

# **Act on Development of Specified Integrated Resort Districts**

(Act No. 80 of July 27, 2018)

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## **Chapter I General Provisions**

(Purpose)

Article 1 The purpose of this Act is, in consideration of the increasing importance of promoting the visitation and stay of domestic and international tourists to enhance Japan's economic and social vitality and sustainable development in response to the declining population, increased international exchanges and other changes in socioeconomic circumstances surrounding Japan, and as a legal measure based on the provisions of Article 5 of the "Act on Promotion of Development of Specified Integrated Resort Districts" (Act No.115 of 2016, hereinafter referred to as "the Promotion Act"), to establish systems for preparing a basic policy by the Minister of Land, Infrastructure, Transport and Tourism, prepare district development plans by prefectures, etc. and conduct certification of the relevant district development plans by the Minister of Land, Infrastructure, Transport and Tourism with regard to specified integrated resort districts in order to realize attractive stay-type tourism which is highly competitive in the international markets by promoting the development of integrated resort districts which utilize local creativity and the private-sector vitality through the use of profits from the sound casino business operated under the appropriate supervision and administration by the

national government. Moreover, this Act aims to specify such particulars as casino business licenses and other regulatory measures for services provided by casino business operators, particulars concerning restrictions on entrance to casino facilities and admission fees, particulars concerning payments to the treasury to be paid by casino business operators, particulars concerning the establishment of a Casino Regulatory Commission that supervises the casino business, its duties and administrative affairs under its jurisdiction and other necessary particulars, and thereby contribute to the promotion of tourism and local economy as well as to the improved public finance.

(Definitions)

Article 2 (1) The term "specified integrated resort" as used in this Act means a group of facilities integrating casino facilities and the facilities listed in items (i) through (v) (including facilities listed in item (vi) established and operated integrally therewith) which are established and operated integrally by a private business operator:

- (i) international convention and conference facilities which promote the invitation of international conferences and contribute to smoothly holding such conferences and conform to standards specified by Cabinet Order;
- (ii) exhibition facilities, fair market facilities and facilities to hold events which contribute to smoothly holding international exhibitions, fairs and other events and conform to standards specified by Cabinet Order;
- (iii) facilities specified by Cabinet Order as contributing to the enhancement of the attractiveness of tourism in Japan by holding performances based on Japanese art, culture and traditions and by carrying out other activities;
- (iv) facilities which conform to standards specified by Cabinet Order and appropriately provide information on the attractiveness of tourism in each region and contribute to the promotion of sightseeing trips in Japan by providing integrated reservation services of transportation, accommodations and other services required for sightseeing trips to each region.
- (v) accommodations adapted to sophisticated and diversified demands of users which conform to standards specified by Cabinet Order; and
- (vi) beyond what is listed in the previous items, facilities which contribute to the promotion of visits and stays of tourists from home and abroad.

(2) The term "specified integrated resort district" as used in this Act means a group of lands where one specified integrated resort is integrally administered by a private business operator (in cases where the facility provision business is conducted, including a private business operator that conducts the relevant facility provision business) that establishes and operates the relevant integrated resort and stated in a district development plan provided for in Article 9, paragraph (1) certified under Article 9, paragraph (11) (when any

change made pursuant to Article 11, paragraph (1) has been certified, this term refers to the changed plan; hereinafter referred to as "certified district development plan")

- (3) The term "establishment and operation business" as used in this Act means the following businesses:
  - (i) a business of establishing and operating specified integrated resort; and
  - (ii) any business incidental to the business listed in the preceding item.
- (4) The term "establishment and operation business operator" as used in this Act means a private business operator that conducts the establishment and operation business.
- (5) The term "facility provision business" as used in this Act means a business to provide services which integrally develop (new construction, modification or addition) a group of facilities consisting of a specified integrated resort, services which administer the relevant specified integrated resort in accordance with their use on the basis of a contract with an establishment and operation business operator and allow the relevant establishment and operation business operator to exclusively use the relevant facilities, and services incidental thereto.
- (6) The term "facility provision business operator" as used in this Act means a private business operator that conducts the facility provision business.
- (7) The term "casino gaming" as used in this Act means activities of competing for the acquisition or loss of money under conditions of chance in the same facility using devices or tools established therein between a casino business operator and customers or between customers whose types and methods are specified by rules of the Casino Regulatory Commission and are deemed to be appropriate in light of socially accepted conventions in Japan from the viewpoint of ensuring trust and gaining understanding of citizens in the sound operation of the casino business taking into account the implementation status of activities equivalent to those conducted in other countries.
- (8) The term "casino business" as used in this Act means a business to provide any of the following services (hereinafter referred as "casino services"):
  - (i) a service of conducting casino gaming with customers or having them engage in casino gaming in casino facilities (hereinafter referred to as "casino gaming service");
  - (ii) the following services provided concerning the money of customers who engage in casino gaming at the request of the relevant customers (referred to as "specified financial services" in Chapter III);
    - (a) A service of carrying out funds transfer transactions pertaining to the transfer of money of a customer between the customer's account managed by a casino business operator and a savings account designated by the relevant customer through a bank or any other financial institution

- specified by the rules of the Casino Regulatory Commission (referred to as "specified funds transfer services" in Chapter III, Section 2, Subsection 4);
- (b) a service of accepting money of the relevant customer (referred to as "specified money acceptance services" in Article 84);
  - (c) a service of lending money to the relevant customer (referred to as "specified money lending services" in Chapter III, Section 2); and
  - (d) a service of exchanging money.
- (iii) services incidental to those listed in the previous two items.
- (9) The term "casino business operator" as used in this Act means an establishment and operation business operator that has received a certification referred to in Article 9, paragraph (11) (including a certification of changes made pursuant to the provisions of Article 11, paragraph (1); hereinafter referred to as "certification of district development plan") (hereinafter referred to as "certified establishment and operation business operator") that conducts the casino business with a license referred to in Article 39.
- (10) The term "casino facility" as used in this Act means a facility established in a specified integrated resort district consisting of the following areas for a casino business operator to provide casino gaming services:
- (i) an area where mainly casino gaming is conducted between the casino business operator and customers or between customers (hereinafter referred to as "casino gaming operation area");
  - (ii) an area to carry out a confirmation referred to in Article 70, paragraph (1) (referred to as "identity confirmation" in the following item) (that area is referred to as "identity confirmation area" in Chapter III); and
  - (iii) an area where a casino business operator provides monitoring service, security service and other services incidental to casino gaming services or services for confirming identification.
- (11) The term "related services in casino gaming operation areas" as used in this Act means the following services and services incidental thereto provided in casino gaming operation areas to improve the convenience of customers:
- (i) a service of providing food and drink by setting up facilities that does not fall under any of (a) and (b);
    - (a) a service of entertaining customers (the entertainment provided for in Article 2, paragraph (3) of the Act on Control and Improvement of Amusement Businesses, etc. (Act No. 122 of 1948; referred to as "the Act on Control of Amusement Business" in Article 91, paragraph (9)); and
    - (b) a service provided by placing customer seating in an area which is under five square meters and cannot be easily seen from other places.
  - (ii) a service of holding popular song shows or other shows (limited to shows customers can watch while engaging in casino gaming or those provided along with the services listed in the preceding item) which does not fall

under any of (a) and (b) of the relevant item; and

(iii) a service of supplying goods (excluding the services listed in item (i)).

(12) The term "authorized major shareholders, etc." as used in this Act means persons that hold voting rights or shares or equity interests (hereinafter referred to as "voting rights, etc.") in a company (including a holding company (meaning a holding company provided in Article 9, paragraph (4), item (i) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No.54 of 1947); the same applies in this paragraph and Article 40, paragraph (1), item(vii)),if the company in question is that holding company's subsidiary company (a subsidiary company referred here means a company in which the majority of voting rights of all the shareholders or investors (if that company is a stock company, those voting rights exclude voting rights pertaining to shares held by shareholders that may not exercise their voting rights for all of the particulars which may be resolved at a shareholders meeting, but include voting rights pertaining to shares whose holders are deemed to have voting rights pursuant to the provisions of Article 879, paragraph (3) of the Companies Act (Act No.86 of 2005) is held by a holding company; the same applies hereinafter) . In this case, a company in which the majority of voting rights of all the shareholders or investors are held either by a holding company and one or more of its subsidiary companies or by one or more of the subsidiary companies of that holding company is deemed as a subsidiary company of that holding company. The same applies in Article 40, paragraph (1), item (vii))) in a number exceeding the major shareholder threshold (meaning the threshold specified in the following items in accordance with the categories listed in those respective items; the same applies hereinafter) (the aforementioned persons include a person holding voting rights, etc. in the name of another person (or under a fictitious name) but exclude the national government, local government or any corporation specified by the rules of the Casino Regulatory Commission as one equivalent thereto, and an unincorporated association or foundation that has any provisions on representative persons or administrators is deemed to be a holder of voting rights, etc. owned in the name of the unincorporated association or foundation; the same applies hereinafter), and that have been authorized referred to in Article 58, paragraph (1) or the proviso to (4) of that Article(including cases in which the provisions of that paragraph or that proviso are applied mutatis mutandis to these provisions pursuant to Article 131 or Article 164) or have been established upon the authorization referred to Article 58, paragraph (1) (including as applied mutatis mutandis in Article 131 or Article 164). In this case, the voting rights held by a holding company or the voting rights, etc. held by the holder of the voting rights, etc. do not include any voting rights held in the form of trust property pertaining to a monetary or securities trust (limited

to cases where the settlor or the beneficiary may exercise the voting rights, etc. or may instruct the holding company or the holder of those of voting rights, etc. on the exercise of such voting rights, etc.) and other voting rights, etc. specified by the rules of the Casino Regulatory Commission, but include voting rights comprising trust property, which the holding company or the holder of those voting rights may exercise or give instructions on the exercise of (excluding those specified by the rules of the Casino Regulatory Commission) as a settlor or beneficiary, and shares and any voting rights related to the shares which may not be asserted against the issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001), and, if a person is a holder of voting rights, etc., and is related to a single person through a special relationship prescribed by the rules of the Casino Regulatory Commission, such as a relationship through the holding of shares or equity interests, a familiar relationship, or another relationship, those voting rights, etc. held by the relevant person are deemed to be held by the single person in question:

- (i) voting rights: five percent of the voting rights held by all shareholders or all equity investors; and
  - (ii) shares or equity interests: five percent of the total number of the issued shares (excluding shares owned by that stock company itself) or the total amount of contributions.
- (13) The term "premiums related to casino gaming" as used in this Act means the following:
- (i) any goods, money, services or other economic benefits provided as a means of inducing customers to a casino gaming by a casino business operator to another party in association with the casino gaming; and
  - (ii) money or other economic benefits provided as a means of inducing customers to a casino gaming by a casino business operator to another party in association with sale of goods, provision of services or other trade which can be exchanged for chips provided in Article 73, paragraph (6) (excluding those listed in the preceding item).
- (14) The term "casino facility provision business" as used in this Act means a business of managing casino facilities according to their use based on a contract with a casino business operator and allowing the relevant casino business operator to exclusively use them and provide services incidental thereto (hereinafter referred to as "casino facility provision services").
- (15) The term "casino facility provision business operator" means a facility provision business operator whose district development plan has been certified (hereinafter referred to as "certified facility provision business operator") that conducts the casino facility provision business with a license referred to in

Article 124.

- (16) The term "authorized facility land right holder" as used in this Act means a person (excluding the national government, local governments and certified establishment and operation business operators, etc. provided in Article 10, paragraph (2); hereinafter referred to as "facility land right holder") who holds ownership rights or surface rights, or any other rights for use or profit specified by the rules of the Casino Regulatory Commission concerning the land within specified integrated resort districts or rights aimed at acquiring those rights (referred to as "rights concerning facility lands" in Article 40, paragraph (1), item (xi) and Chapter V) and has an authorization referred to in Article 136, paragraph (1) or the proviso to paragraph (5) or is established after obtaining an authorization referred to in paragraph (1) of that Article.
- (17) The term "casino-related devices, etc." means devices, etc. (devices or tools or programs (instructions given to a computer, combined so as to obtain a certain result; the same applies in item (ii) of the following paragraph) or recording media on which they are recorded; the same applies hereinafter) designed for exclusive use in casino gaming services whose type, use and functions are specified by the rules of the Casino Regulatory Commission in association with the payment of money based on the relevant result, accounting relating to casino gaming services or services to monitor them.
- (18) The term "electronic or magnetic casino-related devices, etc." as used in this Act means the following casino-related devices, etc.:
- (i) devices or tools using electronic means, magnetic means or other means that are imperceptible by humans; and
  - (ii) programs or recording media on which such programs are recorded.
- (19) The term "non-electronic or non-magnetic casino-related devices, etc." as used in this Act means casino-related devices, etc. other than electronic or magnetic casino-related devices, etc.

(Responsibilities of the National Government)

Article 3 The national government is, in line with the basic principles referred to in Article 3 of the Promotion Act (referred to as "the basic policies" in the following Article), responsible for formulating and implementing measures for the promotion of development of specified integrated resort districts (including related measures required to develop and improve neighboring areas of specified integrated resort districts, measures to improve traffic environments and other measures required to improve specified integrated resort districts; the same applies in the following Article and Section 1 of the following Chapter) in order to realize attractive stay-type tourism in Japan which is highly competitive in the international markets, formulating and implementing measures required to prevent crimes, maintain morality and



clean public moral environment, and promote sound upbringing of young people, preventing persons who enter casino facilities from experiencing any harmful effect due to the use thereof, and organizing a system required to implement these measures and other measures for appropriately eliminating harmful effects due to the establishment and operation of casino facilities.

(Responsibilities of Local Governments)

Article 4 A local government that engages in the development of specified integrated resort districts is, in line with the basic policies, responsible for formulating and implementing measures for promoting the development of specified integrated resort districts and necessary measures for appropriately eliminating harmful effects resulting from the establishment and operation of casino facilities based on the circumstances of each district of the relevant local government under an appropriate division of the roles between the national government and the local government.

## **Chapter II Specified Integrated resort Districts**

### **Section 1 Certification of District Development Plans**

(Basic Policies)

Article 5 (1) The Minister of Land, Infrastructure, Transport and Tourism must specify basic policies for the development of specified integrated resort districts (hereinafter referred to as "the basic policies").

(2) The basic policies are to specify the following particulars:

- (i) particulars concerning the meanings and goals of the development of specified integrated resort districts;
- (ii) basic particulars concerning measures for promoting the development of specified integrated resort districts;
- (iii) basic particulars concerning the establishment and operation business, etc. (the establishment and operation business or, in cases where the facility provision business is conducted, the establishment and operation business and the facility provision business; the same applies hereinafter in this Chapter) and establishment and operation business operators, etc. (establishment and operation business operators or, in cases where the facility provision business is conducted, establishment and operation business operators and facility provision business operators; the same applies hereinafter in this Section);
- (iv) basic particulars concerning the certification of district development plans;
- (v) beyond what is listed in the preceding items, basic particulars concerning measures for realizing attractive stay-type tourism which is highly competitive in the international markets by promoting the development of

- specified integrated resort districts utilizing profits from the casino business, the creativity of the region and the vitality of the private sector; and
- (vi) basic particulars concerning necessary measures for appropriately eliminating harmful effects arising from the establishment and operation of casino facilities.
- (3) The Minister of Land, Infrastructure, Transport and Tourism must, when the minister intends to specify basic policies, consult with the heads of the relevant administrative organs and obtain a decision of the Headquarters for Promotion of Development of Specified Integrated Resort Districts.
- (4) The Minister of Land, Infrastructure, Transport and Tourism must, when the minister has specified the basic policies, publicly announce them without delay.
- (5) The provisions of the preceding two paragraphs apply mutatis mutandis to any change made to basic policies.

(Implementation Policies)

- Article 6 (1) When a prefecture, etc. (a prefecture or designated city (a designated city provided for in Article 252-19, paragraph (1) of the Local Autonomy Act (Act No.67 of 1947) and limited to those whose districts include all districts where specified integrated resort districts will be developed); the same applies hereinafter in this Section) intends to develop a specified integrated resort district, it must specify policies for the implementation of development of specified integrated resort districts (hereinafter referred to as "the implementation policies" hereinafter in this Section) in line with the basic policies before a selection pursuant to the provisions of Article 8, paragraph (1) is made.
- (2) The implementation policies are to specify the following particulars:
- (i) particulars concerning the meanings and goals of developing the relevant specified integrated resort district;
  - (ii) particulars concerning the location and size of an area where the relevant specified integrated resort district will be developed;
  - (iii) particulars concerning the type, functions and size of facilities which constitute the relevant specified integrated resort and particulars concerning the establishment and operation business, etc.;
  - (iv) particulars concerning the invitation and selection of a private business operator that intends to conduct the establishment and operation business, etc.;
  - (v) particulars concerning the smooth and steady implementation of the establishment and operation business; etc.;
  - (vi) particulars concerning measures for realizing attractive stay-type tourism which is highly competitive in the international markets by promoting the development of the relevant specified integrated resort district utilizing

- profits from the casino business, the creativity of the region and the vitality of the private sector; and
- (vii) particulars concerning necessary measures for appropriately eliminating harmful effects resulting from the establishment and operation of casino facilities.
- (3) The particulars listed from items (v) through (vii) of the preceding paragraph may state particulars pertaining to measures taken by a prefecture, etc. (including measures implemented by the prefectural public safety commission (hereinafter referred to as a "Public Safety Commission" hereinafter in this Chapter) that has jurisdiction over the area where specified integrated resort districts will be developed) and, where necessary, measures taken by a municipality (if the relevant prefecture, etc. is a prefecture, a municipality or special ward that contains the area where it intends to develop the relevant specified integrated resort districts, and if the relevant prefecture, etc. is a designated city, a prefecture that contains the area where it intends to develop the relevant specified integrated resort districts) where the facilities are to be located (excluding particulars concerning measures implemented by the Public Safety Commission).
- (4) A prefecture, etc. must, when it intends to specify implementation policies, have a consultation at the council provided for in Article 12, paragraph (1) if it has been organized and have a consultation with a municipality, etc. where specified integrated resort districts are to be located and the Public Safety Commission if such council has not been organized.
- (5) A prefecture, etc. must obtain the consent of the entities specified in the respective items in advance concerning the particulars listed in the following items to be specified in the implementation policies. In this case, the consent of the entity specified in item (ii) does not preclude the provisions of Article 96, paragraph (2) of the Local Autonomy Act from being applied:
- (i) particulars concerning measures implemented by the Public Safety Commission: Public Safety Commission; and
- (ii) particulars concerning measures implemented by the municipality, etc. where specified integrated resort districts are to be located (excluding those listed in the previous item): municipality, etc. where facilities are to be located.
- (6) A prefecture, etc. must, when it has specified the implementation policies, publicly announce them without delay.
- (7) The provisions of the preceding three paragraphs apply mutatis mutandis to any change made to the implementation policies.

(Proposal on Formulation of Implementation Policies)

Article 7 (1) A private business operator that intends to engage in the

establishment and operation business, etc. (when the relevant private business operator has not been established yet, an incorporator or another person that intends to establish the relevant private business operator; the same applies in the following paragraph) may propose to a prefecture, etc. to specify implementation policies. In this case, the relevant private business operator must attach documents stating the location and size of an area where specified integrated resort districts are to be developed, the type, functions and size of facilities constituting specified integrated resort, the outline of the relevant establishment and operation business, etc. and economic and social impacts expected to be brought by the relevant business and other documents specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) The prefecture, etc. referred to in the preceding paragraph must, when it finds to be unnecessary to specify implementation policies based on the proposal pursuant to the provisions of that paragraph, notify the relevant private business operator that made the proposal of that effect and the grounds therefor.

#### (Selection of Private Business Operator)

Article 8 (1) A prefecture, etc. is to select a private business operator that jointly prepares a district development plan provided for in paragraph (1) of the following Article pursuant to the provisions of that paragraph and applies for certification by the Minister of Land, Infrastructure, Transport and Tourism in line with the implementation policies by way of public offering.

- (2) A prefecture, etc. must, when it intends to make a selection pursuant to the provisions of the preceding paragraph, have a consultation at the council provided for in Article 12, paragraph (1) if it has been organized and have a consultation with a municipality, etc. where specified integrated resort districts are to be located and the Public Safety Commission if such council has not been organized.

#### (Certification of District Development Plan)

Article 9 (1) A prefecture, etc. may prepare a plan on development of specified integrated resort districts (hereinafter referred to as "district development plan") in line with the basic policies and the implementation policies jointly with a private business operator that intends to engage in the establishment and operation business, etc. and file an application for certification by the Minister of Land, Infrastructure, Transport and Tourism. In this case, when the relevant private business operator has not been established yet, the prefecture, etc. is to jointly prepare a district development plan with an incorporator or another person that intends to establish the relevant private business operator and file an application for certification by the Minister of

Land, Infrastructure, Transport and Tourism.

- (2) A district development plan is to specify the following particulars as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism:
- (i) particulars concerning the meanings and goals of the district development plan;
  - (ii) particulars concerning the location and size of an area where specified integrated resort districts are to be developed;
  - (iii) the name and address of the establishment and operation business operator, etc. and the name of its representative;
  - (iv) a plan on particulars concerning the type, functions and size of facilities constituting a specified integrated resort, particulars concerning the establishment and operation business, etc. and establishment and operation business operator, etc., and other basic particulars concerning the establishment and operation business, etc. (hereinafter referred to as "basic business plan" in this Chapter);
  - (v) beyond what is listed in the preceding items, particulars concerning measures for promoting the development of specified integrated resort districts;
  - (vi) beyond what is listed in the preceding items, particulars concerning measures for realizing attractive stay-type tourism which is highly competitive in the international markets by promoting the development of specified integrated resort districts utilizing profits from the casino business, the creativity of the region and the vitality of the private sector;
  - (vii) particulars concerning necessary measures for appropriately eliminating harmful effects originating from the establishment and operation of casino facilities;
  - (viii) particulars concerning expected economic and social impacts from the implementation of the district development plan;
  - (ix) particulars concerning the usage of payments of admission fees for certified prefecture, etc. provided in Article 179, paragraph (1); and
  - (x) particulars concerning the usage of payments for certified prefecture, etc. provided for in Article 193, paragraph (1) (if the relevant aid payments for certified prefecture, etc. are granted to a municipality where specified integrated resort districts are to be located and other relevant local governments, include the conditions therefor).
- (3) The particulars listed in items (v) through (vii) of the preceding paragraph may state those pertaining to measures implemented by a prefecture, etc. (including particulars pertaining to measures implemented by the Public Safety Commission) and those pertaining to measures implemented by a municipality, etc. where specified integrated resort districts are to be located (excluding particulars pertaining to measures implemented by the Public

- Safety Commission) where necessary.
- (4) A basic business plan is prepared based on a draft prepared by a private business operator that intends to engage in the establishment and operation business, etc.
  - (5) A prefecture, etc. must, when it intends to prepare a district development plan, have a consultation at the council provided in Article 12, paragraph (1) if it has been organized and have a consultation with a municipality, etc. where the specified integrated resort districts are to be located and the Public Safety Commission if such council has not been organized.
  - (6) A prefecture, etc. must obtain the consent of the entities specified in the respective item in advance concerning the particulars listed in the following items to be specified in the district development plan. In this case, the consent of the entity specified in item (ii) does not preclude the provisions of Article 96, paragraph (2) of the Local Autonomy Act from being applied:
    - (i) particulars concerning measures implemented by the Public Safety Commission: Public Safety Commission; and
    - (ii) particulars concerning measures implemented by the municipality, etc. where specified integrated resort districts are to be located (excluding those listed in the previous item): Municipality, etc. where specified integrated resort districts are to be located.
  - (7) A prefecture, etc. must, when it intends to prepare a district development plan, hold public hearings and take other necessary measures for reflecting opinions of residents.
  - (8) A prefecture, etc. must when it intends to make an application pursuant to the provisions of paragraph (1), be approved by its assembly.
  - (9) In the case referred to in the preceding paragraph, when the relevant prefecture, etc. is a prefecture, the relevant prefecture must obtain the consent of a municipality or special ward that contains an area where the relevant specified complex tourism facilities districts are to be developed in advance. In this case, the relevant consent does not preclude the provisions of Article 96, paragraph (2) of the Local Autonomy Act from being applied.
  - (10) An application pursuant to the provisions of paragraph (1) must be made within a period specified by Cabinet Order after the basic policies are publicly announced.
  - (11) In cases where an application pursuant to the provisions of paragraph (1) has been made, the Minister of Land, Infrastructure, Transport and Tourism may certify the application when the district development plan is found to conform to the following standards:
    - (i) the district development plan conforms to the basic policies;
    - (ii) the area is found to be appropriate for promoting the development of specified integrated resort districts judging from transportation access

- to/from major cities in Japan and other countries and other economic and social conditions;
- (iii) the basic business plan conforms to the following standards:
    - (a) the establishment and operation business is found to be conducted integrally and continuously by one establishment and operation business operator by utilizing profits from the casino business to implement the establishment and operation business.
    - (b) in cases where the facility provision business is conducted, the establishment and operation business, etc. is found to be conducted under the appropriate sharing of responsibilities and the close cooperation between the establishment and operation business operator and the facility provision business operator;
    - (c) the establishment and operation business operator, etc. is a company provided for in the Companies Act and exclusively conducts the establishment and operation business (the facility provision business in cases of a facility provision business operator);
    - (d) the establishment and operation business operator is to own the specified integrated resort (in cases where the facility provision business is conducted, the establishment and operation business operator is to use a specified integrated resort owned by the facility provision business operator);
    - (e) the establishment and operation business operator is found to take necessary measures for appropriately eliminating harmful effects originating from the establishment and operation of casino facilities; and
    - (f) beyond what is listed in (a) through (e) above, the establishment and operation business, etc. is expected to be conducted smoothly and steadily.
  - (iv) beyond what is listed in the preceding three items, measures for promoting the development of specified integrated resort districts are found to be appropriately implemented;
  - (v) it is found to contribute to the promotion of tourism and regional economy by realizing attractive stay-type tourism which is highly competitive in the international markets;
  - (vi) it is found that necessary measures for appropriately eliminating harmful effects originating from the establishment and operation of casino facilities are to be implemented; and
  - (vii) the number of certified district development plans does not exceed 3 as a result of giving the certification.
- (12) The Minister of Land, Infrastructure, Transport and Tourism must, when the minister intends to give a certification referred to in the preceding paragraph, consult with and obtain consents from the heads of the relevant administrative organs and hear opinions of the Headquarters for Promotion of

Development of Specified Integrated Resort Districts.

- (13) The Minister of Land, Infrastructure, Transport and Tourism may, when the minister finds it to be necessary for ensuring the appropriate development of specified integrated resort districts, impose conditions on the certification referred to in paragraph (11) and may make changes thereto.
- (14) The Minister of Land, Infrastructure, Transport and Tourism must, when the minister has given a certification referred to in paragraph (11), publicly announce to that effect and details thereof without delay. The same principle applies to cases where new conditions are imposed or changes made pursuant to the provisions of the preceding paragraph.

(Validity Period of Certification)

- Article 10 (1) The validity period of a certification of a district development plan is ten years from the day in which the certification referred to in paragraph (11) of the preceding Article was granted.
- (2) A prefecture, etc. that has obtained a certification for its district development plan (hereinafter referred to as "certified prefecture, etc.") may obtain a renewal of certification of the district development plan jointly with an establishment and operation business operator, etc. that has received a certification of its district development plan (hereinafter referred to as "certified establishment and operation business operator, etc.").
- (3) A certified prefecture, etc. that intends to have its certification renewed as referred to in the preceding paragraph must submit an application to the Minister of Land, Infrastructure, Transport and Tourism within a period six to three months prior to the day on which the validity period of the certification of its district development plan expires; provided, however, that if the relevant application may not be submitted within the relevant period due to a disaster or other unavoidable circumstances, it must be submitted within a period specified by the Minister of Land, Infrastructure, Transport and Tourism in consideration of the relevant grounds.
- (4) The provisions of paragraphs (5) through (9) and paragraphs (11) through (14) of the preceding Article apply mutatis mutandis to the renewal referred to in paragraph (2).
- (5) In cases where an application referred to in paragraph (3) was made but no disposition on the relevant application has been made by the day on which the validity period of the certification for the district development plan expires, the certification for the district development plan then in force remain in force until the relevant disposition is made even after the validity period expires.
- (6) When a renewal referred to in paragraph (2) is made, the validity period of the certification for the district development plan is five years from the day following the day on which the validity period of the certification for the



district development plan then in force expires.

(Changes to Certified District Development Plan)

- Article 11 (1) A certified prefecture, etc. must, when it intends to make any change to its certified district development plan (excluding minor changes specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism) due to any change to the details or the transfer of the establishment and operation business or facility provision business, the merger or split of the certified establishment and operation business operator or certified facility provision business operator or for any other reasons, obtain a certification of the Minister of Land, Infrastructure, Transport and Tourism jointly with the certified establishment and operation business operator, etc. (when it intends to make any change to its certified district development plan due to the transfer of the establishment and operation business or facility provision business, a person that intends to receive the relevant business is included) as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (2) A certified prefecture, etc. must, when it has made any minor change specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism referred to in the preceding paragraph, notify the Minister of Land, Infrastructure, Transport and Tourism of that effect without delay jointly with the certified establishment and operation business operator, etc. as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism. In this case, the certified prefecture, etc. must attach documents specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) The provisions of Article 9, paragraphs (5) through (9) and the provisions of paragraphs (11) through (14) of that Article apply mutatis mutandis to cases where a certified prefecture, etc. intends to make any change to its certified district development plan and to a certification for changes made to a certified district development plan, respectively.
- (4) When the establishment and operation business or facility provision business is transferred based on a certified district development plan whose changes have been certified pursuant to the provisions of paragraph (1) or a company that is a certified establishment and operation business operator or certified facility provision business operator is merged or split, a company to which the establishment and operation business or facility provision business has been transferred, a company surviving the merger, a company founded after the merger or a company that has succeeded the establishment and operation business or facility provision business due to the split succeeds the position as a certified establishment and operation business operator or certified facility provision business operator.

(Council)

Article 12 (1) A prefecture, etc. may organize a council (hereinafter referred to as "the council" in this Chapter) so as to discuss the formulation and changes of its implementation policies, the selection of private business operators that intend to engage in the establishment and operation business, etc., the preparation of its district development plan, the changes to its certified district development plan, the reporting of the implementation status of the certified district development plan pursuant to the provisions of Article 37, paragraph (2) and other necessary particulars.

(2) The council consists of the following persons:

(i) the head of the prefecture, etc.;

(ii) the head of the municipality, etc. where specified integrated resort districts are to be developed;

(iii) Public Safety Commission; and

(iv) residents of the prefecture, etc., experts, relevant administrative organs and other persons deemed to be necessary by the prefecture, etc.

(3) The council has a chairperson and the person listed in item (i) of the preceding paragraph serves as the chairperson.

(4) A prefecture, etc. is to, when it has selected a private business operator that intends to conduct the establishment and operation business, etc. pursuant to the provisions of Article 8, paragraph (1), add the relevant private business operator as a member of the council.

(5) The members of the council must respect the results of the consultations with regard to the particulars on which an agreement has been reached at the relevant council.

(6) The Minister of Land, Infrastructure, Transport and Tourism may give necessary advice at the request of the chairperson of the council.

(7) Beyond what is specified in the preceding paragraphs, necessary particulars concerning the operation of the council are specified by the council.

(Implementation Contract)

Article 13 (1) A certified prefecture, etc. and a certified establishment and operation business operator, etc. must conclude an agreement including the following particulars (hereinafter referred to as "implementation contract" in this Chapter) immediately after a certification referred to in Article 9, paragraph (11) is granted. The same principle applies to cases where any change is certified pursuant to the provisions of Article 11, paragraph (1) due to the transfer of the establishment and operation business or facility provision business or the merger or the split of a company that is a certified establishment and operation business operator or certified facility provision

business operator:

- (i) particulars concerning specific system for and method of implementing the establishment and operation business, etc. (in cases where the facility provision business is conducted, including particulars concerning the sharing of responsibilities and mutual coordination between a certified establishment and operation business operator and a certified facility provision business operator pertaining to the management of facilities and other particulars);
  - (ii) particulars concerning measures in cases where it becomes difficult to continue the establishment and operation business, etc.;
  - (iii) particulars concerning measures for the promotion of development of specified integrated resort districts and other measures for realizing attractive stay-type tourism which is highly competitive in the international markets;
  - (iv) particulars concerning necessary measures for appropriately eliminating harmful effects resulting from the establishment and operation of casino facilities;
  - (v) particulars concerning measures in cases where the implementation contract is violated;
  - (vi) validity period of the implementation contract; and
  - (vii) beyond what is listed in the preceding items, what is specified by Order of the Minister of Land, Infrastructure, Transport and Tourism as necessary particulars for the proper implementation of its certified district development plans.
- (2) A certified prefecture, etc. and a certified establishment and operation business operator, etc. must obtain authorization from the Minister of Land, Infrastructure, Transport and Tourism when they intend to conclude an implementation contract. The same principle applies to cases where any change is made to the implementation contract.
  - (3) A certified prefecture, etc. and a certified establishment and operation business operator, etc. must attach documents specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism when they intend to obtain an authorization referred to in the preceding paragraph.
  - (4) The Minister of Land, Infrastructure, Transport and Tourism must consult with the heads of the relevant administrative organs and obtain the consent thereof, when the minister intends to grant an authorization referred to in paragraph (2).
  - (5) A certified prefecture, etc. is to publicly announce the outline of the relevant implementation contract without delay as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, when it has concluded an implementation contract. The same principle applies to cases where any change is made to the implementation contract.

(Instructions from Certified Prefecture)

Article 14 A certified prefecture, etc. may request a certified establishment and operation business operator, etc. to report on its operational and accounting status, conduct an on-site investigation or give necessary instructions in order to properly implement its certified district development plan and securely execute its implementation contract authorized pursuant to paragraph (2) of the preceding Article.

## **Section 2 Obligation of Certified Establishment and Operation Business Operators**

(Obligation of Certified Establishment and Operation Business Operators)

Article 15 (1) A certified establishment and operation business operator, etc. must conduct the establishment and operation business, etc. in accordance with a certified district development plan and an implementation contract authorized pursuant to Article 13, paragraph (2).

(2) A certified establishment and operation business operator, etc. must cooperate in measures implemented by the national government and certified prefecture, etc. in order to appropriately eliminate harmful effects originating from the establishment and operation of casino facilities.

(3) A certified establishment and operation business operator, etc., when it utilizes profits from the casino business, must endeavor to allocate them to the development of the specified integrated resort, improvement of the details of the establishment and operation business, etc. and cooperation in measures concerning the certified district development plan to be implemented by the certified prefecture, etc. based on the results of the evaluation pursuant to the provisions of Article 37, paragraph (1), taking into consideration that the casino business is approved specifically for the purpose of promoting the development of specified integrated resort districts.

(Business Plan)

Article 16 (1) Based on its basic business plan, a certified establishment and operation business operator, etc. must prepare a plan on maintenance and management of the specified integrated resort, capital investment, and other business activities (hereinafter referred to as "business plan" in this Article and Article 37) for the relevant business year prior to the commencement of each business year as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism in order to smoothly and securely conduct the establishment and operation business, etc. utilizing profits from the casino business, obtain the consent of a certified prefecture, etc. and notify

the Minister of Land, Infrastructure, Transport and Tourism of this particular. The same principle applies to cases where any change is made to the business plan.

- (2) For a business plan of the first business year after a certification referred to in Article 9, paragraph (11) is granted to a certified establishment and operation business operator, etc., the term "prior to the commencement of each business year" in the preceding paragraph is deemed to be replaced with "without delay after a certification referred to in Article 9, paragraph (11) is granted".
- (3) When it has made a notification pursuant to the provisions of paragraph (1), a certified establishment and operation business operator, etc. must publicly announce its business plan without delay as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) When a business plan is submitted pursuant to the provisions of paragraph (1), the Minister of Land, Infrastructure, Transport and Tourism must notify the heads of relevant administrative organs of the particular immediately.

(Commencement of Business Operations of Specified Integrated Resort)

Article 17 (1) When it intends to commence business operations of a specified integrated resort, a certified establishment and operation business operator must obtain the consent of the certified prefecture, etc. concerning the time of commencement and notify the Minister of Land, Infrastructure, Transport and Tourism thereof.

- (2) A certified establishment and operation business operator must not commence business operations of casino facilities ahead of other facilities of the specified integrated resort.
- (3) When a notification of commencement is made pursuant to the provisions of paragraph (1), the Minister of Land, Infrastructure, Transport and Tourism must notify the heads of relevant administrative organs of this particular immediately.

(Prohibition of Concurrent Operations of Business Other than the Establishment and Operation Business)

- Article 18 (1) A certified establishment and operation business operator must not conduct any business other than the establishment and operation business.
- (2) A certified facility provision business operator must not conduct any business other than the facility provision business.

(Abolition of the Establishment and Operation Business)

Article 19 (1) When it intends to abolish its establishment and operation business, etc., a certified establishment and operation business operator, etc.

must make clear the reasons therefor, the timing of abolition, and other particulars specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism in advance, obtain the consent of the certified prefecture, etc. and obtain the approval of the Minister of Land, Infrastructure, Transport and Tourism.

- (2) The provisions of Article 9, paragraph (5) and those of paragraph (12) and the first sentence of paragraph (14) of the relevant Article apply mutatis mutandis to cases where a certified prefecture, etc. intends to obtain the consent referred to in the preceding paragraph and to the approval referred to in the preceding paragraph, respectively.
- (3) Any certification of a district development plan cease to be effective when a certified establishment and operation business operator, etc. has obtained the approval referred to in paragraph (1) and abolished its establishment and operation business, etc.

### **Section 3 Audit and Accounting of the Establishment and Operation Business**

(Appointment of Auditor)

Article 20 (1) A certified establishment and operation business operator, etc. must have an auditor.

- (2) An auditor referred to in the preceding paragraph is appointed by the certified establishment and operation business operator, etc.
- (3) The provisions of the preceding two paragraphs do not apply to cases where the relevant certified establishment and operation business operator, etc. has a company auditor (excluding a company auditor of a stock company for which the articles of incorporation specify to the effect that the scope of the audit is limited to an audit relating to accounting; the same applies in Article 27, paragraph (1), Article 28, paragraph (6) and Article 159, paragraph (5), item (i),(a), an audit and supervisory committee or an audit committee pursuant to the provisions of the Companies Act.

(Relationship between Certified Establishment and Operation Business Operator and Auditor)

Article 21 The relationship between a certified establishment and operation business operator, etc. and its auditor is governed by the provisions on mandate.

(Qualifications of Auditors)

Article 22 (1) The persons listed in the respective items of paragraph (1) of Article 331 of the Companies Act may not act as an auditor.

- (2) An auditor may not concurrently act as a member who executes services of a certified establishment and operation business operator, etc. (when a member who executes services is a corporation, a person who is to perform its services), director, executive officer, accounting advisor (when an accounting advisor is a corporation, a member who is to perform its duties) or other employee.

(Duties and Authority of Auditors)

Article 23 (1) An auditor audits the establishment and operation business, etc. conducted by a certified establishment and operation business operator, etc. In this case, the auditor must prepare audit reports and notify the certified establishment and operation business operator, etc. of its details as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism (when the relevant certified establishment and operation business operator, etc. is a casino business operator or casino facility provision business operator, the rules of the Casino Regulatory Commission/Order of the Ministry of Land, Infrastructure, Transport and Tourism; the same applies in Article 25, paragraph (2) and Article 28).

- (2) An auditor may request, at all times, a certified establishment and operation business operator, etc. and its officer (including a member who executes business operations (when a member who executes business operations is a corporation, a person who is to perform its duties is included; the same applies hereinafter in this paragraph), director, executive officer, accounting advisor (when an accounting advisor is a corporation, a member who is to perform its duties is included; the same applies hereinafter in this paragraph), company auditor or auditor, representative person, administrator, or any other person equivalent thereto, and including those who are found to have the same or a higher authority over a corporation, etc. (a corporation or non-incorporated association or foundation with a designated representative or administrator; the same applies hereinafter) as members who executive business operations, directors, executive officers, accounting advisors, company auditors or auditors, representative persons, administrators or any persons holding positions equivalent thereto, irrespective of their job title such as advisor, consultant or others; the same applies hereinafter), representative person, employee or other worker (hereinafter simply referred to as "employees") (excluding auditors) to submit reports on the establishment and operation business, etc. or investigate the financial status of the establishment and operation business, etc. or the relevant certified establishment and operation business operator, etc.

(Duty of Auditors to Report)

Article 24 When an auditor finds that a certified establishment and operation business operator, etc. has committed any misconduct or is likely to commit

such a misconduct in the establishment and operation business, etc. or that there are facts in violation of laws and regulations or the articles of incorporation or grossly improper facts, the auditor must report to that effect to the relevant certified establishment and operation business operator, etc. without delay.

(Enjoinment of Acts of Certified Establishment and Operation Business Operator by Auditors)

- Article 25 (1) In cases where a certified establishment and operation business operator, etc. has committed any act in violation of laws and regulations or the articles of incorporation or is likely to commit such an act and if such an act is found to be likely to substantially compromise the sound operation of the establishment and operation business, etc., an auditor must demand the relevant certified establishment and operation business operator, etc. to cease the relevant act.
- (2) An auditor who made a demand pursuant to the provisions of the preceding paragraph must report to that effect and other particulars specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism to the Minister of Land, Infrastructure, Transport and Tourism (when the relevant certified establishment and operation business operator, etc. is a casino business operator or casino facility provision business operator, the Casino Regulatory Commission and the Minister of Land, Infrastructure, Transport and Tourism; the same applies in Article 28, paragraphs (4), (7), (8), (10), (11) and (18)) without delay.
- (3) An auditor who made a report pursuant to the provisions of the preceding paragraph must notify the relevant certified establishment and operation business operator, etc. and a certified prefecture, etc. of the effect that the relevant report was made and its details in writing.
- (4) In cases where a demand has been made pursuant to the provisions of paragraph (1) and a court orders the certified establishment and operation business operator, etc. referred to in that paragraph to cease the relevant act by a provisional disposition, the court is not to require the security.

(Request for Expenses)

- Article 26 When an auditor makes any of the following requests to a certified establishment and operation business operator, etc. with respect to the execution of its duties, such certified establishment and operation business operator, etc. may not refuse such a request except in cases where it is proven that the expense or debt pertaining to such a request is not necessary for the execution of the duties of the relevant auditors:
- (i) a request for advance payment of expenses;



- (ii) a request for indemnification of the expenses paid and interest thereon from and including the day of payment; or
- (iii) a request for payment (or in cases where such debt is not yet due, the provision of reasonable security) to the creditor of a debt incurred.

(Application of this Act to Company Auditors Appointed pursuant to the Provisions of the Companies Act)

Article 27 (1) When a company auditor is appointed by a certified establishment and operation business operator, etc., this person is deemed to be an auditor for the purpose of the application of Articles 23 to the preceding Article.

(2) When a certified establishment and operation business operator, etc. has an audit and supervisory committee or audit committee, the relevant audit and supervisory committee or audit committee is deemed to be an auditor for the purpose of the application of the provisions of Article 23, paragraph (1), an audit and supervisory committee member appointed by the relevant supervisory and audit committee or an audit committee member appointed by the relevant audit committee is deemed to be an auditor for the purpose of the application of the provisions of Article 23, paragraph (2) and an audit and supervisory committee member of the relevant supervisory and audit committee or an audit committee member of the relevant audit committee is deemed to be an auditor for the purpose of the application of the provisions of the preceding three Articles.

(Accounting of Services Provided by Certified Establishment and Operation Business Operator)

Article 28 (1) A certified establishment and operation business operator, etc. must, as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, keep accounts by establishing its business year and classification of items of accounts, as well as forms of balance sheets, profit and loss statements and other financial statements specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism (referred to as "financial statements" in paragraph (8)) with respect to its establishment and operation business, etc.

(2) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified establishment and operation business operator must separately prepare the accounting for casino services, related services in casino gaming operation areas, services provided by each facility listed in the respective items of paragraph (1) of Article 2 and other services.

(3) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified facility provision business operator must separately prepare the accounting for casino facility provision services and services

provided by each facility listed in the respective items of paragraph (1) of Article 2 and other services.

- (4) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified establishment and operation business operator, etc. must submit to the Minister of Land, Infrastructure, Transport and Tourism a report stating the following particulars (referred to as "financial report" hereinafter in this Article) each fiscal year with the consent of the certified prefecture, etc. within three months after the end of each business year (when it is found that this report cannot be submitted within the relevant period due to compelling reasons, a period approved by the Minister of Land, Infrastructure, Transport and Tourism in advance as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism):
  - (i) status of accounting;
  - (ii) material information concerning the details of services (excluding the particular listed in the preceding item); and
  - (iii) beyond what is listed in the preceding two items, the overview of the corporation, the status of its business and other particulars specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) A financial report must be accompanied by the articles of incorporation and other documents specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (6) When it submits financial reports pursuant to the provisions of paragraph (4), a certified establishment and operation business operator, etc. must be audited by an auditor as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism. In this case, when the certified establishment and operation business operator, etc. has a company auditor, an audit and supervisory committee or an audit committee, it is deemed to be an auditor.
- (7) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified establishment and operation business operator, etc. must submit to the Minister of Land, Infrastructure, Transport and Tourism a confirmation letter stating that the information stated in financial reports is appropriate based on Order of the Ministry of Land, Infrastructure, Transport and Tourism (referred to as "confirmation letter" hereinafter in this Article) together with the relevant financial reports with the consent of the certified prefecture, etc.
- (8) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified establishment and operation business operator, etc. must submit to the Minister of Land, Infrastructure, Transport and Tourism a report in which a system specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as necessary to ensure the adequacy of financial statements and other financial reports information is evaluated as specified by

Order of the Ministry of Land, Infrastructure, Transport and Tourism (referred to as "internal control report on financial reporting" hereinafter in this Article) each business year together with financial reports with the consent of the certified prefecture, etc.

- (9) An internal control report on financial reporting must be accompanied by documents stating particulars on the system specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism referred to in the preceding paragraph and other documents specified by such Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (10) When there are grounds specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism for the necessity of making a change to important particulars to be stated in financial reports and their accompanying documents, a confirmation letter or internal control reports on financial reporting and their accompanying documents (referred to "financial reports, etc." hereinafter in this paragraph) submitted pursuant to the provisions of paragraph (4), paragraph (5) and paragraph (7) up until the preceding paragraph or for correcting any information entered in financial reports, etc., a certified establishment and operation business operator, etc. must submit to the Minister of Land, Infrastructure, Transport and Tourism the financial reports, etc. whose information has been corrected with the consent of the certified prefecture, etc. The same principle applies to cases where there are no such grounds but the certified establishment and operation business operator, etc. finds that it is necessary to correct any information entered in the relevant financial reports, etc.
- (11) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified establishment and operation business operator, etc. must submit to the Minister of Land, Infrastructure, Transport and Tourism a report (referred to as "quarterly report" hereinafter in this Article) stating the particulars listed in item (i) and item (ii) of paragraph (4), the outline of the corporation, the status of its business and other particulars specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism each period representing a 3 month division of the business year (excluding a period specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism) with the consent of the certified prefecture, etc. within a period specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism within forty-five days from the lapse of each period (when it is found that this report cannot be submitted within the relevant period due to compelling reasons, a period approved by the Minister of Land, Infrastructure, Transport and Tourism in advance as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism).
- (12) The provisions of paragraph (6) and paragraph (7) and the provisions of

paragraph (10) apply mutatis mutandis to quarterly reports submitted pursuant to the provisions of the preceding paragraph and quarterly reports submitted pursuant to the provisions of the preceding paragraph and a confirmation letter submitted pursuant to the provisions of paragraph (7) as applied mutatis mutandis in this paragraph, respectively.

(13) As specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a certified establishment and operation business operator, etc. must publicly notify the following documents:

- (i) financial reports (including those whose information has been corrected pursuant to the provisions of paragraph (10)) and their accompanying documents;
- (ii) confirmation letter (including one letter whose information has been corrected pursuant to the provisions of paragraph (10));
- (iii) internal control reports on financial reporting (including those whose information has been corrected pursuant to the provisions of paragraph (10)) and their accompanying documents;
- (iv) quarterly reports (including those whose information has been corrected pursuant to the provisions of paragraph (10)); and
- (v) confirmation letter submitted pursuant to the provisions of paragraph (7) as applied mutatis mutandis in the preceding paragraph (including one whose information has been corrected pursuant to the provisions of paragraph (10)).

(14) A certified establishment and operation business operator, etc. may, as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, take measures for continuously providing many and unspecified persons with information contained in the documents listed in the respective items of the preceding paragraph by a method using an electronic data processing system or a method using other information and communications technology, which is specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism. In this case, the certified establishment and operation business operator, etc. is deemed to give public notice pursuant to the provisions of that paragraph.

(15) Financial reports and quarterly reports submitted by a certified establishment and operation business operator, etc. pursuant to the provisions of paragraph (4), paragraph (10) (including cases where it is applied mutatis mutandis in paragraph (12)) and paragraph (11) must receive an audit certification by a certified public accountant or auditing firm that has no special interest (the relationship between 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) or auditing firm and the relevant certified establishment and operation business operator, etc. provided for in Articles 24 through Article 24-3 of that Act

(including cases where these provisions apply mutatis mutandis in Article 16-2, paragraph (6) of that Act), Article 34-11, paragraph (1) or Article 34-11 (2); the relationship as a shareholder or an equity investor that a certified public accountant or auditing firm has to the certified establishment and operation business operator, etc.; or the relationship which a certified public accountant or auditing firm has in connection with business or property accounting of the certified establishment and operation business operator, etc. specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as an interest deemed to be inappropriate to be approved in order to ensure the financial adequacy) in the relevant certified establishment and operation business operator, etc. The same principle applies to internal control reports on financial report (including those whose information has been corrected pursuant to the provisions of paragraph (10)) submitted by the certified establishment and operation business operator, etc. pursuant to the provisions of paragraph (8).

- (16) The audit certification referred to in the preceding paragraph must be made in accordance with the standards and procedures specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism
- (17) When a certified public accountant or an auditing firm, in the course of the audit certification set forth in the first sentence of paragraph (15), discovers any fact which constitutes a violation of laws and regulations or any other fact that is likely to have an impact on ensuring the adequacy of financial accounting (referred to as "fact constituting a violation of laws and regulations" in item (i) of the following paragraph) in respect of any service provided by the certified establishment and operation business operator, etc., the certified public accountant or the auditing firm must notify, in writing, the relevant certified establishment and operation business operator of the details of that fact and to the effect that it should take measures for rectifying the violation of laws and regulations pertaining to that fact and other appropriate measures without delay as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (18) When a certified public accountant or an auditing firm that made a notification pursuant to the provisions of the preceding paragraph finds it to be necessary in order to prevent the significant hindrance provided for in item (i) in cases where all of the particulars listed in the following items still apply even after the day on which the period specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism that begins on the day of the relevant notification has lapsed, the certified public accountant or the auditing firm must submit an opinion on the relevant particulars to the Minister of Land, Infrastructure, Transport and Tourism as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism. In this case, the

certified public accountant or the auditing firm must give a written notice to the relevant certified establishment and operation business operator, etc. and the certified prefecture, etc. in advance that an opinion will be submitted to the Minister of Land, Infrastructure, Transport and Tourism:

- (i) the fact constituting a violation of laws and regulations could have a serious impact on ensuring the adequacy of financial accounting of the certified establishment and operation business operator, etc. and cause extreme difficulty in the sound operation of the establishment and operation business, etc.; and
  - (ii) the certified establishment and operation business operator that has received a notice pursuant to the provisions of the preceding paragraph does not take any appropriate measures referred to in that paragraph.
- (19) A certified public accountant or an auditing firm that submitted an opinion pursuant to the provisions of the preceding paragraph must give the relevant certified establishment and operation business operator, etc. and the relevant certified prefecture, etc. a written notice indicating that the relevant opinion has been submitted and the details thereof.
- (20) When a document listed in any of the items of paragraph (13) has been submitted, the Minister of Land, Infrastructure, Transport and Tourism must, notify the heads of relevant administrative organs of that effect immediately.

#### **Section 4 Supervision of Certified Establishment and Operation Business Operator**

(Collection of Reports from Certified Establishment and Operation Business Operator)

- Article 29 (1) To the extent necessary for the enforcement of this Act, the Minister of Land, Infrastructure, Transport and Tourism may request a certified establishment and operation business operator, etc. to submit reports or materials that are to serve as a reference concerning services conducted or assets held by the relevant certified establishment and operation business operator, etc.
- (2) To the extent necessary for the enforcement of this Act, the Minister of Land, Infrastructure, Transport may have relevant officials ask questions about services conducted or assets held by a certified establishment and operation business operator, etc., or it may have enter a business office or an office or other facilities of the relevant certified establishment and operation business operator, etc., or inspect its books, documents, and any other articles.
- (3) Officials who ask questions or conduct on-site inspections pursuant to the provisions of the preceding paragraph must carry an identification card and present it to the people concerned.

- (4) The authority to conduct an on-site inspection pursuant to the provisions of paragraph (2) must not be construed as being granted for the purpose of criminal investigation.
- (5) The head of a relevant administrative organ may request the Minister of Land, Infrastructure, Transport and Tourism to ask a certified establishment and operation business operator, etc. to report the implementation status of its establishment and operation business, etc.

(Instructions to Certified Establishment and Operation Business Operator)

Article 30 (1) The Minister of Land, Infrastructure, Transport and Tourism may, when the minister finds it to be necessary to accurately implement the establishment and operation business, etc., instruct a certified establishment and operation business operator, etc. to take necessary measures for such implementation.

- (2) The Minister of Land, Infrastructure, Transport and Tourism may, when a certified establishment and operation business operator, etc. violates any instruction referred to in the preceding paragraph, order the relevant certified establishment and operation business operator, etc. to suspend all or part of the establishment and operation business, etc. by specifying a time limit.
- (3) The head of a relevant administrative organ may, when the head finds it to be necessary to accurately implement the establishment and operation business, etc., request the Minister of Land, Infrastructure, Transport and Tourism to instruct a certified establishment and operation business operator, etc. to take any necessary measures.
- (4) When the Minister of Land, Infrastructure, Transport and Tourism made a disposition pursuant to the provisions of paragraph (2), the minister must publicly notify to that effect without delay.

(Notification of Instructions to Certified Establishment and Operation Business Operator)

Article 31 When the Minister of Land, Infrastructure, Transport and Tourism intends to make a disposition pursuant to the provisions of paragraph (1) or (2) of the preceding Article, the minister must notify the Casino Regulatory Commission and the certified prefecture, etc. of the details of the relevant disposition and the reasons therefor.

(Collection of Reports from Certified Prefecture)

- (1) The Minister of Land, Infrastructure, Transport and Tourism may require a certified prefecture, etc. to report the implementation status of its certified district development plan.
- (2) The head of a relevant administrative organ may request the Minister of

Land, Infrastructure, Transport and Tourism to ask a certified prefecture, etc. to report the implementation status of the measures referred to in items (v) through (vii) of paragraph (2) of Article 9 stated in its certified district development plan.

(Request for Measures to Certified Prefecture)

Article 33 (1) The Minister of Land, Infrastructure, Transport and Tourism may, when the minister finds it to be necessary to accurately implement a certified district development plan, request a certified prefecture, etc. to take any necessary measures for such implementation.

(2) The head of a relevant administrative organ may, when the head finds it to be necessary to accurately implement the measures referred to in items (v) through (vii) of paragraph (2) of Article 9 stated in a certified district development plan, request the Minister of Land, Infrastructure, Transport and Tourism to demand a certified prefecture, etc. to take any necessary measures for such implementation.

(Instructions to Certified Prefecture)

Article 34 (1) The Minister of Land, Infrastructure, Transport and Tourism may, when the minister finds that a certified prefecture, etc. does not take necessary measures for eliminating harmful effects originating from the establishment and operation of casino facilities or finds it to be particularly necessary to accurately implement other certified district development plan, give the certified prefecture, etc. necessary instructions.

(2) The head of a relevant administrative organ may, when the head finds that a certified prefecture, etc. does not take necessary measures for eliminating harmful effects originating from the establishment and operation of casino facilities with respect to the implementation of a certified district development plan, request the Minister of Land, Infrastructure, Transport and Tourism to give the certified prefecture, etc. necessary instructions.

## **Section 5 Rescission of Certification of District Development Plan**

(Rescission of Certification)

Article 35 (1) The Minister of Land, Infrastructure, Transport and Tourism, in any of the cases listed in the following items, may rescind a certification for district development plan:

(i) where it is found that the certified district development plan is no longer in compliance with the standards listed in the respective items of paragraph (11) of Article 9;

(ii) where a certified prefecture, etc. submits an application for rescission of the



- certification for district development plan for the public interest;
  - (iii) where a certified establishment and operation business operator, etc. violates any disposition made pursuant to the provisions of paragraph (1) or (2) of Article 30; or
  - (iv) where a certified prefecture violates any instruction referred to in paragraph (1) of the preceding Article.
- (2) The head of a relevant administrative organ may submit an opinion found to be necessary for the rescission pursuant to the provisions of the preceding paragraph to the Minister of Land, Infrastructure, Transport and Tourism.
- (3) The provisions of Article 9, paragraph (12) and the first sentence of paragraph (14) applies mutatis mutandis to the rescission pursuant to the provisions of paragraph (1).

(Notification of Rescission of Certification)

Article 36 When the Minister of Land, Infrastructure, Transport and Tourism has rescinded any certification for district development plan pursuant to the provisions of paragraph (1) of the preceding Article, the minister must notify the Casino Regulatory Commission of that effect immediately.

**Section 6 Evaluation of the Implementation Status of Certified District Development Plan**

(Evaluation of the Implementation Status of Certified District Development Plan)

- Article 37 (1) The Minister of Land, Infrastructure, Transport and Tourism must evaluate the implementation status of certified district development plans (including business plans; the same applies hereinafter in this Article) each fiscal year in line with the basic policies.
- (2) The Minister of Land, Infrastructure, Transport and Tourism may, when the minister intends to make an evaluation referred to in the preceding paragraph, demand the certified prefecture, etc. to report the implementation status of its certified district development plan. In this case, the certified prefecture, etc. may demand the certified establishment and operation business operator, etc. to report the implementation status of its basic business plan and business plan that are part of the certified district development plan and report to the Minister of Land, Infrastructure, Transport and Tourism with opinions on the relevant report if any.
- (3) When it intends to report the implementation status of its certified district development plan pursuant to the previous paragraph, a certified prefecture, etc. must have a consultation at the council if it has been organized and have a consultation with a municipality, etc. where the specified integrated resort

districts are to be located and the Public Safety Commission if such council has not been organized.

- (4) When the Minister of Land, Infrastructure, Transport and Tourism intends to make an evaluation referred to in paragraph (1), the minister must consult with the heads of relevant administrative organs and hear the opinions of the Headquarters for Promotion of Development of Specified Integrated Resort Districts.
- (5) When the Minister of Land, Infrastructure, Transport and Tourism made an evaluation referred to in paragraph (1), the minister must notify the certified prefecture, etc. of the results of the relevant evaluation without delay and publicly announce them.
- (6) A certified prefecture, etc. and a certified establishment and operation business operator, etc. must appropriately reflect the results of evaluations pursuant to the provisions of paragraph (1) in the improvement of business operations pertaining to their certified district development plans by timely reflecting them in the basic business plans and the business plans.

(Cooperation of Relevant Administrative Organs)

Article 38 The Minister of Land, Infrastructure, Transport and Tourism may, when the minister finds it to be necessary in order to achieve the purpose of this Act, request the heads of relevant administrative organs to provide necessary materials or information, express their opinions or cooperate in other ways.

### **Chapter III Casino Business and Casino Business Operators**

#### **Section 1 Casino Business License**

##### **Subsection 1 Casino Business License**

(License)

Article 39 A certified establishment and operation business operator may, when it has received a license from the Casino Regulatory Commission, conduct the casino business pertaining to the types and methods of casino gaming which are related to the relevant license in casino facilities pertaining to the relevant license. In this case, the provisions of Article 185 and Article 186 of the Penal Code (Act No.45 of 1907) do not apply to the relevant casino gaming (excluding those conducted in violation of an order for suspension of the establishment and operation business pursuant to the provisions of Article 30, paragraph (2) or an order for suspension of the casino business pursuant to the provisions of paragraph (1) or (2) of Article 204 or the provisions of Article 206, paragraph (8)) conducted in casino gaming operation areas pertaining to the relevant license.

(Application for License)

Article 40 (1) When it intends to receive a license referred to in the preceding Article, a certified establishment and operation business operator must submit an application form stating the following particulars to the Casino Regulatory Commission:

- (i) the name and address of the applicant and the name of its representative;
- (ii) the name and place of establishment of casino facilities and the location of casino gaming operation areas;
- (iii) types and methods of casino gaming to be conducted;
- (iv) outline of structure and equipment of casino facilities;
- (v) type of casino-related devices, etc. to be used and other particulars specified by the rules of the Casino Regulatory Commission with respect to casino-related devices, etc.;
- (vi) the names or trade names and addresses of its officers;
- (vii) the names or trade names and addresses of the holders of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant (when the applicant is a subsidiary company of a holding company, including a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the relevant holding company; the same applies hereinafter), and if a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold is a corporation, etc., the name of its representative or administrator and the names or trade names and addresses of its officers;
- (viii) when the certified establishment and operation business operator intends to conduct specified financial services, the type and details thereof and other particulars specified by the rules of the Casino Regulatory Commission;
- (ix) when the certified establishment and operation business operator intends to conduct related services in casino gaming operation areas, the type and details thereof and other particulars specified by the rules of the Casino Regulatory Commission;
- (x) the names and addresses of the facility land right holders of specified integrated resort districts pertaining to the relevant application and, when the relevant facility land right holders are corporations, the names of their representatives and the names or trade names and addresses of its officers;
- (xi) the location and size of facility land right holders of specified integrated resort districts pertaining to the relevant application and the type and details of the right to facilities and land; and
- (xii) beyond what is listed in the preceding items, particulars specified by the rules of the Casino Regulatory Commission.

(2) An application form referred to in the preceding paragraph must be

accompanied by the following documents as specified by the rules of the Casino Regulatory Commission:

- (i) a document indicating that the applicant is a certified establishment and operation business operator stated in a certified district development plan pertaining to the relevant application (referred to as "application certified district development plan" in the following Article);
  - (ii) documents stating the name, location and outline of specified integrated resort districts pertaining to the relevant application;
  - (iii) a document pledging that the applicant does not fall under any of the grounds listed in the respective items of paragraph (2) of the following Article;
  - (iv) articles of incorporation and certificate of registered information;
  - (v) operational method statement referred to in Article 53, paragraph (1);
  - (vi) General Conditions for Use of Casino Facilities referred to in Article 54, paragraph (1);
  - (vii) Regulations on Prevention of Addiction referred to in Article 55, paragraph (1);
  - (viii) Regulations on Prevention of Transfer of Crime Proceeds referred to in Article 56, paragraph (1);
  - (ix) balance sheets;
  - (x) documents stating expected income and expenditures;
  - (xi) when a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant is a corporation, the articles of incorporation and certificate of registered information thereof (including those equivalent thereto);
  - (xii) when there is a certified facility provision business operator for specified integrated resort pertaining to the relevant application, documents indicating the title to use casino facilities pertaining to the relevant application, differences between areas managed and the methods thereof and other documents indicating the details of the agreement with the relevant certified facility provision business operator concerning the management and use of the relevant casino facilities;
  - (xiii) when a facility land right holder for integrated resort districts pertaining to the relevant application is a corporation, the articles of incorporation and certificate of registered information thereof (including those equivalent thereto);
  - (xiv) certificate of registered information of the land of specified integrated resort districts pertaining to the relevant application; and
  - (xv) beyond what is listed in the preceding items, documents specified by the rules of the Casino Regulatory Commission.
- (3) An application for license referred to in the preceding Article must, in cases

where there is a certified facility provision business operator for specified integrated resort pertaining to the relevant application, be made at the same time as an application for license referred to in Article 124 pertaining to the relevant specified integrated resort.

(Standards for License)

Article 41 (1) The Casino Regulatory Commission must, when an application for license referred to in Article 39 is made, examine whether the relevant application conforms to the following standards:

- (i) in light of such particulars as its personnel structure, the applicant has the capabilities to carry out the casino business appropriately and has sufficient social credibility;
- (ii) the officers of the applicant have sufficient social credibility;
- (iii) persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationships have sufficient social credibility;
- (iv) a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant (when the holder is a minor that does not possess the same capacity to act as an adult with regard to business, the minor's statutory agent (when the statutory agent is a corporation, its officers are included; the same applies hereinafter) has sufficient social credibility and, if the relevant holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold is a corporation, etc., their officers have sufficient social credibility;
- (v) a facility land right holder for specified integrated resort districts pertaining to the relevant application (when the facility land right holder is a minor who does not possess the same capacity to act as an adult with regard to business, its statutory agent) has sufficient social credibility and, if the relevant facility land right holder is a corporation, its officers have sufficient social credibility;
- (vi) the applicant has a sufficient financial basis to soundly perform the casino business and good prospects in terms of income and expenditures in the relevant casino business;
- (vii) the number of casino facilities in specified integrated resort districts stated in the certified district development plan for application does not exceed 1 and the total floor area of parts specified by the rules of the Casino Regulatory Commission as those provided exclusively for casino gaming within casino gaming operation areas of the relevant casino facilities does not exceed an area specified by Cabinet Order found as appropriate from the viewpoint of promoting the sound operation of the casino business;
- (viii) the structure and equipment of casino facilities conform to technical

- standards specified by the rules of the Casino Regulatory Commission;
- (ix) electronic or magnetic casino-related devices, etc. to be used are a type of electronic or magnetic casino-related devices, etc. that have obtained an approval referred to in paragraph (1) or (2) of Article 151;
  - (x) non-electronic or magnetic casino-related devices, etc. to be used have indications referred to in Article 156, paragraph (1) and conform to technical standards specified by the rules of the Casino Regulatory Commission (referred to as "the technical standards" hereinafter in Article 74, paragraph (1) and Article 154, paragraph (1), item (i));
  - (xi) the articles of incorporation and the provisions of Article 53, paragraph (1) with respect to operational method statements conform to laws and regulations and are sufficient to properly perform the casino business;
  - (xii) the general conditions for use of casino facilities referred to in Article 54, paragraph (1) conform to laws and regulations and the standards specified by the rules of the Casino Regulatory Commission;
  - (xiii) the Regulations on Prevention of Addiction referred to in Article 55, paragraph (1) conform to laws and regulations and are sufficient to prevent addiction to casino gaming;
  - (xiv) the Regulations on Prevention of Transfer of Criminal Proceeds referred to in Article 56, paragraph (1) conform to laws and regulations and are sufficient to prevent transfer of crime proceeds in the casino business (prevention of transfer of criminal proceeds provided for in Article 1 of the Act for Prevention of Transfer of Criminal Proceeds (Act No.22 of 2007)); and
  - (xv) when related services in casino gaming operation areas are to be provided, such services are not likely to hinder the sound operation of the casino business.
- (2) The Casino Regulatory Commission not grant a license when an application for license referred to in Article 39 falls under any of the grounds listed in the following items or an application form or its accompanying documents contain any false statements or omit statements of important fact:
- (i) the applicant constitutes any of the following persons listed in (a) through (f) below;
    - (a) the applicant is not a certified establishment and operation business operator stated in the certified district development plan for application;
    - (b) a person whose license referred to in Article 39 has been rescinded pursuant to the provisions of Article 49 or Article 204, paragraph (3), license referred to in Article 124 has been rescinded pursuant to the provisions of Article 49 as applied mutatis mutandis in Article 130 or Article 206, paragraph (3), permission referred to in Article 143, paragraph (1) has been rescinded pursuant to the provisions of Article 49 (excluding item (iv)) as applied mutatis mutandis in Article 149 or the provisions of

Article 208, paragraph (2), certification referred to in Article 150, paragraph (1) has been rescinded pursuant to the provisions of Article 49 (excluding item (iv)) as applied mutatis mutandis in Article 149 as applied mutatis mutandis in Article 150, paragraph (2) or the provisions of Article 209, designation pursuant to the provisions of Article 159, paragraph (1) has been rescinded pursuant to the provisions of Article 169 or Article 210, paragraph (2), or administrative disposition equivalent to a license, permission, certification or designation granted in a foreign state has been rescinded pursuant to the provisions of the laws and regulations of a foreign state which are equivalent to this Act in the relevant foreign state or renewal of an administrative disposition equivalent to such license, permission, certification or designation or designation has been refused and for whom five years have not lapsed from the date of the relevant rescission or refusal of renewal;

- (c) a person whose authorization referred to in the proviso to paragraph (1) or (4) of Article 58 has been rescinded pursuant to the provisions of Article 62, paragraph (1) or Article 205, paragraph (2), authorization referred to in the proviso to paragraph (1) or (4) of Article 58 as applied mutatis mutandis in Article 131 has been rescinded pursuant to the provisions of Article 62, paragraph (1) as applied mutatis mutandis in Article 131 or the provisions of Article 205, paragraph (2), authorization referred to in the proviso to paragraph (1) or (5) of Article 136 has been rescinded pursuant to the Article 139, paragraph (1) or Article 207, paragraph (2), authorization referred to in the proviso to paragraph (1) through (4) of Article 58 as applied mutatis mutandis in Article 164 has been rescinded pursuant to the provisions of Article 62, paragraph (1) as applied mutatis mutandis in Article 164 or the provisions of Article 205, paragraph (2), or administrative disposition equivalent to such an authorization granted in a foreign state has been rescinded pursuant to the provisions of the laws and regulations of the relevant foreign state which are equivalent to this Act in the relevant foreign state, and for whom five years have not lapsed from the date of the relevant rescission;
- (d) a person who was an officer belonging to a corporation, etc. whose license, permission, certification, designation or authorization or an administrative disposition equivalent thereto has been rescinded at any time within sixty days prior to the public notification of the date and location of hearings pertaining to the relevant rescission of license, permission, certification, designation or authorization provided for in (b) or (c) or the rescission of the administrative disposition equivalent thereto provided for in (b) or (c), or a person who was an officer belonging to a corporation, etc., whose renewal of such license, permission, certification or designation or an

- administrative disposition equivalent thereto has been refused and for whom five years have not lapsed from the date of the relevant rescission or refusal of renewal;
- (e) an officer whose dismissal has been ordered pursuant to the provisions of Article 204, paragraph (8), Article 206, paragraph (7), Article 208, paragraph (4) or Article 210, paragraph (4) or an officer whose dismissal has been ordered pursuant to the provisions of the laws and regulations of a foreign state which are equivalent to this Act, and for whom five years have not lapsed from the date of the relevant dismissal; or
  - (f) a person that was sentenced to a fine (including an equivalent sentence under foreign laws and regulations) for violating this Act or the provisions of laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 17 of the Act on Punishment of Organized Crime and Control of Crime Proceeds (Act No. 136 of 1999; hereinafter referred to as the "Organized Crime Punishment Act") or a crime referred to in Article 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the person finished serving the sentence or ceased to be subject to its enforcement.
- (ii) any of the officers of the applicant falls under any of the persons listed in (a) or (b) below;
- (a) an individual that falls under any of the persons listed in 1. through 9. below
    1. a person under 20 years of age;
    2. a person who has received an order of commencement of bankruptcy proceedings and has not yet had this person's rights restored or a person who is treated the same as such a person under the laws and regulations of a foreign state;
    3. a person who falls under any of the persons listed in (c) through (e) of the preceding item;
    4. an employee whose confirmation referred to in Article 114 has been rescinded pursuant to the provisions of Article 119 or Article 204, paragraph (7), confirmation referred to in Article 134, paragraph (1) has been rescinded pursuant to the provisions of Article 119 as applied mutatis mutandis in Article 134, paragraph (2) or the provisions of Article 206, paragraph (6), confirmation referred to in Article 134, paragraph (1) has been rescinded pursuant to the provisions of Article 119 as applied mutatis mutandis in Article 134, paragraph (2) or the provisions of Article 206, paragraph (6), confirmation referred to in Article 158, paragraph (1) has been rescinded pursuant to the provisions of Article 119 as applied mutatis mutandis in Article 158,



paragraph (3) or the provisions of Article 208, paragraph (3), confirmation referred to in Article 165, paragraph (1) has been rescinded pursuant to the provisions of Article 119 as applied mutatis mutandis in Article 165, paragraph (2) or the provisions of Article 210, paragraph (3), administrative disposition equivalent to such confirmations imposed in a foreign state pursuant to the provisions of the laws and regulations of the relevant foreign state equivalent to this Act has been rescinded and who has been involved in the relevant confirmation or such administrative disposition equivalent thereto in cases where a renewal of such confirmation or such administrative disposition equivalent thereto has been refused, and for whom five years have not lapsed from the date of the relevant rescission or refusal of renewal (limited to cases where there is a cause attributable to the relevant employee with regard to the refusal of the relevant rescission or renewal);

5. a person who has been sentenced to imprisonment without work or a heavier punishment (including an equivalent sentence under laws and regulations of a foreign state), and for whom five years have not elapsed from the date on which the person finished serving the sentence or ceased to be subject to its enforcement;
6. a person that was sentenced to a fine (including an equivalent sentence under laws and regulations of a foreign state) for violating this Act or the provisions of the laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 185 or Article 187 of the Penal Code, a crime referred to in Article 9, paragraphs (1) through (3), Article 10, Article 11 or Article 17 of the Organized Crime Punishment Act, a crime referred to in Article 46 through Article 49, Article 50 (limited to the part pertaining to item (i)) or Article 51 of the Act on the Prevention of Unjust Acts by Organized Crime Group Members (Act No.77 of 1991; hereinafter referred to as the "Anti-gang Act"), a crime referred to in Article 25 through Article 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the person finished serving the sentence or ceased to be subject to its enforcement;
7. a person who is addicted to alcohol, narcotics, cannabis, opium, or stimulants;
8. a person who is an organized crime group member provided for in Article 2, item (vi) of the Anti-gang Act (referred to as "organized crime group member" hereinafter in (8)) or for whom five years have not elapsed after the person ceased to be an organized crime group member; or

- 9. a person specified by the rules of the Casino Regulatory Commission as a person incapable of accurately performing the casino business due to physical or mental disorder.
- (b) a corporation that falls under any of the persons listed in (b) through (f) of the preceding item.
- (iii) any of the persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationships fall under any of the persons listed in (a) (excluding 9.) or (b);
- (iv) any of the holders of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant fall under the persons listed in the respective items of paragraph (2) of Article 60;
- (v) any of facility land right holders of integrated resort districts pertaining to the relevant application fall under any of the persons listed in the respective items of paragraph (2) of Article 60.
- (3) The Casino Regulatory Commission may, when it is found to be necessary in light of the standards listed in the respective items of paragraph (1), impose conditions on the license referred to in Article 39 or make changes thereto.
- (4) The Casino Regulatory Commission must not grant a license referred to in Article 39 in cases where there is a certified facility provision business operator for specified integrated resort pertaining to the application, unless a license referred to in Article 124 pertaining to the relevant specified integrated resort is granted.

(License Certificate)

- Article 42 (1) When it has granted a license referred to in Article 39, the Casino Regulatory Commission must issue a license certificate stating the name of the casino business operator pertaining to the relevant license, the name and place of establishment of casino facilities, the location of casino gaming operation areas, the type and method of casino gaming, the structure of the casino facilities and the outline of equipment thereof, whether specified financial services are provided or not and the type thereof (if any) as specified by the rules of the Casino Regulatory Commission, and other particulars specified by the rules of the Casino Regulatory Commission.
- (2) When it does not grant a license referred to in Article 39, the Casino Regulatory Commission must notify the applicant of that effect as specified by the rules of the Casino Regulatory Commission.
  - (3) When the relevant license certificate is lost or destroyed, a person whose license certificate has been issued or renewed must notify the Casino Regulatory Commission of that effect immediately and have it reissued.

(Validity Period of License)

- Article 43 (1) The validity period of a license referred to in Article 39 is three years from the day on which the relevant license was granted.
- (2) A casino business operator that intends to continue to conduct the casino business after the validity period referred to in the preceding paragraph expires must renew the relevant license.
- (3) The casino business operator that intends to renew its license as referred to in the preceding paragraph must submit an application to the Casino Regulatory Commission within a period specified by the rules of the Casino Regulatory Commission before a period prior to the expiration of the validity period referred to in paragraph (1).
- (4) The provisions of Article 40 (excluding paragraph (1), item (xi), paragraph (2), item (xi) and item (xiii)), Article 41 (excluding paragraph (1), item (iv), item (v), items (vii) through (x), paragraph (2), item (i), (a) and item (ii), (a), 1. and paragraph (3)) and the preceding Article applies mutatis mutandis to the renewal referred to in paragraph (2). In this case, the term "license referred to in Article 124" in Article 40, paragraph (3) and Article 41, paragraph (4) is deemed to be replaced with "renewal referred to in Article 127, paragraph (2), the term "falls under any of the persons listed in the respective items of paragraph (2) of Article 60" is deemed to be replaced with "not the authorized major shareholders, etc.", and the term "falls under any of the persons listed in the respective items of paragraph (2) of Article 60 as applied mutatis mutandis in Article 138, paragraph (2)" in item (v) of the relevant paragraph is deemed to be replaced with "not authorized facility land right holders".
- (5) In cases where an application referred to in paragraph (3) has been made, when no disposition is made against the relevant application by the expiration date of the validity period referred to in paragraph (1), the license then in force remain in force until the relevant disposition is made even after the validity period referred to in that paragraph expires.
- (6) When the renewal referred to in paragraph (2) has been made, the validity period of the relevant license is three years from the day following the day on which the validity period of the license then in force expires.

(Completion Inspection)

- Article 44 (1) When construction works of casino facilities pertaining to the license referred to in Article 39 are completed after it has been granted thereto, a casino business operator applies for an inspection by the Casino Regulatory Commission with respect to such facilities and casino-related devices, etc. to be used.
- (2) In cases where there is a casino facility provision business operator with respect to the relevant casino facilities, an application for inspection referred to in the preceding paragraph must be made at the same time as an application

for inspection referred to in Article 128, paragraph (1) pertaining to the relevant casino facilities.

- (3) The Casino Regulatory Commission must not certify the relevant casino facilities and casino-related devices, etc. to be used unless they are found to conform to the standards listed in Article 41, paragraph (1), items (vii) through (x) as a result of conducting an inspection referred to in paragraph (1).
- (4) The Casino Regulatory Commission must not, in cases where the provisions of paragraph (2) is applicable, certify casino facilities pertaining to the application with respect to an inspection referred to in paragraph (1), unless they pass an inspection referred to in Article 128, paragraph (1).
- (5) A casino business operator must not start the operations of casino facilities pertaining to a license referred to in Article 39, unless they pass an inspection referred to in paragraph (1).
- (6) When it has started the operations of casino facilities, a casino business operator must notify the Casino Regulatory Commission to that effect without delay.

#### (Merger of Companies)

Article 45 (1) In cases where any company which is a casino business operator disappears due to a merger, when it has submitted an application to the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission in advance with respect to the relevant merger and obtained an approval therefrom, a company surviving the relevant merger or established as a result of the relevant merger succeeds to the status of the casino business operator with respect to the relevant casino business.

- (2) The provisions of Article 41, paragraph (1) (excluding item (v) and items (vii) through (x)) and paragraph (ii) (excluding item (v)) apply mutatis mutandis to the approval referred to in the preceding paragraph.
- (3) In the case of paragraph (1), a company surviving the relevant merger or established as a result of the relevant merger must submit the license certificate issued to the company that disappeared as a result of the relevant merger to the Casino Regulatory Commission without delay after the relevant merger to have it replaced.

#### (Split of Company)

Article 46 (1) When any company which is a casino business operator has all of its casino business succeeded to upon company split, and it has submitted an application to the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission in advance with respect to the relevant split and obtained an approval therefrom, a company that has succeeded the casino business as a result of the relevant split succeeds to the status as a

casino business operator with respect to the relevant casino business.

- (2) The provisions of Article 41, paragraph (1) (excluding item (v) and item (vii) through item (x)) and paragraph (ii) (excluding item (v)) apply mutatis mutandis to the approval referred to in the preceding paragraph.
- (3) In the case of paragraph (1), a company that has succeeded the casino business as a result of the relevant split must submit the license certificate issued to the relevant split company to the Casino Regulatory Commission without delay after the relevant merger to have it replaced.

#### (Transfer of Casino Business)

Article 47 (1) In cases where any casino business operator has all of its casino business succeeded to upon transfer, when it has submitted an application to the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission in advance with respect to the relevant transfer and obtained an approval therefrom, a company that has succeeded the casino business as a result of the relevant transfer will succeed to the status as a casino business operator with respect to the relevant casino business.

- (2) The provisions of Article 41, paragraph (1) (excluding item (v) and item (vii) through item (x)) and paragraph (ii) (excluding item (v)) apply mutatis mutandis to an approval referred to in the preceding paragraph.
- (3) In the case of paragraph (1), a company that has succeeded the casino business as a result of the relevant transfer must submit the license certificate issued to the relevant transferred company to the Casino Regulatory Commission without delay after the relevant transfer to have it replaced.

#### (Approval of Change)

Article 48 (1) When it intends to make a change to any of the following particulars (for the particular listed in item (iii), excluding minor changes specified by the rules of the Casino Regulatory Commission), a casino business operator must obtain an approval of the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission:

- (i) location of casino gaming operation areas in casino facilities;
- (ii) type or method of casino gaming;
- (iii) structure or equipment of casino facilities (in cases where there is a casino facility provision business operator with respect to the relevant casino facilities, excluding the structure and equipment pertaining to the parts managed exclusively by the relevant business operator) or a management method thereof;
- (iv) officers; and
- (v) existence of the implementation of specified financial services, the type or details thereof and other particulars specified by the rules of the Casino

Regulatory Commission concerning specified financial services.

- (2) An application for approval referred to in the preceding paragraph (limited to an approval of the particulars listed in item (i) and item (iii) of that paragraph; the same applies in paragraphs (4), (7), (11) and (12)) must, in cases where there is a casino facility provision business operator with respect to the relevant casino facilities, be made at the same time as an application for approval referred to in Article 129, paragraph (1) (limited to an approval of the particular listed in item (i) or (ii) of that paragraph; the same applies in paragraph (4)), when the relevant casino facility provision business operator intends to change the structure or equipment of the relevant casino facilities or the management method thereof.
- (3) The provisions of Article 41, paragraph (1) (excluding items (iv), (v), (ix) and (x)) and paragraph (2) (excluding items (i), (iv) and (v)) apply *mutatis mutandis* to the approval referred to in paragraph (1).
- (4) The Casino Regulatory Commission must not, in cases where the provisions of paragraph (2) is applicable, grant an approval referred to in paragraph (1) unless an approval referred to in Article 129, paragraph (1) pertaining to casino facilities pertaining to the application is granted.
- (5) When a casino business operator has made a minor change specified by the rules of the Casino Regulatory Commission referred to in paragraph (1), a change of the name of the casino business operator or any other minor change specified by the rules of the Casino Regulatory Commission, it must notify the Casino Regulatory Commission of that matter without delay as specified by the rules of the Casino Regulatory Commission. In this case, the casino business operator must attach documents specified by the rules of the Casino Regulatory Commission.
- (6) When the particulars approved as referred to in paragraph (1) or the particulars pertaining to the notification pursuant to the provisions of the preceding paragraph falls under the particulars to be stated in a license certificate, a casino business operator must replace the license certificate without delay.
- (7) When it has completed works pertaining to any change to the structure or equipment of the casino facilities approved under paragraph (1), a casino business operator must apply for inspection by the Casino Regulatory Commission without delay.
- (8) In cases where there is a casino facility provision business operator with respect to the relevant casino facilities, an application for inspection referred to in the preceding paragraph must be made at same time as an application for inspection referred to in Article 129, paragraph (5) pertaining to the relevant casino facilities.
- (9) The Casino Regulatory Commission must not certify the relevant casino

facilities unless they are found to conform to the standards listed in Article 41, paragraph (1), item (vii) and item (viii) as a result of conducting an inspection referred to in paragraph (7).

- (10) The Casino Regulatory Commission must not, in cases where the provisions of paragraph (8) is applicable, certify casino facilities pertaining to the application with respect to an inspection referred to in paragraph (7), unless they pass an inspection referred to in Article 129, paragraph (5).
- (11) A casino business operator must not provide casino facilities whose structure or equipment has been changed under the approval referred to in paragraph (1) (limited to the parts pertaining to the relevant change; the same applies in the following paragraph) for casino services or related services in casino gaming operation areas, unless they pass an inspection referred to in paragraph (7).
- (12) When it has started the provision of casino facilities whose structure or equipment has been changed under the approval referred to in paragraph (1), a casino business operator must notify the Casino Regulatory Commission to that effect without delay

#### (Rescission of License)

Article 49 The Casino Regulatory Commission may, when any of the facts listed in the following items are discovered with respect to a casino business operator, rescind a license referred to in Article 39:

- (i) the casino business operator has obtained the license referred to in Article 39, renewal referred to in Article 43, paragraph (2) or approval referred to in Article 45, paragraph (1), Article 46, paragraph (1), Article 47, paragraph (1) or Article 48, paragraph (1) through deception or by other wrongful means;
- (ii) the casino business operator does not conform to the standards listed in the respective items in paragraph (1) of Article 41;
- (iii) the casino business operator falls under any of the grounds listed in the respective items of paragraph (2) of Article 41; or
- (iv) the casino business operator does not start to provide casino gaming services within six (6) months from the day in which it passed an inspection pursuant to the provisions of Article 44, paragraph (3) or suspends casino gaming services continuously over six months and is not actually providing casino gaming services without justifiable grounds.

#### (Lapse of License)

Article 50 When a casino business operator has come to fall under any of the cases listed in the following items, the license referred to in Article 39 ceases to be effective:

- (i) the certification for the district development plan has been rescinded pursuant to the provisions of Article 35, paragraph (1); or

- (ii) in cases where there is a casino facility provision business operator, the license referred to in Article 124 has been rescinded or ceased to be effective.

(Return of License Certificate)

Article 51 (1) When a person that had its license certificate issued or renewed has come to fall under any of the cases listed in the following items, it must return the license certificate (in item (iv), the license certificate found or restored) to the Casino Regulatory Commission without delay:

- (i) when the person has abolished or transferred the casino business (excluding the case where it has obtained the approval referred to in Article 46, paragraph (1) or Article 47, paragraph (1));
- (ii) when the license referred to in Article 39 has been rescinded pursuant to the provisions of Article 49 or Article 204, paragraph (3);
- (iii) the license referred to in Article 39 has ceased to be effective pursuant to the provisions of the preceding Article; or
- (iv) in cases where the person had its license certificate reissued due to loss, the lost license certificate was found or restored.

(2) In the case referred to in item (i) of the preceding paragraph, when the license certificate has been returned, the license referred to in Article 39 ceases to be effective.

(3) A person that had its license certificate issued or renewed has come to fall under any of the cases listed in the following cases, the person specified in the items must return the license certificate to the Casino Regulatory Commission without delay:

- (i) when it is dissolved for reasons other than merger: Liquidator or bankruptcy trustee; or
- (ii) when it disappeared in merger (limited to the cases where an approval referred to in Article 45, paragraph (1) was not granted to the company surviving the merger or established through the merger by the relevant disappearance): A representative person of the company of the company surviving the merger or established through the merger.

(Articles of Incorporation)

Article 52 (1) When it intends to change its articles of incorporation, a casino business operator must obtain an authorization of the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission.

(2) When an application for authorization referred to in the preceding paragraph is made, the Casino Regulatory Commission must examine whether the relevant application conforms to the standards listed in Article 41, paragraph (1), item (xi) pertaining to the articles of incorporation.



(Operational Method Statement)

Article 53 (1) An operational method statement must state the following particulars:

- (i) particulars concerning the types and methods of casino gaming concerning casino gaming services and services incidental thereto (including the amounts of bets, the return to player percentage and other particulars concerning casino gaming), particulars concerning how to provide customers with information, particulars concerning measures for ensuring that casino gaming is conducted fairly and justly, particulars concerning measures for inducing customers to casino gaming and concerning advertisement and inducement;
  - (ii) particulars concerning the confirmation referred to in Article 70, paragraph (1);
  - (iii) particulars concerning the measures referred to in Article 110, paragraph (1);
  - (iv) particulars concerning the measures referred to in Article 111, paragraph (1);
  - (v) when the casino business operator intends to provide specified financial services, particulars concerning the type and details thereof;
  - (vi) when the casino business operator intends to provide related services in casino gaming operation areas, particulars concerning the type and details thereof;
  - (vii) particulars concerning systems to ensure that the execution of services provided by the casino business operator (including services pertaining to the establishment and operation business other than casino services and related services in casino gaming operation areas; the same applies hereinafter) conforms to laws and regulations and other particulars concerning the development of systems to ensure the appropriateness of services provided by the relevant casino business operator;
  - (viii) particulars concerning the accounting of services provided by the casino business operator; and
  - (ix) beyond what is listed in the previous items, particulars specified by the Casino Regulatory Commission.
- (2) The provisions of the preceding Article apply mutatis mutandis to any change made to operational method statements.

(General Conditions for Use of Casino Facilities)

Article 54 (1) The general conditions for use of casino facilities must state the following particulars:

- (i) particulars concerning the use of casino facilities (including particulars concerning the measures for restricting the use of casino facilities listed in

- Article 68, paragraph (1), item (i) and item (ii));
- (ii) particulars concerning the types and methods of casino gaming (including the amounts of bets, the return to player percentage and other particulars concerning casino gaming);
  - (iii) particulars concerning specified financial services;
  - (iv) particulars concerning the confirmation at the time of transaction (the confirmation at the time of transaction provided for in Article 4, paragraph (6) of the Act on Prevention of Transfer of Criminal Proceeds; the same applies in Article 56, paragraph (1), item (i)) and the measures referred to in the respective paragraphs of Article 104;
  - (v) beyond what is listed in the preceding items, particulars specified by the rules of the Casino Regulatory Commission.
- (2) The provisions of Article 52 apply mutatis mutandis to any change made to the General Conditions for Use of Casino Facilities. In this case, the term "Article 41, paragraph (1), item (xi)" in paragraph (2) of that Article is deemed to be replaced with "Article 41, paragraph (1), item (xii)".

(Regulations on Prevention of Addiction)

- Article 55 (1) The Regulations on Prevention of Addiction must state the particulars concerning the measures referred to in Article 68, paragraph (1) and paragraph (2).
- (2) The provisions of Article 52 apply mutatis mutandis to any change made to the Regulations on Prevention of Addiction. In this case, the term "Article 41, paragraph (1), item (xi)" in paragraph (2) of that Article is deemed to be replaced with "Article 41, paragraph (1), item (xiii)".

(Regulations on Prevention of Transfer of Criminal Proceeds)

- Article 56 (1) The Regulations on Prevention of Transfer of Criminal Proceeds must state the following particulars:
- (i) particulars concerning the appropriate implementation of the confirmation at the time of transaction;
  - (ii) particulars concerning the production and retention of transaction records, etc. (refers to those provided for in Article 7, paragraph (3) of the Act on Prevention of Transfer of Criminal Proceeds);
  - (iii) particulars concerning the methods of determination on reporting of suspicious transactions (refers to reporting of suspicious transactions provided for in Article 8, paragraph (3) of the Act on Prevention of Transfer of Criminal Proceeds); and
  - (iv) particulars concerning the measures provided for in Article 103, paragraph (1), the measures referred to in the respective paragraphs of Article 104, the notice referred to in Article 105 and the reporting referred to in Article 109,

paragraph (1).

- (2) The provisions of Article 52 apply mutatis mutandis to any change made to the Regulations on Prevention of Transfer of Criminal Proceeds. In this case, the term "Article 41, paragraph (1), item (xi)" in paragraph (2) of that Article is deemed to be replaced with "Article 41, paragraph (1), item (xiv)".

(Prohibition of Name Lending)

Article 57 A casino business operator must not allow another person to engage in the casino business using the name of the relevant casino business operator.

### **Subsection 2 Authorized Major Shareholders**

(Authorization)

- Article 58 (1) Any person that intends to become a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator through any of the following transactions or acts or any person who intends to establish a corporation, etc. that will be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator must obtain an authorization from the Casino Regulatory Commission:
- (i) acquisition of voting rights, etc. of the casino business operator by the person who intends to become a holder of the relevant voting rights, etc.; or
  - (ii) beyond what is listed in the preceding item, mergers and other transactions or acts specified by the rules of the Casino Regulatory Commission.
- (2) When a certified establishment and operation business operator has obtained a license referred to in Article 39, a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold stated in an application form for the relevant license is deemed to have obtained an authorization referred to in the preceding paragraph at the time when the operator obtained the license.
- (3) A person who has become an authorized major shareholder, etc. of the casino business operator through transactions or acts pertaining to the authorization or the establishment of a corporation referred to in paragraph (1), etc. must notify the Casino Regulatory Commission of that effect without delay.
- (4) A person who has become a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator for reasons other than the transactions or acts or the establishment of a corporation, etc. provided for in paragraph (1) (referred to as "specified holder" hereinafter in this Article) must take necessary measures for ceasing to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator within sixty days from

the day on which the relevant reasons arose (referred to as "the last day of the grace period" hereinafter in this Article); provided, however, this does not apply to the cases where the relevant specified holder has obtained an authorization from the Casino Regulatory Commission for continuing to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator after the last day of the grace period.

- (5) When the specified holder ceases to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator as a result of the measure referred to in the main clause of the preceding paragraph, it must notify the Casino Regulatory Commission to that effect without delay. The same applies to the case where the specified holder ceases to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator for reasons that are not a result of the measure referred to in the main clause of the preceding paragraph.
- (6) The Casino Regulatory Commission may order a person who has become a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of a casino business operator through transactions or acts provided for in paragraph (1) without obtaining an authorization referred to in that paragraph, a corporation, etc. established as a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator, or a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator without obtaining an authorization referred to in the proviso to paragraph (4) even after the last day of the grace period to take necessary measures for ceasing to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the relevant casino business operator.

(Application for Authorization)

Article 59 (1) A person that intends to obtain an authorization referred to in the proviso to paragraph (1) or (4) of the preceding Article must submit an application form stating the following particulars to the Casino Regulatory Commission:

- (i) the name and address of the applicant and, when the relevant applicant is a corporation, etc., the name of the representative or administrator thereof;
- (ii) when the applicant is a corporation, etc., the names or trade names and addresses of its officers;
- (iii) when a corporation, etc. is established in response to an authorization for the relevant application, the name and address of the relevant corporation,

- etc. the name of the representative or administrator thereof, and the names or trade names and addresses of its officers; and
- (iv) the details of transactions or acts of becoming a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold or of acts of establishing a corporation, etc. that will be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold.
- (2) An application form referred to in the preceding paragraph must be accompanied by the following documents as specified by the rules of the Casino Regulatory Commission:
- (i) a document pledging that the applicant does not fall under any of the persons listed in the respective items of paragraph (2) of the following Article;
  - (ii) when the applicant is a corporation, the articles of incorporation and certificate of registered information (including what is equivalent thereto);
  - (iii) when a corporation is established in response to an authorization for the relevant application, the articles of incorporation of the relevant corporation (including what is equivalent thereto); and
  - (iv) beyond what is listed in the preceding three items, documents specified by the rules of the Casino Regulatory Commission.

(Standards for Authorization)

- Article 60 (1) When an application for authorization referred to in paragraph (1) or the proviso to paragraph (4) of Article 58 is made, the Casino Regulatory Commission must examine whether the relevant application conforms to the following standards:
- (i) the applicant (when the applicant is a minor that does not have the same legal capacity as an adult with regard to business, the statutory agent thereof) has sufficient social credibility;
  - (ii) in cases where an application for authorization referred to in Article 58, paragraph (1) is made and a corporation, etc. is established in response to the relevant authorization, the relevant corporation, etc. has sufficient social credibility; and
  - (iii) the officers of the persons provided for in the preceding two items (for the person provided for in item (i), limited to the person who is a corporation, etc.) have sufficient social credibility.
- (2) The Casino Regulatory Commission must not grant an authorization in response to an application for authorization referred to in paragraph (1) or (4) of Article 58, when the applicant falls under any of the persons listed in the following items, the corporation, etc. provided for in item (ii) of the preceding paragraph falls under the person listed in item (ii), (c) or an application form

or its accompanying documents contain a false statement or omit an important fact that is required to be stated:

- (i) when the applicant is an individual, a person that falls under any of the persons listed in (a) through (c) below;
  - (a) a person that falls under any of the persons listed in Article 41, paragraph (2), item (ii), (a), 2. through 5. or 8.;
  - (b) a person that was sentenced to a fine (including an equivalent sentence under laws and regulations of a foreign state) for violating this Act or the provisions of laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 185 or 187 of the Penal Code, a crime referred to in Article 9, paragraph (1) through (3), Article 10, Article 11 or Article 17 of the Organized Crime Punishment Act, a crime referred to in Article 46 through Article 49, Article 50 (limited to the part pertaining to item (i)) or Article 51 of the Anti-gang Act, a crime referred to in Article 25 through Article 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the day on which the person finished serving the sentence or ceased to be subject to its enforcement; or
  - (c) when the applicant is a minor that does not have the same legal capacity as an adult with regard to business, any of its statutory agents falls under the person listed in 1. or 2. below.
    - 1. when the statutory representative is an individual, a person that falls under the person listed in (a) or (b); or
    - 2. when the statutory representative is a corporation, a person that falls under the person listed in (a) or (b) in the following item.
- (ii) when the applicant is a corporation, a person that falls under any of the persons listed in (a) through (c) below;
  - (a) a person that falls under any of the persons listed in Article 41, paragraph (2), item (i), (b) through (e);
  - (b) a person that was sentenced to a fine (including an equivalent sentence under laws and regulations of a foreign state) for violating this Act or the provisions of laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 17 of the Organized Crime Punishment Act, a crime referred to in Article 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the day on which the person finished serving the sentence or ceased to be subject to its enforcement; or
  - (c) any of its statutory representatives falls under the person listed in (c), 1. or (c), 2. of the preceding item.

(Approval of Change)

Article 61 (1) When an authorized major shareholder, etc. of a casino business operator (limited to authorized major shareholders that are corporations, etc.) intends to change any of its officers, it must obtain an approval of the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission.

(2) The provisions of paragraph (1) and paragraph (2) of the preceding Article (limited to the part pertaining to item (ii), (c)) apply mutatis mutandis to an approval referred to in the preceding paragraph.

(3) When an authorized major shareholder, etc. of a casino business operator has changed its name or tradename or made any other minor changes specified by the rules of the Casino Regulatory Commission, it must notify the Casino Regulatory Commission of that effect without delay as specified by the rules of the Casino Regulatory Commission.

(Rescission of Authorization)

Article 62 (1) The Casino Regulatory Commission may, when any of the facts listed in the following items is discovered with respect to an authorized major shareholder, etc. of a casino business operator, rescind its authorization referred to in paragraph (1) or the proviso to paragraph (4) of Article 58:

(i) the casino business operator has obtained the authorization referred to in paragraph (1) or the proviso to paragraph (4) of Article 58 or the approval referred to in paragraph (1) of the preceding Article through deception or by other wrongful means;

(ii) the casino business operator does not conform to the standards listed in the respective items of paragraph (1) of Article 60; or

(iii) the casino business operator falls under any of the persons listed in the respective items of paragraph (2) of Article 60.

(2) When an authorization has been rescinded pursuant to the provisions of the preceding paragraph, a person who was an authorized major shareholder, etc. for the relevant authorization must take necessary measures for ceasing to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator within a period designated by the Casino Regulatory Commission.

(3) The provisions of Article 58, paragraphs (5) and (6) apply mutatis mutandis to the measure referred to in the preceding paragraph pertaining to the person who was an authorized major shareholder, etc. in cases where its authorization has been rescinded pursuant to the provisions of paragraph (1).

(Lapse of Authorization)

Article 63 (1) When an authorization referred to in Article 58, paragraph (1) has come to fall under any of the cases listed in the following items or an

authorization referred to in the proviso to paragraph (4) of that Article has come to fall under the case listed in item (ii), the relevant authorization ceases to be effective:

- (i) any authorized particulars has not been executed within six months from the day on which the relevant authorization was granted (excluding the case where there is an unavoidable reason and an approval of the Casino Regulatory Commission has been obtained in advance); or
  - (ii) when the authorized major shareholder, etc. for the relevant authorization has ceased to be a holder of the number of voting rights, etc. equal to or greater than the major shareholder threshold of the casino business operator.
- (2) When an authorization has lapsed pursuant to the provisions of the preceding paragraph (limited to the part pertaining to item (ii)), a person who was the authorized major shareholder, etc. for the relevant authorization must notify the Casino Regulatory Commission to that effect without delay.

(Ensuring of Social Credibility of Shareholders)

Article 64 (1) A casino business operator must take measures for restricting the possession or transfer of voting rights, etc. and other measures specified by the rules of the Casino Regulatory Commission as necessary measures for ensuring sufficient social credibility of holders of the relevant voting rights, etc. of the relevant casino business operator.

- (2) A casino business operator must submit to the Casino Regulatory Commission documents stating the holders of voting rights, etc. of the relevant casino business operator on a regular basis as specified by the rules of the Casino Regulatory Commission.

## **Section 2 Services Provided by Casino Business Operators**

### **Subsection 1 General Provisions**

(Conclusion of Contracts based on General Conditions)

Article 65 (1) When it allows customers to use its casino facilities, a casino business operator must do so based on the general conditions for use of casino facilities (limited to those attached to an application form referred to in Article 40, paragraph (1) (when any change is authorized pursuant to the provisions of Article 52, paragraph (1) as applied mutatis mutandis in Article 54, paragraph (2), the changed general conditions); the same applies in the following paragraph and Article 94).

- (2) A casino business operator must provide customers with the details of the general conditions for use of casino facilities as specified by the rules of the Casino Regulatory Commission.



(Structure and Equipment of Casino Facilities)

- Article 66 (1) A casino business operator must maintain its casino facilities and the structure and equipment thereof in a way such that they conform to the standards listed in Article 41, paragraph (1), item (vii) and item (viii). In this case, when there is a casino facility provision business operator with respect to the relevant casino facilities, the casino business operator must do this work in accordance with the share of responsibilities with the relevant casino facility provision business operator and in close collaboration therewith.
- (2) A casino business operator must not provide casino facilities for the casino business unless the relevant casino facilities and the structure and equipment thereof conform to the standards listed in Article 41, paragraph (1), item (vii) and item (viii).
- (3) A casino business operator must not provide its services by reducing the level of light in its casino facilities measured in accordance with the rules of the Casino Regulatory Commission below a value specified thereby.

(Calculation of Gross Revenue Gained from Casino Gaming)

- Article 67 (1) Prior to the commencement of business operations of its casino facilities, a casino business operator must establish the procedures for services and systems concerning the calculation of gross revenue gained from casino gaming (refers to gross revenue gained from casino gaming provided for in Article 192, paragraph (1), item (i); the same applies hereinafter in this Article) and obtain an authorization of the Casino Regulatory Commission. The same principle applies to cases when any change is made thereto.
- (2) A casino business operator must calculate gross revenue gained from casino gaming by a method specified by the rules of the Casino Regulatory Commission as a method which allows it to properly and securely calculate gross revenue.
- (3) A casino business operator must periodically undergo an audit by a certified public accountant or audit by an auditing firm that has no special interest in the relevant casino business operator provided for in Article 28, paragraph (15), pursuant to the provisions of the rules of the Casino Regulatory Commission, as regards the status of calculation of gross revenue gained from casino gaming.
- (4) A casino business operator must keep books, record therein particulars concerning the status of calculation of gross revenue gained from casino gaming and preserve them as specified by the rules of the Casino Regulatory Commission.

**Subsection 2 Measures for Prevention of Addiction and Restriction on Entrance**

(Measures for Prevention of Addiction of Casino Gaming)

Article 68 (1) In order to prevent addiction to casino gaming, a casino business operator must take the following measures in accordance with the Regulations on Prevention of Addiction (limited to those attached to the application form referred to in Article 40, paragraph (1) (if any change pursuant to the provisions of Article 52, paragraph (1) as applied mutatis mutandis in Article 55, paragraph (2) has been authorized, the changed Regulations). The same applies in paragraph (3)) as specified by the rules of the Casino Regulatory Commission. In this case, the casino business operator must report the details of measures taken thereby and the status of their implementation to the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission:

- (i) a measure for restricting the use of casino facilities by a visitor upon request from the relevant visitor (meaning persons who intend to enter the casino gaming operation areas and persons who stay in the relevant casino gaming operation areas after their entrance thereto and exclude persons who enter for the purpose of their business and other persons specified by Cabinet Order; the same applies hereinafter) or the visitor's family or other persons concerned;
  - (ii) beyond what is listed in the preceding item, a measure for restricting the use of casino facilities by a person who is found to be inappropriate to use casino facilities from the viewpoint of preventing harmful effects of addiction to casino gaming;
  - (iii) a measure for establishing necessary systems to appropriately respond to inquiries on the use of casino facilities from visitors and other measures for helping visitors to make an appropriate judgment on the use of casino facilities; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission as being necessary from the viewpoint of preventing addiction to casino gaming.
- (2) The casino business operator must take the following measures in order to accurately implement the measures referred to in the preceding paragraph:
- (i) implementation of education and trainings for its employees in order to accurately implement the measures referred to in the preceding paragraph;
  - (ii) improvement of systems to accurately implement the measures referred to in the preceding paragraph (including the appointment of persons who exercise overall control over services necessary for accurately implementing the measures referred to in the preceding paragraph and persons who audit the relevant services);
  - (iii) implementation of evaluations concerning the measures referred to in the preceding paragraph; and

- (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (3) The casino business operator and its employees must obey the Regulations on Prevention of Addiction.
- (4) The casino business operator must respect opinions of the persons who exercise overall control referred to in paragraph (2), item (ii) in carrying out their duties concerning the accurate implementation of the measures referred to in paragraph (1).
- (5) When it made an evaluation referred to in paragraph (2), item (iii), the casino business operator must notify the Casino Regulatory Commission of the results of the relevant evaluation without delay as specified by the rules of the Casino Regulatory Commission.
- (6) When it receives the details of the audit reports referred to in Article 23, paragraph (1) (limited to the part concerning the measures referred to in paragraph (1)), the casino business operator must notify the Casino Regulatory Commission to that effect without delay.

(Restriction on Entrance)

Article 69 A casino business operator must not allow the following persons to enter its casino facilities or stay therein except cases specified by Cabinet Order:

- (i) a person under 20 years of age;
- (ii) a person listed in Article 41, paragraph (2), item (ii), (a), 8.;
- (iii) a person who does not pay the admission fees (meaning those provided for in Article 176, paragraph (1); the same applies in the following item) or the admission fees charged by the certified prefecture, etc. (meaning those provided for in Article 177, paragraph (1)) in violation of the provisions of paragraph (1) or (2) of Article 181;
- (iv) a person other than foreigners who do not have any residence in Japan for whom the number of times this person entered the casino gaming operation areas by paying the admission fees pursuant to the provisions of Article 176, paragraph (1) (including casino gaming operation areas of casino facilities other than the casino facilities this person is trying to enter or stay in) or the number of times this person was charged again for the admission fees pursuant to the provisions of Article 176, paragraph (3) or charged the admission fees for the third time pursuant to the provisions of Article 176, paragraph (5) (referred to "the number of entries" in the following item and paragraph (1) of the following Article) has reached three in the past seven days counting from the day on which this person intended to enter casino facilities or stay therein (referred to "the reference entrance date" in the following item) (excluding persons for whom twenty-four hours have not

- lapsed from the time when this person entered by being charged recently (refers to the time when this person entered the casino gaming operation areas for the first time after paying the admission fees charged pursuant to the provisions of Article 176, paragraph (1)), the re-imposition reference time (refers to the re-imposition reference time provided for in paragraph (2) of Article 176) or the third imposition reference time (refers to the third imposition reference time provided for in paragraph (4) of Article 176) (refers to "the time of entrance with charge"); and
- (v) a person other than foreigners who do not have any residence in Japan for whom the number of entrances in the past twenty-eight days from the reference entrance date has already reached 10 (excluding persons for whom twenty-four hours have not elapsed from the recent entrance with charge, etc.).

(Identify Confirmation at the Time of Entrance/Exit)

Article 70 (1) Every time a visitor intends to enter the casino gaming operation areas or exit therefrom, a casino business operator must ask this visitor to present an individual number card provided for in Article 2, paragraph (7) of the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No.27 of 2013) (a passport (referring to a passport listed in Article 2, item (v) of the Immigration Control and Refugee Recognition Act (Cabinet Order No. 319 of 1951)) or any other document specified by the rules of the Casino Regulatory Commission as being able to identify the specific visitor if the relevant visitor is a Japanese national or foreigner who does not have a residence in Japan or a foreigner who has a residence in Japan except for those listed in the upper column of the table in Article 30-45 of the Residential Basic Book Act (Act No. 81 of 1967) (refers to "mid to long-term residents, etc." hereinafter in this paragraph)), and, by receiving an electronic signature certificate (referring to an electronic signature certificate provided for in Article 3, paragraph (1) of the Act on the Authentication Services of the Japan Agency for Local Authority Information Systems in Connection with Electronic Signatures and Electronic User Certificates (Act No. 153 of 2002)) registered in the relevant individual number card from the relevant visitor or any other method specified by the rules of the Casino Regulatory Commission as being able to identify a specific visitor and the number of entries of the relevant specific visitor, confirm the identification information (meaning the name, address, etc. (the address for a Japanese national or a mid to long-term resident, etc., who has a residence in Japan, the prefecture name of the registered domicile for a Japanese national who does not have a residence in Japan, and the nationality for a foreigner other than mid to long-term residents, etc.)), date of birth and photos; the same applies

hereinafter in this Article) and if the relevant visitor does not fall under a person who is prohibited to enter or stay in the casino facilities pursuant to the provisions of the preceding Article (hereinafter in this Section referred to as "person prohibited to enter"). In this case, the casino business operator must prepare and preserve records on the following particulars as specified by the rules of the Casino Regulatory Commission:

- (i) the time and date of conducting the relevant identify confirmation and the identification information of the relevant visitor (excluding photos);
  - (ii) the result of the relevant confirmation on whether the relevant visitor falls under a person prohibited to enter;
  - (iii) when the relevant visitor entered the casino gaming operation areas, the time and date of entrance to and exit from the relevant casino gaming operation areas; and
  - (iv) beyond what is listed in the preceding three items, particulars specified by the rules of the Casino Regulatory Commission.
- (2) When the casino business operator confirms whether a visitor (excluding foreigners who do not have any residence in Japan; the same applies hereinafter in the following paragraph) falls under the person listed in item (iv) or item (v) of the preceding Article (referred to as "the pertinence of person whose number of entrances is restricted" hereinafter in this Article) as referred to in the preceding paragraph, the operator must inquire the Casino Regulatory Commission about the pertinence of person whose number of entrances is restricted (referred to simply as "inquiry" in paragraph (5)) by a method specified by the rules of the Casino Regulatory Commission. In this case, the Casino Regulatory Commission is to respond to the casino business operator immediately as specified by the rules of the Casino Regulatory Commission.
- (3) When it allowed a visitor to enter the casino gaming operation areas or the relevant visitor exited from the casino gaming operation areas, the casino business operator the relevant report to the Casino Regulatory Commission the identification information of the relevant visitor and other particulars specified by the rules of the Casino Regulatory Commission immediately as specified thereby.
- (4) A visitor must not give the casino business operator false information pertaining to a confirmation referred to in paragraph (1) when this person goes through the relevant confirmation.
- (5) The casino business operator and its employee who engage in the service in association with the confirmation about the pertinence of person whose number of entrances is restricted must not inquire the Casino Regulatory Commission for any purpose other than the relevant confirmation or use information obtained from the response to the inquiry from the Casino Regulatory

Commission (referred to as "response information" in the following paragraph) for any purpose other than the relevant confirmation or provide it to a third party.

- (6) The casino business operator and its employee who used to engage in the service in association with the confirmation about the pertinence of person whose number of entrances is restricted must not use response information or provide it to a third party after the relevant casino business operator ceases to fall under casino business operator or the relevant employee has ceased to engage in the relevant service.

(Measures for Prevention of Use of Casino Facilities by Person Prohibited to Enter)

Article 71 A casino business operator must take necessary measures for identifying persons prohibited to enter casino facilities, in cases where a person prohibited to enter is identified, take measures for having the relevant person leave the casino facilities and other necessary measures for preventing persons prohibited to enter from using the casino facilities in order to ensure the proper use thereof as specified by the rules of the Casino Regulatory Commission.

(Measures for Compliance with Provisions for Restriction on Entrance)

Article 72 (1) A casino business operator must take the following measures in order to comply with the provisions of the preceding three Articles:

- (i) implementation of education and trainings for its employees in order to comply with the provisions of the preceding three Articles;
  - (ii) preparation of the rules of conduct in order to comply with the provisions of the preceding three Articles;
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions of the preceding three Articles and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (2) When it has prepared the rules of conduct referred to in item (ii) of the preceding paragraph, the casino business operator must notify the Casino Regulatory Commission of that effect without delay as specified by the rules of the Casino Regulatory Commission. The same principle applies to cases where any change is made to the notified rules of conduct.
- (3) The provisions of Article 68, paragraph (3) apply mutatis mutandis to the rules of conduct referred to in paragraph (1), item (ii) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the compliance with the provisions of the preceding three Articles. In this case, "paragraph (2), item

(ii)" in that paragraph is deemed to be replaced with "Article 72, paragraph (1), item (iii)".

### **Subsection 3 Casino Gaming Services**

(Casino Gaming)

Article 73 (1) A casino business operator must not allow any person prohibited to enter casino facilities or any person prohibited to engage in casino gaming pursuant to the provisions of Article 174, paragraph (2) to engage in casino gaming.

- (2) When it conducts casino gaming with customers or has casino gaming played among customers, the casino business operator must conduct it or have customers play it in an area specified by the rules of the Casino Regulatory Commission referred to in Article 41, paragraph (1), item (vii) within the casino gaming operation areas.
- (3) The casino business operator must provide casino gaming services in accordance with the standards for casino gaming specified by the rules of the Casino Regulatory Commission as being necessary for ensuring the fairness of casino gaming or preventing customers' desire for gains by chance from being unduly instigated.
- (4) The casino business operator must provide information on methods of casino gaming and other information that are to serve as a reference for customers as specified by the rules of the Casino Regulatory Commission in order to ensure the fairness of casino gaming and prevent the interests of customers from being unduly harmed.
- (5) The casino business operator must not commit the following acts concerning casino gaming:
  - (i) an act of providing false information to customers or not providing them with important things on the details of casino gaming;
  - (ii) an act of providing customers a conclusive assessment of a particular that is uncertain or information that could mislead customers into believing that things that are actually uncertain are certain; or
  - (iii) beyond what is listed in the preceding two items, an act of deception or other wrongful or illegal acts.
- (6) When it conducts casino gaming with customers, the casino business operator must use chips (certificates, electronic devices, or other items or numbers, markings, or other signs which can be presented, issued or used by other means to engage in casino gaming issued or granted as having a value equivalent to the amount of money (hereinafter referred to as "issuance, etc." in this subsection, Article 192, paragraph (1), item (i)); the same applies hereinafter) instead of money for competing on the basis of winning or losing in

casino gaming.

- (7) When a customer engages in casino gaming with the relevant casino business operator or with other customers, the casino business operator must make the relevant customer use chips instead of money to compete on the basis of winning or losing in casino gaming.
- (8) The casino business operator, in its issuance, etc. of chips to customers, as specified by the rules of the Casino Regulatory Commission, must not receive from customers payments other than cash, payment methods so specified by the rules of the Casino Regulatory Commission as those having contributed principal and being easily exchangeable or premiums related to casino gaming provided to customers in order for them to be exchanged for chips.
- (9) Notwithstanding the provisions of the preceding paragraph, the casino business operator may, when a foreign customer who does not have any residence in Japan presents a credit card (a card or another item or a number, marking or another sign (referred to as "card, etc." hereinafter in this paragraph) capable of purchasing any goods or rights from a business operator or receiving services with fees by presenting or making a notification of it, and when the holder purchases any good or right from a business operator by presenting or making a notification of it or receives services with fees, a person that issued or granted the relevant card, etc. to the relevant customer issues money equivalent to the amount of the price of the relevant goods or rights or the fee of the relevant service directly or through a third party and receives the total amount of the relevant price or fee from the relevant customer within a prescribed period or the amount of money obtained by calculation using a prescribed method based on the relevant total amount by prescribed period (limited to what is in compliance with the conditions deemed to be appropriate by the Casino Regulatory Commission taking into account the regulation on specified loan services pursuant to the provisions of the following Subsection)), accept the payment by means of the relevant credit card and issue chips to the relevant customer.
- (10) In response to a request from a customer, and as specified by the rules of the Casino Regulatory Commission, the casino business operator must provide the relevant customer with cash in exchange for chips or what is specified by the rules of the Casino Regulatory Commission as those methods that have contributed principal and are easily exchangeable that are equivalent to the value of the relevant chips (in cases where the relevant customer has a debt to the casino business operator based on a specified fund loan contract (a contract on specified fund loan services concluded between the relevant customer and the casino business operator in response to a request from the relevant customer for use of casino gaming; the same applies hereinafter), the amount from which the amount of the relevant loan is deducted).



- (11) The casino business operator must take the following measures in order to comply with the provisions of the preceding paragraphs:
- (i) implementation of education and trainings for its employees in order to comply with the provisions of the preceding paragraphs;
  - (ii) preparation of the rules of conduct in order to comply with the provisions of the preceding paragraphs;
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions of the preceding paragraphs and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (12) The provisions of Article 68, paragraph (3) and paragraph (2) of the preceding Article apply mutatis mutandis to the rules of conduct referred to in paragraph (11), item (ii) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the compliance with the provisions of paragraph (1) through (10). In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 73, paragraph (11), item (iii)".
- (13) When any of the officials of the Casino Regulatory Commission designated thereby in advance (referred to as "designated official" in the following Article) finds that a casino business operator violates the conditions referred to in Article 41, paragraph (3), changes the type or method of casino gaming without obtaining an approval referred to in Article 48, paragraph (1), or conducts casino gaming in violation of the provisions of paragraphs (1) through (10) or Article 114, the officials may order the relevant casino business operator to stop the relevant casino gaming services.

(Casino-Related Devices Used for Casino Gaming Services)

- Article 74 (1) A casino business operator must not, when it provides casino gaming services, use devices, etc. other than electronic or magnetic casino-related devices, etc. which have obtained an approval referred to in paragraph (1) or (2) of Article 151 or non-electronic or magnetic casino-related devices, etc. to which an indication referred to in Article 156, paragraph (1) is placed and in conformity to the technical standards (referred to as "conforming devices, etc." hereinafter in this Article") as casino-related devices, etc. or use conforming devices, etc. for purposes other than their approved purpose.
- (2) When it intends to change casino-related devices, etc. for the reason of expansion, replacement or any other reasons (for playing cards or other non-electronic or magnetic casino-related devices, etc. used or disposed of in large quantities in casino gaming services specified by the rules of the Casino Regulatory Commission, limited to a change to the type thereof), the casino

business operator must obtain an approval of the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission except minor changes specified thereby.

- (3) As for an application for approval referred to in the preceding paragraph, the Casino Regulatory Commission must not grant the relevant approval if the casino-related devices, etc. pertaining to the relevant application are not conforming devices, etc.
- (4) When it has made a minor change specified by the rules of the Casino Regulatory Commission referred to in paragraph (2) with respect to casino-related devices, etc., the casino business operator must notify the Casino Regulatory Commission to that effect without delay as specified by the rules of the Casino Regulatory Commission. In this case, the casino business operator must attach documents specified by the rules of the Casino Regulatory Commission.
- (5) As specified by the rules of the Casino Regulatory Commission, the casino business operator must prepare and preserve records on the status of inspections and repairs and other particulars specified by the rules of the Casino Regulatory Commission with respect to the management of casino-related devices, etc.
- (6) No person must sell, lend or give devices, etc. other than conforming devices, etc. or conforming devices, etc. to a casino business operator, knowing that the relevant devices, etc. other than conforming devices, etc. are used as casino-related devices, etc. or that conforming devices, etc. are used as casino-related devices, etc. beyond their purpose.
- (7) A designated official may, when this person finds that devices, etc. are used in violation of the provisions of paragraph (1), paragraph (2) or paragraph (4), order the casino business operator to discontinue the use of the relevant devices, etc.
- (8) When a designated official made an order pursuant to the provisions of the preceding paragraph, this official must issue a document stating to the effect that it is prohibited to continue the use of the relevant devices, etc. to the relevant casino business operator and place a mark indicating that purport in easily-visible places of the relevant devices, etc.
- (9) When a designated official took a measure pursuant to the provisions of the preceding paragraph, the official must report that effect to the Casino Regulatory Commission.
- (10) No person must damage or deface a mark attached pursuant to the provisions of paragraph (8) or remove it until the Casino Regulatory Commission confirms that necessary measures have been taken with respect to the relevant devices, etc. through procedures specified by the rules of the Casino Regulatory Commission.

(11) The formats of documents to be issued and marks to be attached pursuant to the provisions of paragraph (8) are specified by the Casino Regulatory Commission.

(Report on the Status of Casino Gaming Services)

Article 75 (1) As specified by the rules of the Casino Regulatory Commission, a casino business operator must report the particulars specified by the rules of the Casino Regulatory Commission concerning the status of casino gaming services and the operation of its casino facilities to the Casino Regulatory Commission every three months.

(2) Beyond what is specified in the preceding paragraph, the casino business operator must, when it finds any misconduct or material facts in violation of laws and regulations concerning the casino gaming, report this effect to the Casino Regulatory Commission without delay.

#### **Subsection 4 Specified Financial Services**

(Regulation of Specified Financial Services)

Article 76 (1) In specified financial services, a casino business operator must not handle money other than money used by a customer to pay for the issuance of chips, money issued in exchange for chips or money used to repay loans to the casino business operator based on a specified fund loan contract.

(2) The casino business operator must not commit the following acts concerning the implementation of specified financial services:

- (i) an act of providing false information to customers or not providing them with important things on the details of specified financial services;
- (ii) an act of providing to customers a conclusive assessment of a particular that is uncertain or providing information that could mislead customers into believing that things that are actually uncertain are certain;
- (iii) beyond what is listed in the preceding two items, an act of deception or other wrongful or illegal acts; or
- (iv) beyond what is listed in the preceding three items, acts specified by the rules of the Casino Regulatory Commission as being likely to result in insufficient customer protection.

(3) The provisions of the Banking Act (Act No.59 of 1981) do not apply to specified financial services provided by the casino business operator under a license referred to in Article 39.

(4) The casino business operator must take the following measures in order to comply with the provisions of this Subsection:

- (i) implementation of education and trainings for its employees in order to comply with the provisions of this Subsection;

- (ii) preparation of the rules of conduct in order to comply with the provisions of this Subsection.
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions of this Subsection and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (5) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) apply mutatis mutandis to the rules of conduct referred to item (ii) of the preceding paragraph and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the compliance with the provisions of this Subsection. In this case, the term "paragraph (2), item (ii)" in that paragraph is deemed to be replaced with "Article 76, paragraph (4), item (iii)".

(Records of Specified Financial Services)

Article 77 A casino business operator in providing specified financial services must, as specified by the rules of the Casino Regulatory Commission, prepare and preserve books and documents on specified financial services recording the following particulars:

- (i) the names, addresses or domiciles and dates of birth of customers of the relevant specified financial services;
- (ii) the times and dates of the relevant specified financial services;
- (iii) the types and details of the relevant specified financial services; and
- (iv) beyond what is listed in the preceding three items, particulars specified by the rules of the Casino Regulatory Commission.

(Report on Specified Financial Services)

Article 78 As specified by the rules of the Casino Regulatory Commission, a casino business operator must prepare a report on specified financial services for each period specified by the rules of the Casino Regulatory Commission in one business year and submit it to the Casino Regulatory Commission.

(Regulation of Specified Fund Transfer Services)

Article 79 A casino business operator must not provide specified fund transfer services, unless both an account of a customer managed by the relevant casino business operator and the savings/deposit account designated by the relevant customer are under the customer's name.

(Security Deposit for Specified Fund Transfer)

Article 80 (1) A casino business operator must deposit a security deposit equivalent to an amount exceeding the highest amount (referred to as "the

required amount of security deposit for specified fund transfer" in item (i), paragraph (3) of the following Article) of the amount of security deposit for specified fund transfer (the total of the amount of outstanding obligations of each day (the amount of obligations borne by the casino business operator concerning its specified fund transfer services and calculated as specified by the rules of the Casino Regulatory Commission) and the amount calculated as specified by the rules of the Casino Regulatory Commission as the amount of costs concerning the procedures for executing a right referred to in Article 82, paragraph (1)) for each period specified by the rules of the Casino Regulatory Commission not exceeding one month (referred to as "security deposit for specified fund transfer" hereinafter in this Subsection) to the deposit office nearest to casino facilities pertaining to the relevant casino business operator within one week from the last day of the relevant period (referred to as the "reference date" in that item).

- (2) The security deposit for specified fund transfer deposited pursuant to the provisions of the preceding paragraph or paragraph (2) of the following Article may be substituted with national government bond certificates, local government bond certificates or other bond certificates specified by the rules of the Casino Regulatory Commission (including transfer bonds provided for in Article 278, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares). In this case, the appraised value of the relevant bond certificates is specified by the rules of the Casino Regulatory Commission.

(Guarantee Contract of Security Deposit for Specified Fund Transfer)

Article 81 (1) A casino business operator may, when it has concluded a guarantee contract of security deposit for specified fund transfer (meaning a contract to the effect that a bank or another person specified by the rules of the Casino Regulatory Commission is to deposit security deposit for specified fund transfer to the casino business operator that provides specified fund transfer services in response to an order from the Casino Regulatory Commission; the same applies hereinafter in this Article) as specified by the rules of the Casino Regulatory Commission, decide not to deposit all or part of the security deposit for specified fund transfer with respect to the secured amount (meaning the amount to be deposited on the basis of the relevant guarantee contract of security deposit for specified fund transfer; the same applies hereinafter in this Article) while the relevant guarantee contract of security deposit for specified fund transfer remains effective.

- (2) The Casino Regulatory Commission may, when it finds it to be necessary for protecting the interests of customers who use specified fund transfer services, order the casino business operator that has concluded a guarantee contract of security deposit for specified fund transfer or the other party to the contract to

deposit all or part of the secured amount.

- (3) All or part of the security deposit for specified fund transfer deposited pursuant to the provisions of paragraph (1) of the preceding Article or the preceding paragraph may be recovered as specified by the rules of the Casino Regulatory Commission, when it falls under any of the following items:
- (i) the required amount of security deposit for specified fund transfer as of the reference date is under the total of the amount of security deposit for specified fund transfer deposited pursuant to the provisions of paragraph (1) of the preceding Article or the preceding paragraph pertaining to the immediately preceding reference date and the secured amount;
  - (ii) the procedures for executing a right referred to in paragraph (1) of the following Article have completed; or
  - (iii) when it is specified by the rules of the Casino Regulatory Commission as a case where the performance of obligations borne in relation to specified fund transfer services has completed.

(Refund of Security Deposit for Specified Fund Transfer)

Article 82 (1) A creditor of debts borne by a casino business operator with respect to its specified fund transfer services has the right to receive payment in preference over other creditors concerning a security deposit for specified fund transfer deposited pursuant to the provisions of paragraph (1) of Article 80 or paragraph (2) of the preceding Article.

- (2) The right referred to in the preceding paragraph may be exercised when any of the following items applies:
- (i) when a petition for commencement of bankruptcy proceedings, etc. is filed against the casino business operator (meaning a petition for commencement of bankruptcy proceedings, petition for commencement of rehabilitation proceedings, petition for commencement of reorganization proceedings, petition for commencement of special liquidation or petition for approval of foreign insolvency proceedings (including a petition equivalent thereto under laws and regulations of a foreign state)); or
  - (ii) when the Casino Regulatory Commission finds grounds for a petition in cases where the petition for exercise of the relevant right is filed thereagainst.
- (3) In any of the cases listed in the items of the preceding paragraph, the Casino Regulatory Commission must give a person that has the right referred to in paragraph (1) a public notice to the effect that the relevant person must file a claim to the Casino Regulatory Commission within a certain period of not less than sixty days and if that person does not file a claim within the relevant period, issue a public notice to the effect that the relevant person should be excluded from the proceedings for the exercise of the right with respect to

specified fund transfer services pertaining to the public notice and take other measures necessary for exercising the right referred to in that paragraph.

- (4) The Casino Regulatory Commission may, as specified by the rules of the Casino Regulatory Commission, when it finds it to be necessary in any of the cases listed in the items of paragraph (2), entrust the receipt of petitions referred to in the preceding paragraph and other administrative affairs necessary for exercising the right referred to in paragraph (1) to a bank or other persons specified by the rules of the Casino Regulatory Commission (referred to as "agent for carrying out administrative affairs related to the exercise of rights" hereinafter in this Article). In this case, an agent for carrying out administrative affairs related to the exercise of rights may provide a service entrusted thereto pursuant to the provisions of this paragraph notwithstanding the provisions of other laws.
- (5) An agent for carrying out administrative affairs related to the exercise of rights that is entrusted with a service pursuant to the provisions of the preceding paragraph or its officers or official who engage in the relevant entrusted service is deemed to be an official engaged in public services pursuant to laws and regulations for the purpose of applying the Penal Code and other penal provisions.
- (6) Beyond what is provided from paragraph (2) to the preceding paragraph, the particulars necessary for exercising the right referred to in paragraph (1) are specified by the rules of the Casino Regulatory Commission.

(Change in Custody of Security Deposits for Specified Fund Transfer and Other Procedures)

Article 83 Beyond what is provided for in the preceding three Articles, a change in the custody of security deposits for specified fund transfer deposited pursuant to the provisions of Article 80, paragraph (1) or Article 81, paragraph (2) due to a change of the location of a casino business operator and other necessary matters for depositing security deposits for specified fund transfer are specified by the rules of the Casino Regulatory Commission and Order of the Ministry of Justice.

(Regulations on Specified Fund Receipt Services)

- Article 84 (1) A casino business operator must not receive commissions from its customers or pay interest to its customers under any name in specified fund receipt services.
- (2) When the balance of specified fund receipt as of the reference data (meaning an amount calculated in accordance with the rules of the Casino Regulatory Commission by the casino business operator as the balance of receipt from customers for specified fund receipt services on March 31 and September 30

every year) exceeds an amount specified by Cabinet Order, the casino business operator must deposit the amount of security deposits equivalent to the amount over 50% of the relevant balance of specified fund receipt as of the reference date (referred to as "the required amount of deposit for specified fund receipt" in the following paragraph) (referred to as "security deposit for specified fund receipt" in that paragraph) to the deposit office nearest to casino facilities pertaining to the relevant casino business operator as specified by the rules of the Casino Regulatory Commission.

- (3) The provisions of Article 80, paragraph (2) and the preceding three Articles apply mutatis mutandis to the security deposits for specified fund receipt pertaining to specified fund receipt services and the required amount of deposit for specified fund receipt. In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Regulations on Specified Fund Loan Services)

Article 85 (1) A casino business operator must not lend money to any person other than the following persons in specified fund loan services:

- (i) a foreigner who does not have any residence in Japan; or
- (ii) a person who deposits money over the amount specified by the rules of the Casino Regulatory Commission to an account managed by the relevant casino business operator.

- (2) The casino business operator must not conclude a specified fund loan contract whose repayment period exceeds two months.
- (3) The casino business operator must not conclude a specified fund loan contract stating that interest (including payment regarded as interest (a reward, discount, fee, investigation fee, or any money irrespective of the name given to it, excluding the principal received by the creditor in relation to money lending (excluding any costs for concluding contracts or for performance of obligations which are specified by the rules of the Casino Regulatory Commission), and also excluding reissuance fees for documents issued to the customers for the purpose of lending money and any other costs specified by the rules of the Casino Regulatory Commission as those related to any administrative affairs rendered by the casino operator at a request from the obligor's customer); the same applies hereinafter in this paragraph) is to be paid over loan, receive the interest or demand the interest to be paid.
- (4) The casino business operator may, when a customer does not repay a loan referred to in a specified fund loan contract by the due date, request the relevant customer to pay a penalty within the amount calculated based on the number of days from the day following the due date to the day prior to the repayment date at an annual rate of 14.6% over the unpaid amount.
- (5) The casino business operator must not conclude a guarantee contract whose



principal obligation is an obligation based on a specified fund loan contract.

(6) When it has received full performance of claims based on a specified fund loan contract and holds an instrument of claims, the casino business operator must return it to the customer who has made the performance without delay.

(7) The obligor of a specified fund loan contract or any other person specified by the rules of the Casino Regulatory Commission may request the casino business operator to allow it to inspect or copy books and documents referred to in Article 77 (limited to the part in which the obligor has interest) as specified by the rules of the Casino Administrative Commission. In this case, the casino business operator may not refuse the relevant request except in cases where it is clear that the relevant request does not aim to investigate the exercise of the right held by the person who has made the relevant request.

#### (Investigation on Repayment Capacity)

Article 86 (1) When it intends to conclude a specified fund loan contract, a casino business operator must investigate the income or profits or other financial resources, credit, the status of borrowings, repayment plans, and any other particulars on repayment capacity of a customer and specify the limit pertaining to the amount of loan (referred to as "the limit of loan" in the following paragraph) for each customer based on the results of such investigations as specified by the rules of the Casino Regulatory Commission. In this case, the casino business operator must use credit information (information on the customer's loan repayment capability; the same applies hereinafter in this Subsection) (when the customer is a foreigner who does not have any residence in Japan, credit information held by a person that is deemed by the Casino Regulatory Commission to be equivalent to a designated credit bureau) held by a designated credit bureau (meaning a person designated pursuant to the provisions of Article 41-13, paragraph (1) of the Money Lending Business Act (Act No. 32 of 1983); the same applies hereinafter in this Subsection).

(2) The casino business operator must not conclude a specified fund loan contract of lending over the loan limit.

#### (Provision of Personal Credit Information)

Article 87 (1) When it has concluded with a designated credit bureau a contract for providing the relevant casino business operator with credit information (referred to as "credit information provision contract" hereinafter in this Article), a casino business operator must, provide the relevant designated credit bureau with the following particulars pertaining to the specified fund loan contract (excluding contracts specified by the rules of the Casino Regulatory Commission; the same applies hereinafter in this Article)

which was concluded prior to the conclusion of the relevant credit information provision contract and which has an outstanding loan balance at the time of conclusion of the relevant credit information provision contract without delay:

- (i) the name or address of a customer or any other information to identify the relevant customer as specified by the rules of the Casino Regulatory Commission;
  - (ii) contract date;
  - (iii) the amount of loan; and
  - (iv) beyond what is listed in the preceding three items, particulars specified by the rules of the Casino Regulatory Commission.
- (2) When it has concluded a specified fund loan contract, the casino business operator must provide without delay the particulars listed in the respective items of the preceding paragraph pertaining to the relevant specified fund loan contract (referred to as "personal credit information" hereinafter in this Article) to a designated credit bureau with which it has concluded a credit information provision contract (referred to as "contracted designated information bureau" hereinafter in this Article)
- (3) The casino business operator that has provided personal credit information pursuant to the provisions of the preceding two paragraphs must, when there is any change to the relevant personal credit information provided, provide a contracted designated credit bureau with the details of the relevant change without delay.
- (4) When it intends to request a contracted designated credit bureau to provide credit information on its customer (including a request for provision of personal credit information held by another designated credit bureau pertaining to the relevant customer), the casino business operator must obtain the consent from the relevant customer in writing or by electronic or magnetic means (meaning any of the methods using an electronic data processing system or any other information and communication technology that is specified by the rules of the Casino Regulatory Commission; the same applies hereinafter in this Subsection).
- (5) When it intends to conclude a specified fund loan contract, the casino business operator must obtain from a customer any of the following consents from a customer in writing or by electronic or magnetic means:
- (i) consent of providing personal credit information on the relevant customer to a contracted designated credit bureau;
  - (ii) consent that the contracted designated credit bureau is to provide personal credit information referred to in the preceding item to a business operator that has concluded a credit information provision contract therewith (referred to as "contracted business operator" in the following item); or
  - (iii) consent that the contracted designated credit bureau is to provide personal

credit information referred to in item (i) to a contracted business operator of another designated credit bureau in response to a request for provision from the relevant designated credit bureau based on a request from the relevant contracted business operator of another designated credit bureau.

- (6) When it has obtained any of the consents referred to in the preceding two paragraphs, the casino business operator must prepare and conserve records on the relevant consent as specified by the rules of the Casino Regulatory Commission.
- (7) The casino business operator must announce the trade name or other name of its contracted designated credit bureaus
- (8) The casino business operator and its employees who engage in specified fund transfer services provided thereby must not request a contracted designated credit bureau to provide credit information provided for in paragraph (4) for any purpose other than investigations on the repayment capability of loans and other monetary debts of a customer who intends to receive loans from the relevant casino business operator (referred to as "investigation on repayment capacity" hereinafter in this paragraph), use credit information provided by the contracted designated credit bureau for any purpose other than investigations on repayment capability, or provide such information to any third party.
- (9) The casino business operator and its employees who used to engage in specified fund loan services provided thereby must not use credit information provided by a contracted designated credit bureau or provide such information to any third party after the relevant casino business operator has ceased to provide specified fund loan services or the relevant employees have ceased to engage in such services.

(Regulations on Acts of Collection)

Article 88 (1) A casino business operator or a person that is entrusted with the collection of claims based on a specified fund loan contract from the relevant casino business operator (including a person that is entrusted from the relevant person (including an entrustment involving two or more steps)) (referred to as "casino business operator, etc." hereinafter in this Article) must not, in collecting claims under the specified fund loan contract, intimidate persons, act in any of the following ways, or act in any way which may harm the tranquility of a person's personal life or business activities:

- (i) making a phone call to a customer, transmitting a message by using a facsimile machine, or visiting the residence of the customer during hours found to be clearly inappropriate in terms of general social norms as provided by the rules of the Casino Regulatory Commission, without any justifiable grounds;
- (ii) where a customer has made a request on the timing of performance or the

- timing of contact to or from such customer, the act of making a phone call to the customer, transmitting a message by using a facsimile machine, or visiting the residence of the customer during hours other than those provided by the rules of the Casino Regulatory Commission as referred to in the preceding item, when the relevant request is not found to be reasonable in terms of general social norms and is without any other justifiable grounds;
- (iii) making a phone call to a customer at the customer's place of work or at a place other than the customer's residence, sending a telegram or transmitting a message by using a facsimile machine thereto, or visiting the place of work or a place other than the residence of the customer without justifiable grounds;
  - (iv) failing to leave the residence or the place of work of a customer or any other place where the money lender has visited the customer in spite of the fact that the customer has indicated to the effect that the customer would like the money lender to leave that place;
  - (v) disclosing facts concerning the borrowings of a customer or any other facts concerning the personal life of the customer to persons other than the customer by putting up a billboard or a poster, by electronic or magnetic means or any other means whatsoever;
  - (vi) requesting a customer to raise funds toward performance of the customer's obligations under a specified fund loan contract by borrowing money from persons other than the customer or any other similar means;
  - (vii) requesting any person other than a customer to perform the obligations on behalf of the customer;
  - (viii) continuing to request that any person other than a customer cooperate in the collection of claims, although the relevant person has refused to inform the money lender of the residence or contact address of the customer or has refused to conduct any other acts in cooperation with the money lender in the collection of claims;
  - (ix) requesting a customer to perform the customer's obligations by making a phone call, sending a telegram, transmitting a message by using a facsimile machine, or visiting the customer without justifiable grounds and in spite of the fact that the customer has entrusted the disposal of obligations in association with the credit under a specified fund loan contract to an attorney-at-law or legal professional corporation or to a judicial scrivener or judicial scrivener corporation (referred to as an "attorney-at-law, etc." hereinafter in this item), or in spite of the fact that the customer has undertaken procedures for a civil case in the necessary court for such disposal and the money lender has received a notice to that effect in writing from customer's attorney-at-law, etc. or from the court, and continues to request the customer to perform the relevant obligations in any of the

- forementioned manners, although the customer has requested that the money lender not directly demand performance; and
- (x) informing a customer that the money lender intends to use any of the words or any of the deeds listed in the preceding items (excluding item (vi)).
- (2) In cases where it collects claims based on a specified fund loan contract and makes a demand on payment to a customer in writing or by alternative electronic or magnetic means, the casino business operator, etc. must notify the following particulars as specified by the Casino Regulatory Commission:
- (i) the name, address and telephone number of the casino business operator;
  - (ii) the name of a person who make a demand on payment;
  - (iii) the date on which the relevant specified fund loan contract was concluded;
  - (iv) the amount of the loan;
  - (v) the due date of claims pertaining to the demand on payment;
  - (vi) the amount of payment to be demanded; and
  - (vii) beyond what is listed in the preceding items, particulars specified by the Casino Regulatory Commission.
- (3) Beyond what is specified in the preceding paragraph, the casino business operator, etc. must, in cases where it collects claims based on a specified fund loan contract and a customer makes a request, disclose the name and address of a person who collects claims and other particulars specified by the rules of the Casino Regulatory Commission as specified thereby.

(Notice to the Assignee of the Claim)

Article 89 When it assigns claims based on a specified fund loan contract to another person, a casino business operator must notify the relevant assignee of the following particulars as specified by the rules of the Casino Regulatory Commission:

- (i) that the relevant claims have accrued under the specified fund loan contract and other particulars specified by the rules of the Casino Regulatory Commission; and
- (ii) that the provisions of Article 77 as applied mutatis mutandis in the following Article, Article 85, paragraphs (3), (4), (6) and (7), Article 88 and Article 197, paragraphs (1) and (2) apply with respect to acts committed by the relevant assignee in relation to the relevant claims.

(Regulations on the Assignee)

Article 90 The provisions of Article 77, Article 85, paragraphs (3), (4), (6) and (7) and Article 88 and the provisions of the preceding Article apply mutatis mutandis to cases where the relevant assignee collects the relevant claims when the claims have been assigned based on the specified fund loan contract and to cases where the relevant assignee assigns the relevant claims to another

person, respectively. In this case, necessary technical replacement of terms is specified by Cabinet Order.

### **Subsection 5 Related Services in Casino Gaming Operation Areas**

(Regulations on Related Services in Casino Gaming Operation Areas)

- Article 91 (1) A casino business operator may provide only casino services as well as related services in casino gaming operation areas approved by the Casino Regulatory Commission in the casino facilities.
- (2) When it intends to obtain an approval referred to in the preceding paragraph, the casino business operator must submit to the Casino Regulatory Commission an application form stating the type and details of related services in casino gaming operation areas and other particulars specified by the rules of the Casino Regulatory Commission and accompanying documents as specified thereby.
- (3) The Casino Regulatory Commission must not approve an application for approval referred to in paragraph (1), when it finds that the any details of related services in casino gaming operation areas pertaining to the relevant application are likely to hinder the sound operation of the casino business.
- (4) The Casino Regulatory Commission may impose conditions on the approval referred to in paragraph (1) or make any change thereto, when it finds it to be necessary to ensure the sound operation of the casino business.
- (5) The casino business operator that has obtained a license referred to in Article 39 by submitting an application form referred to in Article 40, paragraph (1), item (ix) stating the particulars listed therein is deemed to have obtained an approval referred to in paragraph (1) for providing the relevant related services in casino gaming operation areas at the time of obtaining the license.
- (6) When it intends to change the type or details of related services in casino gaming operation areas approved under paragraph (1) or other particulars specified by the Casino Regulatory Commission, the casino business operator must obtain an approval of the Casino Regulatory Commission. In this case, the provisions of paragraph (2) and paragraph (3) apply *mutatis mutandis*.
- (7) The Casino Regulatory Commission may rescind an approval referred to in paragraph (1) of a casino business operator that has obtained the relevant approval, when any of the facts listed in the following items is discovered:
- (i) when the casino business operator has obtained an approval referred to in paragraph (1) or (6) by deception or other wrongful means; or
  - (ii) when the casino business operator, without justifiable causes, does not commence its related services in casino gaming operation areas pertaining to the relevant approval within six months from the day on which the approval referred to in paragraph (1) or paragraph (6) was granted (if the casino

business operator has obtained the relevant approval before it passed an inspection referred to in Article 44, paragraph (1), the relevant day on which it passed the inspection) or suspends its related services in casino gaming operation areas continuously for more than six months and is not currently providing such services.

- (8) The casino business operator must not have another person provide related services in casino gaming operation areas using its name.
- (9) The provisions of the Act on Control of Amusement Business do not apply to related services in casino gaming operation areas provided by a casino business operator under an approval referred to in paragraph (1).

(Regulations on Provisions of Goods and Services in Casino Facilities)

Article 92 (1) A casino business operator must not have any person other than the relevant casino business operator provide goods or services to visitors in casino facilities except in cases where the other party to a contract authorized pursuant to Article 95, paragraph (1) provides goods or services (including cases where a person that is further entrusted by re-entrustment pertaining to a permission that was obtained through an authorization referred to in Article 100, paragraph (1) provides goods or services).

- (2) No person other than casino business operators must provide goods or services to visitors in casino facilities except in the case provided in the preceding paragraph.

#### **Subsection 6 Contract Pertaining to Services Provided by Casino Business Operator**

(Entrustment of Services Provided by Casino Business Operator)

Article 93 (1) A casino business operator must not entrust casino services to other persons except the following services:

- (i) maintenance or repair of casino-related devices, etc. and other services pertaining to the management thereof;
  - (ii) services pertaining to the collection of claims based on a specified fund loan contract; and
  - (iii) beyond what is listed in the preceding two items, services specified by the rules of the Casino Regulatory Commission as having a minor influence over the sound operation of the casino business.
- (2) When it entrusts its services to other persons, the casino business operator take necessary measures for ensuring the proper performance of the relevant services to be entrusted as specified by the rules of the Casino Regulatory Commission.
  - (3) A person that is entrusted with services from the casino business operator

may re-entrust such services only when it has obtained a grant from the relevant casino business operator. The same principle applies when a contract on re-entrustment is to be renewed or changed.

- (4) The provisions of the preceding paragraph apply to a person that has been further entrusted with services pursuant to the provisions of the first sentence of that paragraph by deeming it to be a person that the casino business operator entrusts its services to.

(Restrictions on Conclusion of Contract)

Article 94 A casino business operator must not conclude a contract other than contracts that fall under all of the following items (excluding a contract concluded with its customer such as one based on the General Conditions for Use of Casino Facilities, an employment contract or a contract with the national government or local government; the same applies hereinafter in this Subsection) with respect to services provided thereby:

- (i) the contract conforms to the following standards:
  - (a) the other party to a contract has sufficient social credibility;
  - (b) when the other party to a contract is a corporation, its officers have sufficient social credibility;
  - (c) when the other party to a contract has an employee who has the authority to conclude the relevant contract, this person has sufficient social credibility;
  - (d) all of the persons who have dominant influence over business activities of the other party to a contract through contribution, loan, business transaction or any other relationships have sufficient social credibility;
  - (e) the contract that the amount calculated in relation to the amount of gross revenue from casino gaming provided for in Article 192, paragraph (1), item (i) or other amount calculated based on all or part of gross revenue from the relevant casino gaming is to be paid ;
  - (f) in cases where the contract has the other party to a contract provide goods or services to visitors in casino facilities (excluding the case where the contract has a person that is entrusted with related services in casino gaming operation areas or with the service listed in Article 93, paragraph (1), item (iii) provide goods or services based on the relevant entrustment), that provision of the relevant goods or services falls under that which is specified by the rules of the Casino Regulatory Commission as contributing to the convenience of visitors and being difficult to be conducted unless the provider is a person other than the casino business operator; and
  - (g) the details of the relevant contract are found to be appropriate from the viewpoint of promoting the sound operation of the casino business.
- (ii) the other party to the contract does not fall under any of (a) through (g);



- (a) a person that is the other party (limited to a person that has grounds attributable thereto with respect to the rescission) to the contract pertaining to an authorization or administrative disposition whose authorization referred to in Article 95, paragraph (1) has been rescinded pursuant to the provisions of Article 98 or Article 204, paragraph (5), authorization referred to in Article 133, paragraph (2) has been rescinded pursuant to the provisions of Article 98 as applied *mutatis mutandis* in Article 133, paragraph (4) or the provisions of Article 206, paragraph (4), or administrative disposition equivalent to an authorization granted in a foreign state has been rescinded pursuant to the provisions of the laws and regulations of a foreign state which are equivalent to this Act in the relevant foreign state and for whom five years have not lapsed from the date of the relevant rescission (when the other party to the relevant contract is a corporation, including a person who was an officer of the relevant corporation as of the date on which the date and location of a hearing for pertaining to the relevant rescission of authorization or within sixty days prior to the date on which the relevant administrative disposition was rescinded for whom five years have not lapsed from the date of the relevant rescission);
- (b) a person that is the other party (limited to a person that has grounds attributable thereto with respect to the rescission) to the contract on re-entrustment pertaining to an authorization or administrative disposition whose authorization referred to in Article 100, paragraph (1) has been rescinded pursuant to the provisions of Article 98 as applied *mutatis mutandis* in Article 101, paragraph (3) as applied *mutatis mutandis* in Article 133, paragraph (4) or the provisions of Article 204, paragraph (6), authorization referred to in Article 100, paragraph (1) as applied *mutatis mutandis* in Article 133, paragraph (4) has been rescinded pursuant to the provisions of Article 98 as applied *mutatis mutandis* in Article 101, paragraph (3) as applied *mutatis mutandis* in Article 133, paragraph (4) or the provisions of Article 206, paragraph (5), or administrative disposition equivalent to such an authorization granted in a foreign state has been rescinded pursuant to the provisions of the laws and regulations of the relevant foreign state which are equivalent to this Act in the relevant foreign state, and for whom five years have not lapsed from the date of the relevant rescission (when the other party to the relevant contract is a corporation, including a person who was an officer of that corporation as of the date on which the date and location of a hearing pertaining to the relevant rescission of authorization or within sixty days prior to the date on which the relevant administrative disposition was rescinded for whom five years have not lapsed from the date of the relevant rescission);

- (c) a person that was sentenced to a fine (including an equivalent sentence under foreign laws and regulations) for violating this Act or the provisions of laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 185 or 187 of the Penal Code, a crime referred to in Article 9, paragraphs (1) through (3), Article 10, Article 11 or Article 17 of the Organized Crime Punishment Act", a crime referred to in Article 46 through Article 49, Article 50 (limited to the part pertaining to item (i)) or Article 51 of the Anti-gang Act, a crime referred to in Article 25 through Article 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the person finished serving the sentence or ceased to be subject to its enforcement;
- (d) when the other party to the contract is an individual, a person who falls under any of the persons listed in item (ii), (a), 5. or 8. of paragraph (2) of Article 41;
- (e) when the other party to the contract is a corporation, any of its officers falls under any of (a) through (d) above;
- (f) any of employees of the other party to the contract who have the authority to conclude the relevant contract falls under any of (a) through (d) above; and
- (g) any of the persons who have dominant influence over business activities of the other party to the contract through contribution, loan, business transaction or any other relationship fall under any of (a) through (d) above.

(Authorization of Contract)

Article 95 (1) A casino business operator must, when it intends to conclude any of the following contracts, obtain an authorization from the Casino Regulatory Commission. The same principle applies to cases where it intends to renew or change a concluded contract:

- (i) a contract on casino services or a contract pertaining to related services in casino gaming operation areas;
- (ii) a contract on entrustment of services provided by the casino business operator (excluding the contracts listed in the preceding item);
- (iii) a contract on financing for services provided by the casino business operator (excluding the contracts listed in item (i));
- (iv) a contract on leasing of facilities carried out by the casino business operator (excluding the contracts listed in item (i)); and
- (v) beyond what is listed in the preceding items, a contract whose period or amount to be paid based thereon exceeds a period or an amount specified by the rules of the Casino Regulatory Commission.

(2) None of the contracts listed in the respective items of the preceding paragraph concluded without obtaining the authorization referred to in that paragraph have effect.

(Application for Authorization)

Article 96 (1) A casino business operator must, when it intends to obtain an authorization referred to in paragraph (1) of the preceding Article, submit to the Casino Regulatory Commission an application form stating the following particulars:

- (i) the name and address of the other party to the contract and, when the relevant other party is a corporation, the name of its representative;
- (ii) when the other party to the contract is a corporation, the names and addresses of its officers;
- (iii) when the other party to the contract has any employee who has the authority to conclude a contract pertaining to the relevant application, the name and address of this person; and
- (iv) outline of the relevant contract.

(2) An application form referred to in the preceding paragraph must be accompanied by the following documents as specified by the rules of the Casino Regulatory Commission:

- (i) a contract document of the contract for which the casino business operator intends to obtain an authorization referred to in paragraph (1) of the preceding Article;
- (ii) a document pledging that the other party to the contract does not fall under any of the persons referred to in Article 94, item (ii), (a) through (g);
- (iii) when the other party to the contract is a corporation, its articles of incorporation and certificate of registered information; and
- (iv) beyond what is listed in the preceding three items, documents specified by the rules of the Casino Regulatory Commission.

(Standards for Authorization)

Article 97 (1) When an application for authorization referred to in Article 95, paragraph (1) has been filed, the Casino Regulatory Commission must examine whether a contract on the relevant application conforms to the standards listed in Article 94, item (i), (a) through (g).

(2) The Casino Regulatory Commission must not grant an authorization in response to an application for authorization referred to in Article 95, paragraph (1), when the other party to the contract falls under any of the persons listed in Article 94, item (ii), (a) through (g) or when the application form or accompanying documents contain a false statement or omits a statement of material fact.

(Rescission of Authorization)

Article 98 The Casino Regulatory Commission may rescind an authorization with respect to a contract authorized pursuant to Article 95, paragraph (1), when any of the facts listed in the following items is discovered:

- (i) when the authorization referred to in Article 95, paragraph (1) was granted by deception or other wrongful means;
- (ii) the contract does not conform to the standards listed in Article 94, item (i), (a) through (g); or
- (iii) the other party to the contract falls under any of the persons listed in Article 94, item (ii), (a) through (g).

(Notification of Contract)

Article 99 When it has concluded any of the following contracts, a casino business operator must notify the Casino Regulatory Commission to that effect without delay as specified by the rules of the Casino Regulatory Commission:

- (i) a contract other than the contracts listed in the respective items of paragraph (1) of Article 95 that is specified by the rules of Casino Regulatory Commission as a service that has influence over the sound operation of the casino business; or
- (ii) a contract other than the contracts listed in the respective items of paragraph (1) of Article 95 and the preceding item that is concluded with the same party again within one year.

(Authorization for Grant of Re-entrustment)

Article 100 (1) When it intends to grant a contract on re-entrustment provided for in Article 93, paragraph (3) (including its renewal or change; the same applies in the following paragraph and the following Article), a casino business operator must obtain an authorization from the Casino Regulatory Commission.

(2) A contract on re-entrustment granted without obtaining an authorization referred to in the preceding paragraphs has no effect.

(Standards for Authorization of Grant)

Article 101 (1) When an application for authorization referred to in Article 100, paragraph (1) is filed, the Casino Regulatory Commission must examine whether a contract on re-entrustment pertaining to the relevant application conforms to the following standards:

- (i) the other party to the contract pertaining to the re-entrustment has sufficient social credibility;
- (ii) when the other party to the contract pertaining to the re-entrustment is a corporation, its officers have sufficient social credibility;

- (iii) when the other party to the contract pertaining to the re-entrustment has an employee who has the authority to conclude the relevant contract pertaining to the re-entrustment, this person has sufficient social credibility;
  - (iv) any of persons who have dominant influence over business activities of the other party to the contract pertaining to the re-entrustment through contribution, loan, business transaction or any other relationships has sufficient social credibility; and
  - (v) the details of the relevant contract pertaining to the re-entrustment are found to be appropriate from the viewpoint of promoting the sound operation of the casino business.
- (2) The Casino Regulatory Commission must not grant an authorization referred to in Article 100, paragraph (1), when the other party to the contract pertaining to the re-entrustment falls under any of the persons listed in the following items or when an application form or its accompanying documents contain any false statement or omit a statement of important fact with respect to the relevant application:
- (i) when the other party to the contract pertaining to the re-entrustment falls under any of the persons listed in Article 94, item (ii), (a) through (e);
  - (ii) when the other party to the contract pertaining to the re-entrustment has an employee who has the authority to conclude the relevant contract pertaining to re-entrustment, this person falls under any of the persons listed in Article 94, item (ii), (a) through (d);
  - (iii) any of the persons who have dominant influence over business activities of the other party to the contract pertaining to the re-entrustment through contribution, loan, business transaction or any other relationship fall under any of the persons listed in Article 94, item (ii), (a) through (d).
- (3) The provisions of Article 96 and Article 98 apply mutatis mutandis to the authorization referred to in Article 100, paragraph (1). In this case, the term "Article 94, item (ii), (a) through (g)" in Article 96, paragraph (2), item (ii) and Article 98, item (iii) is deemed to be replaced with "the respective items of paragraph (2) of Article 101" and the term "Article 94, item (i), (a) through (g)" in item (ii) of that Article is deemed to be replaced with "the respective items of paragraph (1) of Article 101".

(Measures for Compliance with Provisions on Contract)

Article 102 (1) A casino business operator must take the following measures in order to comply with the provisions referred to in Article 93 through Article 96, Article 99 and Article 100:

- (i) implementation of education and trainings for its employees in order to comply with the provisions referred to in Article 93 through Article 96, Article 99 and Article 100.

- (ii) preparation of the rules of conduct in order to comply with the provisions referred to in Article 93 through Article 96, Article 99 and Article 100.
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions referred to in Article 93 through Article 96, Article 99 and Article 100 and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (2) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the rules of conduct referred to in item (ii) of the preceding paragraph and the compliance with the provisions of Article 93 through Article 96, Article 99 and Article 100, respectively. In this case, the term "paragraph (2), item (ii)" in that paragraph is deemed to be replaced with "Article 102, paragraph (1), item (iii)".

#### **Subsection 7 Measures for Prevention of Transfer of Criminal Proceeds**

(Measures for Appropriate Implementation of Measures including Confirmation at the Time of Transaction and Other Relevant Measures)

Article 103 (1) Notwithstanding the provisions of Article 11 of the Act on Prevention of Transfer of Criminal Proceeds, in order to appropriately implement measures including confirmation at the time of transaction (referring to measures provided for in the relevant Article), the measures referred to in the respective paragraphs of the following Article, the notice pursuant to the provisions of Article 105 and the reporting pursuant to the provisions of Article 109, paragraph (1) (collectively referred to as "measures including confirmation at the time of transaction and other relevant measures" hereinafter in this Chapter), in accordance with the Regulations on Prevention of Transfer of Criminal Proceeds (limited to what is attached to an application form referred to in Article 40, paragraph (1) (when any change is authorized pursuant to the provisions of Article 52, paragraph (1) as applied mutatis mutandis in Article 56, paragraph (2), the changed information); the same applies in the following paragraph), beyond ensuring that information obtained from confirmation at the time of transaction is up-to-date as provided for in Article 4, paragraph (6) of the Act on Prevention of Transfer of Criminal Proceeds, a casino business operator must take the following measures:

- (i) education and trainings for its employees for the appropriate implementation of measures including confirmation at the time of transaction and other relevant measures;
- (ii) establishment of a system for the appropriate implementation of measures

- including confirmation at the time of transaction and other relevant measures (including the appointment of an individual who supervises and manages works necessary for the appropriate implementation of measures including confirmation at the time of transaction and other relevant measures and an individual who audits the relevant work);
- (iii) evaluations concerning measures including confirmation at the time of transaction and other relevant measures; and
- (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission as those to be taken into account regarding the national risk assessment of money laundering and terrorism financing provided for in Article 3, paragraph (3) of the Act on Prevention of Transfer of Criminal Proceeds or the characteristics of the casino business.
- (2) The provisions of Article 68, paragraph (3), the provisions of Article 68, paragraph (4), the provisions of Article 68, paragraph (5) and the provisions of Article 68, paragraph (6) apply mutatis mutandis to the Regulations on Prevention of Transfer of Criminal Proceeds, the appropriate implementation of measures including confirmation at the time of transaction and other relevant measures, the evaluations referred to in item (iii) of the preceding paragraph and audit reporting on measures including confirmation at the time of transaction and other relevant measures, respectively. In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 103, paragraph (1), item (ii)".

(Measures for Prevention of Transfer of Chips)

Article 104 (1) A casino business operator must take necessary measures for preventing a customer from transferring chips to other persons (excluding customer's spouse that shares living expenses and other relatives (including a person in a relationship with the customer in which a marital relationship is de facto although a marriage has not been registered, and relatives of the relevant person in a similar situation) and the relevant casino business operator; the same applies hereinafter in this Subsection and Article 175, paragraph (1)) or receiving chips from other persons.

(2) The casino business operator must take necessary measures for preventing a customer from taking away chips from the casino gaming operation areas as specified by the rules of the Casino Regulatory Commission.

(Indication of Prohibition of Transfer of Chips)

Article 105 A casino business operator must indicate to the effect that it is prohibited for customers to transfer chips to other persons or receive chips from other persons, or to take them away from the casino gaming operation

areas, in the identify confirmation area and casino gaming operation areas as specified by the rules of the Casino Regulatory Commission.

### **Subsection 8 Other Measures for the Casino Business**

(Regulations on Advertisement and Solicitation)

Article 106 (1) No person must place any of the following indications or give any of the following explanations, when it advertises or solicits the casino business or casino facilities:

- (i) deceitful or exaggerated indications or explanations;
- (ii) indications or explanations that cannot be proved as objective facts; or
- (iii) indications or explanations that are likely to corrupt public morals or harm the public moral environment.

(2) No person must advertise the casino business or casino facilities by any of the following methods:

- (i) displaying advertisements (those exposed to the public regularly or continuously for a fixed period, by means of posting or indicating on signboards, standing signboards, bills, notices, advertising towers, billboards, buildings or any other structures, or any other methods similar thereto) in any area other than specified integrated resort districts (excluding an area specified by Cabinet Order as a facility that is mainly provided for the boarding and alighting of foreign visitors who use public transportation, rendezvous or for other purposes; the same applies in the following item);
- (ii) distributing fliers, etc. (fliers, pamphlets or documents and drawings provided for advertisements similar thereto; the same applies hereinafter in this item) in any area other than specified integrated resort districts or distributing fliers, etc. to persons under twenty years of age in a specified integrated resort.

(3) No person must solicit a person under twenty years of age to the casino business or casino facilities.

(4) No person must continue to solicit a person when the party expresses intention not to use the casino facilities (including the intention to the effect that the person does not want to continue to be solicited) in soliciting the casino business or casino facilities.

(5) When it advertises or solicits the casino business or casino facilities, any person must, indicate or explain the following particulars as specified by the rules of the Casino Regulatory Commission:

- (i) an indication to the effect that persons under twenty years of age must not enter the casino facilities; and
- (ii) an indication specified by the rules of the Casino Regulatory Commission as being necessary for raising awareness on the relationship between the use of



- the casino facilities and addiction to casino gaming.
- (6) In advertising or soliciting the casino business or casino facilities, any person must give consideration to its influence over persons under twenty years of age and the relationship between the use of casino facilities and addiction to casino gaming and strive not to advertise or solicit excessively.
- (7) The casino business operator must take the following measures in order to comply with the provisions of the preceding paragraphs:
- (i) implementation of education and trainings for its employees in order to comply with the provisions of the preceding paragraphs;
  - (ii) preparation of the rules of conduct in order to comply with the provisions of the preceding paragraphs;
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions of the preceding paragraphs and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (8) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the rules of conduct referred to in item (ii) of the preceding paragraph and the compliance with the provisions of paragraphs (1) through (6), respectively. In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 106, paragraph (7), item (iii)".
- (9) The Casino Regulatory Commission may, when it finds it to be necessary in the light of the purpose of the provisions of paragraph (6), indicate guidelines to be followed in adverting or soliciting the casino business or casino facilities (referred to as "the Guidelines for Advertisements and Solicitation" in the following Article) to a person subject to the relevant advertisement or solicitation.

(Order to Suspend Advertisement or Solicitation)

- Article 107 (1) The Casino Regulatory Commission may, when it finds that advertisements or solicitation concerning the casino business or casino facilities violate the provisions of paragraphs (1) through (5) of the preceding Article, order a person who posted the relevant advertisements or solicitation to suspend the relevant advertisements or solicitation or correct the details thereof within a time limit.
- (2) The Casino Regulatory Commission may recommend that a person who has advertised or solicited the casino business or casino facilities in violation of the Guidelines for Advertisements and Solicitation take necessary measures.
- (3) The Casino Regulatory Commission may, when the person who received a recommendation pursuant to the provisions of the preceding paragraph does

not follow the relevant recommendation, issue a public announcement to that effect.

- (4) The Casino Regulatory Commission may, when it finds that there is a risk that advertisements or solicitation concerning the casino business or casino facilities violate the provisions of paragraphs (1) through (5) of the preceding Article or do not follow the Guidelines for Advertisements and Solicitation, or that a person that advertised or solicited does not follow a recommendation pursuant to the provisions of paragraph (2), order the relevant person to submit necessary reports or have its officials enter an office or any other facility of the relevant person who advertised or solicited and inspect documents on the relevant advertisements or solicitation and any other articles.
- (5) The provisions of Article 29, paragraph (3) and paragraph (4) apply mutatis mutandis to on-site inspections pursuant to the provisions of the preceding paragraph.

(Regulations on Premiums related to Casino Gaming)

Article 108 (1) A casino business operator and other business operators must, when they provide premiums related to casino gaming, ensure that the details, economic values or method of providing such premiums do not fall under the standards specified by the rules of the Casino Regulatory Commission as those that are likely to harm good morals.

- (2) When it provided premiums related to casino gaming or exchanged them for chips, the casino business operator must prepare and preserve records on the following particulars as specified by the rules of the Casino Regulatory Commission:
  - (i) the time and date when it provided premiums related to casino gaming or exchanged them for chips;
  - (ii) the name of the customer to whom it provided premiums related to casino gaming or with whom it exchanged them for chips;
  - (iii) the details and economic values of premiums related to casino gaming provided or exchanged for chips; and
  - (iv) beyond what is listed in the preceding three items, particulars specified by the rules of the Casino Regulatory Commission.
- (3) The casino business operator must take necessary measures for appropriately figuring out the details, economic values and method of provision of premiums related to casino gaming provided by any business operator other than the relevant business operator and other necessary measures for ensuring the proper provision thereof as specified by the rules of the Casino Regulatory Commission.
- (4) The casino business operator must take the following measures in order to comply with the provisions of the preceding three paragraphs:

- (i) implementation of education and trainings for its employees in order to comply with the provisions of the preceding three paragraphs;
  - (ii) preparation of the rules of conduct in order to comply with the provisions of the preceding three paragraphs;
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions of the preceding three paragraphs and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (5) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the rules of conduct referred to in item (ii) of the preceding paragraph and the compliance with the provisions of paragraphs (1) through (3), respectively. In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 108, paragraph (4), item (iii)".
- (6) When the casino business operator provides premiums related to casino gaming (limited to those listed in Article 2, paragraph (13), item (i)), the provisions of Article 4 of the Act against Unjustifiable Premiums and Misleading Representations (Act No.134 of 1962) do not apply to the relevant premiums related to casino gaming.

(Reporting of Transactions)

- Article 109 (1) Among transactions pertaining to casino services with a customer, a casino operator must, when having conducted transaction specified by Cabinet Order including issuance of chips and when the transaction concerned involves receipt or payment of cash above the amount specified thereby, report to the Casino Regulatory Commission the details and the amount of the transaction and other particulars specified by the rules of the Casino Regulatory Commission without delay pursuant to the rules of the Casino Regulatory Commission.
- (2) When it has received a report pursuant to the provisions of the preceding paragraph, the Casino Regulatory Commission is to promptly notify the particulars pertaining to the relevant report to the National Public Safety Commission.

(Measures for Maintenance of Public Order in and around Casino Facilities)

- Article 110 (1) In order to prevent crimes and maintain good morals, a clean public moral environment and other public order in and around casino facilities, A casino business operator must prohibit or restrict the use of the casino facilities by persons who are deemed to be inappropriate to use them, monitor and maintain security in and around them and take other necessary measures.

- (2) The casino business operator must take the following measures in order to accurately implement the measures referred to in the preceding paragraph:
- (i) implementation of education and trainings for its employees in order to accurately implement the measures referred to in the preceding paragraph;
  - (ii) preparation of the rules of conduct concerning the implementation of the measures referred to in the preceding paragraph;
  - (iii) appointment of persons who exercise overall control over services necessary for accurately implementing the measures referred to in the preceding paragraph and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (3) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the rules of conduct referred to in item (ii) of the preceding paragraph and the accurate implementation of the measures referred to in paragraph (1), respectively. In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 110, paragraph (2), item (iii)".

(Measures for Handling of Complaints)

Article 111 (1) A casino business operator must prepare and preserve records on handling of complaints about casino services or related services in casino gaming operation areas and take necessary measures for appropriately and swiftly handling other complaints as specified by the rules of the Casino Regulatory Commission.

- (2) The casino business operator must take the following measures in order to accurately implement the measures referred to in the preceding paragraph:
- (i) implementation of education and trainings for its employees in order to accurately implement the measures referred to in the preceding paragraph;
  - (ii) preparation of the rules of conduct concerning the implementation of the measures referred to in the preceding paragraph;
  - (iii) appointment of persons who exercise overall control over services necessary for accurately implementing the measures referred to in the preceding paragraph and persons who audit the relevant services; and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (3) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the rules of conduct referred to in item (ii) of the preceding paragraph and the accurate implementation of the measures referred to in paragraph (1), respectively. In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 111, paragraph (2), item (iii)".

(Indication of Prohibition of Use by Person who is Prohibited to Enter)

Article 112 A casino business operator must indicate to the effect that the following persons are prohibited or restricted to use casino facilities at the entrance of the identify confirmation area and the casino gaming operation areas as specified by the rules of the Casino Regulatory Commission:

- (i) a person whose use of casino facilities is restricted as the measure referred to Article 68, paragraph (1), item (i) or item (ii);
- (ii) a person who is prohibited to enter; or
- (iii) a person whose use of casino facilities is prohibited or restricted as the measure referred to in Article 110, paragraph (1).

(Cooperation among Casino Business Operators)

Article 113 Casino business operators must cooperate with one another for eliminating harmful effects resulting from the establishment and operation of casino facilities and ensuring the sound operation of the casino business.

### **Section 3 Casino Business Employees**

(Confirmation)

Article 114 A casino business operator must not have its employees or other persons engage in the following casino services (referred to as "specified casino services" hereinafter in this Section), unless it obtains a confirmation from the Casino Regulatory Commission; provided, however, that this does not apply to cases where the casino business operator has a person who has obtained a confirmation referred to in Article 158, paragraph (1) engage in the service listed in item (i) (limited to the part pertaining to (f)):

- (i) service of implementing or supervising the following particulars (excluding the services listed in item (iii));
  - (a) a service of conducting casino gaming with customers or having customers play casino gaming among themselves;
  - (b) calculation of gross revenue from casino gaming pursuant to the provisions of Article 67, paragraph (2);
  - (c) specified financial services;
  - (d) monitoring of the casino gaming operation areas and identify confirmation area;
  - (e) security service; or
  - (f) maintenance or repair and other management of casino-related devices, etc.
- (ii) service of supervising the following particulars (excluding services listed in the following item);

- (a) internal audits;
- (b) finance;
- (c) solicitation or management of customers pertaining to the casino business;
- (d) personnel affairs of persons who engage in a service of implementing or supervising the particulars listed in (a) through (f) of the preceding item or a service of supervising the particulars listed in (a) through (c) of this item.
- (iii) service of supervising and managing the following services:
  - (a) necessary services for accurately implementing the measure referred to in Article 68, paragraph (1);
  - (b) necessary services for complying with the provisions of Article 69 through Article 71;
  - (c) necessary services for complying with the provisions of Article 73, paragraphs (1) through (10);
  - (d) necessary services for complying with the provisions of Subsection 4 of the preceding section;
  - (e) necessary services for complying with the provisions of Article 93 through Article 96, Article 99 and Article 100;
  - (f) necessary services for accurately implementing the measure for confirmation at the time of transaction;
  - (g) necessary services for complying with the provisions of Article 106, paragraphs (1) through (6);
  - (h) necessary services for complying with the provisions of Article 108, paragraphs (1) through (3);
  - (i) necessary services for accurately implementing the measure referred to in Article 110, paragraph (1);
  - (j) necessary services for accurately implementing the measure referred to in Article 111, paragraph (1); and
  - (k) necessary services for complying with the provisions of this Article, the following Article, Article 117, Article 118, Article 121 and Article 122.
- (iv) beyond what is listed in the preceding three items, services specified by the rules of the Casino Regulatory Commission as necessary services for ensuring the proper implementation of casino services.

(Application for Confirmation)

Article 115 (1) A casino business operator must, when it intends to obtain a confirmation referred to in the preceding Article, submit an application form stating the following particulars to the Casino Regulatory Commission:

- (i) the names, addresses and dates of birth of employees and other persons who intend to obtain the relevant confirmation (hereinafter referred to as "persons subject to application" in this Section); and

- (ii) the type of specified casino services in which the casino business operator intends to have persons subject to application engage (meaning the type of the services listed in the items of the preceding Article, the type of the particulars listed in item (i), (a) through (f) pertaining to the services listed in item (i) of that Article, the type of the particulars listed in item (ii), (a) through (d) pertaining to the services listed in item (ii) of that Article, the type of the services listed in item (iii), (a) through (k) pertaining to the services listed in item (iii) of that Article and the type of the services specified by the rules of the Casino Regulatory Commission referred to in item (iv) of that Article; the same applies in Article 118, paragraph (1)).
- (2) An application form referred to in the preceding paragraph must be accompanied by a document pledging that a person who is the subject on an application does not fall under any of the persons listed in the items of paragraph (2) of the following Article and other documents specified by the rules of the Casino Regulatory Commission as specified thereby.

(Standards for Confirmation)

Article 116 (1) When an application for confirmation referred to in Article 114 has been filed, the Casino Regulatory Commission must examine whether a person that is the subject of an application has the ability to accurately perform specified casino services engaged thereby and sufficient social credibility.

(2) The Casino Regulatory Commission must not, when a person who is the subject of an application falls under any of the persons listed in the following items, or an application form or its accompanying documents contain any false statement or omit a statement of important fact, give a confirmation referred to in Article 114:

(i) a person that falls under any of the persons listed in Article 41, paragraph (2), item (ii), (a), 1., 2., 4., 5., 7. or 8.;

(ii) a person that was sentenced to a fine (including an equivalent sentence under foreign laws and regulations) for violating this Act or the provisions of the laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 185 or Article 187 of the Penal Code, a crime referred to in Article 9, paragraphs (1) through (3), Article 10, Article 11 or 17 of the Organized Crime Punishment Act, a crime referred to in Article 46 through Article 49, Article 50 (limited to the part pertaining to item (i)) or Article 51 of the Anti-gang Act, a crime referred to in Article 25 through Article 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the person finished serving the sentence or ceased to be subject to its enforcement;

- (iii) persons specified by the rules of the Casino Regulatory Commission as those who cannot accurately perform specified casino services due to mental or physical disorder.

(Validity Period of Confirmation)

Article 117 (1) The validity period of a confirmation referred to in Article 114 is three years from the date of the relevant confirmation.

- (2) The casino business operator that intends to have a person that has obtained a confirmation pursuant to Article 114 and continues to engage in specified casino services after the validity period referred to in the preceding paragraph expires (hereinafter referred to as "confirmed person engaged in specified casino services" in this Section and Article 204, paragraph (7)) engage in the relevant specified casino services must have the relevant confirmation renewed.
- (3) The casino business operator that intends to renew a confirmation pursuant to the preceding paragraph must file an application with the Casino Regulatory Commission within a period specified by the Casino Regulatory Commission prior to the expiration of the validity period referred to in paragraph (1).
- (4) The provisions of the preceding two Articles apply mutatis mutandis to the renewal referred to in paragraph (2). In this case, the term "Article 41, paragraph (2), item (ii), (a), 1. and item (ii), (a), 2." in Article 116, paragraph (2), item (i) is deemed to be replaced with "Article 41, paragraph (2), item (ii), (a), 2."
- (5) In cases where an application referred to in paragraph (3) has been filed but the relevant application is not processed by the expiration date of the validity period referred to in the preceding paragraph, the confirmation then in force remains in force until the application is processed even after the expiration of the validity period referred to in that paragraph.
- (6) When a confirmation is renewed pursuant to paragraph (2), the validity period of the relevant confirmation is three years from the day following the expiration date of the validity period of the confirmation then in force.

(Approval of Change)

Article 118 (1) As specified by the rules of the Casino Regulatory Commission, when it intends to change the type of specified casino services which a confirmed person engaged in specified casino services engages in, a casino business operator must submit an application form to the Casino Regulatory Commission for approval.

- (2) The application form referred to in the preceding paragraph must be accompanied by documents specified by the Casino Regulatory Commission.
- (3) When the application for approval referred to in paragraph (1) has been filed, the Casino Regulatory Commission must examine whether a confirmed person



engaged in specified casino services has the ability to accurately perform the specified casino services.

- (4) The Casino Regulatory Commission must not give an approval for the application referred to in paragraph (1) when the application form or its accompanying documents contain any false statement or omit a statement of important fact.
- (5) When a confirmed person engaged in specified casino services has come to fall under any of the cases listed in the following items, the casino business operator must notify the Casino Regulatory Commission to that effect by a document stating particulars specified by the rules of the Casino Regulatory Commission without delay:
  - (i) when the confirmed person engaged in specified casino services has ceased to engage in specified casino services;
  - (ii) when its name or address has been changed; and
  - (iii) beyond what is listed in the preceding two items, when specified by the rules of the Casino Regulatory Commission.

#### (Rescission of Confirmation)

Article 119 The Casino Regulatory Commission may rescind a confirmation referred to in Article 114, when any of the facts listed in the following articles is discovered with respect to a confirmed person engaged in specified casino services:

- (i) the confirmed person engaged in specified casino services has obtained the confirmation referred to in Article 114, renewal referred to in Article 117, paragraph (2) or approval referred to in Article 118, paragraph (1) through deception or by other wrongful means;
- (ii) the confirmed person engaged in specified casino services does not have the ability to accurately perform specified casino services or sufficient social credibility;
- (iii) the confirmed person engaged in specified casino services falls under any of the persons listed in the respective items of paragraph (2) of Article 116.

#### (Lapse of Confirmation)

Article 120 A confirmation referred to in Article 114 ceases to be effective, when a confirmed person engaged in specified casino services falls under any of the cases listed in the following items:

- (i) when the confirmed person engaged in specified casino services has ceased to engage in specified casino services pertaining to the relevant confirmation;  
or
- (ii) the license referred to in Article 39 of the casino business operator pertaining to the relevant confirmation has been rescinded or lapsed.

(Restrictions on Employees)

Article 121 (1) A casino business operator must not have the following persons engage in casino services (excluding specified casino services) or related services in casino gaming operation areas:

- (i) persons that do not have sufficient social credibility; or
- (ii) persons that fall under Article 41, paragraph (2), item (ii), (a), 1., 5., 7. or 8. or Article 116, paragraph (2), item (ii).

(2) When it has had its employee or any other person engage in casino services (excluding specified casino services) or related services in casino gaming operation areas, the casino business operator must notify the Casino Regulatory Commission of the following particulars without delay as specified by the rules of the Casino Regulatory Commission:

- (i) the name, address and date of birth of the engaged person;
- (ii) the details of services in which the engaged person engages; and
- (iii) beyond what is listed in the preceding two items, particulars specified by the rules of the Casino Regulatory Commission.

(3) In cases where it makes a notification pursuant to the provisions of the preceding paragraph, the casino business operator must attach documents specified by the rules of the Casino Regulatory Commission.

(4) When a person notified pursuant to the provisions of paragraph (2) has come to fall under any of the cases referred to in the following items, the casino business operator must notify the Casino Regulatory Commission to that effect without delay by a document stating particulars specified by the rules of the Casino Regulatory Commission:

- (i) when the person has ceased to engage in casino services (excluding specified casino services) or related services in casino gaming operation areas; or
- (ii) when any change has been made to any of the particulars listed in the respective items of paragraph (2).

(Carrying of Identification Card)

Article 122 A casino business operator must not, pursuant to the rules of the Casino Regulatory Commission, have a person that engages in casino services or related services in casino gaming operation areas engage in such services unless it has the relevant person carry an identification card proving that the relevant person engages in such services and other particulars specified by the rules of the Casino Regulatory Commission.

(Measures for Compliance with Provisions on Employees of Casino Business)

Article 123 (1) A casino business operator must take the following measures in order to comply with the provisions of Article 114, Article 115, Article 117,

Article 118 and the preceding two Articles:

- (i) implementation of education and trainings for its employees in order to accurately implement the provisions of Article 114, Article 115, Article 117, Article 118 and the preceding two Articles;
  - (ii) preparation of the rules of conduct in order to comply with the provisions of Article 114, Article 115, Article 117, Article 118 and the preceding two Articles;
  - (iii) appointment of persons who exercise overall control over services necessary for complying with the provisions of Article 114, Article 115, Article 117, Article 118 and the preceding two Articles and persons who audit the relevant services); and
  - (iv) beyond what is listed in the preceding three items, measures specified by the rules of the Casino Regulatory Commission.
- (2) The provisions of Article 68, paragraph (3) and Article 72, paragraph (2) and the provisions of Article 68, paragraph (4) apply mutatis mutandis to the rules of conduct referred to in item (ii) of the preceding paragraph and the compliance with the provisions of Article 114, Article 115, Article 117, Article 118 and the preceding two Articles, respectively. In this case, the term "paragraph (2), item (ii)" in paragraph (4) of that Article is deemed to be replaced with "Article 123, paragraph (1), item (iii)".

#### **Chapter IV Casino Facility Provision Business**

(License)

Article 124 When it has obtained a license from the Casino Regulatory Commission, a certified facility provision business operator may conduct the casino facility provision business in a specified integrated resort district described in its certified district development plan.

(Application for License)

- Article 125 (1) When it intends to obtain a license referred to in the preceding Article, a certified facility provision business operator must submit to the Casino Regulatory Commission an application form stating the particulars listed in Article 40, paragraph (1), item (i), item (ii), item (iv), item (vi), item (vii), item (x) and item (xi) and particulars specified by the rules of the Casino Regulatory Commission.
- (2) The application form referred to in the preceding paragraph must be accompanied by the following documents as specified by the rules of the Casino Regulatory Commission:
- (i) the documents listed in Article 40, paragraph (2), item (ii), item (iv), items (ix) through (xi), item (viii) and item (xiv);

- (ii) a document providing that the applicant is a certified facility provision business operator stated in the certified district development plan pertaining to the relevant application (referred to as "certified district development plan on application" in Article 126, paragraph (2), item (i), (a));
  - (iii) a document pledging that the applicant does not fall under any of the grounds listed in the respective items of paragraph (2) of the following Article;
  - (iv) an operational method statement referred to in Article 53, paragraph (1) as applied mutatis mutandis in Article 130;
  - (v) a document indicating the authority to use casino facilities pertaining to the relevant application, the type and method of parts to be managed and other details on an agreement on management and use of the relevant casino facilities with the certified establishment and operation business operator; and
  - (vi) beyond what is listed in the preceding items, documents specified by the rules of the Casino Regulatory Commission.
- (3) An application for license referred to in the preceding Article must be filed at the same time as an application for license referred to in Article 39 pertaining to specified integrated resort pertaining to the relevant application.

(Standards for License)

- Article 126 (1) When an application for license referred to in Article 124 has been filed, the Casino Regulatory Commission must examine whether the relevant application conforms to the following standards:
- (i) the application conforms to the standards listed in Article 41, paragraph (1), items (ii) through (v), item (vii) and item (viii);
  - (ii) the applicant has the ability to accurately perform the casino facility provision business in light of its personnel structure and sufficient social credibility;
  - (iii) the applicant has a sufficient financial basis to soundly perform the casino facility provision business, and has good prospects in terms of expected income and expenditures pertaining to the relevant casino facility provision business; and
  - (iv) the provisions of the articles of incorporation and the operational method statement referred to in Article 53, paragraph (1) as applied mutatis mutandis in Article 130 conform to laws and regulations and are sufficient to properly perform the casino facility provision business.
- (2) The Casino Regulatory Commission must not grant a license when an application for license referred to in Article 124 falls under any of the causes listed in the following items or when an application form or its accompanying documents contain any false statement or omit a statement of important fact:

- (i) the applicant falls under (a) or (b) below;
    - (a) the applicant is not a certified facility provision business operator described in a certified district development plan for application;
    - (b) the applicant falls under any of the persons listed in Article 41, paragraph (2), item (i), (b) through (i), (f).
  - (ii) any of the officers of the applicant falls under (a) or (b) below;
    - (a) the officer falls under any of the persons listed Article 41, paragraph (2), item (ii), (a) (excluding 9.) and item (ii), (b);
    - (b) the officer is specified by the rules of the Casino Regulatory Commission as being incapable of accurately performing the casino facility provision business due to mental or physical disorder.
  - (iii) any of officers fall under a person listed in Article 41, paragraph (2), item (ii), (a) (excluding 9.) or item (ii), (b) among persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationships;
  - (iv) any of the holders of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant fall under the persons listed in the respective items of paragraph (2) of Article 60; or
  - (v) any of the facility land right holders of the specified integrated resort district pertaining to the relevant application fall under any of the persons listed in the respective items of paragraph (2) of Article 60 as applied mutatis mutandis in Article 138, paragraph (2).
- (3) The Casino Regulatory Commission must not grant a license referred to in Article 124, unless it grants a license referred to in Article 39 pertaining to specified integrated resort pertaining to the application.

(Validity Period of License)

- Article 127 (1) The validity period of a license referred to in Article 124 is three year from the date of the relevant license.
- (2) A casino facility provision business operator that intends to continue to conduct the casino facility provision business after the validity period referred to in the preceding paragraph expires must renew the relevant license.
  - (3) A casino facility provision business operator that intends to renew its license pursuant to the preceding paragraph must file an application with the Casino Regulatory Commission within a period specified by the rules of the Casino Regulatory Commission prior to the expiration date of the validity period referred to in paragraph (1).
  - (4) The provisions of Articles 125 and the preceding Article (excluding paragraph (2), item (i), (a)) and Article 42 as applied mutatis mutandis in Article 130 apply mutatis mutandis to the renewal referred to in paragraph (2). In this case, the term ", item (x) and item (xi)" in Article 125, paragraph (1) is deemed

to be replaced with "and item (x)", the term "to item (xi), item (xiii)" in Article 125, paragraph (2), item (i) is deemed to be replaced with ", item (x)", the term "license referred to in Article 39" in Article 125, paragraph (3) and Article 126, paragraph (3) is deemed to be replaced with "renewal referred to in Article 43, paragraph (2)", the term "through item (v), item (vii) and item (viii)" in Article 126, paragraph (1), item (i) is deemed to be replaced with "and item (iii)", the term "9." in Article 126, paragraph (2), item (ii), (a) is deemed to be replaced with "1. and 9.", the term "falls under any of the persons listed in the respective items of paragraph (2) of Article 60" in paragraph (2), item (iv) is deemed to be replaced with "not an authorized major shareholder, etc.", and the term "falls under any of the persons listed in the respective items of paragraph (2) of Article 60 as applied mutatis mutandis in Article 138, paragraph (2)" in paragraph (2), item (v) is deemed to be replaced with "not an authorized facility land right holder".

- (5) In cases where an application referred to in paragraph (3) has been made, when no disposition is made against the relevant application by the expiration date of the validity period referred to in paragraph (1), the license then in force remains in force until the relevant disposition is made even after the validity period referred to in that paragraph expires.
- (6) When the renewal referred to in paragraph (2) has been made, the validity period of the relevant license is three years from the day following the day on which the validity period of the license then in force expires.

(Completion Inspection)

- Article 128 (1) A casino facility provision business operator must, after it has obtained a license referred to in Article 124 and works of casino facilities pertaining to the relevant license have completed, file an application for inspection of the relevant facilities by the Casino Regulatory Commission.
- (2) An application for inspection referred to in the preceding paragraph must be filed at the same time as an application for inspection of casino facilities pertaining to the relevant application referred to in Article 44, paragraph (1).
  - (3) The Casino Regulatory Commission must not pass the relevant casino facilities the inspection referred to in paragraph (1), unless they are found to conform to the standards listed in Article 126, paragraph (1), item (i) (limited to the part pertaining to Article 41, paragraph (1), item (vii) and item (viii) as a result of the inspection.
  - (4) The Casino Regulatory Commission must not pass the casino facilities pertaining to the application the inspection referred to in paragraph (1), unless it passes the relevant casino facilities the inspection referred to in Article 44, paragraph (1).

(Approval of Change)

- Article 129 (1) When it intends to change any of the following particulars (for the particular listed in item (ii), excluding minor changes specified by the rules of the Casino Regulatory Commission), a casino facility provision business operator must obtain an approval from the Casino Regulatory Commission:
- (i) the location of casino gaming operation areas in the casino facility;
  - (ii) the structure or equipment of the casino facility (excluding the structure and equipment pertaining to the areas managed exclusively by the casino business operator) or the management method thereof; or
  - (iii) officers.
- (2) An application for approval referred to in the preceding paragraph (excluding an approval of the particular listed in item (iii) of that paragraph; the same applies in paragraphs (iv) through (vi)) must, when the relevant casino business operator intends to change the structure or equipment of the relevant casino facility or the management method thereof at the same time as any change pertaining to the relevant application, be filed at the same time as an application for approval referred to in Article 48, paragraph (1) (limited to an approval for the particular listed in item (i) or item (iii) of that paragraph; the same applies in paragraphs (iv) through (vi)).
- (3) The provisions of Article 126, paragraph (1) and paragraph (2) (excluding item (i), item (iv) and item (v)) apply mutatis mutandis to the approval referred to in paragraph (1). In this case, the term "through item (v)" in Article 126, paragraph (1), item (i) is deemed to be replaced with ", item (iii)".
- (4) In the case referred to in paragraph (2), the Casino Regulatory Commission must not grant an approval referred to in paragraph (1), unless it grants an approval referred to in Article 48, paragraph (1) for the casino facilities pertaining to the application
- (5) When works pertaining to any change to the structure or equipment of the casino facilities, a casino facility provision business operator must file an application for inspection by the Casino Regulatory Commission without delay.
- (6) The application for inspection referred to in the preceding Article must, when there is a casino business operator that has obtained an approval referred to in Article 48, paragraph (1), be filed at the same time as an application for inspection referred to in Article 48, paragraph (7).
- (7) The Casino Regulatory Commission must not have the relevant casino facilities pass an inspection referred to in paragraph (5), unless they are found to conform to the standards listed in Article 126, paragraph (1), item (i) (limited to the part pertaining to Article 41, paragraph (1), item (vii) and item (viii)) as a result of conducting the inspection.
- (8) As for an inspection referred to in paragraph (5), the Casino Regulatory Commission must not, in the case provided for in paragraph (6), pass the

casino facilities, unless it passes the casino facilities pertaining to that application in the inspection referred to in Article 48, paragraph (7).

(Mutatis Mutandis Application of Provisions on Casino Business License)

Article 130 The provisions of Article 41, paragraph (3), Article 42 and Article 49 to Article 51 and the provisions of Article 45 through Article 47, Article 48, paragraph (5), paragraph (6), paragraph (11) and paragraph (12), Article 52, Article 53 (excluding paragraph (1), item (i) through (vi)) and Article 57 apply mutatis mutandis to a license referred to in Article 124 and the casino facility provision business conducted by a casino facilities provision business operator, respectively. In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Mutatis Mutandis Application of Provisions on Authorized Major Shareholders)

Article 131 The provisions of Subsection 2 of Section 1 of the preceding Chapter apply mutatis mutandis to authorized major shareholders, etc. of a casino facility provision business operator. In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Regulations on Services Provided by Casino Facility Provision Business Operator)

Article 132 (1) When it entrusts its services (including those pertaining to the facility provision business other than casino facility provision services; the same applies hereinafter) to any other person, a casino facility provision business operator must take necessary measures for ensuring the proper performance of the relevant services to be entrusted as specified by the rules of the Casino Regulatory Commission.

(2) In accordance with the sharing of responsibility with the casino business operator and in close collaboration with the relevant casino business operator, the casino facility provision business operator must maintain casino facilities as well as the structure and equipment of the casino facilities pertaining to the part managed by the relevant casino facility provision business operator to ensure that they conform to the standards listed in Article 41, paragraph (1), item (vii) and item (viii).

(Contract on Services Provided by Casino Facility Provision Service Operator)

Article 133 (1) A casino facility provision business operator must not conclude a contract other than contracts that fall under all of the respective items of Article 94 (excluding item (i), (e) and item (i), (f)) concerning services provided thereby (excluding an employment contract and a contract with the national or



- local government; the same applies hereinafter in this Article).
- (2) When it intends to conclude any of the following contracts, the casino facility provision business operator must obtain an authorization from the Casino Regulatory Commission. The same principle applies to cases where it intends to renew or change a concluded contract:
- (i) a contract on casino facility provision services;
  - (ii) a contract on entrustment of services provided by the casino facility provision business operator (excluding the contracts listed in the preceding item);
  - (iii) a contract on financing pertaining to services provided by the casino facility provision business operator (excluding the contracts listed in item (i)); or
  - (iv) beyond what is listed in the preceding three items, a contract whose period or amount to be paid based thereon exceeds a period or an amount specified by the rules of the Casino Regulatory Commission.
- (3) None of the contracts listed in the respective items of the preceding paragraph concluded without obtaining an authorization referred to the preceding paragraph have effect.
- (4) The provisions of Article 93, paragraph (3) and paragraph (4) and Article 96 to Article 102 apply mutatis mutandis to contracts on services provided by a casino facility provision business operator. In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Confirmation of Persons Engaged in Specific Services)

Article 134 (1) A casino facility provision business operator must not have its employees and other persons engage in the following casino facilities provision services (referred to as "specified casino facility provision services") in the following paragraph and the following Article) without being confirmed by the Casino Regulatory Commission:

- (i) service of supervising the following particulars (excluding services listed in the following item);
  - (a) internal audits;
  - (b) finance;
  - (c) personnel affairs of persons who engage in a service of supervising the particular listed in (a) or (b);
- (ii) service of supervising and managing the following services;
  - (a) necessary services for complying with the provisions of Article 132, paragraph (1), Article 133, paragraph (1) and paragraph (2), and Article 96 as applied mutatis mutandis in Article 133, paragraph (4), Article 99 and Article 100;
  - (b) necessary services for complying with the provisions of this paragraph,

Article 115 as applied mutatis mutandis in the following paragraph, Article 115, Article 117 and Article 118 as well as the provisions of the following Article;

(iii) beyond the services listed in the preceding two items, services specified by the rules of the Casino Regulatory Commission.

(2) The provisions of Article 115 through Article 120 apply mutatis mutandis to a confirmation referred to in the preceding paragraph and persons who have obtained the relevant confirmation and engage in a specified casino facility provision service (referred to as "confirmed person engaged in specified casino facility provision services" in Article 206, paragraph (6)). In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Restrictions on Employees)

Article 135 (1) A casino facility provision business operator must not have any of the persons listed in the respective items of paragraph (1) of Article 121 engage in casino facility provision services (excluding specified casino facility provision services).

(2) The provisions of Article 121, paragraphs (2) through (4) apply mutatis mutandis to casino facility provision services (excluding specified casino facility provision services) provided by a casino facility provision business operator.

(3) The provisions of Article 123 apply mutatis mutandis to measures for persons who engage in casino facility provision services. In this case, necessary technical replacement of terms is specified by Cabinet Order.

## **Chapter V Authorized Facility Land Right Holder**

(Authorization)

Article 136 (1) For land in specified integrated resort districts pertaining to a license referred to in Article 39, a person that intends to conduct transactions or acts for transferring or establishing a right on the facility land, establish a corporation that will be a facility land right holder or conduct other transactions or acts specified by the rules of the Casino Regulatory Commission (excluding transactions and acts by the national and local governments as well as casino business operators and casino facility provision business operators pertaining to the relevant specified integrated resort district (referred to as "the national government, etc." hereinafter in this paragraph") to acquire a right on the relevant facility land) with a change of the facility land right holder (excluding the national government, etc.) must obtain an authorization from the Casino Regulatory Commission.

(2) No transaction or act provided for in the preceding paragraph conducted

- without obtaining an authorization referred to in the relevant paragraph (limited to transactions or acts of transferring or establishing a right on facility lands and excluding transactions or acts specified by Cabinet Order) has effect.
- (3) When a certified establishment and operation business operator has obtained a license referred to in Article 39, a facility land right holder stated in the application form for the relevant license is deemed to have obtained an authorization referred to in paragraph (1) at the time of obtaining the license.
- (4) A person who has become an authorized facility land right holder through transactions or acts pertaining to an authorization referred to in paragraph (1) must notify the Casino Regulatory Commission to that effect without delay.
- (5) A person who has become a facility land right holder by any reason other than transactions or acts provided for in paragraph (1) (referred to as "specified facility land right holder" hereinafter in this Article) must take necessary measures for ceasing to be a facility land right holder within sixty days from the day on which the relevant reason arose (referred to as "the last day of the grace period" hereinafter in this Article); provided however, that this does not apply to cases where the relevant specified facility land right holder has obtained an authorization for continuing to hold the right on the relevant facility land even after the last day of the grace period from the Casino Regulatory Commission.
- (6) When it has ceased to be a facility land right holder due to the measure referred to in the main clause of the preceding paragraph, a specified facility land right holder must notify the Casino Regulatory Commission of that effect without delay. The same principle applies to cases where it has ceased to be a facility land right holder due to any reason other than the measure referred to in the main clause of the preceding paragraph.
- (7) The Casino Regulatory Commission may order a person that become a facility land right holder through transactions or acts provided for in paragraph (1) without obtaining an authorization referred to in the relevant paragraph or a person that is still a facility land right holder even after the last day of the grace period without obtaining an authorization referred to in the proviso to paragraph (5) to take prescribed measures for ceasing to be a facility land right holder.

(Application for Authorization)

Article 137 (1) A person that intends to obtain an authorization referred to in paragraph (1) or the proviso to paragraph (5) of the preceding Article must submit an application form stating the following particulars to the Casino Regulatory Commission:

- (i) the name and address of the applicant and, when the relevant applicant is a corporation, etc., the name of the representative thereof;

- (ii) when the applicant is a corporation, etc., the names or trade names and addresses of its officers;
  - (iii) when a corporation, etc. is to be established as a result of an authorization for the relevant application, the name and address of the relevant corporation, etc. the name of the representative thereof, and the names or trade names and addresses of its officers;
  - (iv) the location and area of the land pertaining to the relevant application;
  - (v) the type and details of the right concerning the facility land pertaining to the relevant application;
  - (vi) the details of transactions or acts provided for in paragraph (1) of the preceding Article or the details of the reasons provided for in paragraph (5) of that Article; and
  - (vii) beyond what is listed in the preceding items, particulars specified by the rules of the Casino Regulatory Commission.
- (2) An application form referred to in the preceding paragraph must be accompanied by the following documents as specified by the rules of the Casino Regulatory Commission:
- (i) a document pledging that the applicant does not fall under any of the persons listed in the respective items of paragraph (2) of Article 60 as applied mutatis mutandis in paragraph (2) of the following Article;
  - (ii) when the applicant is a corporation, the articles of incorporation and certificate of registered information (including what is equivalent thereto);
  - (iii) when a corporation is to be established as a result of an authorization for the relevant application, the articles of incorporation of the relevant corporation (including what is equivalent thereto);
  - (iv) the certificate of registered information of the land; and
  - (v) beyond what is listed in the preceding items, documents specified by the rules of the Casino Regulatory Commission.

(Standards for Authorization)

Article 138 (1) When an application for authorization referred to in paragraph (1) or the proviso to paragraph (5) of Article 136 has been filed, the Casino Regulatory Commission must examine whether the relevant application conforms to the following standards:

- (i) the following persons have sufficient social credibility;
  - (a) the applicant (when the applicant is a minor that does not have the same legal capacity as an adult with regard to business, the statutory agent thereof);
  - (b) in cases where an application for authorization referred to in Article 136, paragraph (1) has been filed and a corporation, etc. is to be established as a result of the relevant authorization, the relevant corporation; or

- (c) the officers of the person listed in (a) or (b) (for the person provided for in item (i), (a), limited to an applicant that is a corporation).
  - (ii) the details listed in Article 137, paragraph (1), item (vi) are found to be appropriate from the viewpoint of promoting the sound operation of the casino business.
- (2) The provisions of Article 60, paragraph (2) apply mutatis mutandis to an application for authorization referred to in paragraph (1) or the proviso to paragraph (5) of Article 136. In this case, the term "item (ii) of the preceding paragraph" in Article 60, paragraph (2) is deemed to be replaced with "Article 138, paragraph (1), item (i), (b)" and the term "corporation, etc." in that paragraph is deemed to be replaced with "corporation".

(Rescission of Authorization)

Article 139 (1) The Casino Regulatory Commission may, when any of the facts listed in the following items is discovered with respect to an authorized facility land right holder, rescind an authorization referred to in paragraph (1) or the proviso to paragraph (5) of Article 136:

- (i) the authorized facility land right holder has obtained the authorization referred to in paragraph (1) or the proviso to paragraph (5) of Article 136 or the approval referred to in Article 61, paragraph (1) as applied mutatis mutandis in Article 141 through deception or by other wrongful means;
  - (ii) the authorized facility land right holder does not conform to the standards listed in the respective items of paragraph (1) of the preceding Article; or
  - (iii) the authorized facility land right holder falls under any of the persons listed in the respective items of paragraph (2) of Article 60.
- (2) When an authorization has been rescinded pursuant to the provisions of the preceding paragraph, a person that was an authorized facility land right holder pertaining to the relevant authorization must take necessary measures for ceasing to be a facility land right holder within a period designated by the Casino Regulatory Commission.
- (3) The provisions of Article 136, paragraph (6) and paragraph (7) apply mutatis mutandis to the measure referred to in the preceding paragraph pertaining to the person that was an authorized facility land right holder in cases where an authorization has been rescinded pursuant to the provisions of paragraph (1).

(Lapse of Authorization)

Article 140 (1) When an authorization referred to in Article 136, paragraph (1) has come to fall under any of the cases listed in the following items or an authorization referred to in the proviso to paragraph (5) of that Article has come to fall under the case listed in item (ii), the relevant authorization ceases to be effective:

- (i) the authorized particulars have not been executed within six months from the day on which the relevant authorization was granted (excluding the case where there is an unavoidable reason and an approval of the Casino Regulatory Commission has been obtained in advance); or
  - (ii) when the authorized facility land right holder pertaining to the relevant authorization has ceased to be a facility land right holder.
- (2) When an authorization has lapsed pursuant to the provisions of the preceding paragraph (limited to the part pertaining to item (ii)), a person that was the authorized facility land right holder pertaining to the relevant authorization must notify the Casino Regulatory Commission of that effect without delay.

(Mutatis Mutandis Application of Provisions on Authorized Major Shareholders)

Article 141 The provisions of Article 61, paragraph (1) and paragraph (2) and the provisions of Article 61, paragraph (3) apply mutatis mutandis to an approval for change pertaining to the authorized facility land right holder and a notification of minor changes pertaining to the authorized facility land right holder, respectively. In this case, the term "corporation, etc." in Article 61, paragraph (1) is deemed to be replaced with "corporation" and the term "paragraph (1) and paragraph (2) of the preceding Article" in Article 61, paragraph (2) is deemed to be replaced with "the provisions of Article 138, paragraph (1) (excluding item (ii)) and paragraph (2) of the preceding Article as applied mutatis mutandis in Article 138, paragraph (2)".

## **Chapter VI Manufacturing and Other Business of Casino-Related Devices**

### **Section 1 Permission for Manufacturing and Other Business of Casino-Related Devices**

(Definitions)

- Article 142 (1) The term "manufacturing business of casino-related devices, etc." as used in this Chapter means the business of manufacturing and selling or leasing casino-related devices, etc.
- (2) The term "manufacturer of casino-related devices, etc." as used in this Chapter means the person that engages in the manufacturing business of casino-related devices by obtaining the permission referred to in paragraph (1) of the following Article.
- (3) The term "import business of casino-related devices, etc." as used in this Chapter means the business of importing and selling or leasing casino-related devices, etc.
- (4) The term "importer of casino-related devices, etc." as used in this Chapter means the person that engages in the import business of casino-related devices,

etc. by obtaining the permission referred to in paragraph (1) of the following Article.

- (5) The term "sales business of casino-related devices, etc." as used in this Chapter means the business of selling or leasing casino-related devices, etc.
- (6) The term "seller of casino-related devices, etc." as used in this Chapter means the person that engages in the sales business of casino-related business by obtaining the permission referred to in paragraph (1) of the following Article.
- (7) The term "repairing business of casino-related devices, etc." as used in this Chapter means the business of maintaining or repairing casino-related devices, etc.
- (8) The term "repairer of casino-related devices, etc." as used in this Chapter means the person that engages in the repairing business of casino-related devices, etc. by obtaining a permission referred to in paragraph (1) of the following Article.
- (9) The term "foreign manufacturing business of casino-related devices, etc." as used in this Chapter means the business of manufacturing and selling casino-related devices, etc. to be exported to Japan in a foreign state.
- (10) The term "foreign manufacturer of casino-related devices, etc." as used in this Chapter means the person that engages in the foreign manufacturing business of casino-related devices, etc. by obtaining a certification referred to in Article 150, paragraph (1).

(Permission)

Article 143 (1) Any person that intends to engage in the manufacturing business of casino-related devices, etc., import business of casino-related devices, etc. sales business of casino-related devices, etc. or repairing business of casino-related devices, etc. (hereinafter referred to as "the manufacturing and other business of casino-related devices, etc.") must obtain permission from the Casino Regulatory Commission in accordance with the type thereof.

- (2) The permission referred to in the preceding paragraph (limited to the one pertaining to the manufacturing business of casino-related devices, etc.) must be obtained for each manufacturing facility.

(Application for Permission)

Article 144 (1) Any person that intends to obtain the permission referred to in paragraph (1) of the preceding Article must submit an application form stating the following particulars to the Casino Regulatory Commission:

- (i) the name and address of the applicant, and the name of its representative;
- (ii) the type of the manufacturing and other business of casino-related devices, etc. for which the applicant intends to obtain permission;
- (iii) when the applicant intends to obtain permission for the manufacturing

- business of casino-related devices, etc. the location of its manufacturing facility as well as the outline of its structure and equipment;
  - (iv) the type of casino-related devices, etc. to be handled;
  - (v) the names or trade names and addresses of the applicant's officers; and
  - (vi) beyond what is listed in the preceding items, particulars specified by the rules of the Casino Regulatory Commission.
- (2) An application form referred to in the preceding paragraph must be accompanied by the following documents as specified by the rules of the Casino Regulatory Commission:
- (i) a document pledging that the applicant does not fall under any of the reasons listed in the respective items of paragraph (2) of the following Article;
  - (ii) articles of incorporation and certificate of registered information;
  - (iii) operational method statement referred to in Article 148, paragraph (1);
  - (iv) balance sheet;
  - (v) documents stating expected income and expenditures; and
  - (vi) beyond what is listed in the preceding items, documents specified by the rules of the Casino Regulatory Commission.

(Standards for Permission)

- Article 145 (1) The Casino Regulatory Commission must, when an application for permission referred to in Article 143, paragraph (1) has been filed, examine whether the relevant application conforms to the following standards:
- (i) in light of its personnel structure, the applicant has the capabilities to accurately perform the manufacturing and other business of casino-related devices, etc. pertaining to the relevant application and has sufficient social credibility;
  - (ii) the officers of the applicant have sufficient social credibility;
  - (iii) persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationships have sufficient social credibility;
  - (iv) the applicant has a sufficient financial basis to soundly perform the manufacturing and other business of casino-related devices, etc. pertaining to the relevant application and has good prospects in terms of income and expenditures in the relevant manufacturing and other business of casino-related devices, etc.;
  - (v) when the applicant intends to obtain permission for the manufacturing business of casino-related devices, etc., the structure and equipment of its manufacturing facility and the technical standards are appropriate to manufacture casino-related devices, etc. in conformity to the provisions of Article 151 or Article 154 and are sufficient to accurately perform the



- manufacturing business of casino-related devices, etc.;
- (vi) the articles of the incorporation and the provisions of the operational method statement referred to in Article 148, paragraph (1) conform to laws and regulations and are sufficient to properly perform the manufacturing and other business of casino-related devices, etc. pertaining to the relevant application;
- (2) The Casino Regulatory Commission must not grant a permission when an application for permission referred to in Article 143, paragraph (1) falls under any of the reasons listed in the following items or when an application form or its accompanying documents contain any false statement or omit a statement of important fact:
- (i) the applicant falls under any of the following persons listed in (a) through (c) below:
    - (a) a person that is not a company provided for in the Companies Act;
    - (b) a person that falls under any of the persons listed in Article 41, paragraph (2), item (i), (b) through (e); or
    - (c) a person that was sentenced to a fine (including an equivalent sentence under laws and regulations of a foreign state) for violating this Act or the provisions of the laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 17 of the Organized Crime Punishment Act, a crime referred to in Articles 31 of the Act on Prevention of Transfer of Criminal Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the person finished serving the sentence or ceased to be subject to its enforcement;
  - (ii) any of the officers of the applicant fall under any of the following persons listed in (a) or (b) below.
    - (a) when the applicant is an individual, a person that falls under any of the persons listed in 1. through 3. below:
      - 1. a person that falls under any of the persons listed in Article 41, paragraph (2), item (ii), (a), 1. through 5., item (ii), (a), 7. or item (ii), (a), 8.;
      - 2. a person that was sentenced to a fine (including an equivalent sentence under laws and regulations of a foreign state) for violating this Act or the provisions of the laws and regulations of a foreign state equivalent thereto or committing a crime referred to in Article 185 or Article 187 of the Penal Code, a crime referred to in Article 9, paragraph (1) through (3), Article 10, Article 11 or Article 17 of the Act on Organized Crime Punishment Act, a crime referred to in Article 46 through Article 49, Article 50 (limited to the part pertaining to item (i)) or Article 51 of the Anti-gang Act, a crime referred to in Article 25 through Article 31 of the Act on Prevention of Transfer of Criminal

Proceeds or any other crimes specified by Cabinet Order, and five years have not elapsed after the person finished serving the sentence or ceased to be subject to its enforcement; or

3. a person specified by the rules of the Casino Regulatory Commission as one that is not able to accurately perform the manufacturing and other business of casino-related devices, etc. pertaining to the relevant application due to mental or physical disorder.
- (b) when the applicant is a corporation, a person that falls under any of the persons listed in (b) or (c) of the preceding item.
  - (iii) any persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationship who fall under the persons listed in (a) (excluding 3.) or (b) of the preceding item:

(Validity Period of Permission)

- Article 146 (1) The validity period of a permission referred to in Article 143, paragraph (1) is three years from the date of the relevant permission.
- (2) A manufacturer of casino-related devices, etc., importer of casino-related devices, etc., seller of casino-related devices, etc. or repairer of casino-related devices, etc. (hereinafter referred to as "manufacturer, etc. of casino-related devices, etc.") that intends to continue to engage in the manufacturing and other business, of casino-related devices, etc. after the expiration of the validity period referred to in the preceding paragraph must renew the relevant permission.
  - (3) A manufacturer, etc. of casino-related devices, etc. that intends to renew a permission referred to in the preceding paragraph must file an application with the Casino Regulatory Commission within a period specified by the rules of the Casino Regulatory Commission prior to the expiration of the validity period referred to in paragraph (1).
  - (4) The provisions of Article 144 and the preceding Article (excluding paragraph (2), item (i), (a)) and the provisions of Article 142 as applied mutatis mutandis in Article 149 apply mutatis mutandis to the renewal referred to in paragraph (2). In this case, the term "Article 41, paragraph (2), item (ii), (a), 1." in Article 145, paragraph (2), item (ii), (a), 1. is deemed to be replaced with "Article 41, paragraph (2), item (ii), (a), 2."
  - (5) In cases where an application referred to in paragraph (3) has been filed but the relevant application is not processed by the expiration date of the validity period referred to in paragraph (1), the permission then in force remains in force until the application is processed even after the expiration of the validity period referred to in that paragraph.
  - (6) When a permission has been renewed pursuant to paragraph (2), the validity

period of the relevant permission is three years from the day following the expiration date of the validity period of the permission then in force.

(Approval of Change)

Article 147 (1) A manufacturer, etc. of casino-related devices, etc. must, when it intends to change the following particulars (for the particular listed in item (ii), excluding minor changes specified by the rules of the Casino Regulatory Commission), obtain an approval from the Casino Regulatory Commission as specified by the Casino Regulatory Commission:

- (i) the type of casino-related devices, etc. to be handled;
- (ii) the structure or equipment of its manufacturing facility pertaining to a permission for the manufacturing business of casino-related devices, etc.; or
- (iii) officers.

(2) The provisions of Article 145 (excluding paragraph (2), item (i)) apply *mutatis mutandis* to the approval referred to in the preceding paragraph.

(3) A manufacturer, etc. of casino-related devices, etc. must, when it has made a minor change specified by the rules of the Casino Regulatory Commission referred to in paragraph (1), a change of the name of the relevant manufacturer, etc. of casino-related devices, etc. or other minor changes specified by the rules of the Casino Regulatory Commission, notify the Casino Regulatory Commission to that effect without delay as specified by the rules of the Casino Regulatory Commission. In this case, the manufacturer, etc. of casino-related devices, etc. must attach documents specified by the rules of the Casino Regulatory Commission.

(Operational Method Statement)

Article 148 (1) An operational method statement must state the following particulars:

- (i) concerning services pertaining to the manufacturing and other business of casino-related devices, etc., a management method of casino-related devices, etc. in accordance with the type thereof (for services pertaining to the manufacturing business of casino-related devices, etc. and the import business of casino-related devices, etc., including a management method in order to comply with the provisions of Article 151 or Article 154);
- (ii) particulars concerning the establishment of systems to ensure that the execution of services pertaining to the manufacturing and other business of casino-related devices, etc. comply with laws and regulations and other systems to ensure the appropriateness pertaining to the manufacturing and other business of casino-related devices, etc.; and
- (iii) beyond what is listed in the preceding two items, particulars specified by the rules of the Casino Regulatory Commission as being necessary to ensure

the proper implementation of services pertaining to the manufacturing and other business of casino-related devices, etc.

- (2) When it intends to change its operational method statement, a manufacturer, etc. of casino-related devices, etc. must obtain an authorization from the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission.
- (3) When an application for authorization referred to in the preceding paragraph has been filed, the Casino Regulatory Commission must examine whether the relevant application conforms to the standards listed in Article 145, paragraph (1), item (vi) pertaining to operational method statements.

(Mutatis Mutandis Application of Provisions on License for Casino Business)

Article 149 The provisions of Article 41, paragraph (3), Article 42, Article 45 to Article 47, Article 48, paragraph (6), Article 49 (excluding item (iv)), Article 51 (excluding paragraph (1), item (iii)), Article 52 and Article 57 apply mutatis mutandis to manufacturers, etc. of casino-related devices, etc., the manufacturing business of casino-related devices, etc. and a permission referred to in Article 143, paragraph (1). In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Certification of Foreign Manufacturing Business of Casino-Related Devices)

- Article 150 (1) A person that intends to engage in the foreign manufacturing business of casino-related devices, etc. may be certified by the Casino Regulatory Commission.
- (2) The provisions of Article 143, paragraph (2), Article 144 (excluding paragraph (1), item (ii)) and Article 145 through Article 148 apply mutatis mutandis to foreign manufacturers of casino-related devices, etc., the foreign manufacturing business of casino-related devices, etc. and a certification referred to in the preceding paragraph. In this case, the term "Article 144" in Article 146, paragraph (4) is deemed to be replaced with "Article 144 (excluding paragraph (1), item (ii))" and necessary technical replacement of terms is specified by Cabinet Order.

## **Section 2 Type Approval**

(Type Approval)

Article 151 (1) A manufacturer of casino-related devices, etc. or an importer of casino-related devices, etc. must, when it intends to manufacture or import electronic or magnetic casino-related devices, etc., obtain an approval on the type of the relevant electronic or magnetic casino-related devices, etc. carried out by the Casino Regulatory Commission as specified by the rules of the

Casino Regulatory Commission; provided, however, that this does not apply to cases where the relevant manufacturer or importer imports electronic or magnetic casino-related devices, etc. that have obtained an approval referred to in the following paragraph with respect to their types.

- (2) A foreign manufacturer of casino-related devices, etc. may, when it intends to export electronic or magnetic casino-related devices, etc. to Japan, obtain an approval on the type of the relevant electronic or magnetic casino-related devices, etc. carried out by the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission.
- (3) The Casino Regulatory Commission must not, when an application for approval referred to in the preceding two paragraphs (referred to as "approval" hereinafter in this Chapter") falls under any of the reasons listed in the following items, grant the relevant type an approval:
  - (i) the type pertaining to the relevant application does not conform to technical specifications specified by the rules of the Casino Regulatory Commission;
  - (ii) the equipment, system and procedures (referred to as "equipment, etc." in Article 153, item (iii)) to manufacture and inspect electronic or magnetic casino-related devices, etc. of the type pertaining to the relevant application do not conform to the standards specified by the rules of the Casino Regulatory Commission; or
  - (iii) in cases where the applicant is an importer of casino-related devices, etc., a person that manufactured electronic or magnetic casino-related devices, etc. of the type pertaining to the relevant application has not obtained a certification for the foreign manufacturing business of casino-related devices, etc. referred to in paragraph (1) of the preceding Article pertaining to its manufacturing facility and the type of the relevant electronic or magnetic casino-related devices, etc..
- (4) A person that went through an approval must place an indication on electronic or magnetic casino-related devices, etc. of the type that obtained the relevant approval to the effect that they are electronic or magnetic casino-related devices, etc. of the type that obtained the approval as specified by the rules of the Casino Regulatory Commission.
- (5) No person must place an indication referred to in the preceding paragraph or an indication that is confusingly similar thereto on devices, etc. other than electronic or magnetic casino-related devices, etc. of the type that obtained an approval.

(Validity Period of Approval)

Article 152 The validity period of approvals is a period specified by the rules of the Casino Regulatory Commission in accordance with the types of electronic or magnetic casino-related devices, etc.

(Rescission of Approval)

Article 153 The Casino Regulatory Commission may rescind approvals of any type that obtained an approval, when any of the facts listed in the following items are discovered:

- (i) the type was inspected through deception or other wrongful means;
- (ii) the type that obtained an approval does not conform to technical specifications specified by the rules of the Casino Regulatory Commission referred to in Article 151, paragraph (3), item (i); or
- (iii) the equipment, etc. to manufacture or inspect electronic or magnetic casino-related devices, etc. whose type has obtained an approval does not conform to the standards specified by the rules of the Casino Regulatory Commission referred to in Article 151, paragraph (3), item (ii).

(Autonomous Confirmation)

Article 154 (1) A manufacturer of casino-related devices, etc. or an importer of casino-related devices, etc. must, when it intends to manufacture or import non-electronic or magnetic casino-related devices, etc., confirm the following particulars itself pursuant to the rules of the Casino Regulatory Commission; provided, however, that this does not apply to cases where it imports non-electronic or magnetic casino-related devices, etc. that for which a confirmation as referred to in the following paragraph has been carried out:

- (i) the design of non-electronic or magnetic casino-related devices, etc. to be manufactured or imported can ensure that the relevant non-electronic or magnetic casino-related devices, etc. conform to the technical standards; or
  - (ii) particulars have been specified concerning measures for ensuring that non-electronic or magnetic casino-related devices, etc. to be manufactured or imported conform to the design referred to in the preceding item have been specified and these particulars are appropriate.
- (2) A foreign manufacturer of casino-related devices, etc. may, when it intends to export non-electronic or magnetic casino-related devices, etc. to Japan, confirm the particulars listed in the respective items of the preceding paragraph autonomously, pursuant to the rules of the Casino Regulatory Commission.
- (3) A manufacturer of casino-related devices, etc., an importer of casino-related devices, etc. or a foreign manufacture of casino-related devices, etc. that has carried out a confirmation referred to in the preceding two paragraphs (referred to as "autonomous confirmation" hereinafter in this Article) (referred to as "manufacturer or other person that has carried out an autonomous confirmation" hereinafter in this Section) must notify the Casino Regulatory Commission of the following particulars without delay pursuant to the provisions of the rules of the Casino Regulatory Commission:

- (i) the name and address of the relevant manufacturer or other person that has carried out an autonomous confirmation and the name of its representative;
  - (ii) the type of non-electronic or magnetic casino-related devices, etc. pertaining to the relevant autonomous confirmation;
  - (iii) particulars concerning the design referred to in paragraph (1), item (i) and the measures referred to in paragraph (2), item (ii);
  - (iv) results of the relevant autonomous confirmation; and
  - (v) beyond what is listed in the preceding items, particulars specified by the rules of the Casino Regulatory Commission as those concerning a method of autonomous confirmation.
- (4) A manufacturer or other person that has carried out an autonomous confirmation must prepare and preserve records on the particulars listed in items (iv) and (v) of the preceding paragraph pursuant to the rules of the Casino Regulatory Commission.
- (5) A manufacturer or other person that has implemented an autonomous confirmation must, when it intends to change any of the particulars concerning the design referred to in paragraph (1), item (i) or the measures referred to in paragraph (1), item (ii), implement an autonomous confirmation again. In this case, the provisions of the preceding two paragraphs apply *mutatis mutandis*.
- (6) When a notification pursuant to the provisions of paragraph (3) (including the case where it is applied *mutatis mutandis* in the second sentence of the preceding paragraph; the same applies in paragraph (1) and paragraph (3) of the following Article) has been made, the Casino Regulatory Commission must make a public notice of particulars pertaining to the relevant notification pursuant to the rules of the Casino Regulatory Commission. The same principle applies to cases where a notification of change pursuant to the provisions of Article 147, paragraph (3) (including the case where it is applied *mutatis mutandis* in Article 150, paragraph (2)) pertaining to the particulars listed in paragraph (3), item (i) has been made.

(Obligation of Design Conformity)

- Article 155 (1) A manufacturer or other person that has implemented an autonomous confirmation (excluding an importer of casino-related devices, etc.) must, in cases where it manufactures non-electronic or magnetic casino-related devices, etc., have the relevant non-electronic or magnetic casino-related devices, etc. conform to the design referred to in Article 154, paragraph (1), item (i) pertaining to a notification pursuant to the provisions of paragraph (3) of that Article (referred to as "notified design" in the following paragraph and paragraph (1) of the following Article).
- (2) A manufacturer or other person that has implemented an autonomous confirmation (limited to an importer of casino-related devices, etc.) must not

import non-electronic or magnetic casino-related devices, etc. that do not conform to the notified design.

- (3) A manufacturer or other person that has implemented an autonomous confirmation must inspect non-electronic or magnetic casino-related devices, etc. manufactured or imported thereby in accordance with the particulars concerning the measure referred to in Article 154, paragraph (1), item (ii) pertaining to a notification pursuant to the provisions of paragraph (3) of that Article and prepare and preserve records on the relevant inspection pursuant to the provisions of the rule of the Casino Regulatory Commission.

(Indication)

Article 156 (1) When it has prepared records on inspections of non-electronic or magnetic casino-related devices, etc. manufactured based on the notified design as referred to in Article 155, paragraph (3), a manufacturer or other person that has implemented an autonomous confirmation must place an indication specified by the rules of the Casino Regulatory Commission on the relevant non-electronic or magnetic casino-related devices, etc.

- (2) No person must place an indication referred to in the preceding paragraph or an indication that is confusingly similar thereto on devices, etc. other than non-electronic or magnetic casino-related devices, etc. provided in the preceding paragraph.

(Records)

Article 157 A manufacturer, etc. of casino-related devices, etc. must prepare and preserve records on manufacturing, import, sales, leasing, maintenance or repair of casino-related devices, etc. and other particulars specified by the rules of the Casino Regulatory Commission concerning the management of casino-related devices, etc. as specified by the rules of the Casino Regulatory Commission.

### **Section 3 Employees of Manufacturing and Other Business of Casino-Related Devices**

Article 158 (1) A manufacturer etc., of casino-related devices, etc. must not have its employees and other persons engage in the following services (referred to as "specified services, etc. for manufacturing casino-related devices, etc." in paragraph (3)), unless it goes through a confirmation by the Casino Regulatory Commission:

- (i) services of manufacturing, maintenance, repair or other types of management of casino-related devices, etc.; or
- (ii) services of supervising the manufacturing, import, sales or leasing of



casino-related devices, etc., the maintenance or repair thereof or any other types of management.

- (2) Each manufacturing facility must be confirmed as referred to in the preceding paragraph (limited to a confirmation pertaining to the manufacturing business of casino-related devices, etc.).
- (3) The provisions of Article 115 through Article 120 apply mutatis mutandis to a confirmation referred to in paragraph (1) and a person that has gone through the relevant confirmation to engage in specified services, etc. for manufacturing casino-related devices, etc. (referred to as "confirmed specified services, etc. for manufacturing casino-related devices, etc." hereinafter in this paragraph and Article 208, paragraph (3)) and the provisions of Article 123 apply mutatis mutandis to measures for persons that engage in the confirmed specified services, etc. for manufacturing casino-related devices, etc. In this case, necessary technical replacement of terms is specified by Cabinet Order.

#### **Section 4 Designated Testing Bodies**

(Designation)

- Article 159 (1) The Casino Regulatory Commission may allow a person designated thereby (hereinafter referred to as "designated testing body") to conduct all or part of affairs concerning the implementation of necessary testing for approval (hereinafter referred to as "testing affairs").
- (2) A designation pursuant to the provisions of the preceding paragraph is made through an application filed by a person that intends to carry out testing affairs.
  - (3) A person that intends to file an application referred to in the preceding paragraph must submit an application form to the Casino Regulatory Commission as specified by the rules of the Casino Regulatory Commission.
  - (4) The Casino Regulatory Commission must not grant a designation pursuant to the provisions of paragraph (1), unless an application referred to in paragraph (2) is found to conform to the following standards:
    - (i) in light of its personnel structure, the applicant has the capabilities to properly and securely carry out testing affairs and has sufficient social credibility;
    - (ii) the officers of the applicant have sufficient social credibility;
    - (iii) persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationship have sufficient social credibility;
    - (iv) when the applicant is a stock company, a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant (when the holder is a minor that does not possess the same

- capacity to act as an adult with regard to business, its statutory agent) or when the relevant holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold is a corporation, etc., the officers have sufficient social credibility;
- (v) a plan on testing affairs concerning the staff, equipment, methods of implementing testing and other particulars is appropriate to properly and securely carry out testing affairs; and
  - (vi) the applicant has a sufficient financial basis and the technological capabilities to properly and securely perform the plan on testing affairs referred to in the preceding item.
- (5) The Casino Regulatory Commission must not, when an application referred to in paragraph (2) falls under any of the reasons listed in the following items, grant a designation pursuant to the provisions of paragraph (1):
- (i) the applicant falls under any of the persons listed in (a) through (c) below;
    - (a) a person that is not a stock company (limited to a stock company with auditors, an audit and supervisory committee or an audit committee), a general incorporated association (limited to a general incorporated association with auditors) or a general incorporated foundation;
    - (b) a person that falls under Article 145, paragraph (2), item (i), (b) or item (i), (c); or
    - (c) a person that has a risk of not being able to fairly implement testing affairs due to its services other than testing affairs.
  - (ii) any of the officers of the applicant falls under any of the persons listed in (a) or (b) below;
    - (a) a person that falls under Article 145, paragraph (2), item (ii), (a) (excluding 3.) or item (ii), (b); or
    - (b) a person specified by the rules of the Casino Regulatory Commission as not being able to properly and securely perform testing affairs due to mental or physical disorder;
  - (iii) any of persons who have dominant influence over business activities of the applicant through contribution, loan, business transaction or any other relationship fall under the person listed in Article 145, paragraph (2), item (ii), (a) (excluding 3.) or item (ii), (b);
  - (iv) when the applicant is a stock company, any of the holders of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the applicant fall under any of the persons listed in the respective items of paragraph (2) of Article 60.

(Validity Period of Designation)

Article 160 (1) The validity period of a designation referred to in Article 159, paragraph (1) is three years from the date of the relevant designation.

- (2) A designated testing body that intends to continue to carry out testing affairs after the expiration of the validity period referred to in the preceding paragraph must renew the relevant designation.
- (3) A designated testing body that intends to renew its designation pursuant to the preceding paragraph must file an application with the Casino Regulatory Commission within a period specified by the Casino Regulatory Commission prior to the expiration of the validity period referred to in paragraph (1).
- (4) When an application referred to in the preceding paragraph has been filed but the relevant application is not processed by the expiration date of the validity period referred to in paragraph (1), the designation then in force remains in force until the application is processed even after the expiration of the validity period referred to in that paragraph.
- (5) When a designation has been renewed pursuant to paragraph (2), the validity period of the relevant designation is three years from the day following the expiration date of the validity period of the designation then in force.

(Appointment and Dismissal of Officers of Designated Testing Body)

Article 161 (1) A designated testing body must, when it intends to appoint or dismiss any of its officers, file an application with the Casino Regulatory Commission for authorization as specified by the rules of the Casino Regulatory Commission.

- (2) Any appointment or dismissal of officers made without obtaining an authorization referred to in the preceding paragraph has no effect.

(Authorization of Business Plan)

Article 162 (1) A designated testing body must prepare its business plan and income and expenditure budget for each business year and obtain an authorization from the Casino Regulatory Commission prior to the commencement of the relevant business year (for a business year on which the date of designation falls, without delay after obtaining the relevant designation). The same principle applies to cases where the designated testing body intends to make any change thereto.

- (2) A designated testing body must prepare a business report and a statement of accounts for each business year within three months after the end of every business year and submit them to the Casino Regulatory Commission.

(Regulations on Testing Affairs)

Article 163 (1) A designated testing body must prepare regulations on the implementation of testing affairs (hereinafter referred to as "regulations on testing affairs" in this Article and Article 210, paragraph (2), item (ii)) prior to the commencement of testing affairs and obtain an authorization from the

Casino Regulatory Commission. The same principle applies to cases where the designated testing body intends to make any change thereto.

- (2) Particulars to be specified by the regulations on testing affairs are specified by the rules of the Casino Regulatory Commission.
- (3) The Casino Regulatory Commission may, when it finds that regulations on testing affairs authorized pursuant to paragraph (1) are found to be inappropriate to properly and securely implement testing affairs, order a designated testing body to change the relevant regulations on testing affairs.

(Authorized Major Shareholders of Designated Testing Body)

Article 164 The provisions of Chapter III, Section 1, sub-paragraph (2) apply mutatis mutandis to authorized major shareholders, etc. of designated testing bodies (limited to those that are stock companies; the same applies in Article 199, paragraph (1) and Article 205, paragraph (1)). In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Confirmation of Persons who Engage in Specific Services)

Article 165 (1) A designated testing body must not have its staff engage in the following services provided in relation to testing affairs (referred to as "specified testing affairs" in the following paragraph) without being confirmed by the Casino Regulatory Commission:

- (i) a service concerning determining whether the type of electronic or magnetic casino-related devices, etc. conforms to technical specifications specified by the rules of the Casino Regulatory Commission referred to in Article 151, paragraph (3), item (i); and
  - (ii) a service of preserving electronic or magnetic casino-related devices, etc. for testing, carrying out other type of management or supervising them.
- (2) The provisions of Article 115 through Article 120 apply mutatis mutandis to a confirmation referred to in the preceding paragraph and a person that was confirmed as referred to in the preceding paragraph who engages in specified testing affairs (hereinafter referred to as "confirmed person engaged in specified testing affairs" in this paragraph and Article 210, paragraph (3)) and the provisions of Article 123 apply mutatis mutandis to measures for confirmed person engaged in specified testing services, respectively. In this case, necessary technical replacement of terms is specified by Cabinet Order.

(Duty of Confidentiality)

Article 166 (1) The officers or officials or the former officers or former officials of a designated testing body must not divulge any secret learnt in connection with testing affairs.

- (2) With regard to the application of the Penal Code and other penal provisions,

the officers or officials of a designated testing body who engage in testing affairs are deemed to be officials who engage in public service by laws and regulations.

(Records of Particulars on Testing Affairs)

Article 167 A designated testing body must keep books as specified by the rules of the Casino Regulatory Commission and record and preserve particulars on testing affairs specified by the rules of the Casino Regulatory Commission.

(Suspension or Abolition of Testing Affairs)

Article 168 A designated testing body must, when it intends to suspend or abolish all or part of testing affairs, file an application with the Casino Regulatory Commission for permission as specified by the rules of the Casino Regulatory Commission.

(Rescission of Designation)

Article 169 The Casino Regulatory Commission may rescind a designation referred to in Article 159, paragraph (1) or order a designated testing body to suspend all or part of its testing affairs by setting a period when any of the facts listed in the following items are discovered with respect to the relevant designated testing body:

- (i) the designated testing body has obtained a designation pursuant to the provisions of Article 159, paragraph (1) or a renewal referred to in Article 160, paragraph (2) through deception or by other wrongful means;
- (ii) the designated testing body does not conform to the standards listed in the respective items of paragraph (4) of Article 159; and
- (iii) the designated testing body falls under any of the reasons listed in the respective items of paragraph (5) of Article 159.

(Implementation of Testing Affairs by the Casino Regulatory Commission)

Article 170 (1) The Casino Regulatory Commission may, when it has granted a designation pursuant to the provisions of Article 159, paragraph (1), choose not to carry out testing affairs carried out by a designated testing body pertaining to the relevant designation.

(2) When it finds it to be necessary in cases where a designated testing body has suspended all or part of its testing affairs after obtaining the permission referred to in Article 168, the Casino Regulatory Commission has ordered the designated testing body to abolish all or part of testing affairs pursuant to the provisions of paragraph (1) or paragraph (2) of Article 210, or it has become difficult for the designated testing body to implement all or part of its testing affairs due to a natural disaster or other reasons, the Casino Regulatory

Commission is to carry out all or part of the relevant testing affairs on its own.

(Public Notice)

Article 171 The Casino Regulatory Commission must, in any of the following cases, publicly notify to that effect:

- (i) when it has made a designation pursuant to the provisions of Article 159, paragraph (1);
- (ii) when it has granted the permission referred to in Article 168;
- (iii) when it has rescinded a designation referred to in Article 159, paragraph (1) or ordered to suspend all or part of testing affairs pursuant to the provisions of Article 169 or Article 210, paragraph (1) or paragraph (2); or
- (iv) when it has decided not to carry out testing affairs pursuant to the provisions of Article 170, paragraph (1) or decided to carry out all or part of testing affairs pursuant to the provisions of Article 170, paragraph (2).

(Entrustment to the Rules of the Casino Regulatory Commission)

Article 172 Beyond what is provided in this Section, Articles 202 and 210, necessary testing for examination, particulars on designated testing bodies and other necessary particulars for enforcing the provisions of this Section are specified by the rules of the Casino Regulatory Commission.

## **Chapter VII Restriction of Entrance to Casino Facilities**

(Restriction of Entrance)

Article 173 The persons listed in the respective items of Article 69 must not enter or stay in casino facilities except for cases specified by Cabinet Order.

(Restriction of Casino Gaming)

Article 174 (1) The persons listed in the respective items of Article 69 must not engage in casino gaming.

(2) The persons listed in the following items must not engage in casino gaming in casino facilities specified in the items:

- (i) the Secretary-General provided for in Article 17, paragraph (1) of the Promotion Act, the Vice Secretary-General provided for in Article 18, paragraph (1) of the Promotion Act, the headquarter members provided for in Article 19, paragraph (1) of the Promotion Act, and the secretary-general and other officials provided for in Article 22, paragraph (2) of the Promotion Act:  
All casino facilities;
- (ii) government officials who engage in affairs concerning the basic policy and district development plans (excluding the persons listed in the preceding item): All casino facilities;

- (iii) the chairperson, commissioners and expert advisors of the Casino Regulatory Commission and the secretariat officials: All casino facilities
- (iv) officials of certified prefectures, etc. (limited to persons who engage in affairs concerning certified district development plan pertaining to the relevant certified prefecture, etc.): Casino facilities to be established in specified integrated resort district described in the relevant certified district development plan
- (v) employees of casino business operators (for persons other than officers, limited to persons who engage in casino services or related services in casino gaming operation areas): Casino facilities to be established by the relevant casino business operators
- (vi) employees of casino facility provision business operators (for persons other than officials, limited to persons who engage in casino facility provision services): Casino facilities managed by the relevant casino facility provision business operators.

(Restrictions on Transfer of Chips)

- Article 175 (1) No customer must transfer chips to another person or receive chips from another person.
- (2) No customer must bring chips out of a casino gaming operation area.

**Chapter VIII Admission Fees and Admission Fees for Certified Prefectures**  
**Section 1 Imposition of Admission Fees and Admission Fees for Certified Prefectures**

(Imposition of Admission Fees)

- Article 176 (1) The national government is to impose an admission fee of 3,000 yen on visitors (excluding foreigners who do not have a residence in Japan; the same applies hereinafter in this Section), when the relevant visitors intend to enter a casino gaming operation area.
- (2) The provisions of the preceding paragraph do not apply in the case of a person who paid an admission fee and intends to enter a casino gaming operation area repeatedly until the point in time when twenty-four hours have passed from the time when the relevant person entered the casino gaming operation area for the first time after paying the relevant admission fee (hereinafter referred to as "re-imposition reference time" in this Article).
- (3) The national government is to re-impose the amount of admission fees specified in paragraph (1) on a visitor, when the relevant visitor still stays in the casino gaming operation area at the re-imposition reference time.
- (4) The provisions of paragraph (1) do not apply to cases where a person who re-paid an admission fee intends to enter a casino gaming operation area

repeatedly until twenty-four hours pass from the re-imposition reference time (hereinafter referred to as "third imposition reference time" in this Article).

- (5) The national government is to, when a visitor still stays in a casino gaming operation area at the third imposition reference time, impose an amount of admission fees specified in paragraph (1) on the relevant visitor for the third time.
- (6) The provisions of paragraph (1) do not apply to cases where a person who paid an admission fee for the third time intends to enter a casino gaming operation area repeatedly until twenty-four hours pass from the third imposition reference time.

(Imposition of Admission Fees of Certified Prefectures)

Article 177 (1) A certified prefecture, etc. is to impose on a visitor an admission fee for certified prefecture, etc. of 3,000 yen when the relevant visitor intends to enter a casino gaming operation area.

- (2) The provisions of Article 176, paragraphs (2) through (6) apply mutatis mutandis to admission fees for certified prefectures, etc. imposed by a certified prefectures.

(Collection of Admission Fees and Admission Fees for Certified Prefectures)

Article 178 (1) A casino business operator must collect from visitors the admission fees imposed by the national government on visitors and admission fees for a which it imposes on those visitors from them, before they enter the operator's casino gaming operation area.

- (2) A casino business operator must collect the admission fees re-imposed by the national government on visitors and those imposed by the national government on which it re-imposes on those visitors and those which it imposes on them for the third time.

(Payment of Admission Fees and Admission Fees for Certified Prefectures)

Article 179 (1) A casino business operator must, as specified by Cabinet Order, pay each month an amount equivalent to the amount of admission fees to be collected pursuant to the provisions of the preceding Article (hereinafter referred to as "payment of admission fees" in this Chapter) and an amount equivalent to the amount of admission fees for certified prefecture, etc. (hereinafter referred to as "payment of admission fees for certified prefectures, etc." in this Chapter) by the date of the following month specified by Cabinet Order.

- (2) The national government is to, when the payment of admission fees for certified prefecture, etc. has been made, transfer the amount paid as the relevant payment of admission fees for certified prefecture, etc. to a certified



prefecture, etc. by the last day of the month two months after the month in which the relevant payment was made as specified by Cabinet Order.

- (3) A casino business operator has the right to reimbursement of admission fees which could not be collected from visitors among the payment of admission fees or payment of admission fees for certified prefecture, etc. paid to the national government pursuant to the provisions of paragraph (1) or a part equivalent to admission fees for certified prefecture, etc. against that visitors.

#### (Identification Card)

Article 180 (1) The Casino Regulatory Commission and a certified prefectures, etc. must separately issue to a casino business operator an identification card proving that the relevant casino business operator is a person that is obliged to collect admission fees and admission fees for certified prefectures, etc. as specified by the rules of the Casino Regulatory Commission.

- (2) The casino business operator must post identification cards referred to in the preceding paragraph in a place easily-identifiable by persons who enter casino gaming operation areas.
- (3) An identification referred to in paragraph (3) must not be lent or transferred.
- (4) The casino business operator must, when its license referred to in Article 39 has been rescinded or lapsed, return the identification cards referred to in paragraph (1) to the Casino Regulatory Commission and the certified prefecture, etc., respectively, without delay.

#### (Obligation to Pay Admission Fees and Admission Fees for Certified Prefecture)

Article 181 (1) When the visitor intends to enter a casino gaming operation area, they must pay the admission fees imposed by the national government on them and the admission fees for a certified prefecture, etc. which it imposes on them to the casino business operator, before they enter the casino gaming operation area.

- (2) Visitors must pay the admission fees re-imposed by the national government on them and those imposed by the national government on them for the third time, as well as the admission fees for a certified prefecture, etc. which it re-imposes on them and those which it imposes on them for the third time, to the casino business operator.
- (3) The casino business operator must not pay temporarily or cover all or part of admission fees or admission fees for certified prefecture, etc.

#### (Entrustment to Cabinet Order)

Article 182 Beyond what is prescribed in this Section, necessary particulars concerning admission fees and admission fees for certified prefecture, etc. are

specified by Cabinet Order.

## **Section 2 Declaration and Collection**

(Report of Payment of Admission Fees and Admission Fees for Certified Prefecture)

- Article 183 (1) A casino business operator must submit each month a report stating the amount of payments of admission fees and admission fees of certified prefecture, etc. to be paid pursuant to the provisions of Article 179, paragraph (1) of the applicable month and other particulars specified by the rules of the Casino Regulatory Commission to the Casino Regulatory Commission by the date of the following month specified by Cabinet Order.
- (2) When it has come to know that there is any error in the descriptions of the report referred to in the preceding paragraph, a casino business operator must notify the Casino Regulatory Commission of that effect without delay.
- (3) When a casino business operator does not submit a report referred to in paragraph (1) by the deadline for submission or it finds that there is any error in the report, the Casino Regulatory Commission is to decide the amount of payments of admission fees or admission fees of certified prefecture, etc. and give the casino business operator a notice of payment except for the case provided in paragraph (5).
- (4) The casino business operator that has received a notice of payment referred to in the preceding paragraph must pay the amount of payments of admission fees and admission fees of certified prefecture, etc. decided by the Casino Regulatory Commission pursuant to the provisions of that paragraph (if there are payments of admission fees or admission fees of certified prefecture, etc. paid based on a report pursuant to the provisions of paragraph (1)) to the national government within fifteen days from the day on which the casino business operator received the relevant notice.
- (5) When the amount of payments of admission fees or admission fees of certified prefecture, etc. paid by a casino business operator based on a report pursuant to the provisions of paragraph (1) exceeds the amount decided by the Casino Regulatory Commission pursuant to the provisions of paragraph (3), the Casino Regulatory Commission must allocate the relevant excess amount or overpayment or payment by mistake pertaining to the payments of admission fees and admission fees of certified prefecture, etc., when there are any unpaid amounts among the payments of admission fees, the payment of admission fees of certified prefecture, etc. or other money collected pursuant to the provisions of this Section (hereinafter simply referred to as "money to be collected" in this Section). If there is any remaining amount, it must be deducted from the amount of money to be collected to be paid after that time; provided, however,

that, when the casino business operator has abolished the casino business, it must return the relevant remaining amount in money without delay.

- (6) When it has allocated, deducted or refunded any money pursuant to the provisions of the preceding paragraph, the Casino Regulatory Commission must notify the casino business operator of that effect.

(Additional Charges)

Article 184 (1) When a casino business operator has to pay payments of admission fees or admission fees of certified prefecture, etc. pursuant to the provisions of Article 183, paragraph (4), the Casino Regulatory Commission collects the amount of additional charges obtained by multiplying the amount to be paid by the casino business operator (if such amount includes a fraction less than one thousand yen, such fraction is rounded down) by 10%; provided, however, that this does not apply to cases where the casino business operator cannot submit a report referred to in Article 183, paragraph (1) due to a natural disaster or other reasons and has to pay the relevant payments of admission fees or admission fees of certified prefecture, etc.

- (2) Notwithstanding the provisions of the preceding paragraph, the additional charges provided for in that paragraph is not collected, if the payments of admission fees or admission fees of certified prefecture, etc. are less than one thousand yen.

- (3) When it collects additional charges pursuant to the provisions of paragraph (1), the Casino Regulatory Commission must notify the casino business operator of the amount of additional charges to be paid by designating a time limit as specified by the rules of the Casino Regulatory Commission.

(Special Additional Charges)

Article 185 (1) In the case provided in the main text of paragraph (1) of Article 184 where the casino business operator has concealed or falsified all or part of any facts which should serve as the basis for calculation of the amount of the payments of admission fees or admission fees of certified prefecture, etc. and submitted a report based on the concealed or falsified facts, instead of additional charges pertaining to the amount of payments of admission fees or admission fees of certified prefecture, etc. which should serve as the basis for calculation of the amount of additional charges (when there are any facts that are clearly not based on concealed or falsified facts which should serve as the basis for calculation of the amount of the payments of admission fees or admission fees of certified prefecture, etc.), the amount of payments of admission fees or admission fees of certified prefecture, etc. from which the amount calculated specified by Cabinet Order as the amount of payments of admission fees or admission fees of certified prefecture, etc. based on the

relevant facts not concealed or falsified. If such amount includes a fraction less than one thousand yen, such fraction is rounded down), an amount of special additional charges obtained by multiplying 35% by the relevant amount of payments of admission fees or admission fees of certified prefecture, etc. will be collected.

- (2) The provisions of Article 184, paragraphs (2) and (3) apply mutatis mutandis to special additional charges to be collected pursuant to the provisions of the preceding paragraph.

(Demand for Payment of Money to be Collected and Disposition of Delinquency)

Article 186 (1) When a casino business operator does not pay money to be collected, the Casino Regulatory Commission must demand the payment by designating a deadline.

- (2) When it makes a demand pursuant to the provisions of the preceding paragraph, the Casino Regulatory Commission must issue a written demand to the relevant casino business operator.

- (3) The Casino Regulatory Commission may, when the casino business operator that has received a demand pursuant to the provisions of paragraph (1) does not make a full payment of money to be collected by the designated time limit, make a disposition of delinquency in a manner similar to a disposition of the national tax delinquency.

(Delinquency)

Article 187 (1) When it made a demand pursuant to the provisions of Article 186, paragraph (1), the Casino Regulatory Commission will collect the amount of delinquency that is calculated by using the percentage of 14.5 percent per annum of the amount of levy pertaining to the relevant demand for the number of days from the day following the time limit of payment to the day prior to the day of full payment or attachment of property; provided, however, that this does not apply to cases where the amount of payments of admission fees or admission fees of certified prefecture, etc. pertaining to the demand is less than one thousand yen.

- (2) In the case of the preceding paragraph, when a part of the amount of payments of admission fees or admission fees of certified prefecture, etc. has been paid, the amount of payments of admission fees or admission fees of certified prefecture, etc. based on which the amount of delinquency pertaining to the period after the date of such payment is calculated is the amount from which the amount of the paid payments of admission fees or admission fees of certified prefecture, etc. is deducted.

- (3) When the amount of delinquency is calculated and the amount of payments of admission fees or admission fees of certified prefecture, etc. referred to in the

preceding two paragraphs includes a fraction less than one thousand yen, such fraction is rounded down.

- (4) If the amount of delinquency calculated pursuant to the provisions of the preceding three paragraphs includes a fraction less than one hundred yen, such fraction is rounded down.
- (5) The delinquency is not collected when it falls under any of the cases listed in the following items; provided, however, that it is limited to the amount of parts corresponding to the period during which the execution was suspended or extended in the case listed in item (vi):
- (i) the payments of admission fees or admission fees of certified prefecture, etc. have been paid fully by a deadline designated in the written demand;
  - (ii) a demand was made by service by publication, because the address or residence of the person obliged to pay is unknown;
  - (iii) the amount of delinquency is less than one hundred yen;
  - (iv) the execution of a disposition of delinquency with respect to payments of admission fees or admission fees of certified prefecture, etc. has been suspended or waived; or
  - (v) it is found that there are unavoidable reasons for not paying payments of admission fees or admission fees of certified prefecture, etc.

(Priority of General Statutory Liens)

Article 188 The priority of general statutory lien of the collected money is to come after national tax and local tax.

(Procedures for Collection of Money)

Article 189 The money is governed by the same rules as national tax, unless otherwise provided for in this Section.

(Prescription)

Article 190 (1) The right to collect the money or to receive a refund thereof is extinguished by prescription when five years lapse from the time it became possible to exercise such right.

- (2) A notice of payment of the collected money or a demand pursuant to the provisions of Article 186, paragraph (1) by the Casino Regulatory Commission has the effect of renewing the prescription.

(Entrustment to Cabinet Order)

Article 191 Beyond what is prescribed in this Section, necessary particulars concerning the payments of admission fees and admission fees of certified prefecture, etc. are specified by Cabinet Order.

**Chapter IX Payments to the Treasury and Payments to Certified Prefectures**  
**Section 1 Payments to the Treasury and Payments to Certified Prefectures**

(Payments to the Treasury)

Article 192 (1) As specified by Cabinet Order, a casino business operator must pay the total of the amount listed in item (i) and the amount listed in item (ii) (hereinafter referred to as "payments to the treasury" in this Chapter) to the national government by a date of the following month specified by Cabinet Order:

- (i) an amount equivalent to 15% of the total of the amount obtained by deducting the amount listed in (b) from the amount listed in (a) and the amount listed in (c) (hereinafter referred to as "gross revenue from casino gaming" in this Section);
    - (a) the total amount of the value of chips the relevant casino business operator received from its customers in each month (excluding the value of cash provided in Article 73, paragraph (10) or chips issued specified by the rules of the Casino Regulatory Commission instead thereof);
    - (b) the total amount of the value of chips the relevant business operator issued to its customers in each month (excluding the payment in cash provided for in Article 73, paragraph (8), the payment by means specified by the rules of the Casino Regulatory Commission or the payment by premiums related to casino gaming or the value of chips issued in exchange for the payment by credit card provided for in Article 73, paragraph (9));
    - (c) the amount equivalent to profits the relevant casino business operator gained in each month by having its customers engage in casino gaming.
  - (ii) an amount specified by the Casino Regulatory Commission as a reasonable amount to charge on the relevant casino business operator among costs required for necessary and reasonable measures taken by the Casino Regulatory Commission for maintaining the order and ensure the security of casino facilities.
- (2) When the amount of gross revenue from casino gaming is less than 0, the amount of gross revenue from casino gaming based on which the amount listed in item (i) of the preceding paragraph is calculated is zero among the payments to the treasury to be paid in the following month. In this case, the amount less than zero is deducted from the calculation of the amount of gross revenue based on which the amount listed in that item to be paid in the month two months after is calculated; provided, however, that if there is an amount which cannot be deducted after the deduction, the amount of the relevant part which cannot be deducted is deducted in order in calculating the amount of gross

revenue from casino gaming based on which the amount listed in that item is calculated among the payments to the treasury to be paid in each month after the following month after two months have passed.

(Payments to Certified Prefectures)

Article 193 (1) A casino business operator as specified by Cabinet Order, must pay an amount equivalent to 15% of gross revenue from casino gaming of each month (hereinafter referred to as "payments to certified prefectures, etc." in this Chapter) as a payment to be paid to certified prefecture, etc. to the national government by a day of the following month specified by Cabinet Order.

(2) The provisions of Article 192, paragraph (2) apply mutatis mutandis to payments to certified prefectures, etc.

(3) When payments to certified prefectures, etc. have been paid, the national government is to pay the amount paid as the relevant payments to certified prefectures, etc. to the certified prefectures, etc. by the last day of the month two month after the relevant payment as specified by Cabinet Order.

(Entrustment to Cabinet Order)

Article 194 Beyond what is prescribed in this Section, necessary particulars concerning the payments to the treasury and the payments to certified prefectures, etc. are specified by Cabinet Order.

## **Section 2 Declaration and Collection**

Article 195 The provisions of paragraph (2) of the preceding Chapter apply mutatis mutandis to payments to the treasury and to certified prefectures, etc. In this case, necessary technical replacement of terms is specified by Cabinet Order.

## **Chapter X Supervision of Casino Business Operators**

(Audit)

Article 196 The Casino Regulatory Commission must audit services and accounting of casino business operators as well as of casino facility provision operators every year.

(Collection of Reports on Services Provided by Casino Business Operator)

Article 197 (1) To the extent necessary for enforcing this Act, the Casino Regulatory Commission may request a casino business operator, any of the following persons related to that casino business operator their employees or

former employees to submit reports or materials that are to serve as a reference concerning whether or not ,even after the casino business operator has obtained a license referred to in Article 39, that casino business operator still conform to the standards listed in the respective items of paragraph (1) of Article 41 and does not fall under any of the grounds listed in the respective items of paragraph (2) of that Article,(referred to as "conformity to license standards, etc." in the following paragraph) and concerning services conducted or assets held by that casino business operator:

- (i) a holder of voting rights;
  - (ii) a person who has dominant influence over business activities of the relevant casino business operator through contribution, loan, business transaction or any other relationships;
  - (iii) casino facility provision business operator;
  - (iv) authorized facility land right holder;
  - (v) manufacturer, etc. of casino-related devices, etc.;
  - (vi) a person entrusted with services from the relevant casino business operator (including a person entrusted from the relevant person (including an entrustment of two or more steps));
  - (vii) the other party (excluding a person listed in the preceding item) of a contract of the relevant casino business operator (excluding a contract based on the General Conditions for Use of Casino Facilities referred to in Article 65, paragraph (1) or any other contract concluded with a customer, an employment contract or a contract with the national or local government);
  - (viii) a person who has dominant influence over business activities of the persons listed in the preceding two items through contribution, loan, business transaction or any other relationships;
  - (ix) the assignee of the claim based on a specified fund loan contract; and
  - (x) an audit certification referred to in Article 28, paragraph (15) or a certified public accountant or auditing firm that conducted an audit referred to in Article 67, paragraph (3).
- (2) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, have its officials ask interested parties related to persons provided for in the preceding paragraph questions about the conformity to license standards, etc. services conducted or assets held by the relevant casino business operator, have them enter the business office, office or other establishment of the relevant casino business operator, the persons listed in items (i) through (ix) of that paragraph pertaining to the relevant casino business operator or employees thereof, inspect its books and documents or other items, or remove non-electronic or magnetic casino-related devices, etc. to the extent necessary for testing without fee.
- (3) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to



the questions, on-site inspections and removal pursuant to the provisions of the preceding paragraph.

(Collection of Reports on Services Provided by Casino Facility Provision Business Operator)

Article 198 (1) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, request a casino facility provision business operator, or request any of the following persons pertaining to the relevant casino facility provision business operator or an employee or former employee thereof to submit reports or materials that are to serve as a reference concerning whether the relevant casino facility provision business operator continues to conform to the standards listed in the respective items of paragraph (1) of Article 126 after it has obtained the license referred to in Article 124; and whether it falls under any of the cases listed in the respective items of paragraph (2) of that Article (referred to as "conformity to license standards, etc." in the following paragraph); or concerning services conducted or assets held by the relevant casino business operator:

- (i) a holder of voting rights;
- (ii) a person who has dominant influence over business activities of the relevant casino facility provision business operator through contribution, loan, business transaction or any other relationships;
- (iii) casino business operator;
- (iv) authorized facility land right holder;
- (v) a person entrusted with services from the relevant casino facility provision business operator (including a person entrusted from the relevant person (including an entrustment of two or more steps));
- (vi) the other party (excluding a person listed in the preceding item) of a contract of the relevant casino facility provision business operator (excluding an employment contract or a contract with the national or local government);
- (vii) a person who has dominant influence over business activities of the persons listed in the preceding two items through contribution, loan, business transaction or any other relationship; and
- (viii) a certified public accountant or auditing firm that conducted an audit certification referred to in Article 28, paragraph (15).

(2) To the extent necessary for enforcing this Act, the Casino Regulatory Commission may have its officials ask interested parties related to persons provided for in the preceding paragraph questions about the conformity to license standards, etc., services conducted or assets held by the relevant casino facility provision business operator or it may have them enter the business office, office or other establishment of the relevant casino facility provision business operator, the persons listed in items (i) through (vii) of that

paragraph pertaining to the relevant casino facility provision business operator or employees thereof, and inspect its books and documents or other items.

(3) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to the questions and on-site inspections pursuant to the provisions of the preceding paragraph.

(Collection of Reports on Services Provided by Authorized Major Shareholder)

Article 199 (1) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, request any authorized major shareholder, etc., employee or former employee of the casino business operator, casino facility provision business operator or designated testing body to submit reports or materials that are to serve as a reference concerning whether the relevant authorized major shareholder, etc. continues to conform to the standards listed in the respective items of paragraph (1) of Article 60 (including cases where it is applied mutatis mutandis in Articles 131 and 164) after it has obtained an authorization referred to in the proviso to paragraph (1) or (4) of Article 58 (including cases where these provisions apply mutatis mutandis in Articles 131 and 164; the same applies in Article 205, paragraph (2)) and whether it falls under any of the cases listed in the respective items of paragraph (2) of Article 60 (referred to as "conformity to standards for authorization, etc." in the following paragraph) or concerning the services conducted or assets held by the relevant authorized major shareholder, etc.

(2) To the extent necessary for enforcing this Act, the Casino Regulatory Commission may have its officials ask interested parties related to the persons provided for in the preceding paragraph questions about the conformity to standards for authorization, etc., or services conducted or assets held by the relevant authorized major shareholders, etc., or it may have them enter the business offices, offices or other establishments of the relevant authorized major shareholders etc. and inspect their books and documents or other items.

(3) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to the questions and on-site inspections pursuant to the provisions of the preceding paragraph.

(Collection of Reports on Services Provided by Authorized Facility Land Right Holder)

Article 200 (1) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, request any authorized facility land right holder or its employee or former employee to submit reports or materials that are to serve as a reference concerning whether the relevant authorized facility land right holder continues to conform to the standards listed in the respective items of paragraph (1) of Article 138 after it has obtained the authorization referred to

in the proviso to paragraph (1) or (5) of Article 136 and whether it falls under any of the cases listed in the respective items of paragraph (2) of Article 60 as applied mutatis mutandis in paragraph (2) of that Article (referred to as "conformity to standards for authorization, etc." in the following paragraph) or concerning services conducted or assets held by the relevant authorized facility land right holder.

- (2) To the extent necessary for enforcing this Act, the Casino Regulatory Commission may have its officials ask interested parties related to persons provided for in the preceding paragraph questions about the conformity to standards for authorization, etc., services conducted or assets held by the relevant authorized facility land right owner, or it may have them enter the business office, office or other establishment of the relevant authorized facility land right owner and inspect its books and documents or other items.
- (3) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to the questions and on-site inspections pursuant to the provisions of the preceding paragraph.

(Collection of Reports on Services Provided by Manufacturer of Casino-Related Devices)

Article 201 (1) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, request any manufacturer, etc. of casino-related devices, etc., person who has dominant influence over business activities of the relevant manufacturer, etc. of casino-related devices, etc. through contribution, loan, business transaction or any other relationship or its employee or former employee to submit reports or materials that are to serve as a reference concerning whether the relevant manufacturer, etc. of casino-related devices, etc. continues to conform to the standards listed in the respective items of paragraph (1) of Article 145 after it has obtained the permission referred to in paragraph (1) of Article 143 and whether it does not fall under any of the cases listed in the respective items of paragraph (2) of that Article (referred to as "conformity to standards for permission, etc." in the following paragraph) or concerning services conducted or assets held by the relevant manufacturer, etc. of related devices, etc.

- (2) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, have its officials ask interested parties related to persons provided for in the preceding paragraph questions about the conformity to standards for authorization, etc. and services conducted or assets held by the relevant manufacturer, etc. of casino-related devices, etc., have them enter the business office, office or other establishment of the relevant manufacturer, etc. of casino-related devices, etc., person who has dominant influence over business activities of the relevant manufacturer, etc. of casino-related devices, etc.

through contribution, loan, business transaction or any other relationship or its employee or former employee and inspect its books and documents or other items, or remove non-electronic or magnetic casino-related devices, etc. to the extent necessary for testing without fee.

(3) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to the questions, on-site inspections and removal pursuant to the provisions of the preceding paragraph.

(Collection of Reports on Services Provided by Designated Testing Body)

Article 202 (1) The Casino Regulatory Commission may, to the extent necessary for enforcing this Act, request any designated testing body, the following persons related to the relevant designated testing body, or its employee or former employee to submit reports or materials that should serve as a reference concerning whether the relevant designated testing body continues to conform to the standards listed in the respective items of paragraph (4) of Article 159 after it has obtained the designation referred to Article 159, paragraph (1) and whether it falls under any of the causes listed in the respective items of paragraph (5) of that Article (referred to as "conformity to standards for designation, etc." in the following paragraph), or concerning services conducted or assets held by the relevant designated testing body:

- (i) a holder of voting rights or shares (limited to the case where the relevant designated testing body is a stock company), an employee (limited to the case where the relevant designated testing body is a general incorporated association) or a councilor (limited to the case where the relevant designated testing body is a general incorporated foundation); or
- (ii) a person who has dominant influence over business activities of the relevant designated testing body through contribution, loan, business transaction or any other relationship.

(2) To the extent necessary for enforcing this Act, the Casino Regulatory Commission may have its officials ask interested parties of persons provided for in the preceding paragraph questions about the conformity to standards for designation, etc. and services conducted or assets held by the relevant designated testing body, or it may have them enter the business office, office or other establishment of the relevant designated testing body, the persons listed in the respective items of that paragraph pertaining to the relevant designated testing body or its employees and inspect its books and documents or other items.

(3) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to the questions and on-site inspections pursuant to the provisions of the preceding paragraph.

(Authority of Officials of the Casino Regulatory Commission)

- Article 203 (1) An official of the Casino Regulatory Commission may, to the extent necessary for enforcing the provisions referred to in Article 73, paragraph (13) or Article 74, paragraph (7), ask questions to a casino business operator or its employees or interested parties thereof or enter the casino facilities to inspect casino-related devices, etc. and other items.
- (2) The provisions of Article 29, paragraphs (3) and (4) apply mutatis mutandis to the questions and on-site inspections pursuant to the provisions of the preceding paragraph.

(Supervisory Disposition against Casino Business Operator)

- Article 204 (1) The Casino Regulatory Commission may, when it finds it necessary in order to ensure the sound operation of the casino business of a casino business operator in light of the status of services or property thereof, order the relevant casino business operator to change its operational method statement, submit a plan for improvements of business operations or the status of property and take other necessary measures for improving its business operations or the status of property thereof, or, within the scope of this necessity, order the suspension of all or part of the relevant casino business or related services within casino gaming operation areas.
- (2) The Casino Regulatory Commission may, when it is found that a casino business operator falls under or is likely to fall under any of the cases listed in the following items, within the scope of this necessity, order the relevant casino business operator to suspend all or part of the relevant casino business or related services within casino gaming operation areas, setting an appropriate time limit:
- (i) when the casino business operator violates this Act or any order or disposition based thereon;
  - (ii) when the casino business operator violates other laws and regulations concerning services provided thereby; or
  - (iii) when the casino business operator violates the conditions imposed on licenses referred to in Article 39 pursuant to the provisions of Article 41, paragraph (3) or the conditions imposed on approvals referred to in Article 91, paragraph (1) pursuant to the provisions of Article 91, paragraph (4).
- (3) The Casino Regulatory Commission may, when a casino business operator falls under any of the cases listed in the respective items of the preceding paragraph, rescind a license referred to in Article 39 or an approval referred to in Article 91, paragraph (1).
- (4) The Casino Regulatory Commission may, when a casino business operator conducts related services within casino gaming operation areas pertaining to an approval referred to in Article 91, paragraph (1) by any method that may

significantly affect the sound operation of the casino business, rescind the relevant approval or order the relevant casino business operator to suspend all or part of the relevant related services within casino gaming operation areas.

- (5) The Casino Regulatory Commission may, when the other party of a contract authorized under Article 95, paragraph (1) falls under any of the following items, rescind the relevant authorization:
- (i) the other party violated this Act, an order based on this Act, or a disposition based on this Act or on such an order; or
  - (ii) the other party violated the provisions of other laws and regulations concerning services pertaining to the relevant contract.
- (6) The Casino Regulatory Commission may, when the other party of a contract pertaining to a re-entrustment pertaining to a permission authorized under Article 100, paragraph (1) falls under any of the following items, rescind the relevant authorization:
- (i) the other party violated this Act, an order based on this Act, or a disposition based on this Act or on such an order; or
  - (ii) the other party violated the provisions of other laws and regulations concerning services pertaining to the relevant contract.
- (7) The Casino Regulatory Commission may, when a confirmed person engaged in specified casino services falls under any of the items of paragraph (2) or a casino business operator falls under the items of paragraph (2) and the relevant confirmed person engaged in specified casino services has committed the violation, rescind a confirmation referred to in Article 114 with respect to the relevant confirmed person engaged in specified casino services.
- (8) The Casino Regulatory Commission may, when any of the officers of a casino business operator fall under any of the cases listed in the items of paragraph (2) or the relevant casino business operator falls under any of the cases listed in the items of that paragraph and the relevant officer has committed the violation, order the relevant casino business operator to dismiss the relevant officer.

(Supervisory Disposition against Authorized Major Shareholders)

- Article 205 (1) The Casino Regulatory Commission may, when it finds it necessary in order to ensure the sound operation of the casino business, casino facility provision business or testing affairs carried out by a designated testing body, order the authorized major shareholders, etc. of a casino business operator, casino facility provision business operator or designated testing body (hereinafter referred to as "casino business operator, etc. in this Article) that carries out such business to take necessary measures for supervision.
- (2) The Casino Regulatory Commission may, when authorized major shareholders, etc. of a casino business operator, etc. violated this Act, an order based on this

Act or a disposition based on this Act or on such an order, rescind an authorization referred to in paragraph (1) or the proviso to paragraph (4) of Article 58.

- (3) When an authorization has been rescinded pursuant to the provisions of the preceding paragraph, a person that was an authorized major shareholder, etc. pertaining to the relevant authorization must take necessary measures so that the relevant person ceases to be a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the casino business operator, etc. within a period designated by the Casino Regulatory Commission.
- (4) In cases where an authorization has been rescinded pursuant to the provisions of paragraph (2), a person that was an authorized major shareholder, etc. pertaining to the relevant authorization must, when it has ceased to be a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the casino business operator, etc. pursuant to the measure referred in the preceding paragraph, notify the Casino Regulatory Commission to that effect without delay. The same principle applies to cases where the relevant person has ceased to be a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the casino business operator, etc. without taking the relevant measure.
- (5) The Casino Regulatory Commission may, even after a period designated by the Casino Regulatory Commission referred to in paragraph (3) lapses, order a person that is still a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the casino business operator, etc. to take necessary measures for ceasing to be a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold of the casino business operator, etc.

(Supervisory Disposition against Casino Facility Provision Business Operator)

- Article 206 (1) The Casino Regulatory Commission may, when it finds it necessary in order to ensure the sound operation of the casino facility provision business in light of the status of services provided by a casino facility provision business operator or property thereof, order the relevant casino facility provision business operator to change its operational method statement, submit a plan for improvements of business operations or the financial status and take other necessary measures for improving its business operations or the financial status thereof, or, within the scope of this necessity, order it to suspend all or part of the relevant casino facility provision business, setting an appropriate time limit.
- (2) The Casino Regulatory Commission may, when it finds that a casino business operator falls under or is likely to fall under any of the cases listed in the

following items, order the relevant casino facility provision business operator to suspend all or part of the relevant casino facility provision business, setting a time limit:

- (i) when the casino facility provision business operator violates this Act or any order based on this Act or disposition based on this Act or on such an order;
  - (ii) when the casino facility provision business operator violates other laws and regulations concerning services provided thereby; or
  - (iii) when the casino facility provision business operator violates the conditions imposed on licenses referred to in Article 124 pursuant to the provisions of Article 41, paragraph (3) as applied *mutatis mutandis* in Article 130.
- (3) The Casino Regulatory Commission may, when a casino facility provision business operator falls under any of the cases listed in the respective items of the preceding paragraph, rescind a license referred to in Article 124.
- (4) The Casino Regulatory Commission may, when the other party of a contract authorized pursuant to Article 133, paragraph (2) falls under any of the cases listed in the following items, rescind the relevant authorization:
- (i) the other party violated this Act, an order based on this Act, or a disposition based on this Act or on such an order; or
  - (ii) the other party violated the provisions of other laws and regulations concerning services pertaining to the relevant contract.
- (5) The Casino Regulatory Commission may, when the other party of a contract pertaining to a re-entrustment pertaining to a permission authorized under Article 100, paragraph (1) as applied *mutatis mutandis* in Article 133, paragraph (4) falls under any of the cases listed in the following items, rescind the relevant authorization:
- (i) the other party violated this Act, an order based on this Act, or a disposition based on this Act or on such an order; or
  - (ii) the other party violated the provisions of other laws and regulations concerning services pertaining to the relevant re-entrustment.
- (6) The Casino Regulatory Commission may, when a confirmed person engaged in specified casino facility provision services falls under any of the items of paragraph (2) or a casino facility provision business operator falls under any of the items of paragraph (2) and the relevant confirmed person engaged in specified casino facility provision services has committed the violation, rescind a confirmation referred to in Article 134, paragraph (1) with respect to the relevant confirmed person engaged in specified casino facility provision services.
- (7) The Casino Regulatory Commission may, when any of the officers of a casino facility provision business operator fall under any of the cases listed in the items of paragraph (2) or the relevant casino facility provision business operator falls under any of the cases listed in the items of that paragraph and



the relevant officer has committed the violation, order the relevant casino facility provision business operator to dismiss the relevant officer.

- (8) A casino business operator may not, when a casino facility provision business operator pertaining to casino facilities used thereby is ordered to suspend all or part of its casino facility provision business pursuant to the provisions of paragraph (1) or paragraph (2), conduct the casino business and related services in casino gaming operation areas during the relevant period of suspension in the relevant casino facilities (limited to the part pertaining to the casino facility provision business ordered to be suspended).

(Supervisory Disposition against Authorized Facility Land Right Holder)

Article 207 (1) The Casino Regulatory Commission may, when it finds it necessary in order to ensure the sound operation of the casino business, order an authorized facility land right holder to take necessary measures for supervision.

- (2) When an authorized facility land right holder violated this Act, an order based on this Act or a disposition based on this Act or that order, the Casino Regulatory Commission may rescind an authorization referred to in paragraph (1) or the proviso to paragraph (5) of Article 136.
- (3) When an authorization has been rescinded pursuant to the provisions of the preceding paragraph, a person that was an authorized facility land right holder pertaining to the relevant authorization must take necessary measures for ceasing to be a facility land right holder pertaining to the relevant authorization within a period designated by the Casino Regulatory Commission.
- (4) In cases where an authorization has been rescinded pursuant to the provisions of paragraph (2), a person that was an authorized facility land right holder pertaining to the relevant authorization must, when it has ceased to be a facility land right holder pertaining to the relevant authorization pursuant to the measure referred in the preceding paragraph through the measure referred to in the preceding paragraph, notify the Casino Regulatory Commission to that effect without delay. The same principle applies to cases where the relevant person has ceased to be a facility land right holder pertaining to the relevant authorization without taking the relevant measure.
- (5) The Casino Regulatory Commission may, even after a period designated by the Casino Regulatory Commission referred to in paragraph (3) lapses, order a person that is still a facility land right holder pertaining to the relevant authorization to take necessary measures for ceasing to be a facility land right holder pertaining to the relevant authorization.

(Supervisory Disposition against Manufacturer of Casino-Related Devices)

Article 208 (1) The Casino Regulatory Commission may, when it finds it

necessary in order to ensure the sound operation of the manufacturing and other business of casino-related devices, etc. in light of the status of services provided by a manufacturer, etc. of casino-related devices, etc. or property thereof, order the relevant manufacturer, etc. of casino-related devices, etc. to take necessary measures for improving the business operations of the relevant manufacturing and other business of casino-related devices, etc. or the financial status of the relevant manufacturer, etc. of casino-related devices, etc., or, within the scope of this necessity, order the suspension of all or part of the relevant manufacturing and other business of casino-related devices, etc., setting an appropriate time limit.

- (2) The Casino Regulatory Commission may, when it is found that a manufacturer, etc. of casino-related devices, etc. falls under any of the cases listed in the following items, rescind the permission referred to in Article 143, paragraph (1) or a pass of inspection referred to in Article 151, paragraph (1) or order the suspension of all or part of the relevant manufacturing and other business of casino-related devices, etc., setting an appropriate time limit within the scope of this necessity:
- (i) when the manufacturer, etc. of casino-related devices, etc. violated this Act or any order based on this Act or disposition based on this Act or on the relevant order;
  - (ii) when the manufacturer, etc. of casino-related devices, etc. violated other laws and regulations concerning the manufacturing and other business of casino-related devices, etc.; or
  - (iii) when the manufacturer, etc. of casino-related devices, etc. violated the conditions imposed on the permission referred to in Article 143, paragraph (1) pursuant to the provisions of Article 41, paragraph (3) as applied *mutatis mutandis* in Article 149.
- (3) The Casino Regulatory Commission may, when a confirmed person engaged in specified services, etc. for manufacturing casino-related devices, etc. falls under any of the cases listed in the respective items of paragraph (2) or a manufacturer, etc. of casino-related devices, etc. falls under any of the cases listed in the items of that paragraph and the relevant confirmed person engaged in specified services, etc. for manufacturing casino-related devices, etc.. has committed the violation, rescind a confirmation referred to in Article 158, paragraph (1) with respect to the relevant confirmed person engaged in specified services, etc. for manufacturing casino-related devices, etc...
- (4) When any of the officers of a manufacturer, etc. of casino-related devices, etc. fall under any of the cases listed in the items of paragraph (2) or the relevant manufacturer, etc. of casino-related devices, etc. falls under any of the cases listed in the items of that paragraph and the relevant officer has committed the violation, the Casino Regulatory Commission may order the relevant

manufacturer, etc. of casino-related devices, etc. to dismiss the relevant officer.

(Supervisory Disposition against Foreign Manufacturer of Casino-Related Devices)

Article 209 The Casino Regulatory Commission may, when a foreign manufacturer of casino-related devices, etc. (meaning a foreign manufacturer of casino-related devices, etc. provided for in Article 142, paragraph (10); the same applies hereinafter in this Article and Article 217, paragraph (4), item (iii)) falls under any of the cases listed in the following items, rescind a certification referred to in Article 150, paragraph (1) or a pass of inspection referred to in Article 151, paragraph (2):

- (i) when the foreign manufacturer of casino-related devices, etc. violated the provisions of this Act or any order based thereon;
- (ii) when the foreign manufacturer of casino-related devices, etc. violated the provisions of other laws and regulations (including laws and regulations of a foreign state) concerning the foreign manufacturing business of casino-related devices, etc. (the foreign manufacturing business of casino-related devices, etc. provided for in Article 142, paragraph (9));
- (iii) when the foreign manufacturer of casino-related devices, etc. violated the conditions imposed on a certification referred to in Article 150, paragraph (1) pursuant to the provisions of Article 41, paragraph (3) as applied mutatis mutandis in Article 149 as applied mutatis mutandis in Article 150, paragraph (2);
- (iv) in cases where the Casino Regulatory Commission finds it to be necessary to request a foreign manufacturer of casino-related devices, etc. to submit necessary reports as specified by the rules of the Casino Regulatory Commission, the foreign manufacturer of casino-related devices, etc. does not submit such reports or submitted false reports; or
- (v) in cases where the Casino Regulatory Commission finds it to be necessary to have its officials inspect the structure, equipment, books and documents and other items of the manufacturing facility and other places that handle casino-related devices, etc. in the course of business operations of a foreign manufacturer of casino-related devices, etc. or to have its officials question employees and other parties concerned, and the inspection is refused, obstructed or evaded, or there are no replies without justifiable reasons or false replies are given to the questions.

(Supervisory Disposition against Designated Testing Body)

Article 210 (1) The Casino Regulatory Commission may, when it finds it necessary in order to ensure the proper and secure implementation of testing affairs, issue a necessary order for supervision of testing affairs to a designated

testing body or order it to suspend all or part of the relevant testing affairs within the scope of this necessity, setting an appropriate time limit.

- (2) The Casino Regulatory Commission may, when a designated testing body falls under any of the cases listed in the following items, rescind a designation under Article 159, paragraph (1) or order it to suspend all or part of its testing affairs, setting an appropriate time limit:
- (i) when the designated testing body violated this Act, any order based on this Act, or disposition based on this Act or the relevant order;
  - (ii) when the designated testing body carried out testing affairs without following the regulations on testing affairs; or
  - (iii) the designated testing body committed an extremely inappropriate act concerning its testing affairs.
- (3) The Casino Regulatory Commission may, when a confirmed person engaged in specified testing affairs falls under any of the cases listed in the respective items of the preceding paragraph or a designated testing body falls under any of the cases listed in the respective items of that paragraph and the relevant confirmed person engaged in specified testing affairs has committed the violation, rescind a confirmation referred to in Article 165, paragraph (1) with respect to the relevant confirmed person engaged in specified testing affairs.
- (4) The Casino Regulatory Commission may, when any of the officers of a designated testing body fall under any of the cases listed in the respective items of paragraph (2) or the relevant designated testing body falls under any of the cases listed in the respective items of that paragraph and the relevant officer has committed the violation, order the relevant designated testing body to dismiss the relevant officer.

(Notification of Supervisory Disposition)

- Article 211 (1) When it has made a disposition under the provisions of Article 49 (including cases where it is applied *mutatis mutandis* in Article 130), Article 91, paragraph (7), Article 98 (including cases where it is applied *mutatis mutandis* in Article 101, paragraph (3) (including cases where it is applied *mutatis mutandis* in Article 133, paragraph (4)) and Article 133, paragraph (4); the same applies in the following paragraph), Article 119 (including cases where it is applied *mutatis mutandis* in Article 134, paragraph (2)), Article 204 or Article 206 (excluding paragraph (8)) or issued an order to a casino business operator or casino facility provision business operator under the provisions of Article 107, paragraph (1), the Casino Regulatory Commission must, notify the Minister of Land, Infrastructure, Transport and Tourism of the details and reasons of the relevant disposition.
- (2) When it has made a disposition provided for in the preceding paragraph (excluding a disposition under the provisions of Article 98, Article 204,

paragraph (5) and paragraph (6) and Article 206, paragraph (4) and paragraph (5)), the Casino Regulatory Commission must make a public notice to that effect without delay as specified by the rules of the Casino Regulatory Commission.

(Special Provisions on Hearings)

Article 212 When it intends to order the suspension of the casino business or related services in casino gaming operation areas pursuant to the provisions of Article 204, paragraph (1), paragraph (2) or paragraph (4), it intends to order the suspension of the casino facility provision business pursuant to the provisions of Article 206, paragraph (1) or paragraph (2), it intends to order the suspension of the manufacturing and other business of casino-related devices, etc. pursuant to the provisions of Article 208, paragraph (1) or paragraph (2) or it intends to order the suspension of testing affairs of designated testing bodies pursuant to the provisions of Article 210, paragraph (1) or paragraph (2), the Casino Regulatory Commission must hold a hearing irrespective of the categories of procedures for hearing statements of opinion under the provisions of Article 13, paragraph (1) of the Administrative Procedure Act (Act No. 88 of 1993).

## **Chapter XI Casino Regulatory Commission**

(Establishment)

Article 213 (1) A Casino Regulatory Commission is established based on the provisions of Article 49, paragraph (3) of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999).

(2) The Casino Regulatory Commission is administratively attached to the Prime Minister.

(Duties)

Article 214 The Casino Regulatory Commission has the duties of maintaining order and ensuring safety concerning the establishment and operation of casino facilities.

(Affairs)

Article 215 The Casino Regulatory Commission takes charge of the following affairs in order to achieve the duties referred to in the preceding Article:

- (i) affairs concerning the supervision of the casino business;
- (ii) affairs concerning the supervision of the casino provision business;
- (iii) affairs concerning the supervision of the manufacturing and other business of casino-related devices, etc.;

- (iv) affairs concerning the proper use of casino facilities;
- (v) affairs concerning necessary investigations and studies to carry out the affairs listed in the preceding items;
- (vi) affairs concerning international cooperation on affairs under the jurisdiction of the Casino Regulatory Commission; and
- (vii) beyond what is listed in the preceding items, affairs that belong to the Casino Regulatory Commission based on an Act (including an order pursuant to an Act).

(Independence of Exercising Authority)

Article 216 The chairperson and the commissioners of the Casino Regulatory Commission perform their authority independently.

(Organization)

Article 217 (1) The Casino Regulatory Commission consists of a chairperson and four commissioners.

(2) Two of four commissioners may be part-time commissioners.

(3) A chairperson and commissioners are appointed by the Prime Minister upon obtaining the consent of both houses of the Diet from among persons who are of noble character, who can fairly judge particulars belonging to the performance of affairs under the jurisdiction of the Casino Regulatory Commission and have excellent knowledge and experience.

(4) No person who falls under any of the following items may become a chairperson or a commissioner of the Casino Regulatory Commission:

- (i) a person who has received an order of commencement of bankruptcy proceedings and has yet to have the person's rights restored;
- (ii) a person who has been punished with imprisonment without work or a heavier penalty
- (iii) an employee of a casino business operator, a casino facility provision business operator, manufacturer, etc. of casino-related devices, etc. or a foreign manufacturer of casino-related devices, etc.;
- (iv) officers or employees of a designated testing body;
- (v) an authorized major shareholder, etc., an authorized facility land right holder or, when any of the preceding is a corporation, etc., its employees; and
- (vi) an employee of a business association provided for in item (iii).

(Term)

Article 218 (1) The term of office of the chairperson and commissioners of the Casino Regulatory Commission is five years; provided, however, that the term of office of a chairperson or commissioners chosen to fill a vacancy is the remaining term of the predecessor.

- (2) The chairperson and commissioners may be reappointed.
- (3) When the term of office of a chairperson or commissioners expires, the relevant chairperson or commissioners is to continuously execute their duties until their successor is appointed.
- (4) In cases where the term of office of a chairperson or a commissioner has expired or where a position becomes vacant, when the consent by both Houses of the Diet cannot be obtained due to the closing of the Diet or the dissolution of the House of Representatives, the Prime Minister may, notwithstanding the provisions of Article 217, paragraph (3), appoint a chairperson or a commissioner from among those persons who have those qualifications specified in that paragraph.
- (5) In the case referred to in the preceding paragraph, the appointment must be approved ex post by both Houses in the first Diet session after the the relevant appointment. If the Prime Minister fails to obtain such ex post approval, the minister must immediately dismiss the the relevant chairperson or commissioner of the Casino Regulatory Commission.

(Guarantee of Status)

Article 219 A chairperson or a commissioner may not be dismissed from office against the chairperson's or commissioner's will, except in cases falling under any of the following items:

- (i) the person comes to fall under any of the cases listed in the respective items of paragraph (4) of Article 217;
- (ii) the person is punished due to violation of the provisions of this Act; and
- (iii) the person is found to be incapable of executing that person's duties due to mental or physical disorder, found to have breached that person's obligation in the course of duties or found to have committed any other misconduct inappropriate as a chairperson or commissioner by the Casino Regulatory Commission.

(Dismissal)

Article 220 When a chairperson or a commissioner falls under any of the cases listed in the respective items of the preceding Article, The Prime Minister must dismiss the relevant chairperson or commissioner.

(Chairperson)

- Article 221 (1) The chairperson presides over the affairs of the Casino Regulatory Commission and represent the Casino Regulatory Commission.
- (2) The Casino Regulatory Commission must designate in advance from among full-time commissioners a person to be an acting chairperson in cases where the chairperson has an accident.

(Meetings)

Article 222 (1) The meetings of the Casino Regulatory Commission are convened by the chairperson.

(2) The Casino Regulatory Commission may not hold a meeting and adopt a resolution unless the chairperson and two or more commissioners are present.

(3) A decision of the Casino Regulatory Commission is to be made by a majority of the attendees, and when in a tie vote, the chairperson is to make a decision.

(4) Notwithstanding the provisions of the preceding paragraph, a certification made by the Casino Regulatory Commission under the provisions of Article 219, item (iii) must have the unanimous concurrence by all commissioners and the chairperson except for the commissioner or chairperson concerned.

(5) With regard to the application of the provisions of paragraph (2) of this Article in cases where the chairperson has an accident, the person who substitutes for the chairperson as provided for in paragraph (2) of the preceding Article is deemed to be the chairperson.

(Expert Advisors)

Article 223 (1) Expert advisors may be appointed to the Casino Regulatory Commission in order to investigate particulars requiring expertise.

(2) An expert advisor is to be appointed by the Prime Minister based on a proposal made by the Casino Regulatory Commission.

(3) An expert advisor is to be dismissed at the end of the relevant investigation on particulars requiring expertise.

(4) Expert advisors serve on a part-time basis.

(Secretariat)

Article 224 (1) A Secretariat is established in the Casino Regulatory Commission to deal with the administrative affairs of the Casino Regulatory Commission.

(2) The Secretariat has a Secretary-General and other officials.

(3) The Secretary-General administers affairs under the jurisdiction of the secretariat in accordance with orders from the chairperson.

(Prohibition of Political Activities)

Article 225 (1) The chairperson and commissioners, during their term of office, must not be officers of political parties or other political organizations or actively participate in political activities.

(2) The chairperson and full-time commissioners must not engage in any other duty for fees or operate a profit-making business or provide other services for the purpose of gaining monetary profit while holding an office, except when permission has been gained from the Prime Minister.



(Duty of Confidentiality)

Article 226 The chairperson, commissioners and expert advisors of the Casino Regulatory Commission, and officials of the secretariat must not divulge or steal any secret that may have come to their knowledge in the course of their duties. The same applies after they retire from their duties.

(Salary)

Article 227 The salary of the chairperson and commissioners is separately specified by an Act.

(Inquiries to Public Offices)

Article 228 If the Casino Regulatory Commission finds it necessary for the enforcement of this Act, the Casino Regulatory Commission may make inquiries to public offices, public or private organizations or other related parties and request them to report on necessary particulars.

(Entrustment of Investigation)

Article 229 (1) The Casino Regulatory Commission may, when it finds it to be necessary, entrust a part of the following investigations to a person that conforms to the standards specified by the rules of the Casino Regulatory Commission as a person that is capable of appropriately carrying out such investigations within the limit necessary for the enforcement of this Act:

- (i) necessary investigations for examining applications for designation under the provisions of Article 159, paragraph (1) (including renewals referred to in Article 160, paragraph (2)), applications for authorization referred to in Article 161, paragraph (1), applications for authorization referred to in paragraph (1) or the proviso to paragraph (4) of Article 58 as applied mutatis mutandis in Article 164 or applications for conformation referred to in Article 165, paragraph (1);
- (ii) necessary investigations for examining applications pertaining to the dispositions listed in the respective items of paragraph (1) of Article 234; and
- (iii) necessary investigations for supervision under the provisions of the preceding Chapter (excluding Article 211 and Article 212).

(2) Any entity that is entrusted with administrative affairs pursuant to the provisions of paragraph (1), its employees, or former employees must not divulge any secret that may have come to their knowledge concerning the relevant entrusted administrative affairs.

(3) With regard to the application of the Penal Code and other penal provisions, an entity that is entrusted with administrative affairs pursuant to the provisions of paragraph (1) or its employees or former employees engaging in

those entrusted administrative affairs are deemed to be officials engaged in public service under laws and regulations.

(Establishment of Rules)

Article 230 The Casino Regulatory Commission may establish rules of the Casino Regulatory Commission regarding the administrative affairs under its jurisdiction, in order to enforce laws or Cabinet Orders or if it is based on a special delegation by laws or Cabinet Orders.

## **Chapter XII Miscellaneous Provisions**

(Appropriation of Payments to the Treasury of Necessary Costs for Measures for Promotion of Tourism)

Article 231 (1) The government is to allocate an amount equivalent to the amount of payment to the treasury provided for in Article 192, paragraph (1) as necessary costs for taking measures for the promotion of tourism, measures for the promotion of local economies, other measures for achieving the purpose referred to in Article 1 and the duties of the national government referred to in Article 3 and measures for enhancing social welfare and promoting culture and arts.

(2) With regard to the application of the provisions of the preceding paragraph, the amount is calculated each fiscal year based on the budget for the applicable fiscal year.

(Appropriation of Payments to Certified Prefecture for Necessary Costs for Measures for Promotion of Tourism)

Article 232 A certified prefecture, etc. is to allocate an amount equivalent to the amount of payment to the certified prefecture, etc. provided for in Article 193, paragraph (1) as necessary costs for taking measures for the promotion of tourism, measures for the promotion of local economies, other measures for achieving the purpose referred to in Article 1 and the duties of local governments referred to in Article 4 and measures for enhancing social welfare and promoting culture and arts.

(Collection of Fees)

Article 233 (1) As specified by Cabinet Order, the following persons must pay an amount of fees specified by Cabinet Order taking into consideration the actual costs to the national government:

- (i) a person that applies for a re-issuance referred to in Article 42, paragraph (3) (including cases where it is applied mutatis mutandis in Article 130 and Article 149 (including as applied mutatis mutandis in Article 150, paragraph

- (2); the same applies in item (iv) and Article 234, paragraph (1), item (ii));
  - (ii) a person that goes through an inspection referred to in Article 44, paragraph (1), Article 48, paragraph (7), Article 128, paragraph (1) or Article 129, paragraph (5);
  - (iii) a person that applies for an approval referred to in Article 48, paragraph (1) (excluding item (iv)), Article 74, paragraph (2), Article 118, paragraph (1) (including cases where it is applied mutatis mutandis in Article 134, paragraph (2) and Article 158, paragraph (3)), Article 129, paragraph (1) (excluding item (iii)) or Article 147, paragraph (1) (excluding item (iii) and including cases where it is applied mutatis mutandis in Article 150, paragraph (2));
  - (iv) a person that applies for an authorization referred to in Article 52, paragraph (1), (including cases where it is applied mutatis mutandis in Article 53, paragraph (2) (including cases where it is applied mutatis mutandis in Article 130), Article 54, paragraph (2), Article 55, paragraph (2), Article 56, paragraph (2), Article 130 and Article 149), Article 67, paragraph (1) or Article 148, paragraph (2) (including cases where it is applied mutatis mutandis in Article 150, paragraph (2));
  - (v) a person that goes through an approval process referred to in paragraph (1) or paragraph (2) of Article 151; or
  - (vi) a person that goes through the testing provided for in Article 159, paragraph (1) (excluding the person provided for in the following paragraph).
- (2) A person that sits in the testing provided for in Article 159, paragraph (1) organized by a designated testing body, as specified by Cabinet Order, must pay an amount of fee specified by Cabinet Order to the relevant designated testing body taking into consideration the actual costs. In this case, the fee paid is the revenue of the relevant designated testing body.

(Collection of Examination Costs)

Article 234 (1) A person that applies for any of the following dispositions must pay the necessary costs for its examination to the national government:

- (i) a license referred to in Article 39 or Article 124 or a renewal referred to in Article 43, paragraph (2) or Article 127, paragraph (2);
- (ii) an approval referred to in Article 45, paragraph (1) (including cases where it is applied mutatis mutandis in Article 130 and Article 149), Article 46, paragraph (1) (including cases where it is applied mutatis mutandis in Article 130 and Article 149), Article 47, paragraph (1) (including cases where it is applied mutatis mutandis in Article 130 and Article 149), Article 48, paragraph (1) (limited to the part pertaining to item (iv)), Article 61, paragraph (1) (including cases where it is applied mutatis mutandis in Article 131 and Article 141), Article 91, paragraph (1) or paragraph (6),

- Article 129, paragraph (1) (limited to the part pertaining to item (iii)) or Article 147, paragraph (1) (limited to the part pertaining to item (iii) and including cases where it is applied mutatis mutandis in Article 150, paragraph (2));
- (iii) an authorization referred to in paragraph (1) or the proviso to paragraph (4) of Article 58 (including cases where these provisions apply mutatis mutandis in Article 131), Article 95, paragraph (1), Article 100, paragraph (1) (including cases where it is applied mutatis mutandis in Article 133, paragraph (4)), Article 133, paragraph (2) or Article 136, paragraph (2) or the proviso to paragraph (5);
- (iv) a confirmation referred to in Article 114, Article 134, paragraph (1) or Article 158, paragraph (1) or a renewal referred to in Article 117, paragraph (2) (including cases where it is applied mutatis mutandis in Article 134, paragraph (2) and Article 158, paragraph (3));
- (v) a permission referred to in Article 143, paragraph (1) or a renewal pursuant to Article 146, paragraph (2); and
- (vi) a certification referred to in Article 150, paragraph (1) or a renewal referred to in Article 146, paragraph (2).
- (2) The person provided for in the preceding paragraph must pay an estimated amount of costs referred to in that paragraph which is calculated and notified by the Casino Regulatory Commission to the national government by a date designated by the Casino Regulatory Commission as specified by Cabinet Order.
- (3) In cases where the Casino Regulatory Commission needs to carry out an additional investigation beyond the scope of investigation based on which the estimated amount referred to in the preceding paragraph was calculated at the time of carrying out the testing referred to in paragraph (1), the person provided for in paragraph (1) must pay an estimated amount required for the relevant additional investigation calculated and notified by the Casino Regulatory Commission to the national government by a date designated by the Casino Regulatory Commission as specified by Cabinet Order.
- (4) When the amount paid as an estimated amount pursuant to the provisions of the preceding two paragraphs does not reach the amount of costs referred to in paragraph (1), the person provided for in that paragraph must pay the shortfall of costs referred to in that paragraph calculated and notified by the Casino Regulatory Commission to the national government by a date designated by the Casino Regulatory Commission as specified by Cabinet Order.
- (5) When the estimated amount referred to in paragraph (2) or paragraph (3) or the shortfall referred to in the preceding paragraph has not been paid as specified by Cabinet Order referred to in the preceding three paragraphs, the Casino Regulatory Commission may dismiss the application.
- (6) The provisions of Article 186 through Article 191 apply mutatis mutandis to

the shortfall referred to in paragraph (4) to be paid by the person provided for in paragraph (1).

- (7) When it notifies the person provided for in paragraph (1) of the estimated amount referred to in paragraph (2) or paragraph (3) or the shortfall referred to in paragraph (4), the Casino Regulatory Commission must notify the total amount and its breakdown; provided, however, that it is not required to notify the relevant breakdown in cases where its performance of duty is deemed likely to interfere with the proper implementation of examinations referred to in the relevant paragraph.
- (8) Beyond what is specified in the preceding paragraphs, necessary particulars on the payment of costs referred to in paragraph (1) are specified by the rules of the Casino Regulatory Commission.

(Information Provision to the Foreign Enforcement Authorities)

Article 235 (1) The Casino Regulatory Commission may provide the foreign authorities enforcing those foreign laws and regulations equivalent to this Act (hereinafter referred to as the "foreign enforcement authorities" in this Article) with information recognized to contribute to fulfilling their duties (limited to those equivalent to the Casino Regulatory Commission's duties provided for in this Act; the same applies in the following paragraph).

- (2) With regard to the provision of information under the provisions of the preceding paragraph, appropriate action must be taken so that the relevant information is neither used for purposes other than for the enforcement of duties of the relevant foreign enforcement authorities nor used for a foreign criminal case investigation (limited to the ones conducted after the criminal facts subject to the investigation have been specified) or adjudication (hereinafter referred to as an "investigation etc.") without the consent referred to in the succeeding paragraph.
- (3) When having received a request from the foreign enforcement authorities, the Casino Regulatory Commission may consent that the information provided pursuant to the provisions of paragraph (1) be used for a foreign criminal case investigation etc. in connection with the relevant request except for those cases falling under any of the following items:
- (i) when a crime subject to the criminal case investigation etc. in connection with the relevant request is a political crime, or when the relevant request is recognized to have been made for the purpose of conducting the investigation etc. on a political crime;
  - (ii) when an act pertaining to the crime subject to the criminal case investigation etc. in connection with the relevant request was committed in Japan, the case where it does not constitute a criminal offense according to the laws and regulations in Japan: or

- (iii) the foreign country that has made the request has not assured that it will accept a similar request from Japan.
- (4) In the case of giving a consent under the preceding paragraph, the Casino Regulatory Commission must obtain a Minister of Justice's confirmation of the case not falling under item (i) and item (ii) of the preceding paragraph, and a Minister of Foreign Affairs' confirmation of the case not falling under item (iii) of the preceding paragraph, respectively.

### **Chapter XIII Penal Provisions**

- Article 236 (1) When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than five years, a fine of not more than five million yen, or both:
- (i) when the person has conducted the establishment and regulatory business (limited to the part pertaining to casino-gaming services) in violation of an order for suspension of the establishment and operation business under the provisions of Article 30, paragraph (2);
  - (ii) when the person has obtained a license referred to in Article 39 through deception or other wrongful means;
  - (iii) when the person has obtained a renewal referred to in Article 43, paragraph (2) through deception or other wrongful means;
  - (iv) when the person has obtained an approval referred to in Article 45, paragraph (1), Article 46, paragraph (1) or Article 47, paragraph (1) through deception or other wrongful means;
  - (v) when the person has had another person engage in the casino business using its name in violation of the provisions of Article 57;
  - (vi) when the person has entrusted casino services (limited to the part pertaining to casino-gaming services) other than those listed in the respective items of paragraph (1) of Article 93 in violation of the provisions of that paragraph;
  - (vii) when the person has conducted the casino business (limited to the part pertaining to casino-gaming services) in violation of an order for suspension of the casino business pursuant to the provisions of paragraph (1) or paragraph (2) of Article 204; and
  - (viii) when the person has, in violation of the provisions of Article 206, paragraph (8), conducted the casino business (limited to the part pertaining to casino-gaming services) in casino facilities pertaining to the casino facility provision business (limited to the part pertaining to the relevant casino facility provision business ordered to be suspended) which has been ordered to be suspended pursuant to the provisions of paragraph (1) or paragraph (2)

of that Article.

- (2) The provisions of the preceding paragraph (limited to the part pertaining to item (i), item (vii) and item (viii)) does not preclude the application of the provisions of Article 185 and Article 186 of the Penal Code.

Article 237 (1) When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than three years, a fine of not more than three million yen, or both:

- (i) when the person has conducted the establishment and regulatory business (excluding the part pertaining to casino-gaming services) or the facility provision business in violation of an order for suspension of the establishment and operation business, etc. pursuant to the provisions of Article 30, paragraph (2);
- (ii) when the person has violated any condition imposed pursuant to the provisions of Article 41, paragraph (3);
- (iii) when the person has commenced business operations of casino facilities in violation of the provisions of Article 44, paragraph (5);
- (iv) when the person has changed any of the particulars listed in the respective items of paragraph (1) of Article 48 in violation of the provisions of that paragraph or obtained an approval referred to in that paragraph through deception or other wrongful means;
- (v) when the person has violated the provisions of Article 48, paragraph (11);
- (vi) when the person allowed any of the persons listed in the respective items of Article 69 to enter or stay in casino facilities in violation of the provisions of that Article or had a person that is prohibited to engage in casino gaming pursuant to the provisions of Article 174, paragraph (2) engage in casino gaming in violation of the provisions of Article 73, paragraph (1);
- (vii) when the person conducted casino gaming with customers or allowed customers to conduct casino gaming between them in casino gaming operation areas other than places provided for in Article 73, paragraph (2) in violation of the provisions of that paragraph;
- (viii) when the person has violated the provisions of Article 74, paragraph (1);
- (ix) when the person has changed casino-related devices, etc. in violation of the provisions of Article 74, paragraph (2) or has obtained an approval referred to in that paragraph through deception or other wrongful means;
- (x) when the person has violated the provisions of Article 74, paragraph (6);
- (xi) when the person has conducted the casino facility provision business without obtaining a license referred to in Article 124 (excluding cases where such an act is based on a contract authorized pursuant to Article 133, paragraph (2) (limited to the one listed in item (i) of that paragraph)) or has

- obtained a license referred to in Article 124 through deception or other wrongful means;
- (xii) when the person has obtained a renewal referred to in Article 127, paragraph (2) through deception or other wrongful means;
  - (xiii) when the person has obtained an approval referred to in Article 45, paragraph (1), Article 46, paragraph (1) or Article 47, paragraph (1) as applied mutatis mutandis in Article 130 through deception or other wrongful means;
  - (xiv) when the person has had another person engage in the casino facility provision business using its name in violation of the provisions of Article 57 as applied mutatis mutandis in Article 130;
  - (xv) when the person has conducted the manufacturing and other business of casino-related devices, etc. in violation of the provisions of Article 143, paragraph (1) or has obtained a permission referred to in the relevant paragraph through deception or other wrongful means;
  - (xvi) when the person has obtained a renewal referred to in Article 146, paragraph (2) through deception or other wrongful means;
  - (xvii) when the person has obtained an approval referred to in Article 45, paragraph (1), Article 46, paragraph (1) or Article 47, paragraph (1) as applied mutatis mutandis in Article 149 through deception or other wrongful means;
  - (xviii) when the person has had another person engage in the manufacturing and other business of casino-related devices, etc. using its name in violation of the provisions of Article 57 as applied mutatis mutandis in Article 149;
  - (xix) when the person has not made payments of admission fees or admission fees for certified prefecture, etc. in violation of the provisions of Article 179, paragraph (1);
  - (xx) when the person has not made the payment to the treasury or to certified prefecture, etc. in violation of the provisions of Article 192, paragraph (1) or Article 193, paragraph (1);
  - (xxi) when the person has conducted the casino business (excluding the part pertaining to casino-gaming services) in violation of an order for suspension of the casino business pursuant to the provisions of paragraph (1) or paragraph (2) of Article 204;
  - (xxii) when the person has violated an order for suspension of the casino facility provision business pursuant to the provisions of paragraph (1) or paragraph (2) of Article 206;
  - (xxiii) when the person has conducted the casino business (excluding the part pertaining to casino-gaming services) in casino facilities pertaining to the casino facility provision business that has been ordered to be suspended pursuant to the provisions of paragraph (1) or paragraph (2) of Article 206



- (limited to the part pertaining to the relevant casino facility provision business ordered to be suspended) in violation of the provisions of paragraph (8) of that Article;
- (xxiv) when the person has violated an order for suspension of the manufacturing and other business of casino-related devices, etc. pursuant to the provisions of paragraph (1) or paragraph (2) of Article 208.
- (2) When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than three years, a fine of not more than three million yen, or both:
- (i) a person who enters casino facilities (limited to the person listed in Article 69, item (ii)) in violation of the provisions of Article 173; or
  - (ii) a person who violated the provisions of Article 174, paragraph (2).
- (3) The provisions of paragraph (1) (limited to the part pertaining to item (iv) (limited to the part pertaining to Article 48, paragraph (1), item (i) and item (ii)) do not preclude the application of the provisions of Article 185 and Article 186 of the Penal Code.

Article 238 When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than two years, a fine of not more than three million yen, or both:

- (i) when the person has conducted any business other than the establishment and regulatory business in violation of the provisions of Article 18, paragraph (1);
- (ii) when the person has violated the provisions of the first sentence of paragraph (1) of Article 67 or has changed any procedure for calculation of gross revenue from casino gaming in violation of the provisions of the second sentence of that paragraph;
- (iii) when the person has permitted visitors to enter or exit without carrying out any confirmation referred to in Article 70, paragraph (1) in violation of the provisions of that paragraph;
- (iv) when the person has provided specified fund transfer services in violation of the provisions of Article 79;
- (v) when the person requested a contracted designated credit bureau to provide credit information for any purpose other than investigations on repayment capacity or used credit information provided by a contracted designated credit bureau for any purpose other than investigations on repayment capacity or provided such information to any third party in violation of the provisions of Article 87, paragraph (8);
- (vi) when the person knowingly received credit information from any person

- committing the violation referred to in the preceding item;
- (vii) when the person used credit information provided by a contracted designated credit bureau or provided such information to any third party in violation of the provisions of Article 87, paragraph (9);
  - (viii) when the person knowingly received credit information from any person committing the violation referred to in the preceding item;
  - (ix) when the person has violated the provisions of Article 88, paragraph (1) (including cases where it is applied *mutatis mutandis* in Article 90);
  - (x) when the person provided services other than related services in casino gaming operation areas approved pursuant to Article 91, paragraph (1) or has obtained an approval referred to in that paragraph through deception or other wrongful means in violation of the provisions of that paragraph;
  - (xi) when the person has had another person conduct related services in casino gaming operation areas using its name in violation of the provisions of Article 91, paragraph (8);
  - (xii) when the person has entrusted casino services other than those listed in the respective items of paragraph (1) of Article 93 (excluding the part pertaining to casino-gaming services) in violation of the provisions of that paragraph;
  - (xiii) when the person has concluded any of the contracts listed in the respective items of paragraph (1) of Article 95 or renewed or changed the relevant contract or has obtained an authorization referred to in that paragraph through deception or other wrongful means in violation of the provisions of Article 95, paragraph (1);
  - (xiv) when the person granted a license in violation of the provisions of Article 100, paragraph (1) or has obtained an authorization referred to in that paragraph through deception or other wrongful means;
  - (xv) when the person changed any of the particulars listed in the respective items of paragraph (1) of Article 129 or has obtained an approval referred to in that paragraph through deception or other wrongful means in violation of the provisions of that paragraph
  - (xvi) when the person has violated the conditions imposed pursuant to the provisions of Article 41, paragraph (3) as applied *mutatis mutandis* in Article 130;
  - (xvii) when the person has violated the provisions of Article 48, paragraph (11) as applied *mutatis mutandis* in Article 130;
  - (xviii) when the person has changed any of the particulars listed in the respective items of paragraph (1) of Article 147 in violation of the provisions of that paragraph or has obtained an approval referred to in that paragraph through deception or other wrongful means;
  - (xix) when the person has violated the conditions imposed pursuant to the

provisions of Article 41, paragraph (3) as applied mutatis mutandis in Article 149;

- (xx) when the person has violated an order for suspension of related services in casino gaming operation areas pursuant to the provisions of paragraph (1), paragraph (2) or paragraph (4) of Article 204; or
- (xxi) when the person has provided related services in casino gaming operation areas in casino facilities pertaining to the casino facility provision business which has been ordered to be suspended pursuant to the provisions of paragraph (1) or paragraph (2) of Article 206 (limited to the part pertaining to the relevant casino facility provision business ordered to be suspended) in violation of the provisions of paragraph (8) of that Article.

Article 239 (1) When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than one year, a fine of not more than one million yen, or both:

- (i) when the person has conducted any business other than the facility provision business in violation of the provisions of Article 18, paragraph (2);
- (ii) when the person has failed to submit a financial report pursuant to the provisions of Article 28, paragraph (4) or an accompanying document pursuant to the provisions of paragraph (5) of that Article or an internal control report on financial reports pursuant to the provisions of paragraph (8) of that Article or an accompanying document pursuant to the provisions of paragraph (9) of that Article (in all cases, including documents whose details have been corrected pursuant to the provisions of paragraph (10) of that Article) or includes a false statement in any of those documents and submitted it;
- (iii) when the person has failed to submit a report or material pursuant to the provisions of Article 29, paragraph (1), when the person has made a false report or submitted false material, when the person has refused to respond to the questioning pursuant to the provisions of paragraph (2) of that Article or given a false answer thereto, has refused, obstructed, or avoided an inspection under the provisions of the same paragraph;
- (iv) when the person has violated an instruction pursuant to the provisions of Article 30, paragraph (1);
- (v) when the person has included a false statement in an application form referred to in Article 40, paragraph (1) (including cases where it is applied mutatis mutandis in Article 43, paragraph (4)) or an accompanying document to be attached thereto pursuant to the provisions of Article 40, paragraph (2) (including cases where it is applied mutatis mutandis in Article 43, paragraph (4)) and submitted it;

- (vi) when the person has made any change to the articles of incorporation, operational method statement, General Conditions for Use of Casino Facilities, Regulations on Prevention of Addiction or Regulation on Prevention of Transfer of Criminal Proceeds in violation of the provisions of Article 52, paragraph (1) (including cases where it is applied mutatis mutandis in Article 53, paragraph (2) (including cases where it is applied mutatis mutandis in Article 130), Article 54, paragraph (2), Article 55, paragraph (2), Article 56, paragraph (2) and Article 130);
- (vii) when the person has, in violation of the provisions of Article 58, paragraph (1) (including cases where it is applied mutatis mutandis in Article 131 and Article 164; the same applies hereinafter in this item), become a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold, established a corporation, etc. that is a holder of the number of voting rights, etc. which is equal to or greater than the major shareholder threshold or obtained an authorization referred to in that paragraph through deception or other wrongful means;
- (viii) when the person has obtained an authorization referred to in the proviso to paragraph (4) of Article 58 (including cases where it is applied mutatis mutandis in Article 131 and Article 164) or the proviso to paragraph (5) of Article 136 through deception or other wrongful means;
- (ix) when the person has violated an order pursuant to the provisions of Article 58, paragraph (6) (including cases where it is applied mutatis mutandis in Article 62, paragraph (3) (including cases where it is applied mutatis mutandis in Article 131 and Article 164), Article 131 and Article 164) or Article 205, paragraph (5) ;
- (x) when the person has, in violation of the provisions of Article 73, paragraph (5) (limited to the part pertaining to item (i)) made a false statement;
- (xi) when the person has violated an order pursuant to the provisions of Article 73, paragraph (13) or Article 74, paragraph (7);
- (xii) when the person has, in violation of the provisions of Article 76, paragraph (2) (limited to the part pertaining to item (i)) made a false statement;
- (xiii) when the person has failed to submit a report pursuant to the provisions of Article 78 or submitted it with false statements;
- (xiv) when the person has violated the provisions of Article 80, paragraph (1) or Article 84, paragraph (2);
- (xv) when the person has violated an order pursuant to the provisions of Article 81, paragraph (2) (including cases where it is applied mutatis mutandis in Article 84, paragraph (3));
- (xvi) when the person has, in violation of the provisions of Article 84, paragraph (1), received a fee or paid interests;
- (xvii) when the person has lent money in violation of the provisions of Article

- 85, paragraph (1);
- (xviii) when the person has concluded a specified fund loan contract in violation of the provisions of Article 85, paragraph (2) or a guarantee contract in violation of the provisions of paragraph (5) of that Article;
  - (xix) when the person has, in violation of the provisions of Article 85, paragraph (3) (including cases where it is applied mutatis mutandis in Article 90), concluded a specified fund loan contract, received an interest or demanded its payment;
  - (xx) when the person has concluded a specified fund loan contract without conducting an investigation pursuant to the provisions of Article 86, paragraph (1) or without setting the limit of loan based on results of the relevant investigation;
  - (xxi) when the person has concluded a specified fund loan contract in violation of the provisions of Article 86, paragraph (2);
  - (xxii) when the person has violated the provisions of paragraphs (1) through (3) of Article 87;
  - (xxiii) when the person, in violation of the provisions of Article 87, paragraph (4), has made a request for provision of credit information on a customer without obtaining any consent from the relevant customer or has, in violation of the provisions of paragraph (5) of that Article, concluded a specified fund loan contract without obtaining any consent from a customer;
  - (xxiv) when the person has violated the conditions imposed pursuant to the provisions of Article 91, paragraph (4);
  - (xxv) when the person, in violation of the provisions of Article 91, paragraph (6), has made any change to particulars provided for in that paragraph or obtained an approval referred to in that paragraph through deception or other wrongful means;
  - (xxvi) when the person, in violation of the provisions of Article 92, paragraph (1), has ordered the provision of goods or services to visitors or, in violation of the provisions of paragraph (2) of that Article, has provided goods or services;
  - (xxvii) when the person, in violation of the provisions of Article 106, paragraph (1) (limited to the part pertaining to item (i)), has used a false indication or given a false explanation or, in violation of the provisions of paragraph (2) of that Article, has advertised by any of the methods listed in the respective items of that paragraph
  - (xxviii) when the person has violated an order pursuant to the provisions of Article 107, paragraph (1);
  - (xxix) when the person has failed to submit a report pursuant to the provisions of Article 107, paragraph (4) or submitted a false report or has refused, obstructed, or avoided an inspection pursuant to the provisions of that

- paragraph;
- (xxx) when the person has included a false statement in an application form referred to in Article 125, paragraph (1) (including cases where it is applied mutatis mutandis in Article 127, paragraph (4)) or an accompanying document pursuant to the provisions of Article 125, paragraph (2) (including cases where it is applied mutatis mutandis in Article 127, paragraph (4));
  - (xxxix) when the person, in violation of the provisions of Article 133, paragraph (2), has concluded a contract listed in the respective items of that paragraph, renewed or changed the relevant contract or obtained an authorization referred to in that paragraph through deception or other wrongful means;
  - (xxxix) when the person, in violation of the provisions of Article 100, paragraph (1) as applied mutatis mutandis in Article 133, paragraph (4), has granted a license or obtained an authorization through deception or other wrongful means;
  - (xxxix) when the person, in violation of the provisions of Article 136, paragraph (1), has conducted a transaction or committed an act provided for in that paragraph or obtained an authorization referred to in that paragraph through deception or other wrongful means;
  - (xxxix) when the person has violated an order pursuant to the provisions of Article 136, paragraph (7) (including cases where it is applied mutatis mutandis in Article 139, paragraph (3)) or Article 207, paragraph (5);
  - (xxxix) when the person has submitted an application form referred to in Article 144, paragraph (1) (including cases where it is applied mutatis mutandis in Article 146, paragraph (4)) or an accompanying document pursuant to the provisions of Article 144, paragraph (2) (including cases where it is applied mutatis mutandis in Article 146, paragraph (4)) with false statements;
  - (xxxix) when the person, in violation of the provisions of Article 151, paragraph (1), has manufactured or imported electronic or magnetic casino-related devices, etc.;
  - (xxxix) when the person has failed to make a notification pursuant to the provisions of Article 154, paragraph (3) (including cases where it is applied mutatis mutandis in the second sentence of paragraph (5) of that Article) or has submitted a false notification;
  - (xxxix) when the person has violated the provisions of paragraphs (2) through (4) of Article 180;
  - (xxxix) when the person has failed to submit a report or materials or submitted a false report or false materials pursuant to the provisions of Article 197, paragraph (1) or Article 201, paragraph (1), has refused to respond to the questioning or given false responses thereto pursuant to the provisions of Article 197, paragraph (2) or Article 201, paragraph (2), or has refused, obstructed, or avoided an inspection or removal pursuant to the provisions of

those paragraphs;

- (xl) when the person has failed to submit a report or materials or submitted a false report or false materials pursuant to the provisions of Article 198, paragraph (1), has refused to respond to the questioning or given false responses thereto pursuant to the provisions of paragraph (2) of that Article, or has refused, obstructed, or avoided an inspection pursuant to the provisions of that paragraph;
  - (xli) when the person has failed to submit a report or materials or submitted a false report or false materials pursuant to the provisions of Article 202, paragraph (1), has refused to respond to the questioning or given false responses thereto pursuant to the provisions of paragraph (2) of that Article, or has refused, obstructed, or avoided an inspection pursuant to the provisions of that paragraph (excluding cases where a person who committed the violation is an officer or official of a designated testing body);
  - (xlii) when the person has refused to respond to the questioning or given false responses thereto pursuant to the provisions of Article 203, paragraph (1), or has refused, obstructed, or avoided an inspection pursuant to the provisions of that paragraph;
  - (xliii) when the person has violated an order pursuant to the provisions of Article 204, paragraph (1), Article 206, paragraph (1) or Article 208, paragraph (1) (excluding an order for suspension of the casino business or related services in casino gaming operation areas, the casino facility provision business or the manufacturing and other business of casino-related devices, etc.); and
  - (xliv) when the person has divulged any secret in violation of the provisions of Article 229, paragraph (2).
- (2) When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than one year, a fine of not more than one million yen, or both:
- (i) a person that has committed an act violating the provisions of Article 70, paragraph (4) (limited to an act pertaining to identifying particulars) for the purpose of hiding identifying particulars; and
  - (ii) a person that violates the provisions of Article 175, paragraph (1) or (2).

Article 240 When any person falls under any of the following items, the relevant person committing the violation is subject to punishment by imprisonment with work for not more than six months, a fine of not more than 500,000 yen, or both:

- (i) when the person, in violation of the provisions of Article 61, paragraph (1) (including cases where it is applied mutatis mutandis in Article 131, Article 141 and Article 164; the same applies hereinafter in this item) has changed

- any of the officers or obtained an approval referred to in that paragraph through deception or other wrongful means;
- (ii) when the person, in violation of the provisions of Article 70, paragraph (5), has inquired the Casino Regulatory Commission for any purpose other than the confirmation of the pertinence of person whose number of entrances is restricted or used information from responses for any purpose other than the relevant confirmation or provided it to any third party;
  - (iii) when the person has knowingly received information from responses from the person who committed any of the violations referred to in the preceding item;
  - (iv) when the person, in violation of the provisions of Article 70, paragraph (6), has used information from responses or provided it to any third party;
  - (v) when the person has knowingly received information from responses from a person who committed any of the violations referred to in the preceding item;
  - (vi) when the person has submitted an application form or accompanying documents referred to in Article 91, paragraph (2) (including cases where it is applied *mutatis mutandis* in paragraph (6) of that Article) with false statements;
  - (vii) when the person has submitted an application form referred to in Article 96, paragraph (1) (including cases where it is applied *mutatis mutandis* in Article 101, paragraph (3) (including cases where it is applied *mutatis mutandis* in Article 133, paragraph (3), the same applies hereinafter in this item) an accompanying document pursuant to the provisions of Article 96, paragraph (2) (including cases where it is applied *mutatis mutandis* in Article 101, paragraph (3) and Article 133, paragraph (4)) with false statements;
  - (viii) when the person, in violation of the provisions of Article 114, Article 134, paragraph (1) or Article 158, paragraph (1), has had its employees or other persons engage in specified casino services, specified casino facility provision services or specified services, etc. for manufacturing casino-related devices, etc. or has received a confirmation referred to in those provisions through deception or other wrongful means;
  - (ix) when the person has obtained a renewal referred to in Article 117, paragraph (2) (including cases where it is applied *mutatis mutandis* in Article 134, paragraph (2) and Article 158, paragraph (3)) through deception or other wrongful means;
  - (x) when the person, in violation of the provisions of Article 52, paragraph (1) as applied *mutatis mutandis* in Article 148, paragraph (2) or Article 149, has made any change to the operational method statement or articles of incorporation;
  - (xi) when the person has failed to submit a report or materials or submitted a



false report or false materials pursuant to the provisions of Article 199, paragraph (1) or Article 200, paragraph (1), has refused to respond to the questioning or given false responses thereto pursuant to the provisions of Article 199, paragraph (2) or Article 200, paragraph (2), or has refused, obstructed or avoided an inspection pursuant to those provisions; or  
(xii) when the person has violated an order pursuant to the provisions of Article 205, paragraph (1) or Article 207, paragraph (1).

Article 241 When any person falls under any of the following items, the relevant person committing the violation is subject to a fine of not more than one million yen:

- (i) when the person has commenced business operations without submitting a notification pursuant to the provisions of Article 17, paragraph (1) or has submitted a false notification;
- (ii) when the person has abolished the establishment and administration business, etc. without obtaining an approval referred to in Article 19, paragraph (1);
- (iii) when the person has failed to submit a confirmation letter (including cases where it is applied mutatis mutandis pursuant to paragraph (10) of Article 28 pursuant to the provisions of Article 28, paragraph (7)) (including cases where it is applied mutatis mutandis in paragraph (12) of that Article) or a quarterly report pursuant to the provisions of paragraph (11) of that Article (including a quarterly report whose details have been corrected pursuant to the provisions of paragraph (10) of that Article as applied mutatis mutandis in paragraph (12) of that Article) or has submitted it with false statements;
- (iv) when the person has failed to give a public notice pursuant to the provisions of Article 28, paragraph (13) or has given a false public notice;
- (v) when the person has submitted an application form referred to in Article 59, paragraph (1) (including cases where it is applied mutatis mutandis in Article 131 and Article 164) or its accompanying documents pursuant to the provisions Article 59, paragraph (2) (including cases where it is applied mutatis mutandis in Article 131 and Article 164) with false statements;
- (vi) when the person has, in violation of the provisions of Article 67, paragraph (4), failed to keep or preserve books, failed to record particulars to be recorded therein or has included false records therein;
- (vii) when the person has failed to report pursuant to the provisions of Article 68, paragraph (1) or Article 75, paragraph (1) or has made a false report;
- (viii) when the person, in violation of the of Article 77 (including cases where it is applied mutatis mutandis in Article 90) has failed to prepare or preserve books and documents or has prepared false books and documents;
- (ix) when the person, in violation of the provisions of Article 85, paragraph (7)

- (including cases where it is applied mutatis mutandis in Article 90), has refused to a request for inspection or copy of books and documents without reasonable grounds;
- (x) when the person has violated the provisions of Article 88, paragraph (2) or paragraph (3) or Article 89 (including cases where these provisions apply mutatis mutandis in Article 90);
  - (xi) when the person has failed to submit a notification pursuant to the provisions of Article 99 (including cases where it is applied mutatis mutandis in Article 133, paragraph (4)), Article 109, paragraph (1) or Article 121, paragraph (2) (including cases where it is applied mutatis mutandis in Article 135, paragraph (2)) or has submitted a false notification;
  - (xii) when the person, in violation of the provisions of Article 118, paragraph (1) (including cases where it is applied mutatis mutandis in Article 134, paragraph (2) and Article 158, paragraph (3)); the same applies hereinafter in this item) has changed the type of services in which confirmed persons engaged in specified casino services, confirmed persons engaged in specified casino facility provision services, confirmed persons engaged in manufacturing services, etc. of specified casino-related devices, etc. engage or has obtained an approval referred to in Article 118, paragraph (1) through deception or other wrongful means;
  - (xiii) when the person has violated the provisions of Article 122;
  - (xiv) when the person has submitted an application form referred to in Article 137, paragraph (1) or accompanying documents pursuant to the provisions of paragraph (2) of that Article with false statements;
  - (xv) when the person has failed to attach an indication pursuant to the provisions of Article 151, paragraph (4) or Article 156, paragraph (1) or has attached a false indication;
  - (xvi) when the person has attached an indication or a confusing indication in violation of the provisions of Article 151, paragraph (5) or Article 156, paragraph (2);
  - (xvii) when the person has failed to prepare or preserve records in violation of the provisions of Article 154, paragraph (4) (including cases where it is applied mutatis mutandis in the second sentence of paragraph (5) of that Article), Article 155, paragraph (3) or Article 157 or has prepared false records; or
  - (xviii) when the person has temporarily paid or covered admission fees or admission fees for certified prefecture, etc. in violation of the provisions of Article 181, paragraph (3).

Article 242 When any person falls under any of the following items, the relevant person committing the violation is subject to a fine of not more than one

300,000 yen:

- (i) when the person has failed to make a notification pursuant to the provisions of Article 48, paragraph (5) (including cases where it is applied mutatis mutandis in Article 130), Article 61, paragraph (3) (including cases where it is applied mutatis mutandis in Article 131, Article 141 and Article 164); Article 74, paragraph (4) or Article 147, paragraph (3) or made a false notification;
- (ii) when the person has violated the provisions of Article 51, paragraph (1) or paragraph (3) (including cases where these provisions apply mutatis mutandis in Article 130 and Article 149);
- (iii) when the person has failed to submit documents pursuant to the provisions of Article 64, paragraph (2) (including cases where it is applied mutatis mutandis in Article 131) or submitted them with false statements;
- (iv) when the person has failed to make a notification pursuant to the provisions of Article 68, paragraph (5) or paragraph (6) (including cases where these provisions apply mutatis mutandis in Article 103, paragraph (2)) or Article 72, paragraph (2) (including cases where it is applied mutatis mutandis in Article 73, paragraph (12), Article 76, paragraph (5), Article 102, paragraph (2) (including cases where it is applied mutatis mutandis in Article 133, paragraph (4))), Article 106, paragraph (8), Article 108, paragraph (5), Article 110, paragraph (3), Article 111, paragraph (3) and Article 123, paragraph (2) (including cases where it is applied mutatis mutandis in Article 135, paragraph (3) and Article 158, paragraph (3)) or has made a false notification;
- (v) when the person, in violation of the provisions of the second sentence of paragraph (1) of Article 70, Article 74, paragraph (5) or Article 108, paragraph (2), has failed to prepare or preserve records or has prepared false records;
- (vi) when the person has violated the provisions of Article 74, paragraph (10);  
or
- (vii) when the person has submitted an application form referred to in Article 115, paragraph (1) (including cases where it is applied mutatis mutandis in Article 117, paragraph (4) (including cases where it is applied mutatis mutandis in Article 134, paragraph (2) and Article 158, paragraph (3); the same applies hereinafter in this item), Article 134, paragraph (2) and Article 158, paragraph (3)) or accompanying documents attached thereto pursuant to the provisions of Article 115, paragraph (2) (including cases where it is applied mutatis mutandis in Article 117, paragraph (4), Article 134, paragraph (2) and Article 158, paragraph (3)) with false statements.

Article 243 (1) When the representative or administrator of a corporation

(including an association or foundation that is not a corporation but whose representative or administrator has been designated; hereinafter the same applies in this paragraph and the following paragraph) or an employee of a corporation or individual violates the provisions listed in one of the following items in connection with the services or property of that corporation or individual, beyond the offender being subject to punishment, the corporation is subject to punishment by the fine specified in the relevant item, and the individual is subject to punishment by the fine referred to in the relevant Article:

- (i) Article 236, paragraph (1) (excluding item (iv)): Fine of not more than five hundred million yen;
  - (ii) Article 237, paragraph (1) (excluding item (vi), item (xiii), item (xvii), item (xix) and item (xv)) or Article 238 (excluding item (ii) through item (ix)): Fine of not more than three hundred million yen;
  - (iii) Article 239, paragraph (1) (excluding items (vi) through (x), items (xii) through (xiv), items (xvi) through (xxiii), item (xxvii), item (xxxiii), item (xxxiv), item (xxxviii) and item (xl)): Fine of not more than one hundred million yen; or
  - (iv) Article 236, paragraph (1), item (iv), Article 237, paragraph (1), item (vi), item (xiii), item (xvii), item (xiv) or item (xv), Article 238, items (ii) through (ix), Article 239, paragraph (1), items (vi) through (x), items (xii) through (xiv), items (xvi) through (xxiii), item (xxvii), item (xxxiii), item (xxxiv), item (xxxviii) or item (xliv) or Article 240 through Article 242: Fine referred to in the relevant Article.
- (2) The period of prescription for a sentence to fine imposed upon a corporation or an individual due to a violation referred to in Article 236, paragraph (1) pursuant to the provisions of the preceding paragraph is the same as that for the offences referred to in that paragraph.
- (3) In cases where the provisions of paragraph (1) apply to an association or foundation that is not a corporation, its representative or administrator represent the association or foundation that is not a corporation in its procedural act, and the provisions of the Acts concerning criminal procedure in the cases where a corporation is an accused or a suspect apply *mutatis mutandis*.

Article 244 When an employee of a casino business operator accepts, solicits or promises to accept a bribe in connection with the services pertaining to its casino gaming, the employee is punished by imprisonment for not more than three years or a fine of not more than three million yen. If such a person commits a wrongful act or fails to commit a reasonable act for this reason, the person is punished by imprisonment for not more than five years or a fine of

not more than five million yen.

Article 245 (1) When a person who intends to be an employer of a casino business operator, in response to a request, accepts, solicits or promises to accept a bribe in connection with a service to be assumed with agreement to perform casino gaming, the person is punished by imprisonment with work for not more than three years or a fine of not more than three million yen in cases where the person becomes an employee of the relevant casino business operator.

(2) The same principle referred to in the preceding paragraph applies when a person who used to be an employee of a casino business operator accepts, solicits or promises to accept a bribe in connection with having acted illegally or having refrained from acting in the exercise of that person's service relating to casino gaming thereof in response to a request.

Article 246 In the cases referred to in the preceding two Articles, any bribe that the offender has collected is confiscated. When all or part of that bribe cannot be confiscated, the offender is subject to the collection of that amount.

Article 247 (1) A person who has given, offered or promised to offer a bribe as referred to in Article 244 or Article 245 is punished by imprisonment with work for not more than three years or a fine of not more than three million yen.

(2) When a person who has committed any offense referred to in the preceding paragraph surrenders himself or herself to the authorities, the punishment thereof may be reduced or exempted.

Article 248 (1) The offenses referred to in Article 244 and Article 245 also apply to a person who has committed these offenses outside Japan.

(2) The offense referred to in paragraph (1) of the preceding Article is governed by Article 2 of the Penal Code.

Article 249 A person who by the use of fraudulent means or force commits an act which impairs the fairness of casino gaming, is punished by imprisonment with work for not more than three years or a fine of not more than three million yen.

Article 250 (1) When an officer or official of a designated testing body violates an order for suspension of testing affairs pursuant to the provisions of Article 169 or Article 210, paragraph (1) or paragraph (2), the officer or official who committed the violation is punished by imprisonment with work for not more than three years or a fine of not more than three million yen.

(2) When an officer or official of a designated testing body falls under any of the following items, the officer or official who committed the violation is punished

by imprisonment with work for not more than one year or a fine of not more than one million yen:

- (i) the officer or official has not submitted a report or materials or submitted a false report or false materials pursuant to the provisions of Article 202, paragraph (1), has refused to respond to the questioning pursuant to the provisions of paragraph (2) of that Article or given false responses thereto or has refused, obstructed or avoided an inspection pursuant to the provisions of that paragraph; or
  - (ii) when the officer or official has violated an order pursuant to the provisions of Article 210, paragraph (1) (excluding an order for suspension of testing affairs).
- (3) A person who has divulged any secret in violation of the provisions of Article 166, paragraph (1) is punished by imprisonment with work for not more than one year or a fine of not more than one million yen.
- (4) When an officer or official of a designated testing body falls under any of the following items, the officer or official who committed the violation is punished by imprisonment with work for not more than six months or a fine of not more than 500,000 yen:
- (i) when the officer or official, in violation of the provisions of Article 165, paragraph (1), has had its employees engage in any service listed in the respective items of that paragraph or has obtained a confirmation through deception or other wrongful means; or
  - (ii) when the officer or official has obtained a renewal referred to in Article 117, paragraph (2) as applied mutatis mutandis in Article 165, paragraph (2) by deception or other wrongful means.
- (5) When an officer or official of a designated testing body falls under any of the following items, the officer or official who committed the violation is punished by a fine of not more than one million yen:
- (i) when the officer or official, in violation of the provisions of Article 118, paragraph (1) as applied mutatis mutandis in Article 165, paragraph (2), has changed the type of services confirmed persons engaged in specified testing services engage in or has obtained an approval referred to in that paragraph by deception or other wrongful means; or
  - (ii) when the officer or official has failed to make a notification pursuant to the provisions of Article 72, paragraph (2) as applied mutatis mutandis in Article 123, paragraph (2) as applied mutatis mutandis in Article 165, paragraph (2) or has made a false notification.
- (6) When an officer or official of a designated testing body falls under any of the following items, the officer or official who committed the violation is punished by a fine of not more than 300,000 yen:
- (i) when the officer or official has failed to submit documents pursuant to the

- provisions of Article 64, paragraph (2) as applied mutatis mutandis in Article 164 or submitted them with false statements;
- (ii) when the officer or official has submitted an application form referred to in Article 115, paragraph (1) as applied mutatis mutandis in Article 165, paragraph (2) (including cases where it is applied mutatis mutandis in Article 117, paragraph (4) as applied mutatis mutandis in Article 165, paragraph (2)) or accompanying document to be attached thereto pursuant to the provisions of Article 115, paragraph (2) as applied mutatis mutandis in Article 165, paragraph (2) (including cases where it is applied mutatis mutandis in Article 117, paragraph (4) as applied mutatis mutandis in Article 165, paragraph (2)) with false statements;
  - (iii) when the officer or official has, in violation of the provisions of Article 167, failed to have books, record necessary particulars or preserve such books or made false entries therein; or
  - (iv) when the officer or official, in violation of the provisions of Article 168, suspended all or part of testing affairs or abolished them.

Article 251 A person who violates the provisions of Article 226 and divulges or steals any secret is punished by imprisonment with work for not more than two years or a fine of not more than one million yen.

### **Supplementary Provisions [Act No. 80 of July 27, 2018] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within three years from the date of its promulgation; provided, however, that the provisions listed in the respective items come into effect as of the date specified in the respective items:

- (i) provisions of the following Article and Article 3 of the Supplementary Provisions: Date of promulgation;
- (ii) provisions of Chapter I: Date specified by Cabinet Order within nine months from the date of promulgation;
- (iii) provisions of Article 11, Article 235, Article 239, paragraph (1) (limited to the part pertaining to item (xliv)), Article 243, paragraph (1) (limited to the part pertaining to item (iv) (limited to the part pertaining to Article 239, paragraph (1), item (xliv)) and paragraph (3), Article 251 as well as Article 5, Article 7, Article 8 (limited to the revised provisions of Article 12 of the Act on Use of Information and Communications Technology in Administrative Procedure (Act No.151 of 2002)), Article 9, Article 10, Article 12, Article 14 (limited to the revised provisions of Article 19, paragraph (2) of the Act on Promotion of Development of Specified Integrated Resort Districts), Article

15 and Article 16 of the Supplementary Provisions: Date specified by Cabinet Order within one year and six months from the date of promulgation;

(iv) provisions of Chapter II, Article 236, paragraph (1) (limited to the part pertaining to item (i)), Article 237, paragraph (1) (limited to the part pertaining to item (i)), Article 238 (limited to the part pertaining to item (i)), Article 239, paragraph (1) (limited to the part pertaining to items (i) through (iv)), Article 241 (limited to the part pertaining to items (i) through (iv)), Article 243, paragraph (1) (limited to the part pertaining to Article 236, paragraph (1), item (i)), item (ii) (limited to the part pertaining to Article 237, paragraph (1), item (i) and Article 238, item (i)), item (iii) (limited to the part pertaining to Article 239, paragraph (1), items (i) through (iv)) and item (iv) (limited to the part pertaining to Article 241, items (i) through (iv)) and paragraph (2) (limited to the part pertaining to Article 236, paragraph (1), item (i)) as well as Article 14 of the Supplementary Provisions (excluding the revised provisions listed in the preceding item): Date specified by Cabinet Order within two years from the date of promulgation;

(Preparatory Actions)

Article 2 Actions necessary for appointing the chairperson and commissioners of the Casino Regulatory Commission pursuant to the provisions of Article 217, paragraph (3) may be carried out even prior to the date on which the provisions listed in item (iii) of the preceding Article come into effect, in accordance with the provisions of that paragraph.

(Transitional Measures)

Article 3 (1) Notwithstanding the provisions of the main clause of paragraph (1) of Article 218, the terms of office of commissioners of the Casino Regulatory Commission who are appointed for the first time after the enforcement of the provisions of item (iii) of Article 1 of the Supplementary Provisions are three years for two commissioners and five years for the other two commissioners.

(2) The term of each commissioner provided for in the preceding paragraph is specified by the Prime Minister.

(Review)

Article 4 The government is to review the status of the enforcement of this Act within five years from the date of the first certification referred to in Article 9, paragraph (11) after the enforcement of the provisions listed in item (iv) of Article 1 of the Supplementary Provisions, and is to, when it finds it necessary, take necessary measures based on the results of the review; provided, however, that the number of certified district development plans provided for in item (vii) of that paragraph is reviewed in cases where seven years have passed



from the date of the relevant certification, and when it finds it necessary, is to take necessary measures based on the results of the review.

**Supplementary Provisions [Act No. 16 of May 31, 2019] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within nine months from the date of its promulgation.