter the office of an Incorporated Administrative Agency and inspect the status of its operations, books, documents and other necessary items.

(2) When an employee of the competent ministry conducts an on-site inspection pursuant to the provisions of the preceding paragraph, the employee must carry an identification card and present it to persons concerned.

(3) The authority for the on-site inspection pursuant to the provisions of paragraph (1) must not be interpreted as having been accorded for the purpose of a criminal investigation.

Article 65 Deleted

(Dissolution)

Article 66 The rules for the dissolution of an Incorporated Administrative Agency are provided separately by law.

(Consultation with the Minister of Finance)

Article 67 The competent minister must consult with the Minister of Finance in any of the following cases:

(i) when the competent minister intends to set or revise Medium-term Objectives pursuant to the provisions of Article 29, paragraph (1);

(ii) when the competent minister intends to set or revise Medium to Long-term Objectives pursuant to the provisions of Article 35-4, paragraph (1);

(iii) when the competent minister intends to set or revise Annual Objectives pursuant to the provisions of Article 35-9, paragraph (1);

(iv) when the competent minister intends to grant an authorization under the provisions of Article 30, paragraph (1), Article 35-5, paragraph (1), Article 35-10, paragraph (1), the proviso to Article 45, paragraph (1), the proviso to Article 45, paragraph (2), or Article 48;

(v) when the competent minister intends to grant an approval under the provisions of Article 44, paragraph (3);

(vi) when the competent minister intends to grant an authorization under the provisions of Article 46-2, paragraph (1), paragraph (2), the proviso to paragraph (3) of the Article, or Article 46-3, paragraph (1); and

(vii) when the competent minister intends to make a designation under the provisions of Article 47, item (i) or item (ii).

(Competent Minister)

Article 68 The competent minister and order of the competent ministry under this Act are specified by the relevant Individual Act.

Chapter VII Penal Provisions

Article 69 A person who falls under any of the following items is punished by imprisonment with required labor for not more than three years or a fine of not more than one million yen. The same applies to any person who has attempted, ordered, intentionally permitted, instigated, or has aided as an accessory to the accomplished acts provided for in the following items:

(i) a person who refused to make a statement or to testify in violation of the provisions of Article 53, paragraph (3) without reasonable grounds;

(ii) a person who was summoned as a witness pursuant to the provisions of Article 54, paragraph (2) and made a false statement;

(iii) a person who was summoned as a witness pursuant to the provisions of Article 54, paragraph (2) but refused to appear without reasonable grounds, or a person who refused to respond to the request for submission of documents or copies thereof pursuant to the provisions of the paragraph without reasonable grounds;

(iv) a person who was requested to submit documents or copies thereof pursuant to the provisions of Article 54, paragraph (2) and submitted documents or copies thereof containing false information of any kind; and

(v) a person who refused, obstructed or avoided an inspection under Article 54, paragraph (3), or refused to make a statement or made a false statement in response to the question (other than an Officer or a former Officer who is under investigation under Article 18-3, paragraph (1) of the National Public Service Act as applied mutatis mutandis pursuant to Article 54, paragraph (1)).

Article 69-2 A person who revealed confidential information in violation of the provisions of Article 53, paragraph (1) is punished by imprisonment with required labor for not more than one year or a fine of not more than 500,000 yen.

Article 70 If an Incorporated Administrative Agency fails to make a report under the provisions of Article 64, paragraph (1) or makes a false report, or refuses, obstructs or avoids an inspection under the provisions of the paragraph, the officer or employee who has committed such violation is punished by a fine of not more than 200,000 yen.

Article 71 (1) If an Incorporated Administrative Agency falls under any of the following items, the officer who has committed the violation in question is punished by a fine of not more than 200,000 yen:

(i) if an Incorporated Administrative Agency fails to obtain an authorization or approval of the competent minister when the authorization or approval is required pursuant to the provisions of this Act;

(ii) if an Incorporated Administrative Agency fails to make a notification or makes a false notification to the competent minister or the Prime Minister when the notification is required pursuant to the provisions of this Act;

(iii) if an Incorporated Administrative Agency fails to make matters public, or false matters are made public when the publication is required pursuant to the provisions of this Act;

(iv) if an Incorporated Administrative Agency fails to make a registration in violation of Cabinet Order under the provisions of Article 9, paragraph (1);

(v) if an Incorporated Administrative Agency obstructs the investigation under Article 19, paragraph (5) or paragraph (6) or Article 39, paragraph (3);

(vi) if an Incorporated Administrative Agency violates an order of the competent minister under the provisions of Article 30, paragraph (3), Article 32, paragraph (6), Article 35-3 (including the cases where applied mutatis mutandis in Article 35-8), Article 35-5, paragraph (3), Article 35-6, paragraph (9), Article 35-10, paragraph (4) or Article 35-12;

(vii) if an Incorporated Administrative Agency fails to submit a report under the provisions of Article 32, paragraph (2), Article 35-6, paragraph (3) or paragraph (4), or Article 35-11, paragraph (3) or paragraph (4), fails to state the matters required to be stated in a report, or submits a report stating false matters;

(viii) if an Incorporated Administrative Agency fails to keep or make available for public inspection the Financial Statements, the business report, the statement of accounts or the audit report in violation of the provisions of Article 38, paragraph (3);

(ix) if an Incorporated Administrative Agency invests surplus funds that accrued in the course of operations, in violation of the provisions of Article 47; or

(x) if an Incorporated Administrative Agency fails to make a report under Article 50-8, paragraph (3) (including the cases where applied mutatis mutandis pursuant to Article 50-11) or Article 60, paragraph (1), or makes a false report.

(2) If an officer of a Subsidiary of an Incorporated Administrative Agency obstructs the investigation under Article 19, paragraph (7) or Article 39, paragraph (3), the officer is punished with a fine of not more than 200,000 yen.

Article 72 A person who has violated the provisions of Article 10 is punished by a fine of not more than 100,000 yen.

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect as of the date on which the Act for Partial Revision of the Cabinet Act (Act No. 88 of 1999) comes into effect.

(Transitional Measures Concerning Restriction on Use of Name)

Article 2 The provisions of Article 10 do not apply for six months after this Act comes into effect with regard to a person who actually uses the characters "独立行政法人" (pronounced ''dokuritsu gyousei houjin'' (literally meaning "Incorporated Administrative Agency")) as part of its name at the time this Act comes into effect.

(Delegation to Cabinet Order)

Article 3 Beyond what is provided for in the preceding Article, transitional measures necessary for the enforcement of this Act are specified by Cabinet Order.

(Loan without Interest by the State)

Article 4 (1) Until otherwise provided by law, the State may, within the limits of the budget, provide a loan to an Incorporated Administrative Agency without interest for all or part of the funds to be appropriated to the expenses required for the development of its facility that falls under Article 2, paragraph (1), item (ii) of the Act on Special Measures Concerning Promotion of Social Infrastructure Development Through Use of Proceeds from Sale of the Stock of Nippon Telegraph and Telephone Corporation (Act No. 86 of 1987). In this case, the provisions of Article 45, paragraph (4) do not apply.

(2) The period for a reimbursement of the loan by the State referred to in the preceding paragraph is a period specified by Cabinet Order not exceeding five years (including a grace period not exceeding two years).

(3) Beyond what is provided for in the preceding paragraph, the method of reimbursement, advance reimbursement, and any other necessary matters concerning the reimbursement of the loan under the provisions of paragraph (1) are specified by Cabinet Order.

(4) When the State provides a loan to an Incorporated Administrative Agency under the provisions of paragraph (1), it is to provide a subsidy in an amount equivalent to the loan with regard to the development of the facility for which the loan has been provided, and the subsidy is to be provided by delivering an amount equivalent to the reimbursement money for the loan at the time of the reimbursement of the loan.

(5) With regard to the application of the provisions of the preceding paragraph, if an Incorporated Administrative Agency reimburses the loan without interest which it has received under the provisions of paragraph (1) ahead of the due date for reimbursement specified based on the provisions of paragraphs (2) and (3) (other than the cases specified by Cabinet Order), the reimbursement is deemed to be made on the arrival of the due date for reimbursement.

Supplementary Provisions [Act No. 66 of 2014]

(Effective Date)

Article 1 This Act comes into effect as of April 1, 2015; provided, however, that the provisions of the following Article through Article 4 of the Supplementary Provisions, and Articles 9, 12, and 15 of the Supplementary Provisions come into effect as of the date of promulgation.

(Preparatory Actions)

Article 2 (1) The formulation of the guidelines referred to in Article 28-2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies revised by this Act (hereinafter referred to as the "New Act") as under the provisions of the paragraph, the drafting of the guidelines referred to in Article 28-3 of the New Act as under the provisions of the Article, the setting of Medium-term Objectives referred to in Article 29, paragraph (1) of the New Act as under the provisions of the paragraph, the setting of Medium to Long-term Objectives referred to in Article 35-4, paragraph (1) of the New Act as under the provisions of the paragraph, the setting of Annual Objectives referred to in Article 35-9, paragraph (1) of the New Act as under the provisions of the paragraph, and procedures and other actions necessary for these may be conducted before this Act comes into effect, as governed by Article 28-2, paragraphs (1) and (2), Article 28-3, Article 29, Article 35-4, paragraphs (1) through (4), and Article 35-9 of the New Act. In this case: in Article 28-2, paragraph (2), Article 29, paragraph (3), and Article 35-4, paragraph (3), the phrase "Committee" is deemed to be replaced with "council specified by Cabinet Order referred to in Article 32, paragraph (3) prior to the revision by the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014)"; and in paragraph (4) of the Article, the phrase "council, etc. (meaning the organ provided for in Article 37 or 54 of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999) or in Article 8 of the National Government Organization Act (Act No. 120 of 1948) which is specified by Cabinet Order (hereinafter referred to as the "Council for Research and Development")" is deemed to be replaced with "Incorporated Administrative Agencies Evaluation Committee provided for in Article 12, paragraph (1) prior to the revision by the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014)".

(2) When the council specified by Cabinet Order referred to in Article 32, paragraph (3) of the Act on General Rules for Incorporated Administrative Agencies prior to the revision by this Act (hereinafter referred to as the "Former Act") states its opinions pursuant to the provisions of Article 28-2, paragraph (2), Article 29, paragraph (3), or Article 35-4, paragraph (3) of the New Act, which are to govern pursuant to the preceding paragraph after deemed replacement, it must make the content of such opinions public.

(3) As of the day on which this Act comes into effect (hereinafter referred to as the "Effective Date"), the guidelines formulated and the Medium-term Objectives, Medium to Long-term Objectives, and Annual Objectives set pursuant to the provisions of paragraph (1) are respectively deemed to be the guidelines referred to in Article 28-2, paragraph (1) of the New Act formulated pursuant to the provisions of paragraphs (1) and (2) of the Article, the Medium-term Objectives referred to in Article 29, paragraph (1) of the New Act set pursuant to the provisions of the Article, the Medium to Long-term Objectives referred to in Article 35-4, paragraph (1) of the New Act set pursuant to the provisions of paragraphs (1) through (4) of the Article, and the Annual Objectives referred to in Article 35-9, paragraph (1) of the New Act set pursuant to the provisions of the Article.

Article 3 (1) The appointer of the members of the Incorporated Administrative Agencies Evaluation Committee (simply referred to as the "Appointer" in the following paragraph) may appoint a Foreign National (meaning a person who does not have Japanese nationality; the same applies in the following paragraph and paragraph (3)) who has great insight in Research and Development as provided for in Article 2, paragraph (3) of the New Act, as a member of the Incorporated Administrative Agencies Evaluation Committee.

(2) With the exception of stating their opinions to the competent minister pursuant to the provisions of Article 35-4, paragraph (4) of the New Act, the Appointer must not engage a member of the Incorporated Administrative Agencies Evaluation Committee who is a Foreign National in any affairs which are to govern pursuant to paragraph (1) of the preceding Article after deemed replacement.

(3) In the case referred to in paragraph (1), a member of the Incorporated Administrative Agencies Evaluation Committee who is a Foreign National may not preside over the particulars of the Incorporated Administrative Agencies Evaluation Committee or represent the Incorporated Administrative Agencies Evaluation Committee, and the number of such members must not exceed one-fifth of the total number of the members of the Incorporated Administrative Agencies Evaluation Committee.

(Transitional Measures Concerning Affairs under Jurisdiction of the Incorporated Administrative Agencies Evaluation Committee)

Article 4 With regard to the application of the provisions of Article 12, paragraph (2), item (ii) of the Former Act during the period from the date of promulgation of this Act to the day preceding the Effective Date, the phrase "this Act or the relevant Individual Act" in the item is deemed to be replaced with "this Act, the relevant Individual Act, or the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014)."

(Transitional Measures Concerning Restriction on Use of Name)

Article 5 The provisions of Article 10 of the New Act (limited to the part pertaining to a National Research and Development Agency (meaning the National Research and Development Agency provided for in Article 2, paragraph (3) of the New Act; the same applies hereinafter)) do not apply for six months after this Act comes into effect with regard to a person who actually uses the characters "国立研究開発法人" (pronounced ''kokuritsu kenkyu kaihatsu houjin'' (referring to "National Research and Development Agency")) as part of its name at the time this Act comes into effect.

(Transitional Measures Concerning Duties and Authority of Auditors and Accounting Auditors as well as Officers' Duty to Report)

Article 6 The provisions of Article 19, paragraphs (4), (5), (7), and (8), Article 19-2, Article 21-5, Article 39, paragraphs (1) through (4), and Article 39-2 apply to matters that have arisen prior to the Effective Date.

(Transitional Measures Concerning the Term of Office of Officers)

Article 7 (1) With regard to the term of office of a person who serves as the president or an auditor of an Incorporated Administrative Agency (meaning the Incorporated Administrative Agency provided for in Article 2, paragraph (1) of the New Act; hereinafter the same applies in this paragraph) at the time this Act comes into effect (including the term of office of the president or an auditor of an Incorporated Administrative Agency appointed to fill a vacancy), the prior laws continue to govern the applicability, notwithstanding the provisions of Article 21, Article 21-2 or Article 21-3 of the New Act.

(2) If the provisions of the preceding paragraph apply to the term of office of a person who serves as an auditor of an Agency Managed under the Medium-term Objectives (meaning the Agency Managed under the Medium-term Objectives provided for in Article 2, paragraph (2) of the New Act; the same applies hereinafter) as of the Effective Date, with regard to the application of the provisions of Article 21, paragraph (2) of the New Act to the term of office of the first auditor of an Agency Managed under the Medium-term Objectives to be appointed on or after the day following the Effective Date (other than an auditor of the Agency Managed under the Medium-term Objectives appointed to fill a vacancy): in Article 21, paragraph (2) of the Act, the phrase "is specified as corresponding to each Period of the Medium-term Objectives, and it" is deemed to be deleted, and the phrase "the corresponding Period of the Medium-term Objectives" is deemed to be replaced with "the Period for the Medium-term Objectives which is provided for the Agency Managed under the Medium-term Objectives and which includes the date of appointment."

(3) If the provisions of paragraph (1) apply to the term of office of a person who serves as the president of a National Research and Development Agency as of the Effective Date, with regard to the application of the provisions of the proviso to Article 21-2, paragraph (1) of the New Act to the term of office of the first president of a National Research and Development Agency to be appointed on or after the day following the Effective Date (other than the president of a National Research and Development Agency appointed to fill a vacancy): in the proviso to the paragraph, the phrase "Period for the Medium to Long-term Objectives is six years or seven years" is deemed to be replaced with "Period from the day following the last day of the term of office of the president of a National Research and Development Agency (including the term of office of the president of a National Research and Development Agency appointed to fill a vacancy) to which the provisions of Article 7, paragraph (1) of the Supplementary Provisions of the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014) apply (hereinafter referred to as the "Initial Date" in this paragraph) to the last day of the Period for the Medium to Long-term Objectives in which the Initial Date falls (hereinafter referred to as the "Remaining Period" in this paragraph) is not less than six years and less than seven years" and the phrase "first day of the Period for the Medium to Long-term Objectives (hereinafter simply referred to as the "First Day" in this paragraph and the following paragraph)" is deemed to be replaced with "Initial Date"; and in item (i) of the paragraph, the phrase "Period for the Medium to Long-term Objectives" is deemed to be replaced with "Remaining Period" and the phrase "First Day" is deemed to be replaced with "Initial Date"; and in item (ii) of the paragraph, the phrase "Period for the Medium to Long-term Objectives is seven years" is deemed to be replaced with " Remaining Period is more than six years and less than seven years" and the phrase "day on which a period of three or four years elapses from the First Day" is deemed to be replaced with "last day of the last business year that ends by the day on which a period of four years elapses from the Initial Date."

(4) If the provisions of paragraph (1) apply to the term of office of a person who serves as an auditor of a National Research and Development Agency as of the Effective Date, with regard to the application of the provisions of Article 21-2, paragraph (4) of the New Act to the term of office of the first auditor of a National Research and Development Agency to be appointed on or after the day following the Effective Date (other than an auditor of a National Research and Development Agency appointed to fill a vacancy): in Article 21-2, paragraph (4) of the Act, the phrase "is specified as corresponding to the term of office of the president of the National Research and Development Agency (including the term of office of the president of the National Research and Development Agency appointed to fill a vacancy; hereinafter the same applies in this paragraph), and it" is deemed to be deleted and the phrase "the corresponding term of office of the president of the National Research and Development Agency" is deemed to be replaced with "the term of office of the president of the National Research and Development Agency (including the term of office of the president of the National Research and Development Agency appointed to fill a vacancy) as of the date of appointment."

(5) If the provisions of paragraph (1) apply to the term of office of a person who serves as an auditor of an Agency Engaged in Administrative Execution (meaning the Agency Engaged in Administrative Execution provided for in Article 2, paragraph (4) of the New Act; the same applies hereinafter) as of the Effective Date, with regard to the application of the provisions of Article 21-3, paragraph (2) of the New Act to the term of office of the first auditor of an Agency Engaged in Administrative Execution to be appointed on or after the day following the Effective Date (other than an auditor of an Agency Engaged in Administrative Execution appointed to fill a vacancy): in Article 21-3, paragraph (2) of the Act, the phrase "is specified as corresponding to the term of office of the president of the Agency Engaged in Administrative Execution (including the term of office of the president of the Agency Engaged in Administrative Execution appointed to fill a vacancy; hereinafter the same applies in this paragraph), and it" is deemed to be deleted and the phrase "the corresponding term of office of the president of the Agency Engaged in Administrative Execution" is deemed to be replaced with the "term of office of the president of the Agency Engaged in Administrative Execution (including the term of office of the president of the Agency Engaged in Administrative Execution appointed to fill a vacancy) as of the date of appointment."

(Transitional Measures Concerning Medium-term Objectives of an Incorporated Administrative Agency that Becomes an Agency Managed under the Medium-term Objectives or a National Research and Development Agency)

Article 8 (1) The Medium-term Objectives referred to in Article 29, paragraph (1) of the Former Act with regard to which, at the time this Act comes into effect, an Incorporated Administrative Agency (meaning the Incorporated Administrative Agency provided for in Article 2, paragraph (1) of the Former Act; the same applies hereinafter) that becomes an Agency Managed under the Medium-term Objectives or a National Research and Development Agency as of the Effective Date is actually subject to the instructions given by the competent minister pursuant to the provisions of under Article 29, paragraph (1) of the Former Act are deemed to be the Medium-term Objectives referred to in Article 29, paragraph (1) of the New Act with regard to which the competent minister has given instructions pursuant to the provisions of the paragraph or the Medium to Long-term Objectives referred to in Article 35-4, paragraph (1) of the New Act with regard to which the competent minister has given instructions pursuant to the provisions of the paragraph.

(2) The Medium-term Plan referred to in Article 30, paragraph (1) of the Former Act with regard to which, at the time this Act comes into effect, an Incorporated Administrative Agency that becomes an Agency Managed under the Medium-term Objectives or a National Research and Development Agency as of the Effective Date actually holds the authorization granted pursuant to the provisions of Article 30, paragraph (1) of the Former Act (such Medium-term Plan is referred to as the "Former Medium-term Plan" in Article 10, paragraph (2) of the Supplementary Provisions) is deemed to be the Medium-term Plan referred to in Article 30, paragraph (1) of the New Act with regard to which the Incorporated Administrative Agency is granted the authorization referred to in the paragraph (referred to as the "New Medium-term Plan" in Article 10, paragraph (2) of the Supplementary Provisions) or the Medium to Long-term Plan referred to in Article 35-5, paragraph (1) of the New Act with regard to which the Incorporated Administrative Agency is granted the authorization referred to in the paragraph (referred to as the "New Medium to Long-term Plan" in Article 10, paragraph (2) of the Supplementary Provisions).

(Special Provisions Concerning the Period for the Medium-term Objectives of an Incorporated Administrative Agency that Becomes an Agency Engaged in Administrative Execution)

Article 9 The Period for the Medium-term Objectives (meaning the Period for the Medium-term Objectives provided for in Article 29, paragraph (2), item (i) of the Former Act; the same applies hereinafter) of an Incorporated Administrative Agency (limited to an Incorporated Administrative Agency that becomes an Agency Engaged in Administrative Execution as of the Effective Date) which has been specified prior to the Effective Date and which is to end on or after the Effective Date, is to end on the day preceding the Effective Date, notwithstanding the provisions of the item.

(Transitional Measures Concerning Annual Plans and Annual Objective Plans)

Article 10 (1) Except in cases provided for in the following paragraph, with regard to the application of the provisions of Article 31, paragraph (1) of the New Act (including the cases applied mutatis mutandis pursuant to Article 35-8 of the New Act after deemed replacement) or Article 35-10, paragraph (1) of the New Act for the business year in which the Effective Date falls: in Article 31, paragraph (1) of the New Act, the phrase "Prior to the start of each business year,...the Medium-term Plan as authorized under paragraph (1) of the preceding Article" is deemed to be replaced with "Without delay after obtaining the authorization referred to in paragraph (1) of the preceding Article for the first Medium-term Plan prepared on or after the date on which the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014) comes into effect,...the Medium-term Plan"; in Article 31, paragraph (1) applied mutatis mutandis pursuant to Article 35-8 of the New Act after deemed replacement, the phrase "Prior to the start of each business year, ...the Medium-term Plan as authorized under Article 35-5, paragraph (1)" is deemed to be replaced with "Without delay after obtaining the authorization referred to in Article 35-5, paragraph (1) for the first Medium to Long-term Plan (meaning the Medium to Long-term Plan referred to in Article 35-5, paragraph (1); hereinafter the same applies in this paragraph) prepared on or after the date on which the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies comes into effect,...the Medium to Long-term Plan"; and in Article 35-10, paragraph (1) of the New Act, the phrase "each business year" is deemed to be replaced with "the first business year on or after the date on which the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies comes into effect" and the phrase "prior to the start of the relevant business year" is deemed to be replaced with "without delay."

(2) With regard to the application of the provisions of Article 31, paragraph (1) of the New Act (including the cases applied mutatis mutandis pursuant to Article 35-8 of the New Act after deemed replacement) for the business year in which the Effective Date falls in the cases where a Former Medium-term Plan is deemed to be a New Medium-term Plan or a New Medium to Long-term Plan pursuant to the provisions of Article 8, paragraph (2) of the Supplementary Provisions: in Article 31, paragraph (1) of the New Act, the phrase "Prior to the start of each business year, ...as authorized under paragraph (1) of the preceding Article" is deemed to be replaced with "Without delay after the date on which the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014) comes into effect,...as deemed to be authorized under paragraph (1) of the preceding Article, pursuant to the provisions of Article 8, paragraph (2) of the Supplementary Provisions of the Act"; and in Article 31, paragraph (1) applied mutatis mutandis pursuant to Article 35-8 of the New Act after deemed replacement, the phrase "Prior to the start of each business year, ...as authorized under Article 35-5, paragraph (1)" is deemed to be replaced with "Without delay after the date on which the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies comes into effect,... as deemed to be authorized under Article 35-5, paragraph (1), pursuant to the provisions of Article 8, paragraph (2) of the Supplementary Provisions of the Act."

(Transitional Measures Concerning Evaluation on the Operational Performance)

Article 11 (1) The provisions of Article 32 of the New Act also apply to the evaluation on the operational performance during the business year that ended on the day preceding the Effective Date and during the Period for the Medium-term Objectives of an Incorporated Administrative Agency that has become an Agency Managed under the Medium-term Objectives as of the Effective Date.

(2) The provisions of Article 35-6, paragraphs (1) and (3) and paragraphs (5) through (9) of the New Act also apply to the evaluation on the operational performance during the business year that ended on the day preceding the Effective Date and during the Period for the Medium-term Objectives of an Incorporated Administrative Agency that has become a National Research and Development Agency as of the Effective Date.

(3) The provisions of Article 35-11, paragraphs (1), (3), (5), and (6) of the New Act also apply to the evaluation on the operational performance during the business year that ended on the day preceding the Effective Date of an Incorporated Administrative Agency that has become an Agency Engaged in Administrative Execution as of the Effective Date.

(4) The provisions of Article 35-11, paragraphs (2) and paragraphs (4) through (7) of the New Act apply mutatis mutandis to the evaluation on the operational performance during the Period for the Medium-term Objectives that ended on the day preceding the Effective Date of an Incorporated Administrative Agency that has become an Agency Engaged in Administrative Execution as of the Effective Date. In this case: in paragraph (2) of the Article, the phrase "a period specified by order of the competent ministry, which is not less than three years and not more than five years" is deemed to be replaced with "the Period for the Medium-term Objectives provided for in article 29, paragraph (2), item (i) prior to the revision by the Act for Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014)" and the phrase "status of the implementation during the period of the matters concerning the improvement of the efficiency of the running of the operations specified in the Annual Objectives" is deemed to be replaced with "results of the operations during the Period for the Medium-term Objectives"; in paragraph (4) of the Article, the phrase "status of the implementation of the matters provided for in the paragraph and the results of its self-evaluation on the status of the implementation of these matters" is deemed to be replaced with "results of the operations during the Period for the Medium-term Objectives provided for in the paragraph and the results of its self-evaluation on the status of these results of the operations"; and in paragraph (5) of the Article "status of the implementation of the matters" is deemed to be replaced with "results of the operations during the Period for the Medium-term Objectives."

(5) The provisions of the preceding paragraph do not apply if the Period for the Medium-term Objectives specified prior to the Effective Date ends on the day preceding the Effective Date and as a result, the Period remaining for the Medium-term Objectives is one year or less, as provided for in Article 9 of the Supplementary Provisions.

(6) If an Agency Engaged in Administrative Execution fails to submit a report under the provisions of Article 35-11, paragraph (4) of the New Act applied mutatis mutandis pursuant to paragraph (4) or fails to state in a report the matters that should be stated therein or submits a report containing a false statement, the officer of the Agency Engaged in Administrative Execution who has committed such violation is punished by a non-criminal fine of not more than 200,000 yen.

Article 12 The provisions of Article 35 of the Former Act do not apply to the Period for the Medium-term Objectives which is specified for an Incorporated Administrative Agency that becomes an Agency Engaged in Administrative Execution as of the Effective Date in which the day preceding the Effective Date falls.

(Transitional Measures Concerning Duty of Confidentiality)

Article 13 With regard to the duty of a person who formerly served as an officer of a Specified Incorporated Administrative Agency provided for in Article 2, paragraph (2) of the Former Act is not to disclose any secrets that the person has come to know in the course of performing their duties as provided for in Article 54, paragraph (1), the prior laws continue to govern the applicability, even after the Effective Date.

(Transitional Measures Concerning the Application of Penal Provisions)

Article 14 The laws in force at the time in question continue to govern the applicability of penal provisions to a conduct that a person engages in before the Act comes into effect.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 15 In addition to what is provided for in Article 2 through the preceding Article of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act (including transitional measures concerning penal provisions) are specified by Cabinet Order.