

Act on Payment of Damage Recovery Benefits from Funds in Deposit Accounts Used for Crime

(Act No. 133 of December 21, 2007)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to provide for procedures for expiry of claims on deposits, etc., procedures for payment of damage recovery benefits, and other matters for the payment, etc. of damage recovery benefits to persons who suffer damage from criminal conduct, including fraud committed by means of transfer to a deposit account, etc., thereby contributing to the prompt recovery, etc. from property damage of persons who suffer damage from that criminal conduct.

(Definitions)

Article 2 (1) The term "financial institution" as used in this Act means the following:

- (i) a bank;
- (ii) a shinkin bank;
- (iii) a federation of shinkin banks;
- (iv) a labor bank;
- (v) the Rokinren Bank;

- (vi) a credit cooperative;
 - (vii) a federation of credit cooperatives;
 - (viii) an agricultural cooperative;
 - (ix) a federation of agricultural cooperatives;
 - (x) a fisheries cooperative;
 - (xi) a federation of fisheries cooperatives;
 - (xii) a fishery processing cooperative;
 - (xiii) a federation of fishery processing cooperatives;
 - (xiv) Norinchukin Bank; and
 - (xv) the Shoko Chukin Bank, Ltd.
- (2) The term "deposit account, etc." as used in this Act means a deposit account or savings account (including a deposit account or savings account after a financial institution has cancelled the contract related to the accounts and taken measures to manage funds in the account separately in the form of deposits, etc. because the account has been used for criminal conduct).
- (3) The term "criminal conduct by means of transfer" as used in this Act means criminal conduct constituting a crime of causing damage to another person's property, including fraud, which is committed by having money transferred to a deposit account, etc. from the person who has suffered the damage, as a means of obtaining property.
- (4) The term "deposit account, etc. used for crime" as used in this Act means the following deposit accounts, etc.:
- (i) a deposit account, etc. to which the transfer prescribed in the preceding paragraph has been made through criminal conduct by means of transfer; and
 - (ii) a deposit account, etc. used exclusively for the purpose of moving the funds in the deposit account, etc. set forth in the preceding item, where the funds held in the deposit account, etc. are found to be substantially the same as the funds involved in the transfer set forth in that item.
- (5) The term "damage recovery benefits" as used in this Act means money to be paid by a financial institution using money worth an amount equivalent to the amount of a claim on deposits or savings (hereinafter referred to as "deposits, etc.") that has expired pursuant to the provisions of Article 7, with the amount being calculated pursuant to the provisions of Chapter IV on the basis of the value of the property lost due to criminal conduct by means of transfer.

Chapter II Measures for Suspension of Transactions Involving Deposit Accounts

Article 3 (1) If a financial institution suspects that a deposit account, etc. held therewith is a deposit account, etc. used for crime in light of circumstances

including the fact that the investigating authorities, etc. have provided information concerning the unauthorized use of the deposit account, etc., the financial institution is to take appropriate measures, including suspension of transactions involved in the deposit account, etc.

- (2) In the case referred to in the preceding paragraph, if the financial institution suspects that a deposit account, etc. held with another financial institution has been used for the purpose of moving funds in the deposit account, etc. referred to in that paragraph in light of circumstances including the status of transactions involved in the deposit account, etc., the financial institution is to provide that other financial institution with necessary information.

Chapter III Procedure for Expiry of Claims on Deposits

(Request for Public Notice)

Article 4 (1) If a financial institution finds probable cause to suspect that a deposit account, etc. held therewith is a deposit account, etc. used for crime in light of circumstances including the following grounds, it must promptly take measures, including as suspension of transactions involved in the deposit account, etc., if no relevant measures have been taken yet, and submit a request asking the Deposit Insurance Corporation to give public notice concerning the commencement of the procedure for expiry of a claim on deposits, etc. held in the deposit account, etc., with documents specified by order of the competent ministry attached, pursuant to the provisions of order of the competent ministry:

- (i) the fact that the investigating authorities, etc. have provided information concerning the unauthorized use of the deposit account, etc.;
 - (ii) the results of an investigation conducted based on information including the information referred to in the preceding item with regard to the status of damage caused by criminal conduct by means of transfer involving the deposit account, etc.;
 - (iii) the results of an investigation conducted with regard to the status of the registered holder of the deposit account, etc. including the holder's whereabouts, by methods including contacting the holder at the holder's address that can be identified from the materials retained by the financial institution; and
 - (iv) the status of transactions involved in the deposit account, etc.
- (2) The provisions of the preceding paragraph do not apply if the case falls under either of the following items:
- (i) an action to seek refund of deposits, etc. held in the deposit account, etc. prescribed in the preceding Article (hereinafter referred to as an "action for refund" in this Chapter) has been filed, or a procedure for compulsory

execution, provisional seizure or provisional disposition, or any other procedure specified by order of the competent ministry (hereinafter referred to as "compulsory execution, etc." in this Chapter) has been initiated; or

(ii) the case is specified by order of the competent ministry as a case in which it is found to be inappropriate to implement the procedures prescribed in this Act in light of circumstances including the situation of the person who is found to have suffered damage from the criminal conduct by means of transfer.

(3) If a financial institution finds probable cause to suspect that a deposit account, etc. held with another financial institution has been used for the purpose of moving funds in the deposit account, etc. referred to in paragraph (1) in light of circumstances including the status of transactions involved in the deposit account, etc., the financial institution is to give notice to that other financial institution of the matters specified by order of the competent ministry concerning the deposit account, etc. referred to in that paragraph.

(Public Notice)

Article 5 (1) The Deposit Insurance Corporation must give public notice of the following information without delay, upon the request pursuant to the provisions of paragraph (1) of the preceding Article, based on the content of the document pertaining to the request or documents specified by order of the competent ministry prescribed in that paragraph:

(i) the fact that the procedure for expiry of a claim based on the provisions of this Chapter has commenced with regard to the claim on deposits, etc. held in the deposit account, etc. subject to the request pursuant to the provisions of paragraph (1) of the preceding Article (hereinafter the deposit account, etc. is referred to as the "subject deposit account, etc." and the claim on the deposits, etc. is referred to as the "subject claim on deposits, etc." in this Chapter);

(ii) the information of the financial institution and its branch at which the subject deposit account, etc. is held, as well as the type of deposits, etc. and the account number of the subject deposit account, etc.;

(iii) the name of the registered holder of the subject deposit account, etc.;

(iv) the amount of the subject claim on deposits, etc.;

(v) the period during which creditors of the subject claim on deposits, etc. including the registered holder of the subject deposit account, etc. are required to notify the financial institution of their exercise of rights, file an action for refund or enforce compulsory execution, etc. (hereinafter referred to as "notification of exercise of rights, etc.") with regard to the subject claim on deposits, etc.;

(vi) the method of giving notification of exercise of rights referred to in the

- preceding item;
- (vii) matters specified by order of the competent ministry as information that should serve as a reference in filing an action for refund or enforcing compulsory execution, etc. (excluding information with regard to which the financial institution has given notice to the effect that it is difficult to give public notice of);
 - (viii) a statement to the effect that the subject claim on deposits, etc. will expire if the notification of exercise of rights, etc. is not made within the period set forth in item (v); and
 - (ix) other information specified by order of the competent ministry.
- (2) The period set forth in item (v) of the preceding paragraph must be not less than 60 days from the day following the day on which the public notice pursuant to the provisions of that paragraph has been given.
- (3) If the Deposit Insurance Corporation finds any deficiency in formalities in the document pertaining to a request pursuant to the provisions of paragraph (1) of the preceding Article or documents specified by order of the competent ministry prescribed in that paragraph, it may request the financial institution to correct the deficiency, specifying a reasonable period of time.
- (4) If a financial institution receives a report of damage from criminal conduct by means of transfer involving a subject deposit account, etc. within the period set forth in paragraph (1), item (v), it is to take appropriate measures to ensure that it is convenient for the person who makes the report to apply for payment of damage recovery benefits.
- (5) Beyond what is provided for in paragraphs (1) to (3), necessary matters concerning public notice pursuant to the provisions of paragraph (1) are prescribed by order of the competent ministry.

(Notice of Notification of Exercise of Rights)

- Article 6 (1) If a financial institution receives a notification of exercise of rights, etc. within the period set forth in paragraph (1), item (v) of the preceding Article, it must give notice to the Deposit Insurance Corporation to that effect.
- (2) If it becomes clear within the period set forth in paragraph (1), item (v) of the preceding Article that the subject deposit account, etc. is not a deposit account, etc. used for crime, the financial institution must give notice to the Deposit Insurance Corporation to that effect.
- (3) If the Deposit Insurance Corporation receives the notice pursuant to the provisions of the preceding two paragraphs, it must give public notice of the termination of the procedure for expiry of the claim on deposits, etc.

(Expiry of Claims on Deposits)

- Article 7 If, with regard to a subject claim on deposits, etc., no notification of

exercise of rights, etc. is made within the period set forth in Article 5, paragraph (1), item (v) and no notice is given pursuant to the provisions of paragraph (2) of the preceding Article, the subject claim on deposits, etc. expires. In this case, the Deposit Insurance Corporation must give public notice to that effect.

Chapter IV Procedure for Payment of Damage Recovery Benefits

Section 1 General Rules

(Payment of Damage Recovery Benefits)

- Article 8 (1) A financial institution must pay damage recovery benefits using money worth an amount equivalent to the amount of a claim on deposits, etc. that has expired pursuant to the provisions of the preceding Article (hereinafter referred to as an "expired claim on deposits, etc." in this Chapter and Article 37, paragraph (2)), pursuant to the provisions of this Chapter, to a person (including an organization without legal personality for which a representative or administrator is appointed) who has suffered damage from criminal conduct by means of transfer involving a deposit account, etc. pertaining to the expired claim on deposits, etc. (hereinafter referred to as the "subject deposit account, etc." in this Chapter) (if the subject deposit account, etc. is a deposit account, etc. set forth in Article 2, paragraph (4), item (ii), the criminal conduct by means of transfer refers to criminal conduct by means of transfer involving a deposit account, etc. set forth in item (i) of that paragraph from which the funds in the relevant deposit account, etc. have been moved; hereinafter referred to as the "subject criminal conduct" in this Chapter) and who has lost property due to the criminal conduct (hereinafter referred to as the "subject victim" in this Chapter).
- (2) If general succession, including inheritance, takes place with regard to the subject victim, a financial institution must pay damage recovery benefits to the subject victim's general successors, including heirs, pursuant to the provisions of this Chapter.
- (3) The provisions of the preceding two paragraphs do not apply if the amount of an expired claim on deposits, etc. is less than 1,000 yen. In this case, the Deposit Insurance Corporation must give public notice to that effect.

(Person Ineligible to Receive Payment of Damage Recovery Benefits)

Article 9 Notwithstanding the provisions of the preceding Article, a person who falls under any of the following items may not receive payment of damage recovery benefits:

- (i) if all the damage equivalent to the value of the property lost due to the subject criminal conduct is covered or compensated for (limited to cases

where the damage is covered or compensated for by a person other than the subject victim who has lost the property or the general successor thereof): the subject victim who has lost the property or the general successor thereof; or (ii) a person who has committed the subject criminal conduct or a person who has assisted the former as an accomplice, a person who has gained an unlawful benefit in relation to the subject criminal conduct, a person who has lost property due to the subject criminal conduct for an illegal cause attributable to the person, or any other person who is not appropriate in light of socially accepted conventions to receive payment of damage recovery benefits, or the subject victim's general successor in cases where the subject victim falls within any of these categories of persons.

Section 2 Commencement of Procedure

(Request for Public Notice)

- Article 10 (1) If a claim on deposits, etc. expires pursuant to the provisions of Article 7 (excluding the case prescribed in Article 8, paragraph (3)), the financial institution must promptly request the Deposit Insurance Corporation to issue a public notice concerning the commencement of the procedure for payment of damage recovery benefits for the claim on deposits, etc. that has expired, with documents specified by order of the competent ministry attached, pursuant to the provisions of order of the competent ministry.
- (2) The provisions of the preceding paragraph do not apply if all subject victims related to the subject deposit account, etc. or their general successors have been identified, and all of these subject victims or their general successors apply for payment of damage recovery benefits. In this case, the financial institution must give notice to the Deposit Insurance Corporation to that effect.

(Public Notice)

- Article 11 (1) The Deposit Insurance Corporation must give public notice of the following information without delay, upon the request pursuant to the provisions of paragraph (1) of the preceding Article, based on the content of the document pertaining to the request or documents specified by order of the competent ministry prescribed in that paragraph:
- (i) the fact that the procedure for payment of damage recovery benefits based on the provisions of this Chapter has commenced with regard to the expired claim on deposits, etc. subject to the request pursuant to the provisions of paragraph (1) of the preceding Article;
- (ii) the information of the financial institution and its branch at which the subject deposit account, etc. (if the subject deposit account, etc. is a deposit account, etc. set forth in Article 2, paragraph (4), item (ii), including the

- deposit account, etc. set forth in item (i) of that paragraph from which the funds in the subject deposit account, etc. have been moved; the same applies in the following item) is held, as well as the type of deposits, etc. and the account number of the subject deposit account, etc.;
- (iii) the name of the registered holder of the subject deposit account, etc.;
 - (iv) the amount of the expired claim on deposits, etc.;
 - (v) the period for application for payment;
 - (vi) the method of applying for payment of damage recovery benefits;
 - (vii) matters specified by order of the competent ministry as information that should serve as a reference in applying for payment of damage recovery benefits (excluding information with regard to which the financial institution has given notice to the effect that it is difficult to give public notice of); and
 - (viii) other information specified by order of the competent ministry.
- (2) The period for application for payment set forth in item (v) of the preceding paragraph (hereinafter referred to as the "period for application for payment" in this Chapter) must be not less than 30 days from the day following the day on which the public notice pursuant to the provisions of that paragraph has been given.
- (3) If the Deposit Insurance Corporation finds any deficiency in formalities in the document pertaining to the request pursuant to the provisions of paragraph (1) of the preceding Article or documents specified by order of the competent ministry prescribed in that paragraph, it may request the financial institution to correct the deficiency, specifying a reasonable period of time.
- (4) A financial institution is to take appropriate measures including provision of necessary information in order to make the implementation, etc. of the procedure for payment of damage recovery benefits known to persons who are suspected of having suffered damage caused by the subject criminal conduct.
- (5) Beyond what is provided for in paragraphs (1) to (3), necessary matters concerning public notice pursuant to the provisions of paragraph (1) are prescribed by order of the competent ministry.

Section 3 Application for and Determination of Payment

(Application for Payment)

Article 12 (1) A person who intends to receive payment of damage recovery benefits must file an application with the financial institution at which the subject deposit account, etc. is held, attaching materials that make a prima facie showing of the information set forth in items (i) and (ii) to an application form containing the following information within the period of application for payment (if notice pursuant to the provisions of Article 10, paragraph (2) is given, within a reasonable period of time specified by the financial institution;

the same applies hereinafter), pursuant to the provisions of order of the competent ministry:

- (i) facts fundamental to show that the applicant is the subject victim or general successor thereof;
 - (ii) the value of the property lost due to the subject criminal conduct;
 - (iii) the amount subject to deduction (meaning the total amount of coverage or compensation in cases where damage equivalent to the value of the property lost due to the subject criminal conduct has been covered or compensated for (limited to when the damage has been covered or compensated for by a person other than the subject victim who lost the property or the general successor thereof); the same applies hereinafter); and
 - (iv) other information specified by order of the competent ministry.
- (2) If, with regard to the subject victim or general successor of the subject victim (hereinafter referred to as the "subject victim, etc." in this paragraph) who has filed an application pursuant to the provisions of the preceding paragraph, general succession takes place before a determination is made pursuant to the provisions of the following Article in response to the application, the general successor of the subject victim, etc. may file an application for damage recovery benefits even after the expiration of the period of application for payment, only within 60 days from the day on which the general succession took place. In this case, the general successor must submit the application form prescribed in the preceding paragraph to the financial institution at which the subject deposit account, etc. is held, attaching thereto materials that make a prima facie showing of the information set forth in items (i) and (ii) of that paragraph, pursuant to the provisions of order of the competent ministry.
- (3) An application pursuant to the provisions of the preceding two paragraphs may be filed via the financial institution to which a request for the transfer prescribed in Article 2, paragraph (3) involved in the subject criminal conduct has been submitted.

(Determination of Payment)

- Article 13 (1) If an application is filed pursuant to the provisions of paragraph (1) of the preceding Article, and the period for application for payment expires, the financial institution must determine, without delay, whether or not the applicant is a person eligible to receive payment of damage recovery benefits, based on the application form and materials prescribed in paragraph (1) or paragraph (2) of that Article and other materials. The same applies if an application is filed pursuant to the provisions of paragraph (2) of that Article and 60 days have passed since the day on which general succession in relation to the application took place.
- (2) When a financial institution determines that a person is eligible to receive

payment of damage recovery benefits (hereinafter referred to as a "determination of eligible recipient"), it must determine the amount of crime damages (meaning the amount that remains after deducting the amount subject to deduction from the value of the property lost due to the subject criminal conduct; the same applies hereinafter). In this case, if there are two or more persons who are to receive a determination of eligible recipient and who are general successors of the same subject victim, the amount of crime damages pertaining to each person is to be the amount obtained by deducting the amount subject to deduction from the value of the property lost due to the subject criminal conduct involving the subject victim, and then dividing the result by the number of the general successors.

- (3) In the case prescribed in the second sentence of the preceding paragraph, if some of the persons who are to receive a determination of eligible recipient have reached an agreement on the ratio of the amount of damage recovery benefits to be received by each of them, the amount of crime damages pertaining to the persons who have reached the agreement is to be the amount obtained by totaling the amounts calculated pursuant to the provisions of the second sentence of that paragraph which are related to those persons, and then multiplying the total by the ratio of the amount of damage recovery benefits to be received by each of them as specified in the agreement, notwithstanding the provisions of the second sentence of that paragraph.
- (4) Beyond what is provided for in the preceding two paragraphs, the method of determining the amount of criminal damages is prescribed by order of the competent ministry.

(Sending of Documents)

- Article 14 (1) If a financial institution makes a determination pursuant to the provisions of the preceding Article, it must promptly send a document describing the details of the determination to the applicant.
- (2) Notwithstanding the provisions of the preceding paragraph, if the applicant's whereabouts is unknown or it is impossible to send the document referred to in that paragraph to the applicant for another reason, the relevant financial institution may retain the document and take measures specified by order of the competent ministry as measures to make it clear that the document is to be delivered to the applicant at any time, in lieu of sending it pursuant to the provisions of that paragraph.

(Preparation of Determination Table)

- Article 15 If a financial institution makes a determination pursuant to the provisions of Article 13, it must prepare a determination table containing the following information and keep it at a place specified by order of the competent

ministry to make it available for inspection by the applicant:

- (i) the name of the person who has received the determination of eligible recipient and the amount of criminal damages specified by the determination of eligible recipient (if no person receives a determination of eligible recipient, a statement to that effect); and
- (ii) other information specified by order of the competent ministry.

Section 4 Implementation of Payment

(Implementation of Payment)

Article 16 (1) If a financial institution makes a determination pursuant to the provisions of Article 13 in response to all applications, it must, without delay, pay damage recovery benefits to the persons who have received a determination of eligible recipient.

(2) If the total amount of criminal damages specified by a determination of eligible recipient (hereinafter referred to as the "total amount of damages" in this paragraph) exceeds the amount of the relevant expired claim on deposits, etc., the amount of damage recovery benefits to be paid pursuant to the provisions of the preceding paragraph is to be the amount obtained by multiplying the amount of the expired claim on deposits, etc. by the ratio of the amount of criminal damages pertaining to each person who has received the determination of eligible recipient to the total amount of damages (if the amount thus obtained includes a fraction of less than 1 yen, that fraction is dropped), or, in other cases, it is to be the amount of criminal damages.

(3) A financial institution must enter the amount of damage recovery benefits that it is to pay pursuant to the provisions of paragraph (1) in the determination table and give notice to the Deposit Insurance Corporation to that effect.

(4) If the Deposit Insurance Corporation receives notice pursuant to the provisions of the preceding paragraph, it must give public notice to the effect that the financial institution has entered the amount of damage recovery benefits that it is to pay pursuant to the provisions of paragraph (1) in the determination table.

(Payment of Damage Recovery Benefits to General Successors after

Determination of Eligible Recipient)

Article 17 (1) If general succession takes place with regard to a person who has received a determination of eligible recipient and any amount of the damage recovery benefits payable to that person has not yet been paid, the financial institution must pay the unpaid amount of damage recovery benefits to the person's general successor who has made notification within 60 days from the

day on which the general succession took place. In this case, the general successor must submit a written notification to the financial institution pursuant to the provisions of order of the competent ministry.

- (2) If there are two or more general successors who have made notification pursuant to the provisions of the preceding paragraph, the amount of damage recovery benefits to be paid to the general successors is to be the amount obtained by dividing the unpaid amount of damage recovery benefits prescribed in that paragraph by the number of the general successors (if the amount thus obtained includes a fraction of less than 1 yen, that fraction is dropped); provided, however, that if some of the general successors have reached an agreement on the ratio of the amount of damage recovery benefits to be received by each of them, the amount of damage recovery benefits to be paid to the persons who have reached that agreement is to be the amount obtained by totaling the amounts calculated pursuant to the provisions of the main clause of this paragraph which pertain to those persons, and then multiplying the total by the ratio of the amount of damage recovery benefits to be received by each of them as specified in the agreement (if the amount thus obtained includes a fraction of less than 1 yen, that fraction is dropped).

Section 5 Termination of Procedure

(Public Notice)

Article 18 (1) If any of the following items applies, a financial institution must promptly request the Deposit Insurance Corporation to give public notice concerning the termination of the procedure for payment of damage recovery benefits:

- (i) no application pursuant to the provisions of Article 12, paragraph (1) or paragraph (2) is filed;
 - (ii) a determination pursuant to the provisions of Article 13 is made with regard to all applications pursuant to the provisions of Article 12, paragraph (1) or paragraph (2), and no person receives a determination of eligible recipient;
 - (iii) the financial institution pays in full, pursuant to the provisions of the preceding Section, the damage recovery benefits payable pursuant to the provisions of that Section or Article 22, paragraph (2), or takes the measures prescribed in that paragraph; or
 - (iv) it has become clear that the subject deposit account, etc. is not a deposit account, etc. used for crime.
- (2) The Deposit Insurance Corporation must, upon a request pursuant to the provisions of the preceding paragraph, give public notice of the termination of the procedure for payment of damage recovery benefits without delay.

(Payment to Deposit Insurance Corporation)

Article 19 If public notice is given pursuant to the provisions of Article 8, paragraph (3) or paragraph (2) of the preceding Article and falls under any of the following items, the financial institution must pay an amount of money equivalent to the amount specified respectively in these items to the Deposit Insurance Corporation:

- (i) public notice is given pursuant to the provisions of Article 8, paragraph (3) or the provisions of paragraph (2) of the preceding Article, and the financial institution does not pay damage recovery benefits: the amount of the expired claim on deposits, etc.; or
- (ii) public notice pursuant to the provisions of paragraph (2) of the preceding Article is given, and the total amount of damage recovery benefits paid in relation to the subject deposit account, etc. to which the public notice pertains is less than the amount of the expired claim on deposits, etc.: the amount that remains after deducting the total amount of damage recovery benefits from the amount of the expired claim on deposits, etc.

(Enhancement of Support for Crime Victims)

Article 20 (1) If the Deposit Insurance Corporation receives payment of money pursuant to the provisions of the preceding Article (including cases to be governed by that Article pursuant to the provisions of Article 24, paragraph (3)), it is to spend the amount of money that remains after deducting, from the amount of money paid thereto, the amount obtained by multiplying that amount of money by the ratio specified by order of the competent ministry in consideration of the amount of expenses required for payment pursuant to the provisions of Article 25, paragraph (4), in order to enhance support for crime victims, pursuant to the provisions of order of the competent ministry.

(2) If the amount of money obtained by multiplying the ratio specified by order of the competent ministry as referred to in the preceding paragraph is in whole or in part no longer necessary for payment pursuant to the provisions of Article 25, paragraph (4), the Deposit Insurance Corporation is to spend that amount of money in order to enhance support for crime victims, pursuant to the provisions of order of the competent ministry referred to in the preceding paragraph.

(Relationship with Claim for Damages)

Article 21 (1) If damage recovery benefits are paid, the claim for damages related to the subject criminal conduct to which the damage recovery benefits pertain and other claims held by the person who has received the payment expire up to the amount of payment received.

(2) If a financial institution makes payment pursuant to the provisions of Article 25, paragraph (1) or paragraph (2), and the person who receives the payment holds a claim for damages in relation to the implementation of the procedures prescribed in the preceding Chapter or this Chapter, including the application of the provisions of Article 4, paragraph (1), or another claim, the claim expires up to the amount of payment received.

(Expiry of Right to Receive Payment of Damage Recovery Benefits)

Article 22 (1) In the procedure for payment of damage recovery benefits, the right to receive payment of damage recovery benefits expires if it is not exercised within six months from the time when public notice was given pursuant to the provisions of Article 16, paragraph (4) (including cases to be governed by that paragraph pursuant to the provisions of the following paragraph or Article 24, paragraph (2)).

(2) If the right to receive payment of damage recovery benefits expires pursuant to the provisions of the preceding paragraph, there is another person who has received a determination of eligible recipient with regard to the payment of damage recovery benefits pertaining to the same subject deposit account, etc. (excluding a person whose right to receive damage recovery benefits has become expired; hereinafter referred to as the "other eligible recipient"), and the amount of damage recovery benefits already paid to the other eligible recipient is less than the amount of crime damages, the financial institution must pay damage recovery benefits to the other eligible recipient or general successor thereof pursuant to the provisions of the preceding Section without delay, using an amount of money equivalent to the amount of damage recovery benefits for which the right has expired pursuant to the provisions of that paragraph; provided, however, that this does not apply if the amount of damage recovery benefits for which the right has expired pursuant to the provisions of that paragraph is less than 1,000 yen.

(Protection of Right to Receive Damage Recovery Benefits)

Article 23 The right to receive damage recovery benefits may not be transferred, provided as collateral or seized; provided, however, that this does not apply if it is seized based on a disposition of national tax delinquency (including dispositions made pursuant to the procedure thereof).

(Return in Case of Payment Received by Wrongful Means)

Article 24 (1) If a person receives payment of damage recovery benefits by deception or other wrongful means, the relevant financial institution is to take appropriate measures to have the person return the damage recovery benefits.
(2) If a financial institution receives damage recovery benefits returned by the

person prescribed in the preceding paragraph and there is any other eligible recipient to whom the amount of damage recovery benefits already paid is less than the amount of crime damage, the financial institution must pay damage recovery benefits to that other eligible recipient or the general successor of that other eligible recipient in pursuant to the provisions of the preceding Section without delay, using an amount of money equivalent to the amount returned; provided, however, that this does not apply if the amount returned by the person prescribed in that paragraph is less than 1,000 yen.

(3) The payment to the Deposit Insurance Corporation of money returned by the person prescribed in paragraph (1) is governed by the provisions of Article 19.

(Request for Payment When Adequate Grounds Are Found to Believe That a Subject Deposit Account Is Not a Deposit Account Used for Crime)

Article 25 (1) A creditor of an expired claim on deposits, etc. including the registered holder of a subject deposit account, etc. (hereinafter referred to as the "registered holder, etc." in this Article) may request the financial institution at which the subject deposit account, etc. is held to pay an amount equivalent to the amount of the expired claim on deposits, etc. if, after public notice was given pursuant to the provisions of Article 8, paragraph (3) or Article 18, paragraph (2), adequate grounds are found to believe that the subject deposit account, etc. is not a deposit account, etc. used for crime because the registered holder, etc. has given a necessary explanation with regard to circumstances including unavoidable circumstances due to which the registered holder, etc. failed to make notification of exercise of rights, etc. referred to Article 5, paragraph (1), item (v) to the financial institution within the period set forth in that item, the status of use of the deposit account, etc., and the origin of the money of major payments into the deposit account, etc.

(2) If the registered holder, etc. gives a necessary explanation with regard to circumstances concerning the subject deposit account, etc. including unavoidable circumstances due to which the registered holder, etc. failed to make notification of exercise of rights, etc. referred to Article 5, paragraph (1), item (v) to the financial institution at which the subject deposit account, etc. is held within the period set forth in that item, and any payment is made into the subject deposit account, etc. by a method including a transfer using property other than the property involved in the damage caused by the subject criminal conduct, the registered holder, etc. may request the financial institution at which the subject deposit account, etc. is held to pay an amount equivalent to the amount that remains after deducting the total amount paid into the subject deposit account, etc., excluding the payment, from the amount of the expired claim on deposits, etc., after the public notice was given pursuant to the provisions of Article 8, paragraph (3) or Article 18, paragraph (2); provided,

however, that this does not apply if the amount of the expired claim on deposits, etc. is less than that total amount.

- (3) If a financial institution intends to make payment pursuant to the provisions of the preceding two paragraphs, and considers that there was no negligence in relation to the implementation of the procedures prescribed in the preceding Chapter, including the application of the provisions of Article 4, paragraph (1), it must give notice to the Deposit Insurance Corporation to that effect.
- (4) A financial institution that has made payment pursuant to the provisions of paragraph (1) or paragraph (2) may request the Deposit Insurance Corporation to pay an amount equivalent to the amount paid pursuant to the provisions of paragraph (1) or paragraph (2), pursuant to the provisions of order of the competent ministry, if adequate grounds are found to believe that there was no negligence in relation to the implementation of the procedures prescribed in the preceding Chapter, including the application of the provisions of Article 4, paragraph (1); provided, however, that if damage recovery benefits were paid with regard to the deposit account, etc. to which the payment made by the financial institution pertains, and the financial institution has been negligent in relation to the implementation of the procedures prescribed in this Chapter, the amount that it may request is to be the amount that remains after deducting the total amount of damage recovery benefits that the financial institution paid in negligence from the amount that it paid pursuant to the provisions of paragraph (1) or paragraph (2).
- (5) If a financial institution suspects that the deposit account, etc. to which payment pursuant to the provisions of paragraph (1) or paragraph (2) pertains is a deposit account, etc. used for crime or any other deposit account, etc. used unlawfully, it may take measures to suspend the payment.

Chapter V Special Provisions for Operations of Deposit Insurance Corporation

(Special Provisions for Operations of Deposit Insurance Corporation)

Article 26 In order to achieve the purpose referred to in paragraph (1), the Deposit Insurance Corporation (hereinafter referred to as the "corporation") conducts the following operations beyond the operations prescribed in Article 34 of the Deposit Insurance Act (Act No. 34 of 1971):

- (i) giving public notice of the commencement of the procedure for expiry of claims on deposits, etc. and other operations pursuant to the provisions of Chapter III;
- (ii) giving public notice of the commencement of the procedure for payment of damage recovery benefits and other operations pursuant to the provisions of the preceding Chapter (excluding the operations set forth in the following

- item and item (iv));
- (iii) receiving payment of money pursuant to the provisions of Article 19 (including cases to be governed by that Article pursuant to the provisions of Article 24, paragraph (3)), and spending and otherwise managing money pursuant to the provisions of Article 20;
 - (iv) paying money pursuant to the provisions of paragraph (4) of the preceding Article;
 - (v) receiving payment of fees pursuant to the provisions of Article 30; and
 - (vi) operations incidental to the operations referred to in the preceding items.

(Method of Public Notice)

Article 27 Public notice pursuant to the provisions of this Act must be given by posting the relevant information on the Internet for public inspection.

(Separate Accounting)

Article 28 The corporation must separate the accounting for the operations pursuant to the provisions of Article 26 (hereinafter referred to as the "damage recovery benefits payment operations") from the accounting for other operations and manage it in a special account.

(Borrowings)

- Article 29 (1) If the corporation finds it necessary in order to conduct damage recovery benefits payment operations, it may borrow funds (including refinancing) from a financial institution or any other person with the authorization of the Prime Minister and the Minister of Finance.
- (2) The outstanding amount of borrowings pursuant to the provisions of the preceding paragraph must not exceed the amount specified by Cabinet Order.

(Fees)

- Article 30 (1) The corporation may collect an amount of fees set by the corporation in accordance with a resolution reached by the Policy Board (meaning the Policy Board prescribed in Article 14 of the Deposit Insurance Act) in consideration of the expenses required for the administration of damage recovery benefits payment operations, from a financial institution that makes a request pursuant to the provisions of Article 4, paragraph (1) or Article 10, paragraph (1).
- (2) If the corporation intends to set or revise the amount of fees prescribed in the preceding paragraph, it must obtain authorization from the Prime Minister and the Minister of Finance.

Chapter VI Miscellaneous Provisions

(Application of Deposit Insurance Act)

Article 31 If the corporation conducts its operations pursuant to this Act, the provisions of the Deposit Insurance Act are applied in addition to the provisions of this Act. In this case: the term "matters" in Article 15, item (v) of that Act is deemed to be replaced with "matters (excluding those relating to the corporation's operations pursuant to the provisions of the Act on Payment of Damage Recovery Benefits from Funds in Deposit Accounts Used for Crime (Act No. 133 of 2007; hereinafter referred to as the "Damage Recovery Benefits Payment Act"))"; in Article 37, paragraph (1) of that Act, the phrase "operations set forth in the following items" is deemed to be replaced with "operations set forth in the following items (in the case of conducting operations pursuant to the provisions of the Damage Recovery Benefits Payment Act, those operations)", and the phrase "persons specified respectively in those items" is deemed to be replaced with "persons specified respectively in those items (in the case of conducting operations pursuant to the provisions of the Damage Recovery Benefits Payment Act, the financial institution prescribed in Article 2, paragraph (1) of the that Act)"; the term "specified holding company, etc." in Article 37, paragraph (2) of the Deposit Insurance Act is deemed to be replaced with "specified holding company, etc. (in the case of conducting operations pursuant to the provisions of the Damage Recovery Benefits Payment Act, the financial institution prescribed in Article 2, paragraph (1) of that Act)"; the term "this Act" in Article 44, Article 45, paragraph (2), and Article 46, paragraph (1) of the Deposit Insurance Act is deemed to be replaced with "this Act or the Damage Recovery Benefits Payment Act"; the phrase "operations (excluding the operations set forth in Article 40-2, item (ii))" in Article 51, paragraph (2) of the Deposit Insurance Act is deemed to be replaced with "operations (excluding those set forth in Article 40-2, item (ii) and the damage recovery benefits payment operations prescribed in Article 28 of the Damage Recovery Benefits Payment Act)"; the term "this Act" in Article 152, item (i) of the Deposit Insurance Act is deemed to be replaced with "this Act or the Damage Recovery Benefits Payment Act"; and the phrase "operations prescribed in Article 34" in item (iii) of that Article is deemed to be replaced with "operations prescribed in Article 34 and the operations pursuant to the provisions of the Damage Recovery Benefits Payment Act."

(Request for Cooperation from Relevant Administrative Organs)

Article 32 A financial institution may request necessary cooperation from relevant administrative organs for the implementation of the procedures prescribed in this Act.

(Separated Management)

Article 33 A financial institution must manage money to be used for payment of damage recovery benefits separately from its own property or other property.

(Request by Electronic or Magnetic Records or by Electronic or Magnetic Means)

Article 34 A request pursuant to the provisions of Article 4, paragraph (1) (including the submission of documents specified by order of the competent ministry referred to in that paragraph), notice pursuant to the provisions of Article 5, paragraph (1), item (vii), notice pursuant to the provisions of Article 6, paragraph (1) or paragraph (2), request pursuant to the provisions of Article 10, paragraph (1) (including the submission of documents specified by order of the competent ministry referred to in that paragraph), notice pursuant to the provisions of paragraph (2) of that Article, notice pursuant to the provisions of Article 11, paragraph (1), item (vii), notice pursuant to the provisions of Article 16, paragraph (3), request pursuant to the provisions of Article 18, paragraph (1), and notice pursuant to the provisions of Article 25, paragraph (3) may be made or given by submitting electronic or magnetic records (meaning records specified by order of the competent ministry as those used in computerized information processing which are created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses) or using electronic or magnetic means (meaning a method of using information and communication technology, including an electronic data processing system, which is specified by order of the competent ministry).

(Submission of Reports and Materials)

Article 35 (1) If an administrative agency finds it necessary in order to ensure the smooth implementation of this Act, it may require a financial institution (including a financial institution agent (meaning a bank agent prescribed in Article 2, paragraph (15) of the Banking Act (Act No. 59 of 1981), a long-term credit bank agent prescribed in Article 16-5, paragraph (3) of the Long-term Credit Bank Act (Act No. 187 of 1952), a shinkin bank agent prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act (Act No. 238 of 1951), a credit cooperative agent prescribed in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperative (Act No. 183 of 1949), a labor bank agent prescribed in Article 89-3, paragraph (3) of the Labor Bank Act (Act No. 227 of 1953), a specified credit business agent prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act (Act No. 132 of 1947), a specified credit business agent prescribed in Article 121-2, paragraph (3) of the Fishery Cooperatives Act (Act No. 242 of 1948), a Norinchukin Bank agent prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act (Act No. 93 of 2001),

and the other party to a contract pertaining to an agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank, Ltd. Act (Act No. 74 of 2007); hereinafter the same applies in this Article and the following Article)) or a bank holding company, etc. (meaning a bank holding company prescribed in Article 2, paragraph (13) of the Banking Act or a long-term credit bank holding company prescribed in Article 16-4, paragraph (1) of the Long-term Credit Bank Act; hereinafter the same applies in this Article and the following Article) to submit reports or materials concerning the status of its business or property.

- (2) If an administrative agency finds it particularly necessary in order to ensure the smooth implementation of this Act, it may, to the necessary extent, require a subsidiary company of a financial institution or bank holding company, etc. (hereinafter referred to as a "financial institution, etc." in this Article and the following Article) ("subsidiary company" means: the subsidiary company prescribed in Article 2, paragraph (8) of the Banking Act if the relevant financial institution, etc. is a bank prescribed in paragraph (1) of that Article or a bank holding company prescribed in paragraph (13) of that Article; the subsidiary company prescribed in Article 13-2, paragraph (2) of the Long-term Credit Bank Act if the relevant financial institution, etc. is a long-term credit bank prescribed in Article 2 of that Act or a long-term credit bank holding company prescribed in Article 16-4, paragraph (1) of that Act; the subsidiary company prescribed in Article 32, paragraph (6) of the Shinkin Bank Act if the relevant financial institution, etc. is a shinkin bank or federation of shinkin banks; the subsidiary company prescribed in Article 4, paragraph (1) of the Act on Financial Businesses by Cooperative if the relevant financial institution, etc. is a credit cooperative or federation of credit cooperatives; the subsidiary company prescribed in Article 32, paragraph (5) of the Labor Bank Act if the relevant financial institution, etc. is a labor bank or federation of labor banks; the subsidiary company prescribed in Article 11-2, paragraph (2) if the relevant financial institution, etc. is an agricultural cooperative or federation of agricultural cooperatives; the subsidiary company prescribed in Article 11-6, paragraph (2) of the Fishery Cooperatives Act if the relevant financial institution, etc. is a fisheries cooperative or federation of fisheries cooperatives, or a fishery processing cooperative or federation of fishery processing cooperatives; the subsidiary company prescribed in Article 24, paragraph (4) of the Norinchukin Bank Act if the relevant financial institution, etc. is the Norinchukin Bank; or the subsidiary company prescribed in Article 23, paragraph (2) of the Shoko Chukin Bank, Ltd. Act if the relevant financial institution, etc. is Shoko Chukin Bank, Ltd. (including companies that are deemed to be subsidiary companies); the same applies in the following paragraph and the following Article) or a person who has undertaken business

entrusted by the financial institution, etc. (excluding financial institution agents; the same applies in the following paragraph and paragraphs (2) and (5) of the following Article) to submit reports or materials that would serve as reference information concerning the status of the business or property of the financial institution, etc.

- (3) A subsidiary company of a financial institution, etc. or person who has undertaken business entrusted by a financial institution, etc. may refuse to submit reports or materials pursuant to the provisions of the preceding paragraph if the subsidiary company or person has reasonable grounds for refusing to do so.

(On-site Inspection)

Article 36 (1) If an administrative agency finds it necessary in order to ensure the smooth implementation of this Act, it may have its officials enter facilities including business offices and offices of a financial institution, etc. (including financial institution agents), ask questions concerning the status of the business and property of the financial institution. etc., or inspect its items including books and documents.

- (2) If an administrative agency finds it particularly necessary when conducting the entry, questioning or inspection pursuant to the provisions of the preceding paragraph, it may, to the necessary extent, have its officials enter facilities of a subsidiary company of the relevant financial institution, etc. or person who has undertaken business entrusted by the relevant financial institution, etc., ask questions concerning matters, or inspect items including books and documents as necessary for the questioning or inspection of the relevant financial institution, etc.

- (3) In the cases referred to in the preceding two paragraphs, the officials must carry their identification cards and present them when requested by persons concerned.

- (4) The authority pursuant to the provisions of paragraphs (1) and (2) must not be construed as being granted for criminal investigation purposes.

- (5) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the questioning and inspection, pursuant to the provisions of paragraph (2), of a subsidiary company of a financial institution, etc. or person who has undertaken business entrusted by a financial institution, etc. .

- (6) If an administrative agency finds it necessary, it may have the corporation conduct the entry, questioning or inspection pursuant to the provisions of paragraph (1) or paragraph (2) (limited to those to be conducted to investigate the appropriate implementation of the procedures pursuant to the provisions of Chapters III and IV). In this case, the corporation is to have its staff conduct the entry, questioning or inspection.

(7) The provisions of paragraphs (3) through (5) apply mutatis mutandis to the entry, questioning or inspection pursuant to the provisions of the preceding paragraph.

(Raising Public Awareness by the Government)

Article 37 (1) In order to ensure the smooth implementation of this Act, the government is to endeavor to raise awareness through publicity activities, etc. and gain understanding among the public with regard to the purpose of this Act, which is to contribute to the prompt recovery, etc. of property damage of persons who have suffered damage from criminal conduct by means of transfer, and with regard to matters concerning the procedure for payment of damage recovery benefits, and other matters in this Act.

(2) The corporation is to publish information concerning expired claims on deposits, etc. and the status of implementation of this Act, including the implementation of payment of damage recovery benefits, at least once every year.

(Delegation to Order of Competent Ministry)

Article 38 Beyond what is provided for in this Act, matters necessary for the implementation of this Act are prescribed by order of the competent ministry.

(Administrative Agencies)

Article 39 Administrative agencies under this Act are the persons specified in each of the following items according to the categories set forth respectively in those items:

- (i) financial institutions set forth in Article 2, paragraph (1), items (i) through (iii), item (vi), and item (vii): the Prime Minister;
- (ii) financial institutions set forth in Article 2, paragraph (1), items (iv) and (v): the Prime Minister and the Minister of Health, Labour and Welfare;
- (iii) financial institutions set forth in Article 2, paragraph (1), items (viii) and (ix): the administrative agency prescribed in Article 98, paragraph (1) of the Agricultural Cooperatives Act;
- (iv) financial institutions set forth in Article 2, paragraph (1), items (x) through (xiii): the administrative agency prescribed in Article 127, paragraph (1) of the Fishery Cooperatives Act;
- (v) financial institutions set forth in Article 2, paragraph (1), item (xiv): the Ministry of Agriculture, Forestry and Fisheries and the Prime Minister; and
- (vi) financial institutions set forth in Article 2, paragraph (1), item (xv): the competent minister prescribed in Article 56, paragraph (2) of the Shoko Chukin Bank, Ltd. Act.

(Order of Competent Ministry)

Article 40 The order of the competent ministry under this Act includes Cabinet Office Order, Ministry of Finance Order, Order of the Ministry of Health, Labour and Welfare, Order of the Ministry of Agriculture, Forestry and Fisheries, and Order of the Ministry of Economy, Trade and Industry; provided, however, that the order of the competent ministry prescribed in Article 20, paragraph (1) includes only Cabinet Office Order and Ministry of Finance Order.

(Delegation of Authority)

Article 41 (1) The Prime Minister delegates the authority under this Act to the Commissioner of the Financial Services Agency.

(2) Affairs under the authority of administrative agencies prescribed in this Act (excluding affairs placed under the authority of prefectural governors pursuant to the provisions of this Act) may be partially assigned to prefectural governors, pursuant to the provisions of Cabinet Order.

(3) Beyond what is provided for in the preceding two paragraphs, necessary matters concerning the exercise of authority by administrative agencies pursuant to the provisions of this Act are prescribed by Cabinet Order.

(Classification of Affairs)

Article 42 Affairs to be handled by prefectures pursuant to the provisions of this Act are item (i) statutory entrusted functions prescribed in Article 2, paragraph (9), item (i) of the Local Autonomy Act (Act No. 67 of 1947).

Chapter VII Penal Provisions

Article 43 (1) A person who does not submit a report or material pursuant to the provisions of Article 35, paragraph (1) or paragraph (2) or submits a false report or material is subject to imprisonment for not more than one year or a fine of not more than three million yen.

(2) The provisions of the preceding paragraph apply to a person who does not give an answer or gives a false answer to questioning by the relevant administrative agency's officials or the corporation's staff pursuant to the provisions of Article 36, paragraph (1), paragraph (2) or paragraph (6), or has refused, obstructed or evaded an inspection pursuant to these provisions.

Article 44 A person who falls under any of the following items is subject to a fine of not more than 500,000 yen:

(i) a person who submits an application form or materials prescribed in Article 12, paragraph (1) or paragraph (2) that contain a false statement; or

- (ii) a person who submits a written notification prescribed in Article 17, paragraph (1) (including cases to be governed by that paragraph pursuant to the provisions of Article 22, paragraph (2) or Article 24, paragraph (2)) that contains a false statement.

Article 45 (1) If the representative or administrator of a corporation (including an organization without legal personality for which a representative or administrator is appointed; hereinafter the same applies in this paragraph), or the agent, employee or any other worker of a corporation or an individual has commits a violation set forth in the following items in connection with the business of the corporation or individual, beyond the offender being subject to punishment, the corporation is subject to the fine specified in the relevant item and the individual is subject to the fine referred to in the relevant Article:

- (i) Article 43: a fine of not more than 200 million yen; or

- (ii) the preceding Article: the fine referred to in that Article.

(2) When the provisions of the preceding paragraph apply to an organization without legal personality, its representative or administrator represents the organization in connection with its procedural acts, and the provisions of laws concerning criminal procedure of cases in which a corporation is the accused or a suspect apply *mutatis mutandis*.