

Customs Act

(Act No. 61 of April 2, 1954)

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Chapter I General Provisions

Section 1 General Rules

(Purpose)

Article 1 This Act makes the necessary provisions for the proper handling of the customs processes connected with the determination, payment, collection, and refunding of customs duties and the export and import of cargo.

(Definitions)

Article 2 (1) For the purposes of this Act and the orders based on this Act, the definitions of the terms set forth in the following items are as prescribed respectively in those items:

- (i) "import" means bringing cargo that has arrived in Japan from abroad (including marine products caught on the open sea by a foreign vessel), or cargo for which export permission has been given, into Japan (or through a bonded area and into Japan, if the cargo passes through a bonded area);
- (ii) "export" means sending domestic cargo out to a foreign country;
- (iii) "foreign cargo" means cargo that has been given export permission, or cargo that has arrived in Japan from abroad (including marine products caught on the open sea by a foreign vessel) and that is in the time before permission is given for its import;
- (iv) "domestic cargo" means cargo in Japan that is not foreign cargo, or marine products that are caught on the open sea by a Japanese vessel;
- (iv)-2 "secondary tax" means a customs duty that constitutes a tax on

- delinquency, additional tax for deficient declaration, additional tax for non-declaration, or heavy additional tax;
- (v) "vessel engaged in foreign trade" means a vessel that is traveling between Japan and a foreign country for the purpose of foreign trade;
 - (vi) "aircraft engaged in foreign trade" means an aircraft is traveling between Japan and a foreign country for the purpose of foreign trade;
 - (vii) "coastal vessel" means a vessel other than one that is traveling between Japan and a foreign country;
 - (viii) "domestic aircraft" means aircraft other than one that is traveling between Japan and a foreign country;
 - (ix) "vessel's stores" means fuel; beverages, food, and other such consumable goods; sail-cloth; rope; furnishings; and other similar cargo that is used on board a vessel;
 - (x) "aircraft's stores" means cargo equivalent to vessel's stores that is used on board an aircraft;
 - (xi) "open port" means a port designated by Cabinet Order in consideration of the exportation and importation of cargo, entry and departure of vessels engaged in foreign trade, and other circumstances;
 - (xii) "customs airport" means an airport designated by Cabinet Order in consideration of the exportation and importation of cargo, entry and departure of aircraft engaged in foreign trade, and other circumstances;
 - (xiii) "closed port" means a sea port, airport, or any other place used in lieu of one of these, other than an open port or customs airport.
- (2) Marine products caught in the open sea as provided for in items (i), (iii), and (iv) of the preceding paragraph include marine products caught in the waters within the exclusive economic zone of Japan or in the waters within the exclusive economic zone of a foreign country.
- (3) If foreign cargo is used or consumed in Japan prior to its import (other than when foreign cargo is used or consumed in a bonded area in accordance with the provisions of this Act and any other case as prescribed by Cabinet Order), the person using or consuming the cargo is deemed to be importing it at the time of that use or consumption.

Section 2 Start Dates and Deadlines

(Special Provisions on the Calculation of Periods of Time and on Start Dates and Deadlines)

Article 2-2 Article 10 (Special Provisions on the Calculation of Periods of Time and on Start Dates and Deadlines) of the Act on General Rules for National Taxes (Act No. 66 of 1962) applies mutatis mutandis to the calculation of periods of time and the start date or deadline under the provisions of this Act,

the Customs Tariff Act (Act No. 54 of 1910), and other laws concerning customs duties.

(Extension of Deadlines Due to Disaster)

Article 2-3 (1) For a victim of a specified disaster (meaning an earthquake, wind or flood damage, fire, or any other disaster prescribed by Cabinet Order that the Minister of Finance has designated; hereinafter the same applies) who, at the time that specified disaster occurred, had a domicile or residence in an area designated by the Minister of Finance as an area substantially damaged by a specified disaster (such an area is referred to as a "designated area" hereinafter in this Article and in Article 102-2 (Refund, Reduction, or Exemption of Fees Due to Disaster)), if the deadline for making an application, request, notification, documentary submission, or payment, or undertaking collection under this Act, the Customs Tariff Act, or any other law concerning customs duties (hereinafter in this Article referred to as "making an application or taking any other prescribed action") arrives during the time between the day on which the specified disaster occurs and the date that the Minister of Finance prescribes separately in consideration of the extent of the impact the specified disaster has had on the designated area (a date so specified is referred to as the "designated date" hereinafter in this paragraph and paragraph (4)), that deadline is extended until the day after the designated date.

(2) Cabinet Order provides for the necessary particulars concerning the application of the preceding paragraph.

(3) If there is a person that the Director General of Customs finds to be unable, due to compelling grounds caused by a specified disaster associated with a designated area as provided in paragraph (1), to make an application or take any other prescribed action by the deadline for doing so that has been extended pursuant to the provisions of that paragraph, the Director General, pursuant to the provisions of Cabinet Order, may further extend the extended deadline for that person, but only by up to two months from the day on which those compelling grounds cease to exist.

(4) If there is a person that the Director General of Customs finds to be unable, due to compelling grounds caused by a specified disaster associated with a designated area as provided in paragraph (1), to make an application or take any other prescribed action by the deadline for doing so that arrives on or after the date on which that specified disaster has occurred (other than an application or other prescribed action associated with a victim provided for in paragraph (1), whose deadline arrives before the designated date; hereinafter the same applies in this paragraph), the Director General, pursuant to the provisions of Cabinet Order, may extend the deadline for that person, but only

but up to two months from the day on which those compelling grounds cease to exist.

Section 3 Service of Documents

Article 2-4 The provisions of Articles 12 (Service of Documents) and 14 (Service by Publication) of the Act on General Rules for National Taxes apply mutatis mutandis to the service of documents issued by the Director General of Customs or customs officials pursuant to the provisions of this Act, the Customs Tariff Act or other laws concerning customs duties. This being the case, the phrase "agent for tax payment" in the proviso to paragraph (1) and in Article 12, paragraph (3) of the Act on General Rules for National Taxes is deemed to be replaced with "customs process administrator provided for in Article 95, paragraph (1) (Customs Process Administrator) of the Customs Act".

Chapter II Determination, Payment, Collection, and Refunding of Customs Duties

Section 1 General Rules

(Taxable Items)

Article 3 Customs duties are imposed on imported cargo (excluding correspondence) under this Act, the Customs Tariff Act, and other laws concerning customs duties; provided, however, that if a convention contains special provisions for customs duties, those special provisions apply.

(Timing of Determinations on Taxable Items)

Article 4 (1) The nature and quantity of cargo that serve as the basis for assessment when customs duties are assessed are established by the condition of the cargo at the time of the import declaration; provided, however, that for cargo as set forth in the following items, these are established by the cargo's condition at the time specified in that item:

- (i) foreign cargo stored in a bonded warehouse or in an integrated bonded area (other than foreign cargo prescribed by Cabinet Order as usually being subject to a long period of storage in a bonded warehouse or in an integrated bonded area and incurring a loss during that time; foreign cargo subjected to an action as set forth in Article 62-8, paragraph (1), item (ii) or (iii) (Licensing of Integrated Bonded Areas) in an integrated bonded area; foreign cargo that a person has disposed of after filing a notification with customs pursuant to the provisions of Article 34 (Disposal of Foreign Cargo); and foreign cargo as set forth in item (ii) through (iii)-2, (vii), or (viii)): at the time when that cargo is approved for storage in a bonded warehouse or in an

- integrated bonded area pursuant to the provisions of paragraph (1) of Article 43-3 (Approval to Store Foreign Cargo) or Article 62-10 (Approval to Store Foreign Cargo or Take Other Such Action);
- (ii) foreign cargo that constitutes manufactured products resulting from bonded operations as provided in Article 56, paragraph (1) (Licensing of Bonded Factories) in a bonded factory or in an integrated bonded area (other than foreign cargo as set forth in item (vii) or (viii) and that which is prescribed by Cabinet Order): at the time when approval is given to store the foreign cargo constituting the raw materials for the cargo in question in a bonded factory or in an integrated bonded area pursuant to the provisions of Article 43-3, paragraph (1) as applied mutatis mutandis pursuant to Article 61-4 or Article 62-10, or at the time when approval is given to use that foreign cargo in those bonded operations at a bonded factory or to engage in the acts set forth in Article 62-8, paragraph (1), item (ii) in an integrated bonded area with that foreign cargo;
 - (iii) foreign cargo that is being stored at a place designated pursuant to the provisions of Article 61, paragraph (1) (Bonded Operations Outside a Bonded Factory) or Article 62-5 (Permission for Use Outside a Bonded Exhibition Site) (including as applied mutatis mutandis pursuant to Article 62-15) after the period specified pursuant to those provisions has passed (other than foreign cargo as set forth in item (ii), (iii)-2, (vii) or (viii)): at the time when the permission under those provisions is given;
 - (iii)-2 foreign cargo that has been brought into a bonded exhibition site or into an integrated bonded area and that is intended for sale or consumption in the bonded exhibition site or in the integrated bonded area; manufactured products resulting from things being processed into foreign cargo at a bonded exhibition site or from foreign cargo being used as a raw material in manufacturing at a bonded exhibition site (other than products prescribed by Cabinet Order); and other similar cargo prescribed by Cabinet Order (other than cargo of which a person disposes after filing a notification with customs pursuant to the provisions of Article 34 and cargo as set forth in item (ii), (vii), or (viii)): at the time when the approval under Article 62-3, paragraph (1) (Procedures for Foreign Cargo Being Brought into a Bonded Exhibition Site) is given or when the notification under Article 62-11 (Notification That Cargo Meant for Sale or Consumption Is Being Brought In) is filed;
 - (iii)-3 foreign cargo brought into a bonded exhibition site, for which customs duties are to be collected pursuant to the provisions of Article 62-6, paragraph (1) (Collection of Customs Duties on Foreign Cargo That Is at a Bonded Exhibition Site After the Expiration of the License Period) (other than foreign cargo as set forth in item (ii), (iii)-2, (vii), or (viii)): at the time when grounds for collection of customs duties arise;

- (iv) foreign cargo that is in a bonded area or foreign cargo for which the permission of the Director General of Customs has been granted pursuant to the provisions of Article 30, paragraph (1), item (ii) (Restrictions on Places for Storing Foreign Cargo), if that foreign cargo has been lost or destroyed (other than foreign cargo as set forth in item (i), (ii), (iii)-2, (v), (v)-2, or (viii)) at the time when it is lost or destroyed;
- (v) vessel's or aircraft's stores that have been withdrawn from a bonded area after approval for loading has been granted pursuant to the provisions of Article 23, paragraph (1) (Loading of Vessel's or Aircraft's Stores), but that are not loaded on board a vessel or aircraft within the designated loading period; or foreign cargo that has been transported after approval for transport has been granted pursuant to the provisions of Article 63, paragraph (1) (Bonded Transportation) or Article 64, paragraph (1) (Transportation of Wrecked Cargo) but that do not arrive at destination within the designated transportation period (other than foreign cargo as set forth in item (i), (ii), (iii)-2, (vii), or (viii)): at the time when loading or transportation is approved (if blanket approval for loading has been given pursuant to the provisions of the second sentence of Article 23, paragraph (1), this means at the time when the foreign cargo subject to that approval is withdrawn from the bonded area; and if blanket approval for transportation has been given pursuant to the provisions of the second sentence of Article 63, paragraph (1), this means at the time when the foreign cargo subject to that approval is shipped out);
- (v)-2 foreign cargo subject to specified bonded transportation as provided in Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation) or postal items transported following the filing of a notification pursuant to the provisions of Article 63-9, paragraph (1) (Bonded Transportation of Postal Items); if either of these do not arrive at their destination within the period provided for in Article 65, paragraph (2) (Collection of Customs Duties Due to the Transportation Period Having Passed) or Article 65-2, paragraph (1) (Collection of Customs Duties for Postal Items Not Arriving at Their Destination) (excluding those set forth in items (i), (ii), (iii)-2, (vii) and (viii)): at the time when that foreign cargo or the postal items subject to transportation under Article 63-9, paragraph (1) are shipped out;
- (v)-3 cargo for which an import declaration has been made in accordance with Article 67-2, paragraph (3), item (iii) (Procedures for Export or Import Declaration) and for which import permission has been given (other than cargo as set forth in item (i), (ii), (iii)-2, (v), or (v)-2): at the time of that import permission;
- (vi) postal items that have been presented as under Article 76, paragraph (3) (Simplified Procedures for Exporting and Importing Postal Items) (excluding

- postal items for which the value that is to be used as the basis for assessing duties exceeds 200,000 yen (other than gifts or other such cargo prescribed by Cabinet Order), and excluding postal items as set forth in item (i), (v)-2, or (vii)): at the time of their presentation;
- (vii) cargo being housed or held or seized or retained objects offered for public auction or sold under a negotiated contract: at the time of their auction or sale;
- (viii) cargo that has been imported without import permission having been obtained or postal items that have been imported without having been presented as under Article 76, paragraph (3) (excluding those for which an import declaration has been made and those as set forth in the preceding item): at the time of import.
- (2) Cabinet Order provides for the necessary particulars concerning the calculation of amount of customs duties when the cargo set forth in item (ii) of the preceding paragraph is imported.

(Applicable Laws and Regulations)

Article 5 The laws and regulations that are applied when customs duties are imposed (including when security is ordered to be provided pursuant to the provisions of Article 7, paragraph (10) (Countervailing Duties) or Article 8, paragraph (9), item (ii), or paragraph (18) (Anti-Dumping Duties) of the Customs Tariff Act) are the laws and regulations applicable on the date of the import declaration; provided, however, that cargo as set forth in each of the following items is subject to the laws and regulations applicable on the day specified in the relevant item:

- (i) cargo as set forth in paragraph (1), items (iii) and items (iii)-3 through (viii) of the preceding Article (for cargo as set forth in items (iii) and (iii)-3 of that paragraph, this is not to exclude cargo as set forth in items (ii) and (iii)-2 of that paragraph; and for cargo as set forth in items (iv) and (v) of that paragraph, this is not to exclude cargo as set forth in items (i), (ii) and (iii)-2 of that paragraph): the day that includes the time specified in the relevant item;
- (ii) foreign cargo that has been stored in a bonded warehouse or in an integrated bonded area, or foreign cargo that constitutes manufactured products resulting from bonded operations as provided in Article 56, paragraph (1) (Licensing of Bonded Factories) in a bonded factory or in an integrated bonded area, if the applicable laws and regulations have been amended after the import declaration has been made but before import permission (or approval, if the cargo is withdrawn with the approval of the Director General of Customs pursuant to the provisions of Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission)) has been

given (excluding cargo set forth in paragraph (1), item (iv) or (vii) of the preceding Article): the day on which the permission or approval is given.

(Person Liable to Pay Customs Duties)

Article 6 Except as otherwise provided for in this Act, the Customs Tariff Act, and other laws concerning customs duties, a person that imports cargo has the obligation to pay customs duties.

(Systems for Determining Amount of Duties)

Article 6-2 (1) The amount of customs duties is determined by applying the system specified in each of the following items for the category of customs duty set forth therein:

- (i) a customs duty other than one as set forth in the following item: the system of determining the amount of customs duties that is payable or establishing that there is no amount of customs duties payable based on a declaration made by the person liable to pay customs duties, in principal; and of determining this by disposition of the Director General of Customs only if no such declaration is made, if the calculation of the amount of customs duties declared is not consistent with the provisions of laws concerning customs duties, or if the amount of customs duties declared differs from what is found in an inquiry conducted by the Director General of Customs (hereinafter referred to as the "self-assessment system");
- (ii) the customs duties set forth in the following items: the system of determining the amount of customs duties that is payable exclusively by disposition of the Director General of Customs (hereinafter referred to as the "official assessment system"):
 - (a) customs duties imposed on cargo that a person entering Japan imports by bringing it with them at the time of entry, on cargo that a person entering Japan imports by sending it unaccompanied pursuant to the provisions of Cabinet Order, and on other similar cargo prescribed by Cabinet Order;
 - (b) customs duties imposed on postal items (excluding postal items for which the value that is to be used as the basis for assessing duties exceeds 200,000 yen (other than gifts or other such cargo prescribed by Cabinet Order) and excluding postal items involved in a case as prescribed by Cabinet Order that is referred to in Article 76, paragraph (3) (Simplified Procedures for Exporting and Importing Postal Items));
 - (c) customs duties imposed pursuant to the provisions of Article 7, paragraph (3) (Countervailing Duties) or Article 8, paragraph (2) (Anti-Dumping Duties) of the Customs Tariff Act, or customs duties imposed pursuant to the provisions of Article 8, paragraph (1) of that Act, which are altered or maintained pursuant to the provisions of paragraph (16) of that Article

- (limited to customs duties imposed on cargo imported within the investigation period provided for in paragraph (15) of that Article; the same applies in Articles 12 and 14);
- (d) customs duties that, pursuant to the provisions of this Act, the Customs Tariff Act, or any other laws concerning customs duties, are to be immediately collected if certain events occur;
 - (e) customs duties whose amount is to be determined based on the official assessment system, pursuant to the provisions of laws concerning customs duties other than this Act and the Customs Tariff Act;
 - (f) additional tax for deficient declaration, additional tax for non-declaration, and heavy additional tax.
- (2) Notwithstanding the provisions of the preceding paragraph, the tax on delinquency provided for in Article 12, paragraph (1) (Tax on Delinquency) does not require any special procedures, and the amount of tax payable is to be determined pursuant to the provisions of that Article.

(Timing of Submission for a Declaration Form Sent by Postal Mail)

Article 6-3 The provisions of Article 22 (Timing of Submission for a Tax Return Sent by Postal Mail) of the Act on General Rules for National Taxes apply *mutatis mutandis* if a document associated with a declaration, request, or application (including any documentation required to accompany such a document and any documentation that is to be submitted in connection with the submission of such a document) as prescribed in paragraph (1) of the following Article, Article 7-14, paragraph (1) (Amended Declaration), Article 7-15, paragraph (1) (Request for Reassessment), Article 9-2, paragraphs (1) through (3) (Extension of Payment Deadline), or Article 67 (Permission for Export or Import) or any other document prescribed by Ministry of Finance Order is submitted by postal mail or correspondence delivery (meaning correspondence delivery provided for in Article 2, paragraph (6) (Definitions) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) conducted by a general correspondence delivery service provider provided for in paragraph (6) of that Article or a specified correspondence delivery service provider provided for in paragraph (9) of that Article).

Section 2 Determination of Customs Duties under the Self-Assessment System

(Declaration)

Article 7 (1) A person seeking to import cargo to which the self-assessment system applies must file a declaration concerning the payment of customs duties for that cargo with the Director General of Customs.

- (2) Pursuant to the provisions of Cabinet Order, relevant person is to file a declaration as referred to in the preceding paragraph with the Director General of Customs, by stating, in an import declaration form based on Article 67 (Permission for Export or Import), the basis for assessing duties on that cargo and other such particulars that are required to be stated pursuant to the provisions of that Article, together with the amount of duties payable and other necessary particulars.
- (3) If customs is requested by a person liable to pay customs duties or any other person concerned to provide information that the person needs for a declaration referred to in paragraph (1), such as the imported cargo's classification for the purpose of application of the Appended Table of the Customs Tariff Act (Tariff Schedule), the applicable rate of customs duties, or the basis for assessing duties, customs is to endeavor to provide that person with pertinent information.

(Special Provisions for Declaration)

Article 7-2 (1) A person that seeks to import cargo and that has in advance been given approval of any of the Director General of Customs (hereinafter referred to as "authorized importer") or a person who has entrusted customs clearance procedures for importing the cargo (meaning customs clearance procedures provided for in Article 2, item (i)(a)1 (Definitions) of the Customs Business Act (Act No. 122 of 1967); the same applies hereinafter) to an authorized customs broker (an authorized customs broker provided for in Article 79-2 (Measures for Improvement of Rules); the same applies to Article 63-2, paragraph (1), of Article 63-7, paragraph (1), item (iii)(a) and Article 67-3, paragraph (1), item (ii)) (hereinafter the person who has so entrusted is referred to as "special entrusting importer") may, notwithstanding the provisions of paragraph (2) of the preceding Article, make a declaration referred to in paragraph (1) of that Article with respect to cargo to which the self-assessment system applies by filing with the Director General of Customs a declaration form, stating the basis for assessing duties on that cargo, the amount of customs duties payable on that cargo, and other necessary particulars in connection with that cargo (hereinafter referred to as a "special declaration form").

- (2) If a person makes a special declaration (meaning a declaration as referred to in paragraph (1) that a person makes by filing a special declaration form; the same applies hereinafter), that person must prepare a special declaration form for cargo subject to special declaration (hereinafter referred to as "specially declared cargo") for which permission to import has been given and submit this to the Director General of Customs who gave that permission, by the last day of the month following the month that includes the date of the import permission.

- (3) A special declaration form submitted pursuant to the provisions of the preceding paragraph is referred to as a "special declaration form meeting the deadline".
- (4) The provisions of paragraph (1) do not apply to cargo set forth in Appended Table 1-6 of the Act on Temporary Measures concerning Customs (Act No. 36 of 1960) or to other such cargo prescribed by Cabinet Order.
- (5) A person seeking the approval referred to in paragraph (1) must submit to the Director General of Customs an application form stating their domicile or residence, and their name and other necessary particulars.
- (6) Cabinet Order prescribes the particulars that are required to be stated in a special declaration form and provides for other necessary particulars concerning the application of the preceding paragraphs.

(Cases in Which a Person Is Deemed to Have Chosen to Make a Special Declaration)

Article 7-3 An authorized importer or a special entrusting importer who has not made a declaration under Article 7, paragraph (2) (Declaration) together with an import declaration is deemed to have chosen to make a special declaration for the cargo subject to that import declaration (excluding cargo provided for in paragraph (4) of the preceding Article).

(Special Declaration after Deadline)

- Article 7-4 (1) A person who is required to have submitted a special declaration form meeting the deadline (meaning an authorized importer or a special entrusting importer who fails to submit a special declaration form by the deadline for submitting it, including its heir, or, if the person is a corporation that has ceased to exist as a result of merger, the corporation that survives the merger or the corporation that has been established as a result of the merger) may, even after the submission deadline, submit to the Director General of Customs referred to in Article 7-2, paragraph (2) (Special Provisions for Declaration) a special declaration form, stating the particulars required to be stated in a special declaration form meeting the deadline if it is filed before the determination under Article 7-16, paragraph (2) (Determination) is made.
- (2) A special declaration form to be submitted pursuant to the provisions of the preceding paragraph is referred to as "postdeadline special declaration form".

(Requirements for Approval)

Article 7-5 If an application form has been submitted as under Article 7-2, paragraph (5) (Special Provisions for Declaration) and the situation falls under any of the following items, it is permissible for the Director General of Customs to not give the approval referred to in paragraph (1) of that Article:

- (i) if the person seeking approval falls under any of the following sub-items:
 - (a) if the person has been sentenced to punishment for violating the provisions of this Act or any other law concerning national taxes, and three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement; or if that person has been subject to a disposition of administrative notification pursuant to the provisions of this Act (including as applied mutatis mutandis pursuant to other laws concerning customs duties) or the Act on General Rules for National Taxes, and three years have not passed since the day on which the person rendered the performance indicated in the notification;
 - (b) if the person has been sentenced to imprisonment without work or a heavier punishment for violating the provisions of a law or regulation other than the laws provided for in sub-item (a), and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
 - (c) if the person has been sentenced to a fine for violating the provisions of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991) (except for Article 32-3, paragraph (7) (Prefectural Center for the Elimination of Violence) and Article 32-11, paragraph (1) (Report and On-site Investigation) of that Act; the same applies hereinafter) or for committing an offense referred to in Article 204 (Injury), Article 206 (Incitement of Injury), Article 208 (Assault), Article 208-2, paragraph (1) (Unlawful Assembly with Weapons), Article 222 (Intimidation) or Article 247 (Breach of Trust) of the Penal Code (Act No. 45 of 1907) or an offense referred to in the Act on Punishment of Physical Violence and Other Acts (Act No. 60 of 1926), and two years have not passed since the day on which the person completed the sentence or ceased to be subject to its enforcement;
 - (d) if the person is a member of an organized crime group provided for in Article 2, item (vi) (Definitions) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (hereinafter referred to as "member of an organized crime group" in this item), or if the person was a member of an organized crime group and a period of five years has not elapsed from the day on which they ceased to be a member of an organized crime group (hereinafter referred to as "member of an organized crime group, etc.");
 - (e) if the person is a corporation that has a person falling under any of sub-items (a) to (d) as an officer involved in its business activities, or if it employs such a person as its agent, employee or other worker;
 - (f) if the person's business activities are controlled by a member of an organized crime group, etc.;
 - (g) if, during a period of three years preceding the day on which an

application for approval is made, the person was subject to the imposition of a heavy additional tax under Article 12-4, paragraph (1) or (2) (Heavy Additional Tax) of this Act or under Article 68, paragraph (1) or (2) (Heavy Additional Tax) of the Act on General Rules for National Taxes in connection with customs duties or in connection with a consumption tax or local consumption tax on imported cargo;

- (h) if, during a period of three years preceding the day on which an application for approval is made, the person has been delinquent in paying customs duties, or in paying domestic consumption taxes (domestic consumption tax provided for in Article 2, item (i) (Definitions) of the Act on Collection, etc. of National Consumption Tax Imposed on Imported Goods (Act No. 37 of 1955); the same applies hereinafter) or local consumption taxes on imported cargo;
- (i) if three years have not passed since the day on which approval given to the person under Article 7-2, paragraph (1) was revoked pursuant to the provisions of Article 7-12, paragraph (1), item (i)(c), (i)(d) or (i)(f) or item (ii) (Revocation of Approval);
- (ii) if the person seeking approval does not have the ability to make a special declaration by means of an electronic data processing system (meaning an electronic data processing system provided for in Article 2, item (i) (Definitions) of the Act on Processing of Business Related to Import and Export by Means of Electronic Data Processing System (Act No. 54 of 1977); the same applies hereinafter) or is otherwise not able to properly and reliably perform business activities involved in the import of specially declared cargo;
- (iii) if the person seeking approval fails to establish rules for the business activities involved in the import of specially declared cargo, providing for the particulars that Ministry of Finance Order prescribes as particulars for ensuring that the person (if the person is a corporation, including its officers) and its agents, managers, and other employees comply with the provisions of this Act and other laws and regulations.

(Measures for Improvement of Rules)

Article 7-6 If the Director General of Customs finds it to be necessary to do so in order to ensure the implementation of this Act because an authorized importer has failed to make a special declaration in accordance with the provisions of this Act or for any other reason, the Director General may request the authorized importer to take the necessary measures to improve the rules provided for in item (iii) of the preceding Article or its performance of business activities in connection with the particulars provided for in those rules, or to newly establish rules as provided in that item.

Article 7-7 Deleted.

(Provision of Security)

Article 7-8 (1) The Director General of Customs, when they find it necessary for the preservation of customs duties, domestic consumption taxes, and local consumption taxes (hereinafter referred to as "customs duties and other taxes" in this paragraph and Article 7-11, paragraph (2)), may order, pursuant to the provisions of Cabinet Order, an authorized importer or a special entrusting importer to provide security for customs duties and other taxes, specifying its amount and period.

(2) The Director General of Customs, if they find it necessary, may change the amount or the period referred to in the preceding paragraph.

(Keeping of Books)

Article 7-9 (1) An authorized importer, pursuant to the provisions of Cabinet Order, must keep books stating the names, quantities and prices of the specially declared cargo and other necessary particulars, and preserve these books and documents prepared or received in connection with transactions of the cargo and other documents prescribed by Cabinet Order (referred to as "books and documents" in Article 7-11, paragraph (2) and Article 7-12, paragraph (1), item (ii)).

(2) The provisions of Article 4 (Preservation of Books and Documents Related to National Taxes in Electronic or Magnetic Records), Article 5 (Preservation of Books and Documents Related to National Taxes on Computer-output Microfilm), Article 6, paragraphs (1) to (5) (Application for Approval of Preservation in Electronic or Magnetic Records), Article 7, paragraphs (1) and (2) (Changes Pertaining to Approval of Preservation in Electronic or Magnetic Records), Articles 8 to 10 (Revocation of Approval of Preservation in Electronic or Magnetic Records; Mutatis Mutandis Application of the Relevant Provisions to Approval of Preservation on Computer-output Microfilm; Exclusion from Application of the Act on the Utilization of Information and Communications Technology in Administrative Procedures; Preservation of Electronic or Magnetic Records Pertaining to Information on Electronic Transactions) and Article 11 (excluding paragraph (3), items (ii) to (iv)) (Application of provisions of other laws concerning national taxes), of the Act on Special Provisions concerning Preservation Methods for Books and Documents Related to National Tax Prepared by Means of Computers (Act No. 25 of 1998; hereinafter referred to as "the Act concerning Preservation of Electronic Books") apply mutatis mutandis to an authorized importer. In this case, the terms "all or part of the books related to national taxes" and "the District Director of Tax Office

having jurisdiction over the place of tax payment, etc. (or, if Ministry of Finance Order so specifies, the Director General of Customs having jurisdiction over the place of tax payment, etc.; hereinafter referred to as "the competent District Director of Tax Office, etc.*)" in Article 4, paragraph (1) of that Act are deemed to be replaced with "the books required to be maintained and preserved pursuant to the provisions of Article 7-9, paragraph (1) (Keeping of Books) of the Customs Act (hereinafter referred to as "books related to customs duties*)" and "the Director General of Customs who has given approval referred to in Article 7-2, paragraph (1) (Special Provisions for Declaration) of that Act (hereinafter referred to as "the Director General of Customs who has given approval*)" respectively; the term "all of the documents related to national taxes" in paragraph (2) of that Article is deemed to be replaced with "all of the documents required to be preserved pursuant to the provisions of Article 7-9, paragraph (1) of the Customs Act (hereinafter referred to as "documents related to customs duties*)""; the term "all or part of the books related to national taxes" in Article 5, paragraph (1) of that Act is deemed to be replaced with "books related to customs duties"; the term "of books and documents related to national taxes" in paragraph (3) of that Article is deemed to be replaced with "of books and documents related to customs duties (meaning books related to customs duties or documents related to customs duties; the same applies hereinafter)"; the terms "the day of commencing keeping of the books related to national taxes (when the days of commencing keeping of two or more books related to national taxes, if any, are different, then the earliest day of commencing the keeping; the same applies in paragraph (5), item (i))", "the kind of books related to national taxes, such books related to national taxes" and "all or part of the books related to national taxes" in Article 6, paragraph (1) of that Act are deemed to be replaced with "the day of commencing keeping of the books related to customs duties", "books related to customs duties" and "books related to customs duties", respectively; the terms "the day to replace (if there are two or more books related to national taxes, and the days on which such books are replaced are different, the earliest day on which the books are replaced; the same applies in paragraph (5), item (i))" and "the term "the paragraphs of Article 4" in paragraph (6) of that Article" and "Article 7, paragraph (1)" in Article 9 of that Act are deemed to be replaced with "the day to replace" and "Article 7, paragraph (1)" respectively; the term "a person responsible for preservation, pertaining to income tax (except for withholding income tax) and corporation tax" in Article 10 of that Act is deemed to be replaced with "an authorized importer"; and the terms "Article 145, item (i) (Dismissal of Application for Approval of Blue Return) of the Income Tax Act (including as applied mutatis mutandis pursuant to Article 166 (Report, Payment and Return) of that Act)", "books and documents)", "the paragraphs of

Article 5" and "or Article 10 (Preservation of Electronic or Magnetic Records Pertaining to Information on Electronic Transactions)" in Article 11, paragraph (3), item (i) of that Act are deemed to be replaced with " Article 7-12, paragraph (1), item (ii) (Revocation of Approval) of the Customs Act", "pursuant to the provisions of Cabinet Order", "or the paragraphs of Article 5" and "as may be prescribed by Ministry of Finance Order provided for in", respectively, and necessary technical replacement of terms is prescribed by Cabinet Order.

(Notification of Discontinuance of Application of Special Provisions for Declaration)

Article 7-10 If an authorized importer no longer needs to be subject to the application of the provisions of Article 7-2, paragraph (1) (Special Provisions for Declaration), the importer, pursuant to the provisions of Cabinet Order, may file a notification of this with the Director General of Customs who gave the approval referred to in that paragraph.

(Expiration of Approval)

Article 7-11 (1) The approval referred to in Article 7-2, paragraph (1) (Special Provisions for Declaration) ceases to be effective if any of the situations as set forth in the following items occurs:

- (i) when the notification under the preceding Article is submitted;
- (ii) when, after an authorized importer has died, an application under Article 48-2, paragraph (2) (Licensing Succession), as applied mutatis mutandis pursuant to Article 7-13 (Mutatis Mutandis Application of the Provisions on Licensing Succession) was not made within the period specified in Article 48-2, paragraph (2) or a disposition not to give the approval referred to in that paragraph was made;
- (iii) when an authorized importer is dissolved;
- (iv) when an authorized importer receives an order to commence bankruptcy proceedings;
- (v) when the Director General of Customs revokes the approval.

(2) If the approval referred to in paragraph (1) of Article 7-2 ceases to be effective, the person that was given the approval or the person's heir (or the corporation surviving the merger in question or the corporation that has been established in it, if the corporation that was given the approval has ceased to exist as a result of merger) may not be exempted from the obligation to make a special declaration for the specially declared cargo for which import permission was given before the approval ceased to be effective, the obligation of payment of customs duties and other taxes to be imposed or to be paid for the cargo, and, the obligation of keeping of and entry in books and preservation of books and

documents associated with specially declared cargo as prescribed in Article 7-9, paragraph (1) (Keeping of Books).

(Revocation of Approval)

Article 7-12 (1) The Director General of Customs, if any of the situations as set forth in the following occurs, may revoke the approval referred to in Article 7-2, paragraph (1) (Special Provisions for Declaration):

- (i) when an authorized importer falls under any of the following sub-items:
 - (a) if the importer has had a heavy additional tax under Article 12-4, paragraph (1) or (2) (Heavy Additional Tax) or a heavy additional tax under Article 68 paragraph (1) or (2) (Heavy Additional Tax) of the Act on General Rules for National Taxes imposed in connection with customs duties or in connection with consumption tax or local consumption tax on imported cargo;
 - (b) if the importer is delinquent in paying customs duties or in paying domestic consumption taxes or local consumption taxes on imported cargo;
 - (c) if the importer fails to submit, by the submission deadline, a special declaration form or a special tax declaration form provided for in Article 6, paragraph (2) (Special Provisions for Declaration and Payment of Duties on Taxable Items That Are Withdrawn) of the Act On Collection, etc. of National Consumption Tax Imposed on Imported Goods;
 - (d) if the importer fails to comply with the order under Article 7-8, paragraph (1) (Provision of Security);
 - (e) if the importer falls under any of Article 7-5, items (i)(a) to (i)(f) or item (ii) (Requirements for Approval);
 - (f) if the importer fails to take any measure in response to the request of the Director General of Customs under Article 7-6 (Measures for Improvement of Rules);
 - (ii) if keeping of or entry in books, or preservation of books and documents, as prescribed in Article 7-9, paragraph (1) (Keeping of Books) is not made in the manner prescribed by Cabinet Order as provided for in that paragraph, or any false statement is entered in books or documents.
- (2) Cabinet Order prescribes the procedures for a revocation of approval under the preceding paragraph and provides for other necessary particulars concerning the application of that paragraph.

(Mutatis Mutandis Application of the Provisions on Licensing Succession)

Article 7-13 The provisions of Article 48-2, paragraphs (1) to (5) (Licensing Succession) apply mutatis mutandis to an authorized importer. In this case, necessary technical replacement of terms is prescribed by Cabinet Order.

(Amended Declaration)

Article 7-14 (1) If any of the situations as set forth in the following items occurs, a person who has made a declaration referred to in Article 7, paragraph (1) (Declaration) or a person subject to a determination under Article 7-16, paragraph (2) (Determination) pursuant to the provisions of Cabinet Order, by the time reassessment under Article 7-16, paragraph (1) or (3) (Reassessment) (hereinafter in this paragraph and in the following Article referred to as "reassessment") is made with respect to the declaration, reassessment or determination referred to in the items, may make a declaration to amend the basis for assessing duties or the amount of duties payable (hereinafter referred to as "amount of duties or assessment basis") associated with that declaration, reassessment, or determination (hereinafter referred to as "amended declaration"):

- (i) if any shortfall is found in the amount of duty to be paid on the basis of the duty payment declaration previously made (meaning a declaration referred to in Article 7, paragraph (1) or amended declaration; the same applies hereinafter), the reassessment or the determination prescribed in Article 7-16, paragraph (2);
 - (ii) if a previous duty payment declaration, a reassessment, or a determination under Article 7-16, paragraph (2) established that there was no amount of duty to be paid, but there is an amount of customs duties to be paid.
- (2) In the case referred to in the preceding paragraph a person may file an amended declaration prior to import permission for cargo subject to a duty payment declaration, by adjusting the amount of duties or other such information stated in a document associated with a previous duty payment declaration.
- (3) The provisions of Article 20 of the Act on General Rules for National Taxes (Validity of Amended Return) apply mutatis mutandis to an amended declaration.

(Request for Reassessment)

Article 7-15 (1) If the amount of duties that a person is required to pay based on a duty payment declaration that person has made (or the reassessed amount of duties, if applicable) is greater than it should be because the amount of duties or assessment basis under the declaration was not calculated in accordance with the provisions of laws concerning customs duties or because one of these was miscalculated, the person that made the declaration may file a request with the Director General of Customs, pursuant to the provisions of Cabinet Order, to reassess the amount of duties or assessment basis subject to the declaration (or the reassessed amount of duties or assessment basis, if applicable), but only before import permission is given for the cargo subject to

that declaration or within five years from the date of that permission (with respect to specially declared cargo, within five years from the submission deadline for a special declaration form) (if a person that has been given the approval of the Director General of Customs pursuant to the provisions of Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission), by the last day in the five-year-period that starts to run from the day following the date of the approval or by the date of import permission, whichever comes later).

- (2) If a person has made a request for reassessment under the preceding paragraph (hereinafter referred to as "request for reassessment"), the Director General of Customs reviews the amount of duties or assessment basis subject to the request and either makes the reassessment or notifies the person that made the request that there are no grounds for making a reassessment

(Reassessments and Determinations)

Article 7-16 (1) When a duty payment declaration has been made, if the amount of duties or assessment basis under the declaration has not been calculated in accordance with the provisions of the laws related to customs duties or if the amount of duties or assessment basis declared is different from that found as a result of examination, the Director General of Customs reassesses the amount of duties or assessment basis under the declaration based on that examination.

- (2) If a duty payment declaration has not been made by the time of import for cargo established as necessitating such a declaration (with respect to specially declared cargo, within the submission deadline for a special declaration form), the Director General of Customs determines the amount of duties or assessment basis for the cargo based on an examination.

- (3) Upon learning, after having made a reassessment or determination under the preceding two paragraphs or this paragraph, that the amount of duties or assessment basis reassessed or determined thereby is greater than or less than it should be, the Director General of Customs reassesses the reassessed or determined amount of duties or assessment basis, based on an examination.

- (4) The Director General of Customs makes a reassessment under paragraph (1) or the preceding paragraph (hereinafter referred to as "reassessment", except in Chapter 11, Section 2 (Disposition of Criminal Cases)) or determination under paragraph (2) by delivering a written reassessment notice or a written determination notice, stating the assessment basis subject to the reassessment or determination, the amount of duties payable as a result of the reassessment or determination, and other such matters prescribed by Cabinet Order; provided, however, that the reassessment made prior to import permission of the cargo subject to a duty payment declaration (limited to the reassessment made before payment of the customs duties on the cargo in order to reduce the

amount of duties or assessment basis payable) may be effectuated, in lieu of the procedures specified above, by requesting the person that made the declaration to rectify the amount of duties or assessment basis stated in the documents associated with the duty payment declaration or by notifying that person of the amount of duties or assessment basis rectified by the Director General of Customs.

- (5) The provisions of Article 29 (Validity of Reassessment) of the Act on General Rules for National Taxes apply mutatis mutandis to the reassessment or the determination prescribed in paragraph (2).

(Notice of the Amount of Duties or Assessment Basis for Cargo Withdrawn Prior to Import Permission)

Article 7-17 Upon finding that there is no error in a duty payment declaration with respect to the amount of duties or assessment basis for cargo withdrawn with the approval of the Director General of Customs pursuant to the provisions of Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission), the Director General issues a written notice to the person that was approved to withdraw the cargo, of the amount of duties under the declaration, the requirement to pay that amount of duties (or that the person is not required to pay customs duties, if this is the case), and other matters prescribed by Cabinet Order.

Section 3 Determination of Customs Duties under the Official Assessment System

Article 8 (1) Before assessing customs duties on cargo to which the official assessment system applies, the Director General of Customs is to determine the particulars specified in each of the following items for the category of cases as set forth respectively therein, based on an examination:

- (i) for customs duties as set forth in Article 6-2, paragraph (1), item (ii)(a) or (ii)(e) (Systems for Determining Amount of Duties):
 - (a) if the basis for assessing duties stated in an import declaration as referred to in Article 67 (Permission for Export or Import) is the same as the result of the examination conducted by the Director General of Customs: the amount of duties payable;
 - (b) if a declaration as referred to in Article 67 is not made by the time of import, or if such a declaration has been made but the basis for assessing duties stated in the declaration is different from that found as a result of the examination conducted by the Director General of Customs: the basis for assessing duties and the amount of duties payable;
- (ii) for customs duties as set forth in Article 6-2, paragraph (1), items (ii)(b)

- through (ii)(d): the basis for assessing duties and the amount of duties payable.
- (2) When seeking to impose an additional tax for deficient declaration, additional tax for non-declaration, or heavy additional tax as set forth in Article 6-2, paragraph (1), item (ii)(f), the Director General of Customs determines the amount of duties that forms the basis for calculating these through an examination.
- (3) If the Director General of Customs, after having reached a determination under the preceding two paragraphs or this paragraph, learns that the basis for assessing duties (in the case set forth in paragraph (1), item (i)(a), the basis for assessing duties stated in the declaration referred to in that item, and in the case provided for in the preceding paragraph, the amount of duties that forms the basis for the calculation prescribed in that paragraph; hereinafter the same applies in this Article) or the payable amount of duties determined thereby is greater than or less than it should be, the Director General makes a determination to alter the determined basis for assessing duties or amount of duties payable, based on an examination.
- (4) The Director General of Customs makes a determination under preceding three paragraphs by delivering a written official assessment decision notice (in the case set forth in paragraph (1), item (i)(a), a written notice to pay duties), stating the basis for assessing duties and the amount of duties payable that has been determined and other matters prescribed by Cabinet Order; provided, however, that if the determination relates to customs duties as set forth in Article 6-2, paragraph (1), item (ii)(a) or in other cases prescribed by Cabinet Order, the Director General of Customs may, instead of delivery of that written notice, have customs officials notify the person of the determination orally.
- (5) The provisions of Article 29 (Validity of Reassessment) of the Act on General Rules for National Taxes apply *mutatis mutandis* to the determination prescribed in paragraph (3).

Section 4 Payment and Collection of Customs Duties

(Payment of Customs Duties Under the Self-Assessment System)

- Article 9 (1) Except in a case falling under the following paragraph, a person that has made a duty payment declaration must pay the State customs duties in an amount equivalent to the amount of duties payable that is stated in documents related to the declaration or in a written reassessment notice by the date of import of the cargo subject to the declaration.
- (2) A person who is liable to pay customs duties in an amount equivalent to the amount of duties set forth in the following items must pay the customs duties to the State by that day or by that deadline, as set forth in the following items:

- (i) the amount of duties payable as stated in a special declaration form meeting the deadline: the submission deadline for a special declaration form;
 - (ii) the amount of duties payable as stated in a postdeadline special declaration form: the date of submitting a postdeadline special declaration form;
 - (iii) as it relates to the customs duties on cargo withdrawn with the approval of the Director General of Customs pursuant to the provisions of Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission), the amount of duties declared that is stated in a document as referred to in Article 7-17 (Notice of the Amount of Duties or Assessment Basis for Cargo Withdrawn Prior to Import Permission) or the amount of duties payable that is stated in a written reassessment notice for a reassessment that was made before import permission for that cargo (including any unpaid amount of duties under a previous duty payment declaration): the final day in the one-month period that starts to run on the day following that on which the document or written notice is issued;
 - (iv) the amount of duties payable as stated in a document for an amended declaration that was made after import permission: the date on which the amended declaration is made;
 - (v) the amount of duties payable as stated in a written reassessment notice for a reassessment that was made after import permission: the final day in the one-month period that starts to run on the day following that on which the written reassessment notice is issued;
 - (vi) the amount of duties payable as stated in a written determination notice: the final day in the one-month period that starts to run on the day following that on which the written determination notice is issued;
 - (vii) the amount of duties payable as stated in a written reassessment notice for a reassessment that was made after a determination prescribed in Article 7-16, paragraph (2) (Determinations) was made: the final day in the one-month period that starts to run on the day following the date on which the written reassessment notice is issued.
- (3) A person who has received a written official assessment decision notice concerning additional tax for deficient declaration or a heavy additional tax as referred to in Article 12-4, paragraph (1) or (3) (Heavy Additional Tax) (with respect to paragraph (3), limited to the provisions concerning heavy additional tax referred to in paragraph (1) of that Article) (hereinafter referred to as "heavy additional tax for deficient declaration" in this paragraph) must pay additional tax for deficient declaration or heavy additional tax for deficient declaration in an amount as stated in that written notice, by the final day in the one-month period that starts to run on the day following that on which the written notice is issued, or on or before the date of import permission of cargo subject to the customs duties which have caused such additional tax for

deficient declaration or heavy additional tax for deficient declaration to be paid, whichever comes later.

- (4) A person who has received a written official assessment decision notice concerning additional tax for non-declaration or concerning heavy additional tax referred to in Article 12-4, paragraph (2) or (3) (with respect to paragraph (3), limited to the provisions concerning the heavy additional tax referred to in paragraph (2) of that Article) (hereinafter referred to as "heavy additional tax for non-declaration" in this paragraph) must pay additional tax for non-declaration or heavy additional tax for non-declaration in an amount as stated in that written notice, by the final day in the one-month period that starts to run on the day following that on which the written notice is issued.

(Extension of Payment Deadlines)

Article 9-2 (1) Notwithstanding the provisions of paragraph (1) of the preceding Article, if a person seeking to import cargo to which the self-assessment system applies has submitted an import declaration form prescribed in Article 7, paragraph (2) (Declaration), and that person submits an application form to the Director General of Customs referred to in Article 7, paragraph (2) indicating that they would like to get an extension for the deadline by which they are required to pay the customs duties as prescribed in paragraph (1) of the preceding Article (hereinafter in this paragraph and the following paragraph referred to as the "payment deadline") and provides the Director General with security in an amount equivalent to the whole or part of the amount of customs duties stated in the written import declaration form, the Director General may extend the payment deadline for up to three months, to the extent that the amount of customs duties subject to the extended payment deadline does not exceed the amount of the security with which the Director General has been provided.

- (2) Notwithstanding the provisions of paragraph (1) of the preceding Article, if, before the last day of the month prior to the month in question (hereinafter the month in question is referred to as the "specified month" in this paragraph), a person seeking to import cargo to which the self-assessment system applies (excluding specially declared cargo) submits an application form to the Director General of Customs to whom the person has made a declaration under Article 7, paragraph (1) for that cargo, indicating that the person would like to be granted an extension for the payment deadline for the customs duties that are to be imposed on the cargo that the person is seeking to import during the specified month, and provides the Director General with security in an amount equivalent to the total amount of customs duties on the cargo, the Director General may extend the payment deadline for that cargo for up to three months from the day after the last day of the specified month, to the extent

that the total amount of customs duties to be paid for the specified month which is subject to the extended payment deadline does not exceed the amount of the security with which the Director General has been provided.

- (3) If an authorized importer or special entrusting importer has submitted a special declaration form meeting the deadline, and, by the submission deadline for the special declaration form, that importer submits an application form to the Director General of Customs referred to in Article 7-2, paragraph (2) (Special Provisions for Declaration) indicating that the importer would like to get an extension for the deadline by which the importer is required to pay customs duties for which the amount is equivalent to the amount of duties set forth in paragraph (2), item (i) of the preceding Article and provides the Director General with security in an amount equivalent to the whole or part of the amount of customs duties stated in that special declaration before the deadline, notwithstanding the provisions of paragraph (2) of the preceding Article, the Director General may extend the deadline by which the person is required to make that payment by up to two months, to the extent that the amount of customs duties subject to the extended payment deadline does not exceed the amount of the security with which the Director General has been provided.
- (4) Cabinet Order prescribes the particulars that are required to be stated in an application form as referred to in the preceding three paragraphs and provides for other necessary particulars concerning the application of those provisions.

(Notice to Pay Duties)

Article 9-3 (1) When seeking to collect customs duties other than those set forth in the following items under the official assessment system, the Director General must give the relevant person notice to pay duties:

- (i) customs duties on postal items to be paid pursuant to the provisions of Article 77, paragraph (3) (Payment of Customs Duties on Postal Items);
 - (ii) customs duties to be allocated from the proceeds of a public auction or sale of cargo pursuant to the provisions of Article 85, paragraph (1) (Allocation of Proceeds from Public Auction) (including as applied *mutatis mutandis* pursuant to Article 88 (Cargo Being Held)) or Article 134, paragraph (5) (Allocation of Proceeds from the Public Auction of a Retained Object);
 - (iii) additional tax for deficient declaration, additional tax for non-declaration and heavy additional tax.
- (2) Pursuant to the provisions of Cabinet Order, the notice to pay duties under the preceding paragraph is given by the Director General of Customs through delivery of a written notice to pay duties stating the amount of duties payable, the payment deadline and the place of payment; provided, however, that in the case falling under the proviso to Article 8, paragraph (4) (Oral Notice of

Determination for Official Assessment), instead of delivery of the written notification, the Director General may have customs officials deliver the notification orally.

(Procedures for Payment)

Article 9-4 A person seeking to pay customs duties (excluding customs duties on postal items to which the official assessment system applies; hereinafter the same applies in this Article) must pay the amount equivalent to that of the duties, accompanied by a written statement of payment (or a written notice to pay duties, if one has been delivered) to the Bank of Japan (including agents authorized to receive national taxes) or customs officials authorized to receive customs duties; provided, however, that payment in securities as prescribed by the Act on Payment of Revenues in Securities (Act No. 10 of 1916) or, in the case of payment subject to advance notice to the Director General of Customs as prescribed by Ministry of Finance Order, payment using such means as may be prescribed by the Order, is not precluded.

(Priority Order of Duty Collection)

Article 9-5 (1) Notwithstanding the provisions of the National Tax Collection Act (Act No. 147 of 1959), the Local Tax Act (Act No. 226 of 1950), and other laws and regulations, customs duties are collected prior to the collection of any other public charges or claims, for foreign cargo for which customs duties are to be collected.

(2) The order of priority for collection of customs duties and expenses incurred for measures to collect arrears when they are collected using the same rule as that used for collection of national taxes is the same as that for collection of national taxes and expenses incurred for measures to collect arrears as provided for by the National Tax Collection Act. In this case, application of the preceding paragraph is not precluded.

(Security)

Article 9-6 (1) The provisions of Article 50 (Types of Security) of the Act on General Rules for National Taxes apply mutatis mutandis to the types of the security for customs duties that is provided pursuant to the provisions of this Act, the Customs Tariff Act, and other laws concerning customs duties.

(2) Necessary particulars concerning provision of security referred to in the preceding paragraph are prescribed by Cabinet Order.

(Allocation or Collection If Security Has Been Provided)

Article 10 (1) Pursuant to the provisions of Cabinet Order, a person liable to pay customs duties that has provided money as the security for customs duties may

allocate the money provided as security to the payment of customs duties.

- (2) If security has been provided for customs duties, the provisions of Article 52 (Disposal of Security) of the Act on General Rules for National Taxes apply mutatis mutandis if a person liable to pay customs duties fails to pay the full amount of customs duties within the deadline by which the person is required to pay the customs duties pursuant to Article 9 (Payment of Customs Duties under the Self-Assessment System) (if the deadline by which the person is required to pay a customs duties has been extended pursuant to the provisions of Article 9-2, paragraphs (1) to (3) (Extension of Payment Deadline), by the extended deadline) or payment deadline referred to in Article 9-3, paragraph (2) (Notice to Pay Duties) (with respect to tax on delinquency, by the deadline for the payment of customs duties that form the basis for calculating the tax on delinquency; any such deadline is referred to as a "payment deadline" in Article 11 (Collection of Customs Duties) and in the proviso to Article 12 (Special Provisions for Calculation of the Amount of the Tax on Delinquency)).
- (3) The guarantor referred to in Article 50, item (vi) (Types of Security) of the Act on General Rules for National Taxes, as applied mutatis mutandis pursuant to paragraph (1) of the preceding Article, is deemed to be a taxpayer for the purpose of application of the provisions of Chapter 10 (Penal Provisions) of the National Tax Collection Act.

(Handing Over Collection of Customs Duties)

- Article 10-2 (1) If the Director General of Customs finds it to be necessary to do so, the Director General may hand over the collection of customs duties to any other Director General of Customs.
- (2) If the collection of customs duties has been handed over pursuant to the provisions of the preceding paragraph, the Director General of Customs to whom this has been handed over is to notify the person liable to pay customs duties of this without delay.

(Collection of Customs Duties)

Article 11 If customs duties are not fully paid by the payment deadline (unless security is provided for the customs duties); if it is found that the amount payable that has been determined for customs duties will not be paid in full by the payment deadline in a case as set forth in one of the items of Article 38, paragraph (1) (Request for Advance Payment) of the Act on General Rules for National Taxes; or if it is found that there are customs duties payable for specially declared cargo (excluding customs duties for which the amount payable has been determined) whose collection cannot be ensured after the amount payable is determined; the collection of the relevant customs duties is governed by the rules used for the collection of national taxes.

Section 4-2 Secondary Taxes

(Tax on Delinquency)

- Article 12 (1) If a person liable to pay customs duties fails to fully pay customs duties (excluding a secondary tax; hereinafter the same applies in this Article) by the statutory payment deadline, or if the person is required to pay the amount of customs duties repaid in excess or over-refunded pursuant to the provisions of Article 13-2 (Collection of Customs Duties in the Case of Over-refund), besides the amount of customs duties unpaid or to be collected, the person must pay a tax on delinquency in an amount equivalent to that calculated by multiplying the amount unpaid or to be collected by an annual rate of 7.3 percent, according to the number of days from the day following the statutory deadline (in the case of customs duties repaid in excess or over-refunded, from the day on which customs duties are so repaid or over-refunded) until the day on which the amount of customs duties are paid; provided, however, that the amount of the tax on delinquency to be paid after the final day in the two-month period that begins on the day after the payment deadline (with respect to customs duties so repaid in excess or over-refunded, from the day following the payment deadline associated with the notice to pay duties) is calculated by multiplying the amount of customs duties unpaid by an annual rate of 14.6 percent.
- (2) In the case referred to in the preceding paragraph, if a person liable to pay customs duties has paid part of the amount of customs duties that were unpaid or subject to collection, the amount of customs duties that forms the basis for calculating the amount of the tax on delinquency in the period on or after the day following the date on which those customs duties have been paid is the amount of customs duties obtained by deducting the amount of customs duties partly paid from that of customs duties unpaid or subject to collection as referred to in the preceding paragraph.
- (3) If the amount of customs duties that is used as the basis for calculating the amount of the tax on delinquency is less than 10,000 yen, paragraph (1) does not apply; amounts of customs duties that are used as the basis for calculating this are rounded down to the nearest 10,000 yen.
- (4) If the amount of the tax on delinquency is less than 1,000 yen, it is not collected; amounts of tax on delinquency are rounded down to the nearest 100 yen.
- (5) In the case referred to in paragraph (1), until the amount of customs duties paid by a person liable to pay customs duties reaches the amount of customs duties unpaid or to be collected as referred to in that paragraph, the amount of customs duties so paid is deemed to have been allocated to the amount of

customs duties unpaid or to be collected.

- (6) In the case referred to in paragraph (1), if the determination of an amount of customs duties that are unpaid as referred to in that paragraph occurs after the statutory payment deadline referred to in that paragraph due to an error in the amount of duties or assessment basis that is caused by compelling grounds, and if these circumstances are confirmed by the Director General of Customs pursuant to the provisions of Cabinet Order, a waiver is given for the amount of the tax on delinquency associated with the unpaid amount of duties that is for the number of days from the day after the statutory deadline until either the day on which the person makes an amended declaration for those customs duties or the day on which a written reassessment notice or written official assessment decision notice is issued.
- (7) In the case referred to in paragraph (1), if the situation falls under any of the cases set forth in the following items, a waiver is given for the amount specified in the following items for the tax on delinquency associated with those customs duties; provided, however, that in the case set forth in item (i), if a fact has arisen that would cause a revocation under Article 49, paragraph (1) (Revocation of Tax Payment Grace Period) of the Act on General Rules for National Taxes, as applied *mutatis mutandis* pursuant to Article 154, paragraph (1) (Cancellation of the Discontinuance of Measures to Collect Arrears), or Article 152, paragraph (3) or (4) (Installment Payment of Taxes Pertaining to Grace Period for Asset Conversion and Notice), of the National Tax Collection Act, to be applied as a rule (hereinafter referred to as "the National Tax Collection Act, applied as a rule" in this paragraph and in the following paragraph) pursuant to the provisions of the preceding Article, the Director General of Customs may elect not to waive the part of the amount that is for the period after the day on which that fact arises:
- (i) when execution of disposition of delinquency has been discontinued, as prescribed in Article 153, paragraph (1) (Requirements for Discontinuance of Measures to Collect Arrears) of the National Tax Collection Act, applied as a rule, or if conversion of assets is postponed, as prescribed in Article 151, paragraph (1) or Article 151-2, paragraph (1) (Requirements for Granting Grace Period for Asset Conversion) of the National Tax Collection Act, applied as a rule: the amount of the tax on delinquency associated with the customs duties so discontinued or postponed, equivalent to the amount corresponding to the period of the discontinuance, or equivalent to one-half of the amount corresponding to the period of postponement of such conversion (limited to the period after the final day in the two-month period that begins on the day after the payment deadline for those customs duties);
 - (ii) if the deadline by which the person in question is required to pay a customs duties are extended pursuant to the provisions of Article 2-3, paragraph (1),

- (3) or (4) (Extension of Deadlines Due to Disaster): an amount of money constituting the part of tax on delinquency for the customs duties which is for the period by which the deadline has been extended;
- (iii) when the Minister of Finance or the Director General of Customs discontinues the execution of a disposition involving the collection of customs duties pursuant to the provisions of Article 25, paragraph (2) or (4) (Discontinuance of Execution) of the Administrative Complaint Review Act (Act No. 68 of 2014) (including as applied mutatis mutandis pursuant to Article 61 (Mutatis Mutandis Application of Provisions on Requests for Administrative Review) of that Act): an amount of money equivalent to one-half of the amount for the part of the period of discontinuance that comes after the final day in the two-month period that begins on the day after the payment deadline for those customs duties (if the tax on delinquency is waived pursuant to the provisions of the preceding items (i) and (ii) or item (i) of the following paragraph, the period subject to the waiver is excluded).
- (8) In the case referred to in paragraph (1), if the situation falls under any of the cases set forth in the following items, the Director General of Customs may waive the tax on delinquency for the customs duties in question, within the limit of the amount as specified respectively in the following items:
- (i) if the conversion of assets is postponed as governed by the provisions of Article 151, paragraph (1) or Article 151-2, paragraph (1) of the National Tax Collection Act, and the person liable to pay customs duties falls under the following sub-item (a) or (b): the amount of the tax on delinquency associated with the customs duties so postponed (excluding the amount subject to the waiver prescribed in item (i) or (ii) of the preceding paragraph; hereinafter the same applies in this item), corresponding to the postponed period (if the Director General of Customs finds that there is an unavoidable reason for failure to pay the customs duties within that period, including the period from the day after the deadline for postponement until the day on which such unavoidable reason ceases), if it is found difficult for that person to pay the amount:
- (a) if the person liable to pay customs duties is in dire financial circumstances; it is found that it would become extremely difficult for the person to continue in business or maintain a livelihood unless public charges other than customs duties or debts that have come due are to be reduced or waived; and these public charges or debts are actually reduced or waived;
- (b) if it is found that there are compelling grounds that make it difficult for the person liable to pay customs duties to pay the tax on delinquency, due to the person's business or life circumstances;
- (ii) when the Director General of Customs has seized property in order to

- collect the full amount of customs duties in arrears using the same rules as national taxes or has been provided security in an amount equivalent to the amount of duties payable: an amount of money equivalent to one-half of the amount of the tax on delinquency calculated based on the customs duties associated with the seizure or provision of security, for the part of the period of seizure or provision of security that comes after the final day in the two-month period running from the day after the payment deadline for those customs duties (if the tax on delinquency is waived pursuant to the provisions of the items of the preceding paragraph or the preceding item, the period subject to the waiver is excluded);
- (iii) in the case falling under any of the following items: the amount specified in sub-items (a) through (c), for the tax on delinquency associated with the customs duties provided for in sub-items (a) through (c) (excluding the part subject to a waiver under paragraph (6), the items of the preceding paragraph or the preceding two items):
- (a) as a general rule, if the amount received as a result of the request for share distribution, as prescribed in the National Tax Collection Act, has been allocated to customs duties subject to the request: the amount corresponding to the period from the day following the date on which the monetary amount was received under the compulsory selling-out procedure conducted by an executive agency which received the request (meaning an agency provided for in Article 2, item (xiii) (Definitions) of the National Tax Collection Act, applied as a rule) until the day of such allocation;
- (b) when any situation in which customs duties cannot be paid due to earthquake, wind or flood damage, fire, or other similar disaster occurs: the amount corresponding to the period from the day on which the situation occurs until the day on which a period of seven days elapses from the day following the day on which the situation ceases;
- (c) when the fact similar to that falling under sub-item (a) or (b) occurs, which is to be prescribed by Cabinet Order: the amount corresponding to the period to be prescribed by Cabinet Order.
- (9) The "statutory payment deadline" as used in paragraph (1) and paragraph (11), item (i) is the day on which a person imports the cargo for which the relevant customs duties are imposed (or, with respect to cargo which require import permission, the date of the permission); provided, however, that with respect to customs duties set forth in the following items, the "statutory payment deadline" is the deadline or day as specified respectively in the following items (when the documents referred to in item (iii) or (iv), related to customs duties set forth in the items are issued at least two times, the date on which the first document is issued):
- (i) customs duties payable for specially declared cargo (excluding customs

- duties for which the deadline by which the relevant person is required to pay has been extended pursuant to the provisions of paragraph (3) of Article 9-2 (Extension of Payment Deadline)): the submission deadline for a special declaration form;
- (ii) customs duties for which the deadline by which the relevant person must pay has been extended pursuant to the provisions of Article 9-2, paragraphs (1) through (3): the extended deadline;
 - (iii) customs duties payable for cargo withdrawn with the approval of the Director General of Customs pursuant to the provisions of Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission): the date on which the documents referred to in Article 7-17 (Notice of the Amount of Duties or Assessment Basis for Cargo Withdrawn Prior to Import Permission), a written reassessment notice, or a written notice to pay duties prescribed in Article 9-3 (Notice to Pay Duties) is issued, for those customs duties;
 - (iv) customs duties payable for postal items received with the approval of the Director General of Customs referred to in Article 77, paragraph (6) (Payment of Customs Duties of Postal Items): the date on which a written notice to pay duties prescribed in Article 9-3 is issued for those customs duties;
 - (v) customs duties imposed pursuant to the provisions of Article 7, paragraph (3) (Countervailing Duties) of the Customs Tariff Act or Article 8, paragraph (2) (Anti-Dumping Duties) of that Act, or customs duties imposed pursuant to the provisions of Article 8, paragraph (1), which is altered or maintained pursuant to the provisions of paragraph (16) of that Article: the payment deadline as stated in the written notice to pay duties that is associated with the relevant customs duties;
 - (vi) customs duties to be immediately collected, pursuant to the provisions of this Act, the Customs Tariff Act, or other laws concerning customs duties if a certain event occurs: the day on which the event occurs.
- (10) If an amended declaration has been made (excluding an amended declaration that a person avoiding customs duties or receiving a repayment or refund of customs duties by deception or other wrongful acts has made in anticipation of a reassessment being made for the relevant customs duties as a result of an examination having been conducted into those customs duties (such an amended declaration herein is referred to as "specified amended declaration" in the following paragraph)), or if a reassessment has been made (excluding a reassessment of customs duties, the reassessment of which has been conducted against a person who, by deception or other wrongful acts, has evaded customs duties, or has received repayment or refund of customs duties (reassessment herein is referred to as "specified reassessment" in the following

paragraph)), if the situation falls under any of the following items, paragraph (1) applies to the tax on delinquency associated with the customs duties to be paid on the basis of the amended declaration or reassessment, after deducting the number of days specified respectively in the following items from the number of days provided for in paragraph (1):

(i) if a declaration under paragraph (1) of Article 7 (Declaration) had been made for customs duties subject to the amended declaration or reassessment (in the case of a special declaration, when a special declaration form meeting the deadline is submitted), and the amended declaration has been made or the written reassessment notice for that reassessment has been issued after the last day in the one-year period that starts to run on the statutory payment deadline referred to in paragraph (1): the number of days from the day after the last day in the one-year period that starts to run on the statutory payment deadline until the day on which the amended declaration is filed or a written reassessment notice pertaining to the reassessment is issued;

(ii) if a postdeadline special declaration form had been filed for the customs duties subject to the amended declaration or reassessment, and the amended declaration has been made or the written reassessment notice for that reassessment has been issued, after the day on which one year elapses from the day following the date on which the postdeadline special declaration form is submitted: the number of days from the day following the date on which one year elapses from the day following the date on which the postdeadline special declaration form is submitted until the day on which the amended declaration is made or the day on which the written reassessment notice pertaining to the reassessment is issued.

(11) When an amended declaration is made or reassessment which results in an increase of the amount of duties payable (including similar reassessment prescribed by Cabinet Order; hereinafter referred to as "increase reassessment" in this paragraph) is made, if, with respect to customs duties under the declaration or increase reassessment, a declaration prescribed in Article 7, paragraph (1) (in the case of a special declaration, a special declaration form meeting the deadline) or a postdeadline special declaration form has been submitted, and, after the amount of duties payable has decreased on the basis of that declaration or postdeadline special declaration form (hereinafter referred to as "decrease reassessment" in this paragraph) as a result of reassessment, if the amended declaration or the increase reassessment is then made, notwithstanding the provisions of the preceding paragraph, paragraph (1) applies to customs duties payable on the basis of the amended declaration or increase reassessment (limited to customs duties, as prescribed by Cabinet Order, up to the amount of duties under the declaration

or postdeadline special declaration form; hereinafter the same applies in this paragraph) after deducting the number of days set forth in the following items (in the case of customs duties payable on the basis of a specified amended declaration or specified reassessment or other customs duties specified by Cabinet Order, limited to the number of days set forth in item (i)) from the number of days provided for in paragraph (1):

- (i) the number of days from the day following the date on which the amount of duties payable (if the date comes before the statutory payment deadline of the customs duties, the statutory payment deadline) is paid by submitting the declaration or postdeadline special declaration form until the day on which a written reassessment notice pertaining to the decrease reassessment is issued;
- (ii) the number of days from the day following the date on which a written reassessment notice pertaining to the decrease reassessment is issued (when the decrease reassessment is the reassessment based on the request for reassessment, the date on which one year elapses from the day following the date on which the written reassessment notice is issued) until the day on which the amended declaration is made or a written reassessment notice pertaining to the increase reassessment is issued.

(Additional Tax for Deficient Declaration)

Article 12-2 (1) When a declaration prescribed in Article 7, paragraph (1) (Declaration) (hereinafter referred to as "initial declaration") has been made (when a postdeadline special declaration form is submitted, this is limited to when the proviso to paragraph (1) or paragraph (6) of the following Article applies), if an amended declaration or reassessment is made, an additional tax for deficient declaration in an amount equivalent to the amount obtained by multiplying the amount of duties that the person is required to pay pursuant to the provisions of Article 9, paragraph (1) or (2) (Payment of Customs Duties under the Self-Assessment System) based the amended declaration or reassessment, by a rate of 10/100 (or, if an amended declaration has not been made in anticipation of a reassessment being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties, a rate of 5/100, instead of a rate of 10/100) is imposed on the person liable to pay customs duties.

(2) In the case referred to in the preceding paragraph (unless paragraph (4) applies), if the amount of duties payable as provided for in that paragraph (when, prior to the amended declaration or reassessment referred to in that paragraph, an amended declaration or reassessment has been made with respect to customs duties under the amended declaration or reassessment referred to in that paragraph, this means the amount obtained by adding the

cumulative additional amount of duties associated with those customs duties) exceeds the amount equivalent to the amount of duties under the initial declaration or 500,000 yen, whichever is larger, the amount of additional tax for deficient declaration referred to in that paragraph, notwithstanding the provisions of that paragraph, is the amount obtained by adding to the amount calculated pursuant to the provisions of that paragraph an amount obtained by multiplying the amount equivalent to that excess amount (or the amount of duties payable provided for in that paragraph, if this is less than the amount of duties equivalent to that excess amount) by a rate of 5/100.

- (3) In a case as set forth in one of the following items, the amount calculated pursuant to the provisions of Cabinet Order as the amount of duties set forth in the relevant item is deducted from the amount of duties payable as provided for in the preceding two paragraphs, and the provisions of the preceding two paragraphs apply:
- (i) if, among the facts that formed the basis for calculating the amount of duties payable provided for in the preceding two paragraphs, there is a fact whose non-use as a basis for calculating the amount of duties prior to the amended declaration or reassessment there is found to be legitimate grounds for: the amount of duties calculated on the basis of the fact whose non-use there is found to be legitimate grounds for;
 - (ii) if, with respect to customs duties under an amended declaration or reassessment referred to in paragraph (1), reassessment which decreases the amount of duties to be paid on the basis of the initial declaration was made (excluding reassessment based on a request for reassessment) prior to the amended declaration or reassessment referred to in paragraph (1): the amount of duties up to the amount of duties under the initial declaration.
- (4) The provisions of paragraph (1) do not apply if an amended declaration was not made in anticipation of a reassessment being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties, and the amended declaration was made before notice was given with respect to the matters set forth in Article 74-9, paragraph (1), items (iv) and (v) (Prior Notice of Examination to Taxpayers) of the Act on General Rules for National Taxes, as applied mutatis mutandis pursuant to Article 105-2 (Prior Notice of Examination to Importers) as it pertains to an examination of the customs duties under the declaration and other matters specified by Cabinet Order (this notice is referred to as "notice of examination" in paragraph (5) of the following Article).
- (5) The provisions of paragraphs (3) and (4) of the preceding Article (Tax on Delinquency) apply mutatis mutandis to an additional tax for deficient declaration. In this case, the terms "amount of customs duties" and "paragraph (1)" in paragraph (3) of that Article are deemed to be replaced with "amount of

duties" and "paragraphs (1) and (2) of the following Article", respectively, and the term "1,000 yen" in paragraph (4) of that Article is deemed to be replaced with "5,000 yen."

- (6) The "cumulative additional amount of duties" provided for in paragraph (2) means the total amount of duties: pursuant to the provisions of Article 9, paragraph (1) or (2), to be paid on the basis of an amended declaration (excluding an amended declaration to which paragraph (4) applies) or reassessment for the customs duties, which was made prior to the amended declaration or reassessment referred to in paragraph (1) (if, with respect to the customs duties, any reassessment to decrease the amount of duties payable was made, or any changes in the original disposition was made on the basis of the determination, administrative determination, or judgment given on an objection or action pertaining to reassessment, the amount equivalent to the amount of duties so decreased is deducted from the total amount of duties and if paragraph (3) was applied, then the amount which should have been deducted pursuant to the provisions of that paragraph is deducted from the total amount of duties).

(Additional Tax for Non-Declaration)

- Article 12-3 (1) If the situation falls under any of the following items, an additional tax for non-declaration is imposed on a person liable to pay customs duties in an amount equivalent to the amount calculated by multiplying the amount of customs duties that the person is required to pay pursuant to the provisions of Article 9, paragraph (2) (Payment of Customs Duties under the Self-Assessment System) on the basis of the declaration, determination, or reassessment as provided for respectively in the following items by a rate of 15/100 (if submission of a postdeadline special declaration form or an amended declaration referred to in item (ii) has not been made in anticipation of a reassessment or determination prescribed in Article 7-16, paragraph (2) (Reassessment and Determination) (hereinafter referred to as "reassessment or determination" in this Section) being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties, then by a rate of 10/100, instead of 15/100); provided, however, that this does not apply if there are legitimate grounds for not having made the initial declaration by the time of import of cargo for which the declaration is required (in the case of a special declaration, within the submission deadline for a special declaration form):
- (i) when a postdeadline special declaration form is submitted or a determination under Article 7-16, paragraph (2) is made;
 - (ii) when an amended declaration or reassessment is made after a postdeadline special declaration form was filed or a determination under paragraph (2) of

Article 7-16 was made.

- (2) In the case referred to in the preceding paragraph (but not if the proviso to the paragraph or paragraph (6) applies), if the amount of duties payable, as provided for in the preceding paragraph (if an amended declaration or reassessment as referred to in item (ii) of that paragraph has been made, the amount arrived at by adding the cumulative amounts of duties payable associated with those customs duties) exceeds 500,000 yen, the amount of the additional tax for non-declaration referred to in that paragraph, notwithstanding the provisions of that paragraph, is the amount obtained by adding to the amount calculated pursuant to the provisions of that paragraph an amount obtained by multiplying the amount of duties equivalent to the excess amount (or the amount of duties payable as provided for in that paragraph, if this is less than the amount of duties equivalent to the excess amount) by a rate of 5/100.
- (3) When the situation falls under paragraph (1) (this excludes if the proviso to the paragraph or paragraph (6) applies, or if the submission of a postdeadline special declaration form or an amended declaration referred to in paragraph (1), item (ii) has not been made in anticipation of a reassessment or determination being made in connection with the customs duties under the declaration as a result of there having been an examination into those duties), if an additional tax for non-declaration (excluding an additional tax for non-declaration that is imposed if the submission of a postdeadline special declaration form or an amended declaration referred to in that item has not been made in anticipation of a reassessment or determination being made in connection with the customs duties under the declaration as a result of there having been an examination into those duties) or heavy additional tax (referred to as "additional tax for non-declaration, etc." in paragraph (3) of the following Article) was imposed with respect to customs duties during five years preceding the date on which the postdeadline special declaration form was submitted, or the amended declaration or reassessment or determination was made, the amount of additional tax for non-declaration referred to in paragraph (1), notwithstanding the provisions of the preceding two paragraphs, is the amount obtained by adding to the amount calculated pursuant to the provisions of the preceding two paragraphs an amount obtained by multiplying the amount of duties payable, as prescribed in paragraph (1) by a rate of 10/100.
- (4) The provisions of paragraph (3) of the preceding Article (limited to the provisions concerning item (i)) apply *mutatis mutandis* to the case referred to in paragraph (1), item (ii).
- (5) Notwithstanding the provisions of paragraphs (1) and (2), if the submission of a postdeadline special declaration form or an amended declaration referred to in paragraph (1), item (ii) has not been made in anticipation of a reassessment

or determination being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties, and that submission or amended declaration has been made before a notice of examination for customs duties under the declaration was given, the amount of additional tax for non-declaration referred to in paragraph (1) that is associated with the amount of duties that the person is required to pay pursuant to the provisions of Article 9, paragraph (2) on the basis of that declaration is the amount obtained by multiplying the amount of duties payable by a rate of 5/100.

- (6) If a postdeadline special declaration form has not been filed in anticipation of a determination under Article 7-16, paragraph (2) being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties; a postdeadline special declaration form is filed in conformity with the case prescribed by Cabinet Order as the case in which it is found that a special declaration form meeting the deadline was intended to be submitted; and the postdeadline special declaration form is submitted by the final day in the one-month period that starts to run on the submission deadline, paragraph (1) does not apply.
- (7) The provisions of Article 12, paragraphs (3) and (4) (Tax on Delinquency) apply *mutatis mutandis* to an additional tax for non-declaration. In this case, the terms "amount of customs duties" and "paragraph (1)" in paragraph (3) of that Article are deemed to be replaced with "amount of duties" and "the main clause of paragraph (1) of Article 12-3", respectively, and the term "1,000 yen" in paragraph (4) of that Article is deemed to be replaced with "5,000 yen."
- (8) The "cumulative amount of duties payable" provided for in paragraph (2) means the total amount of duties payable, as set forth in the following items with respect to the customs duties prior to the amended declaration or reassessment as referred to in paragraph (1), item (ii) (when, with respect to the customs duties, any reassessment to decrease the amount of duties payable was made or any changes in the original disposition were made on the basis of the determination, administrative determination, or judgment given on an objection or action concerning a reassessment, the amount equivalent to the amount of duties so decreased is deducted from the total amount of duties payable and if paragraph (3) of the preceding Article, as applied *mutatis mutandis* pursuant to paragraph (4) is applied, the amount obtained after deducting an amount which should have been deducted pursuant to the provisions of that paragraph is deducted from the total amount of duties payable):
- (i) the amount of duties to be paid on the basis of submission of a postdeadline special declaration form or determination under Article 7-16, paragraph (2), pursuant to the provisions of Article 9, paragraph (2);

(ii) the amount of duties to be paid on the basis of an amended declaration or reassessment, pursuant to the provisions of Article 9, paragraph (2).

(Heavy Additional Tax)

Article 12-4 (1) When the situation falls under Article 12-2, paragraph (1) (Additional Tax for Deficient Declaration) (but not if an amended declaration has not been made in anticipation of a reassessment being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties), if a person liable to pay customs duties conceals or disguises either wholly or partly the basis for assessing duties or the equivalent (meaning matters to be stated in an import declaration form provided for in Article 7, paragraph (2) (Declaration) or those to be stated in a special declaration form provided for in Article 7-2, paragraph (1) (Special Provisions for Declaration); hereinafter the same applies in this Article) or the facts forming the basis for calculating the amount of duties payable and files a declaration for payment, based on the facts so concealed or disguised, pursuant to the provisions of Cabinet Order, a heavy additional tax is imposed on that person in an amount equivalent to the amount obtained by multiplying the amount of duties that forms the basis for calculating the amount of additional tax for deficient declaration by a rate of 35/100, in lieu of the additional tax for deficient declaration pertaining to the amount of duties that forms the basis for calculating the amount of those additional duties (if it is evident that there is any amount of duties which is calculated on the basis of facts not concealed or disguised, the amount of duties obtained by deducting the amount equivalent to the amount of duties calculated, pursuant to the provisions of Cabinet Order, on the basis of the facts not so concealed or disguised).

(2) When the situation falls under paragraph (1) of the preceding Article (but not if the proviso to the paragraph or paragraph (6) of that Article applies, or if the submission of a postdeadline special declaration form or an amended declaration referred to in paragraph (1), item (ii) of that Article has not been made in anticipation of a reassessment or determination being made in connection with the customs duties under the relevant declaration as a result of there having been an examination into those duties), if a person liable to pay customs duties conceals or disguises either wholly or partly the basis for assessing duties or the equivalent or the facts that form the basis for calculating the amount of duties payable and if the situations as set forth in any of the items of that paragraph occur as a result of such concealment or disguise, pursuant to the provisions of Cabinet Order, a heavy additional tax is imposed on that person in an amount equivalent to the amount obtained by multiplying the amount of duty that forms the basis for calculating the amount

of additional tax for non-declaration by a rate of 40/100, in lieu of the additional tax for non-declaration associated with the amount of duties that forms the basis for calculating the amount of the additional duties (if it is evident that there is any amount of duties which is calculated on the basis of the facts not concealed or disguised, the amount of duties obtained by deducting the amount equivalent to the amount of duties calculated, pursuant to the provisions of Cabinet Order, on the basis of the facts not so concealed or disguised).

- (3) When the situation falls under the preceding two paragraphs, if an additional tax for non-declaration, etc. was imposed with respect to customs duties during five years preceding the day on which filing of a postdeadline special declaration form was made or an amended declaration or reassessment or determination was made, on the basis of concealed or disguised facts that form the basis for calculating the amount of duties provided for in the preceding two paragraphs, notwithstanding the provisions of the preceding two paragraphs, the amount of heavy additional tax referred to in the preceding two paragraphs is the amount obtained by adding to the amount calculated pursuant to the provisions of the preceding two paragraphs an amount calculated by multiplying the amount of duties that forms the basis of calculation provided for in the preceding two paragraphs by a rate of 10/100.
- (4) The provisions of Article 12, paragraphs (3) and (4) (Tax on Delinquency) apply mutatis mutandis to a heavy additional tax. In this case, the terms "amount of customs duties" and "paragraph (1)" in paragraph (3) of that Article are deemed to be replaced with "amount of duties" and "Article 12-4, paragraphs (1) and (2)", respectively, and the term "1,000 yen" in paragraph (4) of that Article is deemed to be replaced with "5,000 yen."

Section 5 Other Provisions

(Refund and Appropriation)

- Article 13 (1) When there is any amount of customs duties paid in excess or in error (including charges incurred for measures to collect arrears; hereinafter the same applies in this Article), the Director General of Customs refunds the amount in money without delay.
- (2) When the amount paid in excess or in error as referred to in the preceding paragraph is refunded, or the amount of money to be refunded is allocated pursuant to the provisions of paragraph (7), the amount calculated by multiplying the amount to be so refunded or allocated by the annual rate of 7.3 percent according to the number of days during the period from the day following the date specified in each of the following items for the category of payment in excess or in error as set forth respectively therein until the day on

which the decision for refund is made or until the day on which the allocation is made is added to the amount to be so refunded or allocated (hereinafter in this Article and paragraphs (5) and (6) of the Supplementary Provisions, the amount so calculated is referred to as "interest on tax refund"):

- (i) the amount paid in excess for customs duties (including associated tax on delinquency) for which the amount payable according to a reassessment, determination under Article 7-16, paragraph (2) (Reassessment and Determination) or official assessment decision (excluding the amount paid in excess as set forth in the following item) has become final and binding: the day on which the amount of customs duties paid in excess was paid (if the day comes before the statutory payment deadline of the customs duties (in the case of additional tax for deficient declaration or heavy additional tax referred to in paragraph (1) or (3) of the preceding Article (with respect to paragraph (3), limited to the provisions pertaining to heavy additional tax referred to in paragraph (1) of that Article), the customs duties that have caused that additional duties to be paid) as provided for in Article 12, paragraph (9) (Tax on Delinquency), then the statutory payment deadline);
 - (ii) the amount paid in excess for customs duties (including associated tax on delinquency) for which the amount payable has decreased as a result of the reassessment made in response to the request for reassessment (including the decision, administrative determination, or judgment given on an objection or action pertaining to the disposition made in response to the request): the day on which a period of three months elapses from the day following the date on which the request for the reassessment is made or the day on which a period of one month elapses from the day following the date on which the reassessment is made, whichever comes earlier;
 - (iii) the amount paid in excess or in error for customs duties other than the amount paid in excess as set forth in the preceding two items: the day on which a period of one month elapses from the day following the date to be prescribed by Cabinet Order as the date of the payment in excess or in error is made.
- (3) In the case referred to in the preceding paragraph, if the situation falls under any of the following items, the period specified therein is deducted from the period provided for in that paragraph:
- (i) when any attachment order or disposition of seizure, as prescribed in the provisions of the Civil Execution Act (Act No. 4 of 1979) is issued with respect to the right of restitution of the amount paid in excess or in error: the period until the day on which seven days elapse from the day following the date on which such order or disposition is delivered;
 - (ii) when provisional seizure is made with respect to the right of restitution of the amount paid in excess or in error: the period during which the

provisional seizure is applied.

- (4) The provisions of paragraph (2) do not apply if the amount paid in excess or in error that is used as the basis for calculating the interest on a tax refund is less than 10,000 yen; amounts paid in excess or in error that are used as the basis for calculating the interest on tax refunds are rounded down to the nearest 10,000 yen.
- (5) Interest is not added to a tax refund if the amount of interest on the tax refund that has been calculated pursuant to the provisions of the preceding three paragraphs is less than 1,000 yen; amounts of interest on tax refunds are rounded down to the nearest 100 yen.
- (6) For the purpose of application of paragraph (2) when payment in excess or in error is made with respect to the customs duties paid in two or more installments, the amount of customs duties equivalent to the amount paid in excess or in error is deemed to have been paid on the day of the most recent payment and if the amount paid in excess or in error exceeds the amount paid on that day, the amount of customs duties equivalent to the excess amount is deemed to have been paid on the day of earlier payment on which the amount of customs duties paid in installments reaches the amount paid in excess or in error.
- (7) When the amount paid in excess or in error as referred to in paragraph (1) is to be refunded, if there are customs duties that the person entitled to receive the refund is required to pay, pursuant to the provisions of Cabinet Order, the Director General of Customs appropriates the amount to be refunded to those customs duties.

(Collection of Over-refunded Customs Duties)

Article 13-2 When repayment or refund of customs duties as prescribed in Article 10, paragraph (2) (Refund of Customs Duties in the Case of Deterioration and Damage) of the Customs Tariff Act or other laws concerning customs duties prescribed by Cabinet Order, upon application from a person who receives the repayment or refund, has been made in excess of the amount to be repaid or refunded, the Director General of Customs collects the amount of customs duties equivalent to the excess amount from the person who has received the repayment or refund, using the same rule as collection of national taxes.

(Complementary Liability to Pay Customs Duties in the Case of Shortfall in Payment)

Article 13-3 If there is a shortfall in the amount of customs duties paid for cargo withdrawn with import permission or with the approval of the Director General of Customs as prescribed in Article 73, paragraph (1) (Withdrawal of

Cargo Prior to Import Permission), and the domicile or residence of a person that was determined to be the importer of the cargo at the time of the permission or approval is unknown or if that person claims that they are not the importer of the cargo, and a customs broker (meaning a customs broker provided for in Article 2, item (iii) (Definitions) of the Customs Business Act; the same applies hereinafter) that provided customs clearance services at the time of import of the cargo cannot identify the person that entrusted the broker with the services, the customs broker and the importer of the cargo are jointly and severally liable to pay the customs duties.

(Numerical Rounding)

Article 13-4 The provisions of Article 118, paragraphs (1) and (2) (Numerical Rounding of the Basis for Assessment of National Taxes) of the Act on General Rules for National Taxes apply mutatis mutandis to the numerical rounding of the basis for assessing customs duties, the provisions of Article 119, paragraphs (1) and (3) (Numerical Rounding of the Determined Amount of National Tax) of that Act apply mutatis mutandis to the numerical rounding of the amount of customs duties, and the provisions of Article 120, paragraphs (1) and (2) (Numerical Rounding of Refund Money) of that Act apply mutatis mutandis to the numerical rounding of the amounts of repaid or refunded customs duties.

(Restrictions on the Period for Reassessments and Determinations)

Article 14 (1) A reassessment, determination, or official assessment decision for customs duties may not be made once five years has passed since the statutory payment deadline or equivalent day for the customs duties concerned (or, with respect to the official assessment decision associated with a customs duties provided for in Article 6-2, paragraph (1), item (ii)(a) or (ii)(e) (Systems for Determining Amount of Duties) in connection with which the basis for assessing duties has been declared, a period of three years).

(2) Notwithstanding the provisions of the preceding paragraph, it is permissible to make the reassessment requested in a request for reassessment that has been filed within the six months prior to the day on which the provisions of the preceding paragraph render it no longer permissible to make a reassessment, or to make any official assessment decision for additional tax for deficient declaration, additional tax for non-declaration, or heavy additional tax that is made as a result of that reassessment, until the final day in the six-month period after the day on which the request for reassessment is filed.

(3) Notwithstanding the provisions of the preceding two paragraphs, if a person has evaded customs duties through deception or other wrongful acts or has imported dutiable cargo without paying customs duties, the reassessment,

determination, or official assessment decision regarding the cargo may be made up until the final day in the seven-year period following the statutory payment deadline or equivalent day.

- (4) Notwithstanding the provisions of the preceding three paragraphs, if the provisions of Article 10, paragraph (2) (Special Provisions for Computation of the Period and for Deadline) of the Act on General Rules for National Taxes, as applied mutatis mutandis pursuant to Article 2-2, or Article 2-3 (Extension of Deadlines Due to Disasters) apply to the deadline by which a person may request a reassessment, it is permissible to make the reassessment requested in a request for reassessment that has been filed within the period during which those provisions prescribe it to be permissible to make a request for reassessment, and any official assessment decision for additional tax for deficient declaration, additional tax for non-declaration, or heavy additional tax that is made as a result of that reassessment, until the final day in the six-month period after the day on which the request for the reassessment is filed.
- (5) The "statutory payment deadline or equivalent day" as used in this Article and paragraph (1) of the following Article means the day on which a person imports the cargo (or, with respect to cargo which require import permission, the day of such permission) on which the relevant customs duties are imposed (in the case of additional tax for deficient declaration, additional tax for non-declaration or heavy additional tax, the customs duties that cause additional duties to be paid); provided, however, that the statutory payment deadline or equivalent day for the customs duties set forth in the following items means the day or deadline specified in each item:
- (i) customs duties payable on specially declared cargo: the submission deadline for a special declaration form;
 - (ii) customs duties payable on cargo withdrawn with approval of the Director General of Customs pursuant to the provisions of Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission): the date of the approval;
 - (iii) customs duties payable on postal items which are received with approval of the Director General of Customs pursuant to the provisions of Article 77, paragraph (6) (Payment of Customs Duties on Postal Items): the date of the approval;
 - (iv) customs duties to be imposed pursuant to the provisions of Article 7, paragraph (3) (Countervailing Duties), or Article 8, paragraph (2) (Anti-Dumping Duties) of the Customs Tariff Act, or customs duties to be imposed pursuant to the provisions of paragraph (1) of that Article, which is altered or maintained pursuant to the provisions of paragraph (16) of that Article: the date on which it became permissible to impose the customs duties;
 - (v) customs duties to be immediately collected pursuant to the provisions of this Act, the Customs Tariff Act, or other laws concerning customs duties if a

certain event occurs: the date on which the event occurs.

(Extinctive Prescription of Right to Collect Duties)

Article 14-2 (1) The right of the State to collect customs duties (hereinafter in this Article referred to as "right to collect customs duties") is extinguished by prescription when the right is not exercised for a period of five years from the statutory payment deadline or equivalent day for the customs duties (with respect to customs duties to be paid as a result of the reassessment or the official assessment decision as prescribed in paragraph (2) or (4) of the preceding Article, the day on which the reassessment is made).

(2) The provisions of Article 72, paragraph (2) (Extinctive Prescription of the Right to Collect National Tax) and Article 73 (excluding paragraph (3), item (iv)) (Interruption and Suspension of Prescription) of the Act on General Rules for National Taxes apply mutatis mutandis to the prescription of the right to collect customs duties. In this case, the term "national tax of the part" in paragraph (1) of that Article is deemed to be replaced with "customs duties of the part"; in item (i) of that paragraph, the term "Article 35, paragraph (2), item (ii) (Payment Based on Reassessment or Determination) of national tax" is deemed to be replaced with "Article 9, paragraph (2) (Payment of Customs Duties under the Self-Assessment System) of the Customs Act of customs duties"; in item (ii) of that paragraph, the term "heavy additional tax (limited to the tax prescribed in Article 68, paragraph (1), (2) or (4) (Heavy Additional Tax) (the applicable provision of paragraph (4) is limited to the provisions pertaining to the heavy additional tax referred to in paragraph (1) or (2) of that Article))" is deemed to be replaced with "heavy additional tax", the term "these national taxes" is deemed to be replaced with "these customs duties" and the term "Article 35, paragraph (3)" is deemed to be replaced with "Article 9, paragraph (3) or (4) of the Customs Act"; in the main clause of paragraph (3) of that Article, the term "national tax" is deemed to be replaced with "customs duties", the term "or refunded the whole or part of the tax amount" is deemed to be replaced with "or pertaining to the cargo when it is imported without payment of customs duties payable", the term "pertaining to income tax if the special provisions for overseas transfer, etc. apply" is deemed to be replaced with "pertaining to" and the term "statutory payment deadline" is deemed to be replaced with "statutory payment deadline or equivalent day, as provided for in Article 14, paragraph (5) (Restrictions on the Period for Reassessment and Determination) of the Customs Act (with regard to those cases for which payment is to be made upon reassessment or official assessment decision as prescribed in paragraph (2) or (4) of that Article, the day on which the reassessment is made; hereinafter referred to as "statutory payment deadline" in this paragraph)"; in the proviso to the paragraph, the term "national tax" is

deemed to be replaced with "customs duties"; in item (i) of that paragraph, the term "declaration form for tax payment" is deemed to be replaced with "a written form for a duty payment declaration (meaning the duty payment declaration provided for in Article 7-14, paragraph (1), item (i) (Amended Declaration) of the Customs Act" and the term "the declaration form" is deemed to be replaced with "the written form pertaining to the duty payment declaration"; in item (ii) of that paragraph, the term "reassessment, determination, etc. (excluding official assessment decision pertaining to additional tax)" is deemed to be replaced with "reassessment or determination prescribed in Article 7-16, paragraph (2) (Reassessment and Determination) of the Customs Act, or official assessment decision (excluding official assessment decision for additional tax for deficient declaration, additional tax for non-declaration, and heavy additional tax; hereinafter in this item referred to as "reassessment, determination, etc.)"; in item (iii) of that paragraph, the term "national tax" is deemed to be replaced with "customs duties"; in paragraph (4) of that Article, the term "deferment or postponement of tax payment" is deemed to be replaced with "deferment of duty payment," the term "national tax of the part" is deemed to be replaced with "customs duties of the part" and the term "tax on delinquency and interest tax" is deemed to be replaced with "tax on delinquency"; and in paragraph (5) of that Article, the term "national taxes (secondary tax, tax on delinquency, and national tax" is deemed to be replaced with "customs duties (secondary tax and customs duties", the term "the national tax" is deemed to be replaced with "the customs duties," and the term "national tax associated with the tax on delinquency or interest tax" is deemed to be replaced with "customs duties associated with the tax on delinquency".

(3) Except as otherwise provided for in this Article, the provisions of the Civil Code (Act No. 89 of 1896) apply mutatis mutandis to the prescription of the right to collect customs duties.

(Prescription of Claim for Refund)

Article 14-3 (1) The claim against the State for repayment or refund of customs duties due to payment in excess or in error, or under the provisions of laws related to customs duties extinguish by prescription if the claim is not exercised for a period of five years from the date on which the claim may initially be made.

(2) The provisions of Article 72, paragraph (2) (Extinctive Prescription of the Right to Collect National Tax) of the Act on General Rules for National Taxes and paragraph (3) of the preceding Article apply mutatis mutandis to the case referred to in the preceding paragraph.

Article 14-4 Deleted.

(Special Provisions for Appropriation or Collection from the Realized Proceeds)
Article 14-5 With respect to cargo provided for in Article 85, paragraph (1) (Allocation of Proceeds from Public Auction) (including as applied mutatis mutandis pursuant to Article 88 (Cargo Being Held); hereinafter the same applies in this Article) or Article 134, paragraph (5) or (6) (Appropriation or Collection from the Realized Proceeds of Retained Objects), the amount of customs duties to be appropriated or collected pursuant to these provisions, and, when any shortfall in the amount of customs duties so appropriated or collected is found, the amount of customs duties to be appropriated or collected pursuant to the provisions of Article 85, paragraph (1) or Article 11 (Collection Governed by the Same Rule as Collection of National Taxes) is limited to the amount of proceeds from public auction or sale of the cargo (when there are expenses incurred for public auction or sales and any other expenses to be collected prior to customs duties, the amount of the proceeds that deducted these expenses).

Chapter III Vessels and Aircraft

(Procedures for Entry into Port)

Article 15 (1) As provided by Cabinet Order, a master of a vessel engaged in foreign trade that seeks to enter an open port must report the name and nationality of the vessel engaged in foreign trade as well as the particulars provided by Cabinet Order concerning the cargo, passengers (but only if passengers are on board the vessel engaged in foreign trade), and crew members of the vessel engaged in foreign trade in advance to whichever customs has jurisdiction over the location of the open port that it seeks to enter, except in cases of faulty telecommunications facility or as otherwise provided by Cabinet Order.

(2) When a vessel engaged in foreign trade enters an open port without the reporting as referred to in the preceding paragraph, immediately after the vessel engaged in foreign trade enters the port, the master must submit to customs a document specifying those particulars to be reported as provided in that paragraph.

(3) When a vessel engaged in foreign trade enters an open port, the master must submit to customs a notification of arrival in port specifying the particulars as provided by Cabinet Order and a vessel's stores manifest, and present a certificate of vessel's nationality or any document in lieu thereof to a customs official, within twenty-four hours from the time of its entry into the port (as calculated excluding the time, if any, in which the period of time overlaps with

any of the holidays of administrative organs (which mean the holidays as listed in each item of Article 1, paragraph (1) (Holidays of Administrative Organs) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988); the same applies hereinafter); the same applies in Article 18, paragraph (1) (Simplified Procedures for Entry into or Departure from Port)).

- (4) On finding it to be necessary to do so in order to ensure the implementation of this Act, the Director General of Customs may request a master to report the particulars to be specified in a vessel's stores manifest as referred to in the preceding paragraph before its entry into a port. In such a case, the master must make the report before its entry into the port except in cases of faulty telecommunications facility or as otherwise provided by Cabinet Order.
- (5) In the case of the request as referred to in the preceding paragraph, a master who fails to so report before entry into the port as referred to in that paragraph must submit to customs a vessel's stores manifest as referred to in paragraph (3) immediately after the entry into the port.
- (6) Notwithstanding paragraph (3), a master who so reports as referred to in paragraph (4) is not required to submit a vessel's stores manifest as referred to in that paragraph.
- (7) Before a departure by the vessel engaged in foreign trade from the port of loading of the cargo that remains at the time of an entry by the vessel engaged in foreign trade into the open port (limited to those cargo packed in containers), an operator, etc. (meaning a vessel owner, a vessel lessee or a vessel charterer that is a party to a transportation contract for those cargo as provided in this paragraph) of the vessel engaged in foreign trade that seeks to enter an open port must report the name and nationality of the vessel engaged in foreign trade as well as the matters provided by Cabinet Order that pertain to the cargo to whichever customs has jurisdiction over the location of the open port that it seeks to enter, as provided by Cabinet Order, unless it is found that a disaster or other special circumstance as specified by Cabinet Order exists.
- (8) Before a departure by the vessel engaged in foreign trade from the port of loading of the cargo of a consignor, the consignor of the cargo as referred to in the preceding paragraph that constitutes a person as provided by Cabinet Order (hereinafter simply referred to as a "consignor" in this paragraph) must report the name and nationality of the vessel engaged in foreign trade as well as the matters provided by Cabinet Order that pertain to the cargo to whichever customs has jurisdiction over the location of the open port that it seeks to enter, as provided by Cabinet Order, unless it is found that a disaster or other special circumstances as specified by Cabinet Order exists.
- (9) As provided by Cabinet Order, a captain of an aircraft engaged in foreign trade that seeks to enter a customs airport must report the registered mark and nationality of the aircraft engaged in foreign trade as well as the

particulars provided by Cabinet Order that pertain to cargo, passengers (but only if passengers are on board the aircraft engaged in foreign trade) and crew members of the aircraft engaged in foreign trade in advance to whichever customs has jurisdiction over the location of the customs airport that it seeks to enter, except in cases of faulty telecommunications facility or as otherwise provided by Cabinet Order.

- (10) When an aircraft engaged in foreign trade enters a customs airport without the reporting as referred to in the preceding paragraph, immediately after the entry by the aircraft engaged in foreign trade into the airport, the captain must submit to customs a document specifying the particulars to be reported as provided in that paragraph.
- (11) When an aircraft engaged in foreign trade enters a customs airport, the captain must immediately submit to customs a notification of arrival in port, specifying the particulars provided by Cabinet Order.
- (12) On finding it to be necessary to do so in order to ensure the implementation of Article 69-11 (Cargo Prohibited for Import) or any other such provisions of this Act, the Director General of Customs may request an operator of an aircraft engaged in foreign trade that seeks to enter a customs airport with passengers on board (limited to that operated by a person who is granted permission under Article 100, paragraph (1) (Permission), Article 129, paragraph (1) (International Air Transportation Services by Foreign Nationals) or Article 130-2 (Transportation of Passengers Departing from or Arriving in Japan) of the Civil Aeronautics Act (Act No. 231 of 1952) (hereinafter referred to as an "air carrier")) or any other person as provided by Ministry of Finance Order to report the particulars provided by Cabinet Order that pertain to persons having reservations (which mean those who have booked airline tickets; the same applies hereinafter) for the aircraft engaged in foreign trade, details of their bookings, their personal effects and the procedures for boarding the aircraft engaged in foreign trade, before the entry by the aircraft engaged in foreign trade into the airport.
- (13) A person that has been requested to report pursuant to the preceding paragraph must report as provided by Cabinet Order.
- (14) A person must use an electronic data processing system to give a report as provided under paragraph (1) (excluding a report on the particulars of cargo), submit a document as under paragraph (2) (excluding the submission of a document specifying the particulars of cargo), give a report under paragraphs (7) through (9) or the preceding paragraph, or submit a document under paragraph (10); provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to give that report or submit that document due to faulty telecommunication lines or any other such cause.

(Reporting on the Particulars of Cargo)

Article 15-2 (1) If a person has reported on the particulars of cargo pursuant to paragraph (1) or paragraphs (7) through (9) of the preceding Article, and the Director General of Customs finds it to be necessary to clarify the details thereof in order to ensure the implementation of this Act, the Director General of Customs may ask for a report from a consignee of the cargo or any other person as provided by Cabinet Order before an entry into a port or airport, pursuant to Cabinet Order.

(2) Any person who is requested to report as provided in the preceding paragraph must give the report without delay.

(Procedures for Entry into Port for Special Vessel)

Article 15-3 (1) As provided by Cabinet Order, the master or a captain of a special vessel or aircraft (meaning a vessel or aircraft traveling between Japan and a foreign country that is not a vessel engaged in foreign trade or an aircraft engaged in foreign trade (excluding a public vessel, a public aircraft or any other vessel or aircraft as provided by Cabinet Order); the same applies hereinafter) that seeks to enter an open port or customs airport must report the name or registered mark and nationality of the special vessel or aircraft as well as the particulars provided by Cabinet Order that pertain to passengers (but only if passengers are on board the special vessel or aircraft) and crew members of such special vessel or aircraft in advance to whichever customs has jurisdiction over the location of the open port or customs airport that it seeks to enter, except in cases of faulty telecommunications facility or as otherwise provided by Cabinet Order.

(2) When a special vessel or aircraft enters an open port or customs airport without the reporting as referred to in the preceding paragraph, immediately after the entry by the special vessel or aircraft into the port or airport, the master or captain must submit to customs a document specifying the particulars to be reported provided in that paragraph.

(3) When a special vessel or aircraft enters an open port or customs airport, the master or captain must immediately submit to customs a notification of arrival in port, specifying the particulars provided by Cabinet Order.

(4) On finding it to be necessary to do so in order to ensure the implementation of Article 69-11 (Cargo Prohibited for Import) or any other such provisions of this Act, the Director General of Customs may request an operator of a special aircraft (meaning an aircraft that constitutes a special vessel or aircraft; the same applies hereinafter) seeking to enter a customs airport with passengers on board (limited to that operated by an air carrier) or any other person as provided by Ministry of Finance Order to report the particulars provided by

Cabinet Order that pertain to persons having reservations for the special aircraft, details of their bookings, their personal effects and the procedures for boarding the special aircraft, before an entry by the special aircraft into the airport.

- (5) A person that has been requested to report pursuant to the preceding paragraph must report as provided by Cabinet Order.
- (6) The relevant person must use an electronic data processing system to give a report as under paragraph (1) or the preceding paragraph or submit a document as under paragraph (2); provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to give that report or submit that document due to faulty telecommunication lines or any other such cause.

(Loading and Unloading of Cargo)

Article 16 (1) Loading or unloading of cargo onto or from a vessel engaged in foreign trade or an aircraft engaged in foreign trade (hereinafter referred to as a "vessel or aircraft engaged in foreign trade") must not be carried out if the reporting on the particulars of cargo as provided under Article 15, paragraph (1) (Procedures for Entry into Port) is not made (except to the extent that a document specifying the particulars of cargo as provided in paragraph (2) of that Article is submitted), or if the reporting on the particulars of cargo as provided in paragraph (9) of that Article is not made (except to the extent that a document specifying the particulars of cargo as provided in paragraph (10) of that Article or Article 18, paragraph (4) (Simplified Procedures for Entry into or Departure from Port) is submitted); provided, however, that this does not apply with respect to personal effects of passengers and crew members, postal items (including correspondence that does not fall within postal items; the same applies in Articles 18 and 19, Article 24, paragraph (2), and Article 63, paragraph (1)), and vessel's stores and aircraft's stores.

- (2) A person seeking to load or unload foreign cargo onto or from a vessel or aircraft must present a document that concerns the loading or unloading to a customs official, pursuant to the provisions of Cabinet Order. The same applies with respect to a person seeking to load or unload domestic cargo onto or from a vessel or aircraft engaged in foreign trade
- (3) Beyond what is provided for in paragraph (1), if with respect to any cargo as provided in paragraph (7) of Article 15, the reporting as provided in that paragraph and paragraph (8) of that Article is not made, unloading of the cargo must not be carried out; provided, however, that this does not apply when any reporting in lieu thereof as provided by Cabinet Order is made, and permission of the Director General of Customs is given as provided by Cabinet Order.

(Procedures for Departure from Port)

- Article 17 (1) When a vessel or aircraft engaged in foreign trade seeks to depart from an open port or customs airport, the master or captain must submit to customs a clearance notice specifying the matters provided by Cabinet Order, to obtain permission of the Director General of Customs. In such a case, when it is found necessary for ensuring the implementation of this Act, the Director General of Customs may request the master or captain to submit a document specifying the particulars provided by Cabinet Order that pertain to the cargo, passengers (but only if passengers are on board the vessel or aircraft engaged in foreign trade) and crew members.
- (2) In the case referred to in the preceding paragraph, when any amount of tonnage taxes and special tonnage taxes are payable for the vessel engaged in foreign trade as provided by the Tonnage Tax Act (Act No. 37 of 1957) and the Special Tonnage Tax Act (Act No. 38 of 1957), permission as referred to in that paragraph is not to be given until after that amount has been paid; provided, however, that this does not apply if security as provided in Article 9, paragraph (1) (Security) of the Tonnage Tax Act and Article 7, paragraph (1) (Security) of the Special Tonnage Tax Act is provided.
- (3) On finding it to be necessary to do so in order to ensure the implementation of Article 69-2 (Cargo Prohibited for Export) or any other such provisions of this Act, the Director General of Customs may request an operator of an aircraft engaged in foreign trade departing from a customs airport with passengers on board (limited to that operated by an air carrier) or any other persons as provided by Ministry of Finance Order to report the particulars provided by Cabinet Order that pertain to persons having reservations for the aircraft engaged in foreign trade, details of their bookings, their personal effects and the procedures for boarding the aircraft engaged in foreign trade, before the departure by the aircraft engaged in foreign trade from the airport.
- (4) A person that has been requested to report pursuant to the preceding paragraph must report as provided by Cabinet Order.
- (5) The relevant person must use an electronic data processing system to submit a document as under the second sentence of paragraph (1) (excluding the submission of a document specifying the particulars of cargo) or give a report as under the preceding paragraph; provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to submit that document or give that report due to faulty telecommunication lines or any other such cause.

(Procedures for Departure from Port for Special Vessel)

- Article 17-2 (1) When a special vessel or aircraft seeks to depart from an open

port or customs airport, the master or captain must submit to customs a clearance notice specifying the particulars provided by Cabinet Order. In such a case, when it is found necessary for ensuring the implementation of this Act, the Director General of Customs may request the master or captain to submit a document specifying the particulars provided by Cabinet Order that pertain to passengers (but only if passengers are on board the special vessel or aircraft) and crew members.

- (2) On finding it to be necessary to do so in order to ensure the implementation of Article 69-2 (Cargo Prohibited for Export) or any other such provisions of this Act, the Director General of Customs may request an operator of a special aircraft departing from a customs airport with passengers on board (limited to that operated by an air carrier) or any other persons as provided by Ministry of Finance Order to report the particulars provided by Cabinet Order that pertain to persons having reservations for the special aircraft, details of their bookings, their personal effects and the procedures for boarding the special aircraft, before the departure by the special aircraft from the airport.
- (3) A person that has been requested to report pursuant to the preceding paragraph must report as provided by Cabinet Order.
- (4) The relevant person must use an electronic data processing system to submit a document as under the second sentence of paragraph (1) or give a report as under the preceding paragraph; provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to submit that document or give that report due to faulty telecommunication lines or any other such cause.

(Simplified Procedures for Entry into or Departure from Port)

Article 18 (1) In the case of an entry by a vessel engaged in foreign trade into an open port, when it departs from the port within twenty-four hours after its entry without loading or unloading cargo other than personal effects of crew members, postal items and vessel's stores, or in any other such case provided by Cabinet Order, the provisions of Article 15, paragraphs (3) through (5) (Procedures for Entry into Port) do not apply.

- (2) In the case referred to in the preceding paragraph, the master of the vessel engaged in foreign trade referred to in that paragraph must, no later than its departure from the port, submit to customs a notification of arrival in port, specifying the particulars provided by Cabinet Order.
- (3) In the case of an entry by an aircraft engaged in foreign trade into a customs airport, when the aircraft departs from the airport without loading or unloading cargo other than personal effects of crew members, postal items and aircraft's stores, or in any other such case provided by Cabinet Order (referred to as a "case of short stay, etc." in the following paragraph), Article 15,

paragraphs (9) through (11), and Article 17, paragraph (1) (Procedures for Departure from Port) do not apply; provided, however, that with respect to the particulars of the crew members, the captain must make the reporting provided in Article 15, paragraph (9), or submission of a document provided in paragraph (10) of that Article, except as provided by Cabinet Order.

- (4) In the case referred to in the preceding paragraph, the captain of the aircraft engaged in foreign trade referred to in that paragraph must file a notification with customs no later than its departure from the airport, indicating that its stay falls within a case of short stay, etc., and must, when its stay ceases to fall within a case of short stay, etc. after its entry into the airport, submit in advance to customs a document specifying the particulars to be reported provided in Article 15, paragraph (9) (excluding any particulars reported, or specified in a document submitted, as provided in the proviso to the preceding paragraph), as provided by Cabinet Order.
- (5) The relevant person must use an electronic data processing system to submit a document as under the preceding paragraph; provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to submit that document due to faulty telecommunication lines or any other such cause.

(Simplified Procedures for Entry into or Departure from Port for Special Vessel or Aircraft)

Article 18-2 (1) In the case of an entry into an open port by a vessel that constitutes a special vessel or aircraft (referred to as a "special vessel" in the following paragraph), when it departs from the port within twenty-four hours after its entry without loading or unloading personal effects of passengers, or in any other such case provided by Cabinet Order (referred to as a "case of short stay, etc." in that paragraph), Article 15-3 (Procedures for Entry into Port for Special Vessel or Aircraft), and Article 17-2, paragraph (1) (Procedures for Departure from Port for Special Vessel or Aircraft) do not apply; provided, however, that with respect to the particulars of the crew members, the master must make the reporting as provided in Article 15-3, paragraph (1) or the submission of a document provided in paragraph (2) of that Article, except as provided by Cabinet Order.

- (2) In the case referred to in the preceding paragraph, the master of the special vessel referred to in that paragraph must, no later than its departure from the port, submit to customs a notification of arrival in port, specifying the matters as provided by Cabinet Order, and must, when its stay ceases to fall within a case of short stay, etc. after its entry into the port, submit in advance to customs a document specifying the particulars to be reported as provided in Article 15-3, paragraph (1) (excluding any particulars reported, or specified in

a document submitted, as provided in the proviso to the preceding paragraph), as provided by Cabinet Order.

- (3) In the case of an entry by a special aircraft into a customs airport, when it departs from the airport without loading or unloading personal effects of passengers, or in any other such case provided by Cabinet Order (referred to as a "case of short stay, etc." in the following paragraph), Article 15-3, paragraphs (1) through (3) and Article 17-2, paragraph (1) do not apply; provided, however, that with respect to the particulars of the crew members, the captain must report as under Article 15-3, paragraph (1) or submit a document under paragraph (2) of that Article, except as provided by Cabinet Order.
- (4) In the case referred to in the preceding paragraph, the captain of the special aircraft referred to in that paragraph must, no later than its departure from the airport, notify customs that its stay falls within a case of short stay, etc., and must, when its stay ceases to fall within a case of short stay, etc. after its entry into the airport, submit in advance to customs a document specifying the particulars to be reported as provided in Article 15-3, paragraph (1) (excluding any particulars reported, or specified in a document submitted, as provided in the proviso of the preceding paragraph), as provided by Cabinet Order.
- (5) The relevant person must use an electronic data processing system to submit a document as under paragraph (2) or the preceding paragraph; provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to submit that document due to faulty telecommunication lines or any other such cause.

(Loading and Unloading of Cargo Outside Office Hours)

Article 19 Before seeking to load or unload cargo onto or from a vessel or aircraft engaged in foreign trade or any other vessel or aircraft loaded with foreign cargo, or to load foreign cargo onto a vessel or aircraft, outside of the official office hours of a customs office (meaning the hours that the Director General of Customs has established and publicly announced as the hours during which processes are handled at the customs office in consideration of the types of processes that take place at the customs office and other such circumstances; the same applies in Article 98, paragraph (1)), a person must first file a notification of this with the Director General of Customs; provided, however, that this does not apply with respect to personal effects of passengers and crew members, postal items, and vessel's stores or aircraft's stores.

(Entry into or Departure from Closed Port)

Article 20 (1) A master or a captain of a vessel or aircraft engaged in foreign trade must not, except with permission of the Director General of Customs,

bring the vessel or aircraft engaged in foreign trade into or out of a closed port; provided, however, that this does not apply if the vessel enters or leaves a quarantine area solely for the purpose of quarantine inspection, or if a shipwreck or any other unavoidable accident occurs.

- (2) When a vessel or aircraft engaged in foreign trade enters a closed port due to any accident as referred to in the proviso to the preceding paragraph, the master or captain must immediately notify a customs official (or when no customs official is present, a police officer) of the fact together with the reason therefor.
- (3) On finding it to be necessary to do so in order to ensure the implementation of Article 69-2 (Cargo Prohibited for Export), Article 69-11 (Cargo Prohibited for Import) or any other such provisions of this Act, the Director General of Customs may request an operator of an aircraft engaged in foreign trade that seeks to enter or depart from a closed port with passengers on board (limited to that operated by an air carrier) or any other such person as provided by Ministry of Finance Order to report the particulars provided by Cabinet Order that pertain to persons having reservations for the aircraft engaged in foreign trade, details of their bookings, their personal effects and the procedures for boarding the aircraft engaged in foreign trade, before the entry into or departure from the airport by the aircraft engaged in foreign trade.
- (4) A person that has been requested to report pursuant to the preceding paragraph must report as provided by Cabinet Order.
- (5) The relevant person must use an electronic data processing system to give a report as under the preceding paragraph; provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to give that report due to faulty telecommunication lines or any other such cause.

(Special Vessels' and Aircrafts' Entry into and Departure from Closed Ports)

- Article 20-2 (1) The master or captain of a special vessel or aircraft that seeks to enter a closed port must, as provided by Cabinet Order, report the name or registered mark and nationality of the special vessel or aircraft as well as particulars provided by Cabinet Order that pertain to passengers (but only if passengers are on board the special vessel or aircraft) and crew members of the special vessel or aircraft in advance to whichever customs has jurisdiction over the location of the closed port that it seeks to enter, except in cases of faulty telecommunications facility or as otherwise provided by Cabinet Order.
- (2) When a special vessel or aircraft enters a closed port without the reporting as referred to in the preceding paragraph, the master or captain must, immediately after the entry by the special vessel or aircraft into the port or airport, submit to customs a document specifying the particulars to be reported

as provided in that paragraph.

- (3) When a special vessel or aircraft enters a closed port, the master or captain must immediately submit to customs a notification of arrival in port, specifying the particulars provided by Cabinet Order.
- (4) When a special vessel or aircraft seeks to depart from a closed port or airport, the master or captain must submit to customs a clearance notice, specifying the particulars provided by Cabinet Order. In such a case, when it is found necessary for ensuring the implementation of this Act, the Director General of Customs may request the master or captain to submit a document specifying the particulars provided by Cabinet Order that pertain to passengers (but only if passengers are on board the special vessel or aircraft) and crew members.
- (5) On finding it to be necessary to do so in order to ensure the implementation of Article 69-2 (Cargo Prohibited for Export), Article 69-11 (Cargo Prohibited for Import) or any other such provisions of this Act, the Director General of Customs may request an operator of a special aircraft that seeks to enter or depart from a closed port with passengers on board (limited to that operated by an air carrier) or any other such person as provided by Ministry of Finance Order to report the particulars provided by Cabinet Order that pertain to persons having reservations for the special aircraft, details of their bookings, their personal effects and the procedures for boarding the special aircraft, before the entry into or departure from the airport by the special aircraft.
- (6) A person that has been requested to report pursuant to the provisions of the preceding paragraph must report as provided by Cabinet Order.
- (7) The relevant person must use an electronic data processing system to give a report as under paragraph (1) or the preceding paragraph or submit a document as under paragraph (2) or the second sentence of paragraph (4); provided, however, that this does not apply in a case that Ministry of Finance Order prescribes as one in which a person is unable to use an electronic data processing system to give that report or submit that document due to faulty telecommunication lines or any other such cause.

(Temporary Landing of Foreign Cargo)

Article 21 Before seeking to land foreign cargo temporarily (including unloading; the same applies hereinafter), the master of the vessel or captain of the aircraft must first file a notification with the customs office (or if no customs office is established, a customs official, or when no customs official is present, a police officer); provided, however, that if it is not possible to file a notification in advance due to a shipwreck or other unavoidable accident, the notification must be filed immediately after the landing.

(Notification of Call at Foreign Port for Coastal Vessel)

Article 22 When a coastal vessel or domestic aircraft (hereinafter referred to as a "coastal vessel, etc.") returns to Japan after it calls at a foreign port due to a shipwreck or any other unavoidable accident, the master or captain must immediately file a notification of this with customs, and must, if any vessel's stores or aircraft's stores are loaded onto it in a foreign country, submit a manifest thereof to customs.

(Loading of Vessel's or Aircraft's Stores)

Article 23 (1) Any vessel's stores or aircraft's stores that constitute foreign cargo arriving in Japan from abroad may be loaded on board as foreign cargo, provided that a declaration is made to the Director General of Customs as provided by Cabinet Order, and upon approval, are loaded from a bonded area onto a vessel (including an equivalent deep-sea fishing vessel or any other vessels as provided by Cabinet Order) or aircraft traveling between Japan and a foreign country. In such a case, the Director General of Customs may give blanket approval for the loading of the vessel's stores or aircraft's stores carried out within the period that the Director General of Customs designates, within the scope of the period provided by Cabinet Order, if such vessel's stores or aircraft's stores constitute those as provided by Cabinet Order as not causing any problem in customs control.

(2) A person seeking to load vessel's stores that constitute domestic cargo onto a vessel traveling between Japan and a foreign country or to load aircraft's stores that constitute domestic cargo onto an aircraft traveling between Japan and a foreign country must make a declaration to the Director General of Customs and obtain the approval thereof, pursuant to the provisions of Cabinet Order; provided, however, that if it enters a closed port or airport due to distress or any other compelling incident, and it is urgently necessary to load such vessel's stores or aircraft's stores onto it but no customs official is present, the person must file a notification of this with a police officer in advance.

(3) Approval as referred to in the preceding two paragraphs must be given if the types and quantities of the vessel's stores or aircraft's stores subject to the approval are deemed to be appropriate, taking account of, among other things, the type, the tonnage or empty weight, the number of days of voyage or flight and the number of passengers and crew members of the vessel or aircraft.

(4) If approval is given as referred to in paragraph (1), the Director General of Customs must specify a period of loading as may be deemed to be reasonable. In such a case, when it is found necessary due to a disaster or any other unavoidable reasons, the Director General may extend the period designated.

(5) A person who is given approval as referred to in paragraph (1) must, upon completion of loading of the vessel's stores or aircraft's stores subject to that approval, immediately submit to customs a document certifying that fact as

provided by Cabinet Order; provided, however, that in the case of blanket approval given as provided in the second sentence of that paragraph, the person may, for each of the shorter periods as designated by the Director General of Customs that has given the approval by subdividing the whole period subject to the approval pursuant to Cabinet Order, collectively submit documents certifying the fact pertaining to the vessel's stores or aircraft's stores loaded within that period.

- (6) When a vessel's stores or aircraft's stores for which approval is given under paragraph (1) are not loaded on the vessel or aircraft subject to the approval within the period designated as provided in paragraph (4), customs duties are immediately collected from the person who has been given the approval; provided, however, that this does not apply if the vessel's or aircraft's stores are brought into a bonded area, are lost due to a disaster or any other unavoidable reasons, or are destroyed with prior approval of the Director General of Customs.

(Travel between Vessel or Aircraft and Land)

Article 24 (1) Any travel (except for travel that falls under the following paragraph), or any loading or unloading of cargo between land and a vessel or aircraft traveling between Japan and a foreign country, except with permission of the Director General of Customs, must be conducted by way of a designated place.

- (2) The travel to a vessel or aircraft traveling between Japan and a foreign country, when its purpose is to deliver or receive cargo (excluding cargo whose delivery and receipt are approved or permitted as provided by this Act, and any postal items), must be conducted with permission of the Director General of Customs as provided by Cabinet Order, and by way of a designated place.
- (3) If a person seeking the permission referred to in the preceding paragraph falls under one of the following items, it is permissible for the Director General of Customs to not give that permission:
- (i) if the person has been sentenced to punishment for violating the provisions of this Act, and three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement; or if the person has been subject to a disposition of administrative notification for violating the provisions of this Act, and three years have not passed since the day on which the person rendered the performance indicated in the notification;
 - (ii) if the person has been sentenced to imprisonment without work or a heavier punishment for violating the provisions of a law or regulation other than this Act, and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its

enforcement;

(iii) if the person is a person who falls under any of the preceding two items, or an agent, employee or other worker of a corporation for which the person serves as an officer.

(4) It is prohibited for transportation to be conducted between a vessel or aircraft traveling between Japan and a foreign country and a coastal vessel, etc. except with permission of the Director General of Customs.

(Change in the Status of Vessel or Aircraft)

Article 25 (1) If seeking to use any vessel or aircraft other than a vessel or aircraft engaged in foreign trade as a vessel or aircraft engaged in foreign trade, the master or captain must first file a notification of this with customs. The same applies if a person seeks to use any vessel or aircraft engaged in foreign trade as a vessel or aircraft other than a vessel or aircraft engaged in foreign trade

(2) If seeking to use a coastal vessel, etc. as a special vessel or aircraft, the master or captain must first file a notification of this with customs. The same applies if a person seeks to use a special vessel or aircraft as a coastal vessel, etc.

(Acting for Master or Captain)

Article 26 Any act to be carried out by a master or a captain as provided in any of Article 15, paragraphs (1) through (5), and paragraphs (9) through (11) (Procedures for Entry into Port), Article 15-3, paragraphs (1) through (3) (Procedures for Entry into Port for Special Vessel or Aircraft), Article 17, paragraph (1) (Procedures for Departure from Port), Article 17-2, paragraph (1) (Procedures for Departure from Port for Special Vessel or Aircraft), Article 18, paragraphs (2) through (4) (Simplified Procedures for Entry into or Departure from Port), Article 18-2, paragraphs (1) through (4) (Simplified Procedures for Entry into or Departure from Port for Special Vessel or Aircraft), Article 20, paragraph (1) or (2) (Entry into or Departure from Closed Port), Article 20-2, paragraphs (1) through (4) (Entry into or Departure from Closed Port for Special Vessel or Aircraft), Article 21 (Temporary Landing of Foreign Cargo) or the preceding Article may also be carried out by an owner, administrator, or agent (meaning an owner or administrator, or an agent for the owner or administrator or for a master or captain) of the vessel or aircraft as provided therein.

(Acting Agent for Master or Captain)

Article 27 The provisions of this Chapter applicable to a master or a captain, if the master or captain is unable to perform duties, apply to any person who acts

for the master or captain to perform such duties.

(Provision of Facilities for Customs Officials)

Article 28 If any customs official boards a vessel or aircraft for performing duties, the master or captain must provide the customs official with space and other facilities as necessary for the performance of duties.

Chapter IV Bonded Areas

Section 1 General Provisions

(Types of Bonded Areas)

Article 29 Bonded areas include five types, which are designated bonded areas, bonded warehouses, bonded factories, bonded exhibition sites and integrated bonded areas.

(Restrictions on Places for Storing Foreign Cargo)

Article 30 (1) Foreign cargo may not be stored in any place other than a bonded area; provided, however, that this does not apply to foreign cargo set forth in the following items:

- (i) wrecked cargo;
- (ii) cargo which is found by the Director General of Customs to be difficult or significantly inappropriate to be stored in bonded areas, and is permitted to be stored at a place and for a period designated by the Director General of Customs;
- (iii) specific postal items (meaning postal items (limited to those imported) pertaining to a notice under Article 76, paragraph (5) (Simplified Procedures for Exporting and Importing Postal Items) and postal items which contain correspondence only; the same applies in Article 63-9, paragraph (1)), objects seized pursuant to the provisions of the Code of Criminal Procedure (Act No. 131 of 1948) and other cargo prescribed by Cabinet Order;
- (iv) postal correspondence (meaning postal correspondence provided for in Article 2, paragraph (3) (Definitions) of the Act on Correspondence Delivery by Private Business Operators; the same applies in Article 74, Article 78-3 and Article 122, paragraphs (1) and (2)), if the Director General of Customs finds that it will not cause any problem in customs control;
- (v) cargo for which a person has filed an export declaration under specific entrustment as provided for in the second sentence of Article 67-3, paragraph (1) (Special Provisions for Export Declaration), an export declaration of specific manufactured cargo as provided for in paragraph (2) of that Article, or a specific export declaration as provided for in paragraph (3) of that Article, and that a person has received the permission of the Director

General of Customs to export (hereinafter referred to as "special export cargo").

(2) Notwithstanding the provisions of the preceding paragraph, cargo set forth in any of Article 69-11, paragraph (1), items (i) through (iv), item (v)-2, item (vi) and items (viii) through (x) (Cargo Prohibited for Import) (limited to cargo that has arrived in Japan other than for the purpose of import; in the case of cargo set forth in item (ix) of that paragraph, cargo that infringe a layout-design exploitation right only is excluded) may not be stored in bonded areas.

Article 31 Deleted.

(Temporary Taking out of Samples)

Article 32 A person seeking to take foreign cargo stored in a bonded area out of that area temporarily as a sample must obtain permission of the Director General of Customs.

Article 33 Deleted.

(Disposal of Foreign Cargo)

Article 34 A person seeking to dispose of foreign cargo stored in a bonded area must first file a notification of this with customs; provided, however, that this does not apply if approval for destruction has been given pursuant to the provisions of the proviso to Article 45, paragraph (1) (Obligation of a Licensee to Pay Customs Duties) (including as applied mutatis mutandis pursuant to Article 36, Article 41-3, Article 61-4, Article 62-7 and Article 62-15).

(Obligation of Record Keeping)

Article 34-2 A person that administers cargo in a bonded area (this excludes a bonded factory or bonded exhibition site) must maintain books for foreign cargo that the person administers (other than correspondence; the same applies in Article 43-2, paragraph (1), Article 43-3, paragraph (1), Article 61-3 (including as applied mutatis mutandis pursuant to Article 62-7), Article 62-3, paragraph (1), Article 62-9, Article 62-10 and Article 80, paragraph (1)) and for cargo that persons seek to export (other than correspondence), and must state therein particulars prescribed by Cabinet Order.

(Dispatch of Customs Officials)

Article 35 The Director General of Customs may dispatch customs officials to a bonded area and have them handle a part of the customs processes therein.

(Mutatis Mutandis Application of Provisions on Bonded Areas)

- Article 36 (1) The provisions of Article 32 (Temporary Taking out of Samples), Article 34 (Disposal of Foreign Cargo) and Article 45 (Obligation of a Bonded Warehouse Licensee to Pay Customs Duties) apply mutatis mutandis to cargo for which permission is given by the Director General of Customs pursuant to the provisions of Article 30, paragraph (1), item (ii) (Foreign Cargo Stored with Permission at a Place Other Than a Bonded Area). In this case, the term "a bonded area" in Articles 32 and 34, and the term "bonded warehouse" in Article 45 are deemed to be replaced with "the place designated by the Director General of Customs pursuant to the provisions of Article 30, paragraph (1), item (ii)."
- (2) If a person seeks to check, repack, sort or carry out normal handling operations with respect to cargo for which permission has been given by the Director General of Customs pursuant to the provisions of Article 30, paragraph (1), item (ii) (Foreign Cargo Stored with Permission at a Place Other Than a Bonded Area), the person must first file a notification of this with customs.

Section 2 Designated Bonded Areas

(Designation or Revocation of a Designated Bonded Area)

- Article 37 (1) A designated bonded area means the land, structure, or other facilities owned or administered by the State, a local public entity, or a corporation engaged in the construction or administration of port and harbor or airport facilities that is prescribed by Cabinet Order, which the Minister of Finance designates as a place where foreign cargo may be loaded, unloaded, transported, or stored temporarily for the purpose of ensuring simplified and prompt administration of customs processes in an open port or customs airport.
- (2) If the Minister of Finance finds that it is not necessary to maintain the whole or part of a designated bonded area due to a decrease in the foreign trade being conducted using that bonded area or for other such reasons, the Minister may revoke the designation referred to in the preceding paragraph for the whole or part of that area.
- (3) Before designating a place as a designated bonded area, the Minister of Finance must first consult with the owner and administrator of the land, structure, or other facilities that the Minister seeks to designate, hold public hearings, and provide exporters, importers and other parties interested in the designation with the opportunities to state their opinions. The same applies if the Minister of Finance seeks to revoke the designation of a designated bonded area.
- (4) When the Minister of Finance designates a place as a designated bonded area or revokes the designation, the Minister must immediately give public notice to

that effect.

- (5) The Minister of Finance may, pursuant to the provisions of Cabinet Order, delegate part of their authority pertaining to the designation or revocation prescribed in paragraph (1) or (2) to the Director General of Customs.

(Disposition of a Designated Bonded Area)

Article 38 (1) Before taking an action as set forth in one of the following items, the owner or administrator of the land, structure, or other facilities designated as a designated bonded area must first consult with the Director General of Customs; provided, however, that if the owner or administrator is not the State or local public entity, it must obtain approval of the Director General of Customs:

- (i) transfer, exchange, lease or other disposal of the land, structure, or other facilities, or change of use;
 - (ii) construction work in the land or construction of a new structure or other facilities on the land;
 - (iii) reconstruction, relocation, removal, or other construction work on a structure or other facilities.
- (2) In the case referred to in the preceding paragraph, if the Director General of Customs finds that the acts pertaining to the consultation or application for approval, as referred to in that paragraph does not interfere with proper use of the designated bonded area and does not cause any problem in ensuring the implementation of this Act, the Director General must give consent to, or approve those acts.
- (3) When the Director General of Customs finds it necessary for the efficient execution of customs processes in a designated bonded area, the Director General may, with the consent of the owner and administrator of the area, install a fence or other similar structures in that area in order to separate the designated bonded area from other areas.
- (4) The owner or administrator of the land, structure, or other facilities designated as a designated bonded area (including a person leasing port and harbor facilities from the person prescribed by Cabinet Order as referred to in paragraph (1) of the preceding Article (Designation of a Designated Bonded Area)) may not refuse the loading, unloading, transport, or storage of foreign cargo or cargo that a person seeks to export, without legitimate grounds.

(Cargo That May Be Brought In)

Article 39 When it is found necessary for the purpose of achieving the intended use of a designated bonded area, the Director General of Customs may specify the types of cargo that may be brought into the area.

(Handling of Cargo)

- Article 40 (1) In a designated bonded area, foreign cargo or cargo that a person seeks to export may undergo, in addition to the acts provided for in Article 37, paragraph (1) (Designation of a Designated Bonded Area), checking, repacking, sorting or other normal handling operations of those cargo.
- (2) In a designated bonded area, foreign cargo or cargo that a person seeks to export may undergo, in addition to the acts provided for in the preceding paragraph, the acts that are permitted by the Director General of Customs, including display of samples, simple processing or other similar acts.
- (3) The Director General of Customs, if the acts referred to in the preceding paragraph are deemed not to interfere with proper use of a designated bonded area and not to cause any problem in ensuring the implementation of this Act, must give permission referred to in the preceding paragraph.

(Foreign Cargo After Revocation of Designation)

Article 41 When designation of a designated bonded area is revoked, if there remains foreign cargo (excluding special export cargo; the same applies in Article 47, paragraph (3) (including as applied mutatis mutandis pursuant to Article 61-4, Article 62-7, and Article 62-15) and Article 62-6, paragraph (1)) in that area at the time of the revocation, the place the designation of which was revoked is deemed to be a designated bonded area for the cargo for a period designated by the Director General of Customs.

(Suspension of Bringing Foreign Cargo into a Designated Bonded Area)

- Article 41-2 (1) If a person that administers cargo in a designated bonded area (in the case of a corporation, its officers are included; hereinafter referred to as the "administrator of cargo" in this Article) or its agent, manager, or other employee violates the provisions of this Act in connection with business in the designated bonded area, the Director General of Customs may have a person suspend their bringing of foreign cargo or cargo they seek to export which is administered by that administrator of cargo into that designated bonded area, for a specified period.
- (2) When seeking to have a person suspend the bringing in of cargo to a designated bonded area pursuant to the provisions of the preceding paragraph, the Director General must give advance notice of this to the administrator of cargo, and the owner or administrator of the land, structure, or other facilities of the bonded area, and must request attendance of these persons or their agents for hearing their opinions or otherwise provide them with the opportunity to submit evidence for the purpose of clarification.

(Mutatis Mutandis Application of the Provisions on Bonded Warehouses)

Article 41-3 The provisions of Article 45 (Obligation of a Bonded Warehouse Licensee to Pay Customs Duties) apply mutatis mutandis to foreign cargo stored in a designated bonded area. In this case, the term "bonded warehouse licensee" in paragraphs (1) and (3) of that Article is deemed to be replaced with "person administering the foreign cargo".

Section 3 Bonded Warehouses

(Licensing of Bonded Warehouses)

- Article 42 (1) A bonded warehouse means a place that, pursuant to the provisions of Cabinet Order, the Director General of Customs licenses as a place where foreign cargo may be loaded, unloaded, transported, or stored.
- (2) The period of the licensing referred to in the preceding paragraph may not exceed ten years; provided, however, that licensing may be renewed for a specified period of up to ten years, pursuant to the provisions of Cabinet Order.
- (3) When the Director General of Customs grants a license as referred to in paragraph (1) or renews a license as referred to in the proviso to the preceding paragraph, the Director General must immediately issue public notice of this.

(Requirements for Licensing)

Article 43 In a case falling under any of the following items, it is permissible for the Director General of Customs to not grant the license referred to in paragraph (1) of the preceding Article:

- (i) if the person that seeks the licensing referred to in paragraph (1) of the preceding Article (hereinafter referred to as "applicant" in this Article) has had its bonded area licensing revoked and three years have not passed since the day on which the licensing was revoked;
- (ii) if the applicant has been sentenced to punishment for violating the provisions of this Act, and three years have not passed since the day on which the applicant finished serving that sentence or ceased to be subject to its enforcement; or if the applicant has been subject to a disposition of administrative notification for violating the provisions of this Act, and three years have not passed since the day on which the applicant rendered the performance indicated in the notification;
- (iii) if the applicant has been sentenced to imprisonment without work or a heavier punishment for violating the provisions of a law or regulation other than this Act, and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
- (iv) if the applicant has been sentenced to a fine for violating the provisions of the Act on Prevention of Unjust Acts by Organized Crime Group Members or

for committing the offense of Article 204 (Injury), Article 206 (Incitement of Injury), Article 208 (Assault), Article 208-2, paragraph (1) (Unlawful Assembly with Weapons), Article 222 (Intimidation) or Article 247 (Breach of Trust) of the Penal Code or an offense referred to in the Act on Punishment of Physical Violence and Other Acts, and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;

- (v) if the applicant is a member of an organized crime group, etc.;
- (vi) if the applicant is a corporation whose officer falls under any of the preceding items or when an applicant employs any person who falls under any of the preceding items as an agent, manager or other principal employee;
- (vii) if the business activities of an applicant are controlled by a member of an organized crime group, etc.;
- (viii) if the applicant's financial resources are found to be insufficient to enable the applicant to bear the burden imposed pursuant to this Act or if the applicant is otherwise found not to have sufficient ability to perform bonded warehousing;
- (ix) if the location or facilities of the place for which the applicant seeks the licensing referred to in paragraph (1) of the preceding Article is found to be unsuitable for a bonded warehouse;
- (x) there is found to be little prospect of the place for which the applicant seeks the licensing referred to in paragraph (1) of the preceding Article being used as a bonded warehouse or there is found to be little value in it being used as such.

(Period for Which Foreign Cargo May Be Stored)

Article 43-2 (1) The period for which foreign cargo may be stored in a bonded warehouse is two years from the day on which approval for storage of that cargo in the bonded warehouse is initially given.

(2) If the Director General of Customs finds that there are special circumstances, the Director General may, upon receipt of application to extend the period referred to in the preceding paragraph, specify an additional period considered necessary.

(Approval to Store Foreign Cargo)

Article 43-3 (1) If a person who brings foreign cargo into a bonded warehouse seeks to store the cargo in that warehouse for a period exceeding three months (or, when it is found necessary due to unavoidable reasons arising, for the period as specified by the Director General of Customs at the request of that person) from the day on which it is brought into the warehouse, the person must, pursuant to the provisions of Cabinet Order, obtain approval of the

Director General of Customs by filing an application with the Director General of Customs prior to the day on which the period specified by the Director General of Customs expires.

- (2) Approval referred to in the preceding paragraph must be given unless foreign cargo may not be stored in a bonded warehouse for a period exceeding the period referred to in that paragraph pursuant to the provisions of other laws and regulations, or unless proper use of a bonded warehouse is hindered.
- (3) The provisions of Article 67-2 (Procedure for Export or Import Declaration), the first sentence of Article 67-3, paragraph (1) (Special Provisions for Export Declaration) and Article 67-19 (Special Provisions for Import Declaration) apply mutatis mutandis if an application for approval referred to in paragraph (1) is filed.

(Inspection at the Time of Approval to Store Foreign Cargo)

Article 43-4 (1) When the Director General of Customs gives approval or provides designation, as referred to in paragraph (1) of the preceding Article, the Director General is to have customs officials conduct necessary inspection of foreign cargo referred to in that paragraph.

- (2) The provisions of Article 68-2 (Delegation of Authority for Inspection of Cargo) apply mutatis mutandis to the inspection referred to in the preceding paragraph.

(Increase and Decrease in the Storage Capacity of Cargo)

Article 44 (1) If a bonded warehouse licensee seeks to increase or decrease its storage capacity or to perform its rebuilding, relocation, or other construction work, the person must first file a notification of this with customs.

- (2) If a notification as referred to in the preceding paragraph has been filed and the Director General of Customs finds that the increase or decrease in storage capacity or construction work that the licensee seeks to implement would be detrimental to ensuring the implementation of this because there would be no clear demarcation between the bonded warehouse and other places after the increase or decrease or the completion of the work or because the storage facilities for foreign cargo would be insufficient after this, the Director General may request the person that filed the notification to take the necessary measures at the time of implementing the thing subject to that notification.

(Obligation of a Licensee to Pay Customs Duties)

Article 45 (1) If foreign cargo stored in a bonded warehouse (excluding cargo permitted for export; hereinafter the same applies in this paragraph and the following paragraph) is lost or destroyed, the customs duties are immediately collected from the bonded warehouse licensee; provided, however, that this

does not apply if foreign cargo is lost due to a disaster or any other unavoidable reasons, or is destroyed with prior approval of the Director General of Customs.

- (2) If the Director General of Customs finds that destruction of foreign cargo stored in a bonded warehouse is unavoidable on the grounds that it is likely to spoil, deteriorate, or cause damage to other foreign cargo, the Director General must give approval referred to in the proviso to the preceding paragraph.
- (3) If foreign cargo stored in a bonded warehouse is lost, the bonded warehouse licensee must immediately file a notification of this with the Director General of Customs.

(Notification of Suspension or Discontinuance of Business)

Article 46 If a bonded warehouse licensee seeks to suspend or discontinue bonded warehousing before the expiration of the period of licensing, they must first file a notification of this with the Director General of Customs.

(Expiration of Licensing)

Article 47 (1) The licensing of a bonded warehouse ceases to be effective if any of the situations as set forth in the following items occurs:

- (i) if the licensee discontinues bonded warehousing;
 - (ii) if the licensee dies and the application prescribed in Article 48-2, paragraph (2) (Licensing Succession) is not made within the period as provided for in that paragraph or a disposition not to give the approval referred to in that paragraph is made;
 - (iii) if the licensee has been dissolved;
 - (iv) if the licensee has received a ruling for commencement of bankruptcy proceedings;
 - (v) if the effective period of the licensing has expired;
 - (vi) if the Director General of Customs has revoked the license.
- (2) Once the licensing of a bonded warehouse expires, the Director General of Customs must immediately issue public notice of this.
 - (3) If the licensing of a bonded warehouse expires and foreign cargo is stored in that warehouse at the time of its expiration, the place whose licensing has expired is deemed to be a bonded warehouse as it concerns that cargo for a period specified by the Director General of Customs. In this case, the person that was granted that licensing or this person's heir (if the person granted the licensing is a corporation that has ceased to exist as a result of merger, then the corporation that survives the merger or the corporation that is established as a result of the merger; if the person that was granted the licensing is a corporation that has undergone a company split (but only one in which it has another person take over its bonded warehousing), then the corporation that has taken over the bonded warehousing; if a person who has obtained

permission has transferred the business, then a person who has been transferred that business) may not be exempted from their obligations involving the bonded warehouse until all of the foreign cargo is removed therefrom.

(Revocation of Licensing)

Article 48 (1) If any of the situations as set forth in the following items occurs, the Director General of Customs may have a person suspend their bringing of foreign cargo or cargo that a person seeks to export into a bonded warehouse for a specified period or may revoke the license of a bonded warehouse:

(i) if the licensee (in the case of a corporation, including its officers) or its agent, manager, or other employee violates the provisions of this Act in connection with bonded warehousing;

(ii) if the licensee has come to fall under one of Article 43, items (ii) through (x) (Requirements for Licensing).

(2) Before taking the disposition referred to in the preceding paragraph, the Director General of Customs must first give notice of this to the licensee of the bonded warehouse that is subject to that disposition, and must request attendance of the licensee or its agent for hearing its opinions or otherwise provide them with the opportunity to submit evidence for the purpose of clarification.

(Succession of Licensing)

Article 48-2 (1) If a succession occurs regarding a bonded warehouse licensee, the heir (when there are more than one heir, if one of them is, with the consent of all of the heirs, selected as a heir to succeed to the position based on that licensing, then the heir so selected) succeeds to the position based on the licensing of the decedent.

(2) A person who has taken over a position based on the licensing of a bonded warehouse pursuant to the provisions of the preceding paragraph (referred to as "successor" in the following paragraph) may, pursuant to the provisions of Cabinet Order, file an application for approval of succession with the Director General of Customs within sixty days after the death of the decedent.

(3) If a successor falls under any of the items of Article 43 (Requirements for Licensing), it is permissible for the Director General of Customs to not give the approval referred to in the preceding paragraph.

(4) If a bonded warehouse licensee has undergone a merger or a company split (but only one in which it has another person take over its bonded warehousing) or if a bonded warehouse licensee has transferred its bonded warehousing business, if the licensee has in advance been given approval of the Director General of Customs pursuant to the provisions of Cabinet Order, a corporation

that survives the merger or is established as a result of the merger, a corporation that has taken over the business as a result of the split-up or a person who has been transferred the business (referred to as "corporation after merger, etc." in the following paragraph), notwithstanding the provisions of Article 47, paragraph (1), item (i) or (iii) (Expiration of Licensing), may take over the position based on the licensing of the corporation that has ceased to exist as a result of the merger or has been split up, or based on the licensing of the person who has transferred the business.

- (5) If a corporation after merger, etc. falls under any of the items of Article 43, it is permissible for the Director General of Customs to not give the approval referred to in the preceding paragraph.
- (6) Having given the approval referred to in paragraph (2) or (4), the Director General of Customs must immediately issue public notice of this.

(Mutatis Mutandis Application of the Provisions on Designated Bonded Areas)
Article 49 The provisions of Article 40 (Handling of Cargo in a Designated Bonded Area) apply mutatis mutandis to a bonded warehouse.

- (Special Provisions for Licensing of Bonded Warehouses)
Article 50 (1) If a person who has gained the licensing referred to in Article 42, paragraph (1) (Licensing of Bonded Warehouses) and has obtained in advance approval of the Director General of Customs (hereinafter referred to as "holder of approval" in this Section) seeks to engage in the actions provided for in that paragraph (hereinafter referred to as "storage and other such handling of foreign cargo") at a place which meets, with respect to its location or facilities, the criteria prescribed by Ministry of Finance Order, the person may file a notification indicating this to the Director General of Customs having jurisdiction over that place.
- (2) For the purpose of application of the provisions of this Act, the place pertaining to the notification referred to in the preceding paragraph is deemed to be the place which has been given licensing referred to in Article 42, paragraph (1) at the time when the notification is accepted. In such a case, notwithstanding the provisions of paragraph (2) of that Article, the period of permission associated with the place deemed to have been given permission is the same as the period during which the approval referred to in the preceding paragraph is effective.
 - (3) A person seeking the approval referred to in paragraph (1) must submit an application form that states the person's domicile or residence, name, and other necessary particulars to the Director General of Customs having jurisdiction over the location of the person's domicile or residence.
 - (4) If not renewed every eight years, the approval referred to in paragraph (1)

ceases to be effective after expiry of that period.

- (5) Cabinet Order prescribes the procedures for filing a notification as referred to in paragraph (1) and provides for other necessary particulars concerning the application of the preceding paragraphs.

(Requirements for Approval)

Article 51 Before giving the approval referred to in paragraph (1) of the preceding Article, the Director General of Customs must examine whether the following criteria are met:

- (i) that the person seeking approval does not fall under any of the following items:
 - (a) that three years have not passed since the day on which approval referred to in paragraph (1) of the preceding Article was revoked pursuant to the provisions of Article 54, paragraph (1) (Revocation of Approval) for the person;
 - (b) that, with respect to permission already given under Article 42, paragraph (1) (Licensing of Bonded Warehouses), three years have not passed since the day the permission (when permission has been given two or more times, the day on which the first permission was given) was given to the person;
 - (c) that the person falls under the cases set forth in Article 43, items (ii) through (vii) (Requirements for Licensing);
- (ii) that the person seeking approval is able to conduct the business activities involved in the storage and other such handling of foreign cargo by means of an electronic data processing system or is otherwise able to properly and reliably perform those business activities;
- (iii) that the person seeking approval has established rules for the business involved in the storage and other such handling of foreign cargo, providing for the particulars that Ministry of Finance Order prescribes as for ensuring that the person (if the person is a corporation, including its officers) and its agents, managers, and other employees comply with the provisions of this Act or other laws and regulations.

(Measures for Improvement of Rules)

Article 52 If the Director General of Customs finds it to be necessary to do so in order to ensure the implementation of this Act because a holder of approval fails to conduct the business involved in the storage and other such handling of foreign cargo in accordance with the provisions of this Act or for any other reasons, the Director General may request the holder of approval to take necessary measures to improve the rules provided for in item (iii) of the preceding Article or its performance of business activities in connection with

the particulars provided for in those rules, or to newly establish the rules provided for in that item.

(Notification of Discontinuance of Application of Special Provisions for Licensing of Bonded Warehouses)

Article 52-2 If a holder of approval no longer needs to be subject to the application of the provisions of Article 50, paragraph (1) (Special Provisions for Licensing of Bonded Warehouses), that person, pursuant to the provisions of Cabinet Order, may file a notification of this with the Director General of Customs who gave the approval referred to in that paragraph.

(Expiration of Approval)

Article 53 The approval referred to in Article 50, paragraph (1) (Special Provisions for Licensing of Bonded Warehouses) ceases to be effective if any of the situations as set forth in the following items occurs:

- (i) when notification prescribed in the preceding Article is submitted;
- (ii) when licensing referred to in Article 42, paragraph (1) (Licensing of Bonded Warehouses) expires for a bonded warehouse pertaining to a holder of approval as a whole;
- (iii) when, after a holder of approval has died, application prescribed in the provisions of Article 48-2, paragraph (2) (Licensing Succession), as applied mutatis mutandis pursuant to Article 55 is not made within the period specified in that paragraph or when disposition not to give approval referred to in that paragraph is made;
- (iv) when the period of approval expires;
- (v) when the Director General of Customs revokes the approval.

(Revocation of Approval)

Article 54 (1) The Director General of Customs may, when a holder of approval falls under any of the following items, revoke the approval referred to in Article 50, paragraph (1) (Special Provisions for Licensing of Bonded Warehouses):

- (i) when the person falls under Article 51, item (i)(c) (Requirements for Approval) or the criteria referred to in item (ii) of that Article is not met;
- (ii) when the person fails to take any measure in response to the request made by the Director General of Customs as prescribed in Article 52 (Measures for Improvement of Rules).

(2) Before revoking approval pursuant to the provisions of the preceding paragraph, the Director General of Customs must give advance notice of the revocation to the holder of approval that would be subject to that disposition, and must request attendance of the holder or its agent for hearing its opinions

or through other means, provide them with the opportunity to submit evidence for the purpose of clarification.

- (3) Cabinet Order prescribes the procedures for a revocation of approval under paragraph (1) and provides for other necessary particulars concerning the application of the preceding two paragraphs.

(Mutatis Mutandis Application of the Provisions on Licensing Succession)

Article 55 The provisions of Article 48-2, paragraphs (1) through (5) (Licensing Succession) apply mutatis mutandis to a holder of approval. In this case, Cabinet Order provides for the necessary technical replacement of terms.

Section 4 Bonded Factories

(Licensing of Bonded Factories)

Article 56 (1) A bonded factory means a factory which is, pursuant to the provisions of Cabinet Order, permitted by the Director General of Customs as a place where processing of foreign cargo, manufacturing using foreign cargo as raw materials (including blending) or repacking, sorting or other normal handling operations pertaining to foreign cargo may be conducted (hereinafter referred to as "bonded operations").

- (2) A bonded factory licensee is deemed to have also been granted licensing for the bonded factory in question as referred to in Article 42, paragraph (1) (Licensing of Bonded Warehouses) for imported cargo used in that factory, but only for a period of up to three months from the day on which the imported cargo is brought into the factory.

- (3) A bonded factory licensee may also be granted licensing as referred to in Article 42, paragraph (1) for a part of the site of the bonded factory.

(Period for Which Foreign Cargo May Be Stored)

Article 57 The period for which foreign cargo used in bonded operations (including manufactured products resulting from bonded operations using that cargo) may be stored at a bonded factory is up to two years from the day on which approval for storage of the cargo in that factory for the purpose of bonded operations or approval for use of the cargo for those operations in that factory is given.

(Notification of Bonded Operations)

Article 58 A person seeking to conduct bonded operations in a bonded factory must file a notification of the commencement and completion of those operations with customs at the time of their commencement and completion; provided, however, that this does not apply to the commencement of those

operations if the Director General of Customs finds that it will not cause any problem in customs control and has notified the relevant person of this.

(Special Provisions on Duty Payment Declarations for Manufactured Products Resulting From Bonded Operations)

Article 58-2 The licensee of a bonded factory that conducts bonded operations for oil refinery or other bonded operations that Cabinet Order specifies as those in which two or more kinds of products are manufactured through a single manufacturing process must, when those operations are completed, notwithstanding the provisions of Article 7, paragraph (1) (Declaration) and Article 67 (Permission for Export or Import), file a duty payment declaration with the Director General of Customs without delay after completion of the operations and obtain import permission prescribed in the Article with respect to the foreign cargo manufactured through those operations (hereinafter referred to as "manufactured foreign cargo" in this Article), other than those foreign cargo which are to be sent back to a foreign country, and those which are to be manufactured through the operations prescribed by Cabinet Order. In this case, if the person is an authorized importer or a special entrusting importer, the person is not precluded from filing a special declaration with respect to the manufactured foreign cargo (excluding cargo provided for in Article 7-2, paragraph (4) (Special Provisions for Declaration)).

(Use of Domestic Cargo)

Article 59 (1) When foreign cargo and domestic cargo are used in bonded operations (except repacking, sorting or other normal handling operations) at a bonded factory, manufactured products resulting from this are deemed to be foreign cargo that has arrived in Japan from abroad.

(2) When, pursuant to the provisions of Cabinet Order, foreign cargo is used in combination with domestic cargo with the approval of the Director General of Customs, manufactured products resulting from this which correspond to the quantity of the foreign cargo used are, notwithstanding the provisions of the preceding paragraph, deemed to be foreign cargo which arrive in Japan from abroad.

Article 60 Deleted.

(Bonded Operations Outside a Bonded Factory)

Article 61 (1) When the Director General of Customs finds that it will contribute to the promotion of trade and does not cause any problem in ensuring the implementation of this Act, the Director General, pursuant to the provisions of Cabinet Order, may designate a period and a place and permit a person to

remove foreign cargo stored in a bonded factory from that factory in order to carry out bonded operations involving that cargo.

- (2) When the Director General of Customs gives the permission referred to in the preceding paragraph, the Director General may, if it is found necessary, require security to be provided in an amount equivalent to that of customs duties chargeable on the foreign cargo subject to the permission.
- (3) When foreign cargo is removed from a bonded factory with permission referred to in paragraph (1), the Director General of Customs is to have customs officials conduct necessary inspection of the cargo at the time of their removal.
- (4) Foreign cargo which, with permission referred to in paragraph (1), have been removed to a place designated under the paragraph is deemed to be stored in the bonded factory from which they were removed until the period designated under the paragraph expires.
- (5) When the period designated under paragraph (1) has expired, if foreign cargo for which permission is given under the paragraph or products manufactured therefrom is stored in the designated place, the customs duties are immediately collected from the licensee of the bonded factory from which the cargo were removed.

(Simplified Procedures for a Designated Bonded Factory)

Article 61-2 (1) Notwithstanding the provisions of Article 58 (Notification of Bonded Operations), the relevant person is not required to file a notification at the commencement or completion of bonded operations for manufacturing the products in question at a bonded factory that the Director General of Customs, finding that this does not cause a problem in terms of customs control in consideration of stability in the production yield of raw materials used, the nature of the bonded operations, and other such circumstances, designates for specified products to be manufactured through those operations and for specified foreign cargo to be used as raw materials.

- (2) Pursuant to the provisions of Cabinet Order, a person that has obtained the designation referred to in the preceding paragraph must submit a written report to customs stating the quantities of the raw materials constituting foreign cargo and manufactured products specified by the Director General of Customs as referred to in the preceding paragraph that the person has used and manufactured each month (or, if the Director General of Customs specifies a period longer than one month for the cases such as seasonal bonded operations, etc., then within a longer period so specified) and other such particulars prescribed by Cabinet Order, on or before the tenth day of the month following the month in which they are used or manufactured (if a special period is specified by the Director General of Customs, the final day in

the ten-day period that starts to run on the rightholder notice date from the day on which the special period expires) (if operations for those products are suspended, the report must be submitted without delay after the suspension).

(Obligation of Record Keeping)

Article 61-3 A bonded factory licensee must prepare books for the foreign cargo stored therein and state in the books the particulars prescribed by Cabinet Order.

(Mutatis Mutandis Application of Provisions on Bonded Warehouses)

Article 61-4 The provisions of Article 42, paragraphs (2) and (3) (Licensing of Bonded Warehouses), Article 43 (Requirements for Licensing), Article 43-2, paragraph (2) (Period for Which Foreign Cargo May Be Stored) and Articles 43-3 to 48-2 (Approval to Store Foreign Cargo; Inspection at the Time of Approval to Store Foreign Cargo; Increase and Decrease in Storage Capacity of Cargo; Obligation of the Licensee to Pay Customs Duties; Notification of Suspension or Discontinuance of Business; Expiration of Licensing; Revocation of Licensing; Licensing Succession) apply mutatis mutandis to bonded factories. In this case, the terms "three months (or, when it is found necessary due to unavoidable reason arising, for the period as specified by the Director General of Customs at the request of that person) from the day on which it is brought into the warehouse", "If a person seeks to store the cargo" and "prior to the day on which the period expires" in paragraph (1) of Article 43-3 are deemed to be replaced with "three months", "If a person seeks to store the cargo for bonded operations, or use the cargo for the operations within three months from the day on which it is brought into the bonded factory" and "prior to the day on which the period expires or prior to the day on which it is used for the operations" respectively, and the term "suspend bringing into a bonded warehouse" in Article 48, paragraph (1) is deemed to be replaced with "suspend bringing into a bonded factory or performing bonded operations at a bonded factory".

(Special Provisions for Licensing of Bonded Factories)

Article 61-5 (1) When a person who has been given the licensing referred to in Article 56, paragraph (1) (Licensing of Bonded Factories) and has in advance been given approval of the Director General of Customs, seeks to conduct bonded operations at a place whose location and facilities meet the criteria prescribed by Ministry of Finance Order, the person may file a notification of this with the Director General of Customs having jurisdiction over the place.
(2) For the purpose of application of the provisions of this Act and the Customs Tariff Act, the place pertaining to the notification referred to in the preceding

paragraph is deemed to be given licensing as referred to in Article 56, paragraph (1) at the time when the notification is accepted. In this case, the period of the permission pertaining to the place deemed to be given the permission is, notwithstanding the provisions of Article 42, paragraph (2) (Licensing of Bonded Warehouses) as applied mutatis mutandis pursuant to the preceding Article, the same period as the period during which the approval referred to in the preceding paragraph is effective.

- (3) A person seeking the approval referred to in paragraph (1) must submit an application form, stating their domicile or residence, and name and other necessary particulars, to the Director General of Customs having jurisdiction over the location of the domicile or residence.
- (4) The approval referred to in paragraph (1) ceases to be effective after expiry of its period unless approval is renewed every eight years.
- (5) Cabinet Order prescribes the procedures for filing a notification as referred to in paragraph (1) and provides for other necessary particulars concerning the application of the preceding paragraphs.

(Mutatis Mutandis Application of Provisions on Special Provisions for Licensing of Bonded Warehouses)

Article 62 The provisions of Articles 51 to 55 (Requirements for Approval; Measures for Improvement of Rules; Notification of Discontinuance of Application of Special Provisions for a Bonded Warehouse; Invalidation of Approval; Revocation of Approval; Mutatis Mutandis Application of the Provisions on Licensing Succession) apply mutatis mutandis to the approval prescribed in paragraph (1) of preceding Article. In this case, the term "Article 42, paragraph (1) (Licensing of Bonded Warehouses)" in Article 51, item (i)(b) is deemed to be replaced with "Article 56, paragraph (1) (Licensing of Bonded Factories)", the term "storage and other such handling of foreign cargo" in Article 51, items (ii) and (iii) and in Article 52 is deemed to be replaced with "bonded operations" and the term "a bonded warehouse" in Article 53, item (ii) is deemed to be replaced with "a bonded factory", and Cabinet Order provides for the necessary technical replacement of terms.

Section 5 Bonded Exhibition Sites

(Licensing of Bonded Exhibition Sites)

- Article 62-2 (1) A bonded exhibition site means an area permitted, pursuant to the provisions of Cabinet Order, by the Director General of Customs to be used as a place for displaying foreign cargo at such exhibition, fair or other similar events specified by Cabinet Order (hereinafter referred to as "exhibition, etc.").
- (2) The period of permission referred to in the preceding paragraph is the period

that the Director General of Customs finds to be necessary in consideration of the duration of the exhibition, etc.

- (3) For the purpose of construction, maintenance or removal of facilities for exhibition, etc. or for the purpose of administration of exhibition, etc., the acts set forth in the following items and prescribed by Cabinet Order may be performed in a bonded exhibition site for those foreign cargo to be prescribed by Cabinet Order:
- (i) loading, unloading, transport or storage;
 - (ii) checking the content, repacking, sorting or other normal handling operations;
 - (iii) display or use;
 - (iv) acts similar to those set forth in the preceding three items.

(Procedures for Foreign Cargo Being Brought into a Bonded Exhibition Site)

Article 62-3 (1) A person that brings foreign cargo into a bonded exhibition site must, pursuant to the provisions of Cabinet Order, file a declaration with the Director General of Customs and obtain their approval for performing the acts referred to in paragraph (3) of the preceding Article.

(2) When the Director General of Customs gives approval referred to in the preceding paragraph, the Director General is to have customs officials conduct necessary inspection of foreign cargo referred to in that paragraph.

(3) If a declaration referred to in paragraph (1) is filed and the foreign cargo in question does not constitute foreign cargo as set forth in paragraph (3) of the preceding Article, the Director General of Customs is not to give the approval referred to in paragraph (1). In such a case, the Director General notifies the person that has filed the declaration of this, and also requests that person to remove the foreign cargo from the bonded exhibition site or to take other such measures within a specified period.

(4) In a bonded exhibition site, the acts set forth in paragraph (3), item (i) or (ii) of the preceding Article (limited to those prescribed by Cabinet Order, as provided for in that paragraph) may be performed with respect to foreign cargo brought into that area until approval referred to in paragraph (1) is given (or, with respect to cargo regarding which a person has been notified as referred to in the preceding paragraph, until the period specified in that paragraph elapses).

(Restriction on Places for Storing Cargo Meant for Sale, Use, or Consumption)

Article 62-4 (1) On finding it to be necessary to do so in order to ensure the implementation of this Act with respect to foreign cargo that has been brought into a bonded exhibition site and will be or is likely to be sold, used, or consumed, pursuant to the provisions of Cabinet Order, the Director General of

Customs may restrict, within the bonded exhibition site, the place where the cargo may be stored, or may make a request to report on the details of the use of foreign cargo that has been brought into the bonded exhibition site and that will undergo a change to its nature or shape.

- (2) If foreign cargo brought into a bonded exhibition site is sold within that area (excluding the cases prescribed by Cabinet Order), their sale is deemed to be importation and the provisions of this Act apply. In this case, if it is found necessary, the Director General of Customs may require security to be provided in advance within the amount equivalent to that of customs duties chargeable on the cargo which are likely to be sold.

(Permission for Use Outside a Bonded Exhibition Site)

Article 62-5 With respect to foreign cargo that has been brought into a bonded exhibition site, but that needs to be used outside the bonded exhibition site (excluding cargo which fall under Article 32 (Temporary Taking out of Samples)), the Director General of Customs may, if they find that it will not cause any problem in ensuring the implementation of this Act, permit, pursuant to the provisions of Cabinet Order, use of the foreign cargo outside the bonded exhibition site, specifying the period and place for its use.

(Collection of Customs Duties on Foreign Cargo That Is at a Bonded Exhibition Site After the Expiration of the License Period)

Article 62-6 (1) With respect to foreign cargo brought into a bonded exhibition site that is in that area when the period of the license for the site expires or when that license ceases to be effective, the Director General of Customs may request the site licensee to remove the foreign cargo or to take other measures within a fixed period, and if the person fails to take the measures within that period, the Director General immediately collects the customs duties from that person.

- (2) When the Director General of Customs finds that the import of the foreign cargo referred to in the preceding paragraph is not permitted under other laws and regulations or that there are other unavoidable circumstances, the provisions pertaining to collection of customs duties referred to in the preceding paragraph do not apply while these circumstances remain.

(Mutatis Mutandis Application of the Provisions on Bonded Warehouses and Bonded Factories)

Article 62-7 The provisions of Article 42, paragraph (3) (Licensing of Bonded Warehouses), Article 43 (Requirements for Licensing), Article 43-3, paragraph (3) (Approval to Store Foreign Cargo), Article 43-4, paragraph (2) (Inspection at the Time of Approval to Store Foreign Cargo), Articles 44 to 48-2 (Increase and

Decrease in Storage Capacity of Cargo; Obligation of the Licensee to Pay Customs Duties; Notification of Suspension or Discontinuance of Business; Expiration of Licensing; Revocation of Licensing; Licensing Succession), Article 59, paragraph (1) (Use of Domestic Cargo), Article 61, paragraphs (3) through (5) (Bonded Operations Outside a Bonded Factory) and Article 61-3 (Obligation of Record Keeping) apply mutatis mutandis to a bonded exhibition site. In this case, the terms "Article 67-2" and "paragraph (1)" in Article 43-3, paragraph (3) are deemed to be replaced with "Article 67-2, paragraph (1)" and "Article 62-3, paragraph (1) (Procedures for Foreign Cargo Being Brought into a Bonded Exhibition Site)", respectively, and the term "the preceding paragraph" in Article 43-4, paragraph (2) is deemed to be replaced with "Article 62-3, paragraph (2) (Procedures for Foreign Cargo Being Brought into a Bonded Exhibition Site)."

Section 6 Integrated Bonded Areas

(Licensing of Integrated Bonded Areas)

- Article 62-8 (1) An integrated bonded area means a unit of land and the structures and other such infrastructure located on it (referred to as a "unit of land and its infrastructure" in the following paragraph), that the Director General of Customs has licensed pursuant to the provisions of Cabinet Order as a place permitted to engage in the following actions:
- (i) loading, unloading, transportation, storage, checking contents, repacking, sorting or other normal handling operations for foreign cargo;
 - (ii) processing of foreign cargo or manufacture (including blending) using foreign cargo as raw materials;
 - (iii) display of foreign cargo or use related thereto (limited to the actions prescribed by Cabinet Order).
- (2) Before granting the licensing referred to in the preceding paragraph, the Director General of Customs must examine whether the following criteria are met:
- (i) that the unit of land and its infrastructure is owned or administered by a corporation that meets the requirements prescribed by Cabinet Order, taking into account the details of its business or other particulars;
 - (ii) that the trade-related facilities established in the unit of land and its infrastructure are highly integrated;
 - (iii) that the acts set forth in the items of the preceding paragraph are anticipated to be performed in the unit of land and its infrastructure in an integrated manner, and that it is considered that this will substantially contribute to facilitating imports or to promoting trade;
 - (iv) that, in light of the location, facilities and other circumstances of the unit

of land and its infrastructure, are found not to cause any problem in ensuring the implementation of this Act;

- (v) that a corporation that owns or administers the unit of land and its infrastructure (including a person, other than the corporation, that administers cargo in the unit of land and its infrastructure if any; the same applies in the following item) does not fall under any of the cases set forth in Article 43, items (i) through (vii) (Licensing Requirements);
- (vi) that a corporation that owns or administers the unit of land and its infrastructure is found to have sufficient ability to conduct the business of the integrated bonded area in light of the financial resources and other circumstances of that corporation.

(Period for Which Foreign Cargo May Be Stored)

Article 62-9 The period for which foreign cargo may be stored in an integrated bonded area is two years from the day on which approval for storage of the cargo in that area or for performing in that area the acts set forth in Article 62-8, paragraph (1), item (ii) or (iii) (Licensing of Integrated Bonded Areas) for the cargo.

(Approval to Store Foreign Cargo or Take Other Such Action)

Article 62-10 If a person that brings foreign cargo into an integrated bonded area seeks to store the cargo in that area for a period exceeding three months from the day on which it is brought into that area or perform the acts set forth in Article 62-8, paragraph (1), item (ii) or (iii) (Licensing of Integrated Bonded Areas) on that cargo in that area within three months from the day on which it is brought into that area, the person must, pursuant to the provisions of Cabinet Order, obtain approval of the Director General of Customs by filing an application with the Director General of Customs prior to the day on which the period expires or on which the acts are performed.

(Notification That Cargo Meant for Sale or Consumption Is Being Brought In)

Article 62-11 A person seeking to bring into an integrated bonded area foreign cargo to be sold or consumed in that area or other similar cargo prescribed by Cabinet Order must first file a notification with customs.

Article 62-12 Deleted.

(Joint and Several Liability for Payment of Customs Duties of Administrator of Cargo)

Article 62-13 If the corporation that has been granted an integrated bonded area license becomes liable to pay customs duties on foreign cargo pursuant to the

provisions of the main clause of Article 45, paragraph (1) (Obligation of a Bonded Warehouse Licensee to Pay Customs Duties) or Article 61, paragraph (5) (Obligation of a Bonded Factory Licensee to Pay Customs Duties), as applied mutatis mutandis pursuant to Article 62-15 (Integrated Bonded Areas), and the person administering the cargo in the integrated bonded area at the time when it was lost or destroyed or when it was brought out of the integrated bonded area is a person other than that corporation, the person administering the cargo and the corporation are jointly and severally liable to pay those customs duties.

(Revocation of Licensing)

Article 62-14 (1) If any of the situations as set forth in the following items occurs, the Director General of Customs may specify the person administering the cargo and the period, and have a person suspend their bringing of foreign cargo or cargo they seek to export into an integrated bonded area, suspend their engagement in the actions set forth in Article 62-8, paragraph (1), item (ii) or (iii) (Licensing of Integrated Bonded Areas) in that area, or revoke the license of the integrated bonded area:

- (i) if the corporation that has been granted the integrated bonded area license (including a person, other than the corporation, who administers cargo in the integrated bonded area, if any) or any officer, agent, manager or other employees, of the corporation violate the provisions of this Act in connection with the business of the integrated bonded area;
- (ii) if any of the requirements set forth in the items of Article 62-8, paragraph (2) (Requirements for the Licensing of Integrated Bonded Areas) with respect to an integrated bonded area ceases to be met.

(2) Before taking a disposition as referred to in the preceding paragraph, the Director General of Customs must give advance notice of this to the person administering the cargo subject to that disposition or to the licensee corporation, and must request that person or its agent to appear and hear its opinions or provide it with the opportunity to submit evidence for the purpose of clarification through any other means.

(Mutatis Mutandis Application of Provisions on Bonded Warehouses, Bonded Factories, and Bonded Exhibition Sites)

Article 62-15 The following provisions apply mutatis mutandis to an integrated bonded area: Article 42, paragraphs (2) and (3) (Licensing of Bonded Warehouses), Article 43-2, paragraph (2) (Period for Which Foreign Cargo May Be Stored), Article 43-3, paragraphs (2) and (3) (Approval to Store Foreign Cargo), Articles 43-4 through 47 (Inspection at the Time of Approval to Store Foreign Cargo; Increase and Decrease in Storage Capacity of Cargo; Obligation

of the Licensee to Pay Customs Duties; Notification of Suspension or Discontinuance of Business; Expiration of Licensing), Article 48-2, paragraphs (4) through (6) (Succession of Licensing), Article 58-2 (Special Provisions on Duty Payment Declarations for Manufactured Products Resulting From Bonded Operations), Article 59 (Use of Domestic Cargo), Article 61 (Bonded Operations Outside a Bonded Factory), Article 61-2, paragraph (2) (Simplified Procedures for a Designated Bonded Factory), Article 62-4 (Restriction on Places for Storing Cargo Meant for Sale, Use, or Consumption) and Article 62-5 (Permission for Use Outside a Bonded Exhibition Site). In this case, in Article 42, paragraph (2), the term "the preceding paragraph" is deemed to be replaced with "Article 62-8, paragraph (1) (Licensing of Integrated Bonded Areas)"; in Article paragraph (3), the terms "paragraph (1)" and "the proviso to the preceding paragraph" are deemed to be replaced with "Article 62-8, paragraph (1)" and "the proviso to the preceding paragraph, as applied mutatis mutandis pursuant to Article 62-15 (Mutatis Mutandis Application of the Provisions on Bonded Warehouses, Bonded Factories, and Bonded Exhibition Sites)", respectively; in Article 43-2, paragraph (2), the term "the preceding paragraph" is deemed to be replaced with "Article 62-9 (Period for Which Foreign Cargo May Be Stored)"; in Article 43-3, paragraph (2), the terms "the preceding paragraph" and "the paragraph" are deemed to be replaced with "Article 62-10 (Approval to Store Foreign Cargo or Take Other Such Action)" and "the Article", respectively; in paragraph (3) of that Article, the term "paragraph (1)" is deemed to be replaced with "Article 62-10"; in Article 43-4, paragraph (1), the terms "paragraph (1) of the preceding Article" and "the paragraph" are deemed to be replaced with "Article 62-10 (Approval to Store Foreign Cargo or Take Other Such Action)" and "the Article", respectively; in Article 47, paragraph (1), the term "the following items" is deemed to be replaced with "item (i) or items (iii) through (vi)"; in paragraph (3) of that Article, the term "licensee" is deemed to be replaced with "licensee (including a person other than the licensee that administers cargo in the integrated bonded area, if any; hereinafter the same applies in this paragraph)"; in Article 48-2, paragraph (4), the term " Article 47, paragraph (1), item (i) or (iii)" is deemed to be replaced with "Article 47, paragraph (1), item (i) or (iii) as applied mutatis mutandis pursuant to Article 62-15 (Mutatis Mutandis Application of the Provisions on Bonded Warehouses, Bonded Factories, and Bonded Exhibition Sites)"; in paragraph (5) of that Article, the term "falls under any of the items of Article 43" is deemed to be replaced with "does not meet the requirements set forth in the items of Article 62-8, item (i) or (iii) (Licensing of Integrated Bonded Areas)"; in paragraph (6) of that Article, the term "paragraph (2) or (4)" is deemed to be replaced with "paragraph (4)"; in Article 58-2, the term "the licensee of a bonded factory where there may be conducted" is deemed to be

replaced with "A person who conducts in an integrated bonded area the operations"; in Article 61, paragraph (3), the term "paragraph (1)" is deemed to be replaced with " Article 62-5, paragraph (1) (Permission for Use Outside a Bonded Exhibition Site), as applied mutatis mutandis pursuant to Article 62-15 (Mutatis Mutandis Application of the Provisions on Bonded Warehouses, Bonded Factories, and Bonded Exhibition Sites)"; in paragraphs (4) and (5) of that Article, the terms "paragraph (1)" and "the paragraph" are deemed to be replaced with "Article 62-5, paragraph (1), as applied mutatis mutandis pursuant to Article 62-15" and "these provisions", respectively; in Article 61-2, paragraph (2), the terms "person who has obtained the designation referred to in the preceding paragraph" and "foreign cargo, that have been specified by the Director General of Customs under the paragraph" are deemed to be replaced with "person who conducts bonded operations in an integrated bonded area (excluding repacking, sorting and other normal handling operations; hereinafter the same applies in this paragraph)" and "foreign cargo" respectively; in Article 62-4, paragraph (1), the term "restrict, within the bonded exhibition site, the place where the cargo may be stored, or may request to make a report on the details of use of foreign cargo that have been brought into the bonded exhibition site and are to undergo any changes in their nature or shape" is deemed to be replaced with "restrict, within the bonded exhibition site, the place where the cargo may be stored ."

Chapter V Transportation

(Bonded Transportation)

- Article 63 (1) Foreign cargo (excluding postal items, special export cargo and other cargo prescribed by Cabinet Order; hereinafter the same applies in this Chapter (excluding Article 63-9, paragraph (1) and Article 65-3)) may be transported as foreign cargo, subject to declaration to, and approval of the Director General of Customs, provided that it is transported between open ports, customs airports, bonded areas, customs offices and the places designated by the Director General of Customs pursuant to the provisions of Article 30, paragraph (1), item (ii) (Restrictions on Places for Storing Foreign Cargo) (referred to as "specified circuit" in paragraph (1) of the following Article and Article 63-9, paragraph (1)). In this case, if the Director General of Customs, taking into account of transportation conditions or other circumstances, finds that it will not cause any problem in customs control, may give blanket approval for transportation of foreign cargo to be shipped within the period they specify that is within the period prescribed by Cabinet Order.
- (2) If it is found necessary at the time of giving approval referred to in the preceding paragraph, the Director General of Customs may have customs

officials inspect cargo referred to in that paragraph or may require security to be provided in an amount equivalent to that of customs duties chargeable.

- (3) At the time of transporting cargo under paragraph (1), a transportation manifest must, pursuant to the provisions of Cabinet Order, be presented to customs and have it confirmed by customs; provided, however, that if blanket approval has been given pursuant to the provisions of the second sentence of that paragraph, blanket confirmation may be sought for the transportation manifest pertaining to the foreign cargo shipped within each of the periods specified by the Director General of Customs who has given the approval by subdividing the period of approval pursuant to the provisions of Cabinet Order.
- (4) When the Director General of Customs gives approval referred to in paragraph (1), the Director General may specify a transportation period deemed to be reasonable. In this case, if the Director General of Customs finds it to be necessary to do so due to a disaster or any other unavoidable grounds arising after the specification of that period, the Director General may extend the specified period.
- (5) When foreign cargo that has been approved pursuant to the provisions of paragraph (1) arrives at its destination, the person who has obtained the approval must immediately present the transportation manifest which was confirmed under paragraph (3) to customs located at the destination and have it confirmed by customs; provided, however, that if blanket approval has been given pursuant to the provisions of the second sentence of paragraph (1), blanket confirmation may be sought for the transportation manifest pertaining to foreign cargo that has arrived within each of the periods as may be specified, on the basis of the periods specified under paragraph (3) and the preceding paragraph, by the Director General of Customs who has given the approval.
- (6) A person who has obtained approval under paragraph (1) must, pursuant to the provisions of Cabinet Order, submit a transportation manifest which has been confirmed under the preceding paragraph to the Director General of Customs who has given such approval.

(Special Provisions for Bonded Transportation)

Article 63-2 (1) An authorized customs broker or international freight forwarder (an international freight forwarder is a person that has obtained the approval referred to in Article 50, paragraph (1) (Special Provisions for Licensing of Bonded Warehouses) or Article 61-5, paragraph (1) (Special Provisions for Licensing of Bonded Factories) or any other person meeting the requirements prescribed by Cabinet Order as a person engaged in business involving the transportation or administration of international freight; the same applies in Article 63-4, item (i)(b) and Article 63-7, paragraph (1), item (iii)(b)) that has received the approval of one of the Directors General of Customs in advance

(hereinafter referred to as a "carrier approved for specified bonded transportation") is not required to obtain the approval under the provisions of paragraph (1) of the preceding Article for the transportation of foreign cargo on a specified circuit that constitutes a circuit as provided by Cabinet Order (hereinafter referred to as "specified bonded transportation").

- (2) On the occasion of specified bonded transportation, a carrier must present a transportation manifest to customs and have customs check it.
- (3) When foreign cargo subject to specified bonded transportation arrives at its destination, a carrier approved for specified bonded transportation must present without delay the transportation manifest which has been confirmed under the preceding paragraph to customs located at the destination and have it confirmed by the customs.
- (4) A carrier approved for specified bonded transportation must submit the transportation manifest which has been confirmed under the preceding paragraph to the Director General of Customs having jurisdiction over the customs office where the confirmation under paragraph (2) was conducted.
- (5) Cabinet Order provides for the presentation of the transportation manifest referred to in paragraph (2) and provides for other necessary particulars concerning the application of the preceding paragraphs.

(Procedures for Approval)

- Article 63-3 (1) A person seeking the approval referred to in paragraph (1) of the preceding Article must submit an application form, stating its domicile or residence, and its name and other necessary particulars with the Director General of Customs.
- (2) When an application form prescribed in the preceding paragraph is submitted, when the Director General of Customs gives approval referred to in paragraph (1) of the preceding Article, the Director General must immediately give public notice of the approval.
 - (3) Cabinet Order provides for the submission of an application form as referred to in paragraph (1) and provides for other necessary particulars concerning the application of the preceding two paragraphs.

(Requirements for Approval)

- Article 63-4 Before giving the approval referred to in Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation), the Director General of Customs must examine whether the following criteria are met:
- (i) that the person seeking approval does not fall under any of the following items:
 - (a) that the person has been sentenced to punishment for violating the provisions of this Act, the Customs Tariff Act, any other law concerning

- customs duties, or an order based on one of these laws, and three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement; or that the person has been subject to a disposition of administrative notification for violating the provisions of this Act, the Customs Tariff Act, any other law concerning customs duties, or an order based on one of these laws, and three years have not passed since the day on which the applicant rendered the performance indicated in the notification;
- (b) that the person has been sentenced to punishment for violating the provisions of the laws prescribed by Cabinet Order for the types of international freight forwarders prescribed by Cabinet Order or for violating the provisions of an order based on such a law, and three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
 - (c) that the person has been sentenced to imprisonment without work or a heavier punishment for violating a law or regulation other than those provided for in items (a) and (b), and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
 - (d) that the person has been sentenced to a fine for violating the provisions of the Act on Prevention of Unjust Acts by Organized Crime Group Members or for committing an offense referred to in Article 204 (Injury), Article 206 (Incitement of Injury), Article 208 (Assault), Article 208-2, paragraph (1) (Unlawful Assembly with Weapons), Article 222 (Intimidation) or Article 247 (Breach of Trust) of the Penal Code or an offense referred to in the Act on Punishment of Physical Violence and Other Acts, and two years have not passed since the day on which the person completed the sentence or ceased to be subject to its enforcement;
 - (e) that the person is a member of an organized crime group, etc.;
 - (f) that the person is a corporation whose officer falls under any of items (a) through (e) with respect to its business or it uses the person as an agent, an employee or other workers;
 - (g) that its business activities are controlled by a member of an organized crime group, etc.;
 - (h) that three years have not passed since the day on which approval given to the person under Article 63-2, paragraph (1) was revoked pursuant to the provisions of Article 63-8, paragraph (1), item (i)(b) or item (ii) (Revocation of Approval);
 - (ii) that the person seeking approval is able to conduct the business activities involved in specified bonded transportation by means of an electronic data processing system or is otherwise able to properly and reliably perform those

business activities;

- (iii) that the person seeking approval has established rules for the business activities involved in specified bonded transportation, providing for the particulars that Ministry of Finance Order prescribes as particulars for ensuring that the person (if the person is a corporation, this includes its officers) and its agents, managers, and other employees comply with the provisions of this Act or other laws and regulations.

(Measures for Improvement of Rules)

Article 63-5 If the Director General of Customs finds it to be necessary to do so in order to ensure the implementation of this Act because a carrier approved for specified bonded transportation has failed to conduct the transportation in accordance with the provisions of this Act or for any other reasons, the Director General may request the carrier to take the necessary measures to improve the rules provided for in item (iii) of the preceding Article or its performance of business activities in connection with the particulars provided for in those rules, or to newly establish the rules provided for in that item.

(Notification of Discontinuance of Application of Special Provisions for Bonded Transportation)

Article 63-6 If a carrier approved for specified bonded transportation no longer needs to be subject to the application of the provisions of Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation), the carrier, pursuant to the provisions of Cabinet Order, may file a notification of this with the Director General of Customs who gave the approval referred to in that paragraph.

(Expiration of Approval)

Article 63-7 (1) The approval referred to in Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation) ceases to be effective if any of the situations as set forth in the following items occurs:

- (i) when notification prescribed in the preceding Article is submitted;
- (ii) when, after a carrier approved for specified bonded transportation has died, application prescribed in Article 48-2, paragraph (2) (Licensing Succession), as applied mutatis mutandis pursuant to Article 63-8-2 (Mutatis Mutandis Application of the Provisions on Licensing Succession) is not made within the period specified in that paragraph, or disposition not to give the approval referred to in that paragraph is made;
- (iii) when a person falls under any of the cases specified in the following sub-items in accordance with the categories set forth in the following sub-items:
 - (a) an authorized customs broker (excluding a person set forth in sub-item

- (b)): when authorization referred to in Article 79, paragraph (1) (Authorization of Customs Broker) ceases to be effective;
 - (b) an international freight forwarder: when the requirements provided for in Article 63-2, paragraph (1) are not met;
 - (iv) when the Director General of Customs revokes approval.
- (2) When approval referred to in Article 63-2, paragraph (1) ceases to be effective, the Director General of Customs must immediately issue public notice of this.
- (3) When approval referred to in Article 63-2, paragraph (1) has expired, a person who has obtained the approval or their heir (when a corporation that has been given approval has ceased to exist as a result of merger, then the corporation that survives the merger or the corporation that has been established as a result of the merger) may not be exempted from the obligation imposed under the provisions of this Act or other laws concerning customs duties with respect to foreign cargo shipped before the approval expired.

(Revocation of Approval)

Article 63-8 (1) The Director General of Customs may, if any of the situations as set forth in the following items occurs, revoke the approval referred to in Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation):

- (i) if a carrier approved for specified bonded transportation falls under any of the following sub-items:
 - (a) when the person falls under any of Article 63-4, items (i)(a) through (i)(g) (Requirements for Approval) or the criteria referred to in item (ii) of that Article is not met;
 - (b) when the person fails to respond to the request of the Director General of Customs as prescribed in Article 63-5 (Measures for Improvement of Rules);
 - (ii) when, at the time of carrying out specified bonded transportation, the person fails to present the transportation manifest prescribed in Article 63-2, paragraph (2) or (3) or to have it confirmed under these paragraphs, or the person fails to submit the transportation manifest prescribed in paragraph (4) of that Article.
- (2) Cabinet Order prescribes the procedures for a revocation of approval under the preceding paragraph and provides for other necessary particulars concerning the application of that paragraph.

(Mutatis Mutandis Application of the Provisions on Licensing Succession)

Article 63-8-2 The provisions of Article 48-2 (Licensing Succession) apply mutatis mutandis to a carrier approved for specified bonded transportation. In such a case, Cabinet Order provides for the necessary technical replacement of terms.

(Bonded Transportation of Postal Items)

- Article 63-9 (1) A person may file a notification with the Director General of Customs and transport postal items (excluding specific postal items) as foreign cargo, but only on a specified circuit.
- (2) In carrying out transportation referred to in the preceding paragraph, a transportation manifest must be presented to customs and confirmed by customs.
- (3) When a postal item pertaining to the notification prescribed in paragraph (1) arrives at its destination, a person who has made the notification must present without delay the transportation manifest which has been confirmed under the preceding paragraph to customs located at the destination and have it confirmed by customs.
- (4) A person who made the notification prescribed in paragraph (1) must submit the transportation manifest which has been confirmed under the preceding paragraph to the Director General of Customs to whom the notification was made.
- (5) Cabinet Order prescribes the procedures for filing a notification as referred to in paragraph (1) and provides for other necessary particulars concerning the application of the preceding paragraphs.

(Transportation of Wrecked Cargo)

- Article 64 (1) Notwithstanding the provisions of the first sentence of Article 63, paragraph (1) (Bonded Transportation), foreign cargo set forth in the following items may be transported as foreign cargo from the place where it is stored to open ports, customs airports, bonded areas or customs offices. In such a case, the person seeking to transport the cargo must obtain approval of the Director General of Customs (or if no customs office is established, a customs official); provided, however, that if there is urgent need to transport cargo from the place where any customs office is not established, a police officer, when no customs official is present, must be notified in advance thereof:
- (i) wrecked cargo;
 - (ii) cargo which were on board a disabled vessel or aircraft;
 - (iii) cargo temporarily landed.
- (2) The provisions of Article 63, paragraph (4) apply mutatis mutandis to the approval referred to in the preceding paragraph.
- (3) When foreign cargo for which a person has been given approval as referred to in paragraph (1) or of which a person has made a notification as referred to in that paragraph arrives at its destination, a person who has obtained the approval or has made the notification must immediately submit a document which certifies the approval or notification to customs located at the

destination.

(Collection of Customs Duties Due to the Transportation Period Having Passed)

- Article 65 (1) If foreign cargo (other than cargo for which export permission has been received; the same applies in the following paragraph) for which approval of transportation is given under Article 63, paragraph (1) (Bonded Transportation) or paragraph (1) of the preceding Article have not arrived at their destination within the specified period for transportation, the customs duties are immediately collected from a person who has obtained the approval of transportation; provided, however, that this does not apply if the cargo is lost due to a disaster or any other unavoidable circumstances, or are destroyed with prior approval of the Director General of Customs.
- (2) If foreign cargo subject to specified bonded transportation has not arrived at its destination within seven days from the day following the date on which it is shipped, the customs duties are immediately collected from the carrier approved for specified bonded transportation. In this case, the provisions of the proviso to the preceding paragraph apply mutatis mutandis.
- (3) The provisions of Article 45, paragraph (2) (Obligation of the Licensee to Pay Customs Duties) apply mutatis mutandis to the approval referred to in the proviso to paragraph (1) (including as applied mutatis mutandis pursuant to the preceding paragraph).
- (4) If foreign cargo transported under transportation approval pursuant to the provisions of Article 63, paragraph (1) or paragraph (1) of the preceding Article, or foreign cargo subject to specified bonded transportation is lost before arriving at its destination, the person that obtained the approval or the carrier approved for specified bonded transportation must immediately file a notification of this with the Director General of Customs who has given that approval or the approval referred to in Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation).

(Collection of Customs Duties on Postal Items Not Arriving at Their Destination)

- Article 65-2 (1) If a postal item that has been transported following the filing of a notification pursuant to the provisions of Article 63-9, paragraph (1) (Bonded Transportation of Postal Items) (excluding one being exported) has not arrived at its destination within seven days from the day following the date on which it is shipped, customs duties are immediately collected from the person that filed the notification prescribed in that paragraph; provided, however, that this does not apply if the item has been lost due to a disaster or any other unavoidable circumstances, or has been destroyed with the advance approval of the Director

General of Customs.

- (2) The provisions of Article 45, paragraph (2) (Obligation of the Licensee to Pay Customs Duties) apply mutatis mutandis to the approval referred to in the proviso to the preceding paragraph.
- (3) If postal items transported upon notification pursuant to the provisions of Article 63-9, paragraph (1) are lost before arriving at their destination, the person that filed the notification under that paragraph must immediately file a notification of this with the Director General of Customs with whom the person filed the first mentioned notification.

(Cargo That May Not Be Transported Using Bonded Transportation)

Article 65-3 Notwithstanding the provisions of Article 24, paragraph (1) (Travel between Vessel or Aircraft and Land), Article 63, paragraph (1) (Bonded Transportation), Article 63-2, paragraph (1) (Special Provisions for Bonded Transportation), Article 63-9, paragraph (1) (Bonded Transportation of Postal Items) or Article 64, paragraph (1) (Transportation of Wrecked Cargo), cargo set forth in Article 69-11, paragraph (1), items (i) through (iv), (v-2), (vi) and (viii) through (x) (Cargo Prohibited for Import) (limited to cargo that has arrived in Japan other than for the purpose of import; in the case of cargo set forth in item (ix) of that paragraph, those that only infringe a layout-design exploitation right are excluded) may not be transported as foreign cargo (including loading and unloading; the same applies in Article 109-2, paragraphs (1) and (2)).

(Transportation of Domestic Cargo)

- Article 66 (1) A person seeking to transport domestic cargo on board a vessel or aircraft engaged in foreign trade from one place to another in Japan must obtain an approval by making a declaration for the transportation to the Director General of Customs.
- (2) When cargo for which a person has been given approval as referred to in the preceding paragraph arrives at its destination, the person that was given the approval must immediately submit a document certifying the approval to customs located at the destination.

Chapter VI Clearance of Cargo

Section 1 General Provisions

(Permission for Export or Import)

Article 67 Pursuant to the provisions of Cabinet Order, a person seeking to export or import cargo must declare to the Director General of Customs the cargo's product name, its quantity and price (or the quantity and value forming

the basis for assessing duties, for cargo being imported (excluding cargo subject to a special declaration)), and other necessary particulars, and obtain permission from the Director General of Customs after passing through the necessary cargo inspection.

(Procedures for Export or Import Declaration)

- Article 67-2 (1) An export or import declaration must be made to the Director General of Customs having jurisdiction over the location of a bonded area or other such place (meaning a bonded area, or a place designated by the Director General of Customs pursuant to the provisions of Article 30, paragraph (1), item (ii) (Restrictions on Places for Storing Foreign Cargo); the same applies hereinafter) when cargo subject to the declaration is brought in for the purpose of obtaining export or import permission.
- (2) Notwithstanding the provisions of the preceding paragraph, having received the approval of the Director General of Customs pursuant to Cabinet Order, a person seeking to export or import cargo that needs to have an export declaration or import declaration filed for it while it is loaded on board a vessel engaged in foreign trade (including a vessel designated by Cabinet Order as a vessel equivalent to a vessel engaged in foreign trade; hereinafter the same applies in this paragraph) may file an export or import declaration with the Director General of Customs having jurisdiction over the place where the vessel is moored.
- (3) An import declaration is to be made after cargo subject to that declaration has been brought into a bonded area or other such place; provided, however, that this does not apply if the situation falls under any of the following items:
- (i) if approval prescribed in the preceding paragraph has been obtained;
 - (ii) if approval of the Director General of Customs is, pursuant to the provisions of Cabinet Order, given for making a declaration without bringing the cargo into a bonded area or other such place;
 - (iii) if an authorized importer or special entrusting importer makes an import declaration for the cargo pursuant to the provisions of Cabinet Order.
- (4) In the case falling under any of the items of the preceding paragraph, an import declaration is to be made after matters concerning cargo loaded as prescribed in Article 15, paragraph (1) or (9) (Procedures for Entry into Port) are reported to customs with respect to the cargo or after a document stating particulars concerning cargo loaded as prescribed in paragraph (2) or (10) of that Article or Article 18, paragraph (4) (Simplified Procedures for Entry into or Departure from Port) is submitted to customs.

Section 2 Special Provisions for Export Declaration

(Special Provisions for Export Declaration)

Article 67-3 (1) Notwithstanding the provisions of paragraph (1) or (2) of the preceding Article, a person set forth in the following items, pursuant to the provisions of Cabinet Order, may file an export declaration (excluding an export declaration pertaining to cargo prescribed by Cabinet Order) with any of the Directors General of Customs. In this case, if a person set forth in item (ii) files an export declaration under specific entrustment (meaning an export declaration that that person makes for cargo that it seeks permission to import without the cargo being brought into a bonded area or other such place; the same applies in paragraph (4) and Article 79-4, paragraph (3) (Expiration of Authorization)), the person must entrust a carrier approved for specified bonded transportation with transportation of cargo subject to the declaration from the place where it is stored to an open port, customs airport or closed port where it is to be loaded onto a vessel or aircraft engaged in foreign trade:

- (i) a person that seeks to export cargo and that has in advance been given approval of any of the Directors General of Customs (hereinafter referred to as "authorized exporter");
 - (ii) a person that seeks to export cargo and that has entrusted customs clearance procedures for exporting the cargo to an authorized customs broker (referred to as "specific entrusting exporter" in paragraph (1) of the following Article and Article 67-5);
 - (iii) an exporter of specific manufactured cargo (meaning an exporter of specific manufactured cargo as provided in Article 67-13, paragraph (2) (Authorization of Manufacturer); the same applies in the following paragraph, paragraph (1) of the following Article, and Article 67-5) seeking to export cargo it has acquired from the authorized manufacturer (meaning an authorized manufacturer provided for in Article 67-14 (Measures for Improvement of Rules); hereinafter the same applies in this item and the following paragraph) that manufactured that cargo.
- (2) An exporter of specific manufactured cargo, at the time of making an export declaration of specific manufactured cargo (meaning an export declaration that an exporter of specified manufactured cargo makes pursuant to the provisions of the preceding paragraph for cargo that it seeks permission to import without the cargo being brought into a bonded area or other such place; hereinafter the same applies in this Section), must submit to the Director General of Customs a document prepared by an authorized manufacturer, stating the product names, quantity and other particulars prescribed by Cabinet Order, of the cargo subject to the export declaration (referred to as "written confirmation of cargo" in Article 67-13, paragraph (3), item (ii)(a) and Article 67-17, paragraph (1), item (iii)).
- (3) A person seeking the approval referred to in paragraph (1), item (i) must

submit an application form to the Director General of Customs stating the product names and other necessary particulars of the cargo for which the person seeks to make a specific export declaration (meaning an export declaration that an authorized exporter makes pursuant to the provisions of that paragraph for cargo that it seeks permission to export without the cargo being brought into a bonded area or other such place; hereinafter the same applies in this Section).

- (4) Cabinet Order prescribes the particulars that are required to be stated in the export declaration under specific entrustment, the export declaration of specific manufactured cargo, and the specific export declaration, and provides for other necessary particulars concerning the application of the preceding three paragraphs.

(Revocation of Export Permission)

Article 67-4 (1) An authorized exporter, a specific entrusting exporter or an exporter of specific manufactured cargo, when export permission of special export cargo becomes unnecessary for the reason that it is not to be exported or for other reasons, may file an application for revocation of the permission with the Director General of Customs who has given the permission.

(2) The Director General of Customs, if an application prescribed in the preceding paragraph is filed or when it is found necessary for ensuring the implementation of this Act, may revoke the export permission pertaining to the special export cargo before it is loaded onto a vessel or aircraft engaged in foreign trade

(3) If it is found necessary at the time of revoking export permission pursuant to the provisions of the preceding paragraph, the Director General of Customs may have customs officials inspect the special export cargo.

(Notification of Loss of Special Export Cargo)

Article 67-5 The provisions of the main clause of Article 34 (Disposal of Foreign Cargo) apply mutatis mutandis if special export cargo stored in a place outside a bonded area is disposed of, and the provisions of Article 45, paragraph (3) (Obligation of the Licensee to Pay Customs Duties) apply mutatis mutandis if special export cargo stored in a place outside a bonded area is lost. In these cases, the term "customs" in the main clause of Article 34 is deemed to be replaced with "the Director General of Customs who has given export permission", and the terms "the bonded warehouse licensee" and "the Director General of Customs" in Article 45, paragraph (3) are deemed to be replaced with "the authorized exporter, specific entrusting exporter, or exporter of specific manufactured cargo associated with that special export cargo" and "the Director General of Customs who has given export permission", respectively.

(Requirements for Approval)

Article 67-6 Before the Director General of Customs gives approval referred to in Article 67-3, paragraph (1), item (i) (Special Provisions for Export Declaration), the Director General must examine whether the following criteria are met:

- (i) that the person seeking approval does not fall under any of the following sub-items:
 - (a) that the person has been sentenced to punishment or has been subject to a disposition of administrative notification for violating the provisions of this Act, the Customs Tariff Act, any other law concerning customs duties, or an order based on one of these laws, and three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement, or on which the disposition was completed; or that the person has been subject to a disposition of administrative notification for violating the provisions of this Act, the Customs Tariff Act, any other law concerning customs duties, or an order based on one of these laws, and three years have not passed since the day on which the applicant rendered the performance indicated in the notification;
 - (b) that the person has been sentenced to punishment for violating the provisions concerning exportation in one of the other laws and regulations provided for in Article 70, paragraph (1) or (2) (Certification or Confirmation), and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement (excluding a person provided for in sub-item (a));
 - (c) that the person has been sentenced to imprisonment without work or a heavier punishment for violating the provisions of a law or regulation other than those provided for in sub-item (a) or (b), and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
 - (d) that the person has been sentenced to a fine for violating the provisions of the Act on Prevention of Unjust Acts by Organized Crime Group Members or for committing an offense as referred to in Article 204 (Injury), Article 206 (Incitement of Injury), Article 208 (Assault), Article 208-2, paragraph (1) (Unlawful Assembly with Weapons), Article 222 (Intimidation) or Article 247 (Breach of Trust) of the Penal Code or an offense referred to in the Act on Punishment of Physical Violence and Other Acts, and two years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
 - (e) that the person is a member of an organized crime group, etc.;
 - (f) that the person is a corporation whose officer falls under any of the sub-items (a) to (e) with respect to its business or a corporation that uses the

- person as an agent, an employee or other workers;
- (g) that its business activities are controlled by a member of an organized crime group, etc.;
 - (h) that three years have not passed since the day on which approval given to the person under Article 67-3, paragraph (1), item (i) was revoked pursuant to the provisions of Article 67-11, item (i) or item (ii)(b) (Revocation of Approval);
 - (ii) that the person seeking the approval is able to make specific export declarations by means of an electronic data processing system or is otherwise able to properly and reliably perform the business activities involved in exporting cargo subject to specific export declarations (including business activities for administering the cargo until it is loaded for exportation onto a vessel or aircraft engaged in foreign trade; the same applies in the following item and Article 67-13, paragraphs (1) and (2));
 - (iii) that the person seeking the approval has established rules for the business activities involved in exporting cargo subject to specific export declarations, providing for the particulars that Ministry of Finance Order prescribes as particulars for ensuring that the person (if the person is a corporation, including its officers) and its agents, managers, and other employees comply with the provisions of this Act and other laws and regulations.

(Measures for Improvement of Rules)

Article 67-7 If the Director General of Customs finds it to be necessary to do so in order to ensure the implementation of this Act because an authorized exporter has failed to make a specific export declaration in accordance with the provisions of this Act or for any other reason, the Director General may request that exporter to take the necessary measures to improve the rules provided for in item (iii) of the preceding Article or its performance of business activities in connection with the particulars provided for in those rules, or to newly establish the rules provided for in that item.

(Keeping of Books)

Article 67-8 (1) An authorized exporter must, pursuant to the provisions of Cabinet Order, keep books stating the product names, quantities, prices and other necessary particulars of specific export cargo (meaning cargo for which a specific export declaration is made and export permission is given by the Director General of Customs; the same applies in Article 67-10, paragraph (2) and Article 94, paragraph (2)), and preserve those books and documents prepared or received in connection with transaction of the cargo and other documents prescribed by Cabinet Order (referred to as "books and documents" in Article 67-10, paragraph (2) and Article 67-11, item (i)).

(2) The provisions of Article 4 (Preservation of Books and Documents Related to National Taxes in Electronic or Magnetic Records), Article 5 (Preservation of Books and Documents Related to National Taxes on Computer-output Microfilm), Article 6, paragraphs (1) through (5) (Application for Approval of Preservation in Electronic or Magnetic Records), Article 7, paragraphs (1) and (2) (Changes Pertaining to Approval of Preservation in Electronic or Magnetic Records), Articles 8 to 10 (Revocation of Approval of Preservation in Electronic or Magnetic Records; Mutatis Mutandis Application of the Relevant Provisions to Approval of Preservation on Computer-output Microfilm; Exclusion from Application of the Act on Use of Information and Communications Technology in Administrative Procedures; Preservation of Electronic or Magnetic Records Pertaining to Information on Electronic Transactions) and Article 11 (excluding paragraph (3), items (ii) through (iv)) (Application of Provisions of Other Laws Concerning National Taxes), of the Act concerning Preservation of Electronic Books apply mutatis mutandis to an authorized exporter. In this case, the terms shown in the middle columns of the following table corresponding to the provisions set forth in the left-hand columns are deemed to be replaced respectively by the terms shown in the right-hand columns, and Cabinet Order provides for the necessary technical replacement of terms.

Provisions of the Act concerning Preservation of Electronic Books	Terms to be Replaced	Terms to Replace
Article 4, paragraph (1)	all or part of the books related to national taxes	the books required to be kept and preserved pursuant to the provisions of Article 67-8, paragraph (1) (Keeping of Books) of the Customs Act (hereinafter referred to as "books related to customs duty")

	the District Director of Tax Office having jurisdiction over the place of tax payment, etc. (in the case where Ministry of Finance Order so specifies, the Director General of Customs having jurisdiction over the place of tax payment, etc.; hereinafter referred to as "the competent District Director of Tax Office, etc.")	the Director General of Customs who has given approval referred to in Article 67-3, paragraph (1), item (i) (Special Provisions for Export Declaration) of the Act (hereinafter referred to as "the Director General of Customs who has given approval")
Article 4, paragraph (2)	all of the documents related to national taxes	all of the documents required to be preserved pursuant to the provisions of Article 67-8, paragraph (1) of the Customs Act (hereinafter referred to as "documents relating to customs duty")
Article 5, paragraph (1)	all or part of the books related to national taxes	books relating to customs duty
Article 5, paragraph (3)	of books and documents related to national taxes	of books and documents related to customs duty (meaning books related to customs duty or documents relating to customs duty; the same applies hereinafter)
Article 6, paragraph (1)	the day of commencing the keeping of the books related to national taxes (when the days of commencing keeping of two or more books related to national taxes, if any, are different, then the earliest day of commencing the keeping; the same applies in paragraph (5), item (i))	the day of commencing keeping of the books related to customs duty

	the type of books relating to national taxes, those books related to national taxes	books related to customs duty
	all or part of the books related to national taxes	books relating to customs duty
Article 9	the day to replace (where there are two or more books related to national taxes, if the days on which those books are replaced are different, an earlier day on which the books are replaced; the same applies in paragraph (5), item (i))	the day to replace
	the term "the paragraphs of Article 4" in paragraph (6) of that Article with "the paragraphs of the preceding paragraph", and "Article 7, paragraph (1)"	Article 7, paragraph (1)
Article 10	a person responsible for preservation, pertaining to income tax (excluding withholding income tax) and corporation tax	an authorized exporter
Article 11, paragraph (3), item (i)	Article 145, item (i) (Dismissal of Application for Approval of Blue Return) of the Income Tax Act (including as applied mutatis mutandis pursuant to Article 166 (Report, Payment and Return) of that Act)	Article 67-11, item (i) (Revocation of Approval) of the Customs Act
	books and documents)	pursuant to the provisions of Cabinet Order
	, each paragraph of Article 5	or each paragraph of Article 5

	or Article 10 (Preservation of Electronic or Magnetic Records Pertaining to Information on Electronic Transactions)	as prescribed by Ministry of Finance Order provided for in
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(Notification of Discontinuance of Application of Special Provisions for Export Declaration)

Article 67-9 If an authorized exporter no longer needs to be subject to the application of the provisions of Article 67-3, paragraph (1) (Special Provisions for Export Declaration), the exporter, pursuant to the provisions of Cabinet Order, may file a notification of this with the Director General of Customs who gave the approval referred to in item (i) of that paragraph.

(Expiration of Approval)

Article 67-10 (1) The approval referred to in Article 67-3, paragraph (1), item (i) (Special Provisions for Export Declaration) ceases to be effective if any of the situations as set forth in the following items occurs:

- (i) when notification prescribed in the preceding Article is submitted;
- (ii) when, after an authorized exporter has died, application prescribed in Article 48-2, paragraph (2) (Licensing Succession) as applied mutatis mutandis pursuant to Article 67-12, is not made within the period specified in that paragraph or disposition not to give the approval referred to in that paragraph is made;
- (iii) when an authorized exporter is dissolved;
- (iv) when an authorized exporter receives an order for commencing bankruptcy proceedings;
- (v) when the Director General of Customs revokes the approval.

(2) When approval referred to in Article 67-3, paragraph (1), item (i) expires, a person who has obtained the approval or the person's heir (when a corporation that has been given the approval has ceased to exist as a result of merger, then the corporation that survives the merger or the corporation that has been established as a result of the merger) may not be exempted from the obligation of keeping of and entry into books, and preservation of books and documents, in connection with specific export cargo for which export permission has been given before the approval expired, as prescribed in Article 67-8, paragraph (1) (Keeping of Books) and other obligations to be imposed pursuant to the provisions of this Act and other laws concerning customs duties.

(Revocation of Approval)

Article 67-11 The Director General of Customs may , if any of the situations as set forth in the following items occurs, revoke approval referred to in Article 67-3, paragraph (1), item (i) (Special Provisions for Export Declaration):

- (i) when keeping of or entry into books, or preservation of books and documents, as prescribed in Article 67-8, paragraph (1) (Keeping of Books) is not made in the manner prescribed by Cabinet Order as provided for in that paragraph, or any false statement is entered into books or documents;
- (ii) when an authorized exporter falls under any of the following sub-items:
 - (a) when the person does not meet the criteria referred to in Article 67-6, item (i) or (ii) (Requirements for Approval);
 - (b) when the person fails to respond to the request made by the Director General of Customs as prescribed in Article 67-7 (Measures for Improvement of Rules).

(Mutatis Mutandis Application of the Provisions on Licensing Succession)

Article 67-12 The provisions of Article 48-2, paragraphs (1) through (5) (Licensing Succession) apply mutatis mutandis to an authorized exporter. In such a case, Cabinet Order provides for the necessary technical replacement of terms.

(Authorization of Manufacturer)

Article 67-13 (1) Upon application, a person who manufactures cargo may be authorized by the Director General of Customs as a person that is found to be capable of properly managing the performance of business activities involved in the exportation of the cargo that the person has manufactured, in such a way that that person, exporters, and other such persons carry out those business activities properly and reliably.

- (2) A person seeking the authorization referred to in the preceding paragraph (hereinafter in this Article referred to as "applicant") must submit an application form stating the domiciles or residences, and names of that applicant and the exporter of specific manufactured products (meaning a person that seeks to export cargo that the applicant manufactures and that engages in the business activities involved in the exportation of that cargo under the management of the applicant; hereinafter the same applies in this Section) and other necessary particulars, with the Director General of Customs having jurisdiction over the location of the domicile or residence of the applicant.
- (3) When the Director General of Customs finds that the application for authorization prescribed in paragraph (1) meets the following criteria, the Director General gives the authorization:
 - (i) that the applicant does not fall under any of the following sub-items:

- (a) that the applicant has been sentenced to punishment for violating the provisions of this Act, the Customs Tariff Act, any other law concerning customs duties, or an order based on one of these laws, and three years have not passed since the day on which the applicant finished serving the sentence or ceased to be subject to its enforcement; or that the applicant has been subject to a disposition of administrative notification for violating the provisions of this Act, the Customs Tariff Act, any other law concerning customs duties, or an order based on one of these laws, and three years have not passed since the day on which the applicant rendered the performance indicated in the notification;
- (b) that the applicant has been sentenced to punishment for violating the provisions on exportation in one of the other laws and regulations provided for in Article 70, paragraph (1) or (2) (Certification or Confirmation), and two years have not passed since the day on which the applicant finished serving the sentence or ceased to be subject to its enforcement (excluding a person as provided for in sub-item (a));
- (c) that the applicant has been sentenced to imprisonment without work or a heavier punishment for violating the provisions of a law or regulation other than those provided for in sub-items (a) and (b), and two years have not passed since the day on which the applicant finished serving the sentence or ceased to be subject to its enforcement;
- (d) that the applicant has been sentenced to a fine for violating the provisions of the Act on Prevention of Unjust Acts by Organized Crime Group Members or for committing an offense as referred to in Article 204 (Injury), Article 206 (Incitement of Injury), Article 208 (Assault), Article 208-2, paragraph (1) (Unlawful Assembly with Weapons), Article 222 (Intimidation) or Article 247 (Breach of Trust) of the Penal Code or an offense as referred to in the Act on Punishment of Physical Violence and Other Acts, and two years have not passed since the day on which the person completed the sentence or ceased to be subject to its enforcement;
- (e) that the applicant is a member of an organized crime group, etc.;
- (f) that the applicant is a corporation whose officer falls under any of the sub-items (a) through (e) with respect to its business or it uses such a person as an agent, employee, or other worker;
- (g) that the applicant's business activities are controlled by a member of an organized crime group, etc.;
- (h) that three years have not passed since the day on which authorization given to the applicant under paragraph (1) was revoked pursuant to the provisions of Article 67-17, paragraph (1) (Revocation of Authorization);
- (ii) that the applicant falls under all of the following sub-items:
 - (a) that the applicant has the ability to prepare the proper cargo

- confirmation documents for specific manufactured cargo that an exporter of specific manufactured cargo seeks to export after acquiring it from the applicant (meaning cargo manufactured by the applicant; hereinafter the same applies in this item); to issue these documents to the exporter of specific manufactured cargo; and to perform other such business activities that are needed to ensure that an export declaration of specific manufactured cargo is filed properly;
- (b) that the applicant has an understanding of the whole process pertaining to the management of the specific manufactured cargo until it is loaded onto a vessel or aircraft engaged in foreign trade for export and has the ability to conduct the business necessary for ensuring that the management is properly performed in accordance with the details of export declaration pertaining to the specific manufactured cargo;
- (c) that the applicant has established rules providing for the particulars that Ministry of Finance Order prescribes as the necessary business implementation methods for the applicant to properly and reliably conduct the business provided for in sub-items (a) and (b);
- (iii) that the exporter of specific manufactured cargo falls under both of the following sub-items:
- (a) that the person does not fall under any of Article 67-6, item (i), sub-items (a) through (h) (Requirements for Approval);
- (b) that the person is able to make an export declaration by means of an electronic data processing system.
- (4) Cabinet Order provides for the submission of an application form as referred to in paragraph (2) and provides for other necessary particulars concerning the application of the preceding three paragraphs.

(Measures for Improvement of Rules)

Article 67-14 If the Director General of Customs finds it to be necessary to do so in order to ensure the implementation of this Act because an export declaration of specific manufactured cargo has not been made in accordance with the provisions of this Act for cargo manufactured by a person authorized under paragraph (1) of the preceding Article (hereinafter referred to as an "authorized manufacturer" in this Section) or for any other such reasons, the Director General may request the authorized manufacturer to take the necessary measures to improve the rules provided for in paragraph (3), item (ii), sub-item (c) of that Article or its performance of business activities in connection with the particulars provided for in those rules, or to newly establish the rules provided for in sub-item (c) of that item.

(Notification of Discontinuance of Authorization of an Authorized

Manufacturer)

Article 67-15 If an authorized manufacturer no longer needs the authorization referred to in Article 67-13, paragraph (1) (Authorization of Manufacturer) the manufacturer, pursuant to the provisions of Cabinet Order, may file a notification of this with the Director General of Customs who gave the authorization referred to in that paragraph.

(Expiration of Authorization)

Article 67-16 (1) Authorization referred to in Article 67-13, paragraph (1) (Authorization of Manufacturer) ceases to be effective if any of the situation as set forth in the following items occur:

- (i) when a notification prescribed in the preceding Article is submitted;
- (ii) when, after an authorized manufacturer has died, application prescribed in Article 48-2, paragraph (2) (Licensing Succession), as applied mutatis mutandis pursuant to Article 67-18 is not made within the period specified in that paragraph or the disposition not to give the approval referred to in that paragraph is made;
- (iii) when an authorized manufacturer is dissolved;
- (iv) when an authorized manufacturer receives an order for commencing bankruptcy procedures;
- (v) when the Director General of Customs revokes the authorization.

(2) When the authorization referred to in Article 67-13, paragraph (1) expires, if there remains cargo subject to an export declaration of specific manufactured cargo (limited to cargo that has not been given export permission), a person who has been given the authorization or the person's heir (when a corporation that has been given authorization has ceased to exist as a result of merger, the corporation that survives the merger or the corporation that has been established as a result of the merger) is deemed to be authorized until customs clearance procedures pertaining to the cargo are completed.

(Revocation of Authorization)

Article 67-17 (1) The Director General of Customs, in finding that an authorized manufacturer falls under any of the situations provided for in the following items, may revoke the authorization referred to in Article 67-13, paragraph (1) (Authorization of Manufacturer):

- (i) that the authorized manufacturer falls under Article 67-13, paragraph (3), item (i), sub-items (a) through (g) or ceases to fall under item (ii), sub-item (a) or (b) of that paragraph;
- (ii) that the authorized manufacturer fails to respond to the request of the Director General of Customs as prescribed in Article 67-14 (Measures for Improvement of Rules);

- (iii) that the authorized manufacturer issues a false written confirmation of cargo to an exporter of specific manufactured cargo;
 - (iv) that an exporter of specific manufactured cargo ceases to fall under Article 67-13, paragraph (3), item (iii), sub-item (a) or (b).
- (2) Cabinet Order prescribes the procedures for revoking an authorization as under the preceding paragraph and provides for other necessary particulars concerning the application of that paragraph.

(Mutatis Mutandis Application of the Provisions on Licensing Succession)
Article 67-18 The provisions of Article 48-2, paragraphs (1) through (5) (Licensing Succession) apply mutatis mutandis to an authorized manufacturer. In such a case, Cabinet Order provides for the necessary technical replacement of terms.

Section 2-2 Special Provisions for Import Declaration

(Special Provisions for Import Declaration)
Article 67-19 An authorized importer or specific entrusting importer may, notwithstanding the provisions of Article 67-2, paragraph (1) or (2) (Procedures for Export or Import Declaration), file, pursuant to the provisions of Cabinet Order, an import declaration (excluding an import declaration pertaining to the cargo prescribed by Cabinet Order) with any of the Directors General of Customs.

Section 3 Documents to Be Submitted and the Procedure for Inspection

(Documents to Be Submitted at the Time of Export or Import Declaration)
Article 68 The Director General of Customs, when an declaration prescribed in Article 67 (Permission for Export or Import) is made, if it is necessary for determining whether export or import permission is to be given or for determining whether the benefits accruing from the special provisions of any conventions concerning customs duties (including corresponding benefits prescribed by Cabinet Order) is to be granted, may require submission of a written contract, invoice or other documents necessary for confirming the details of the declaration or other documents prescribed by Cabinet Order as those necessary for granting the benefits.

(Delegation of Authority to Inspect Cargo)
Article 68-2 If cargo subject to a declaration under Article 67 (Permission for Export or Import) is located within the jurisdictional district of another Director General of Customs, and a Director General of Customs finds it to be

necessary to conduct an inspection under the provisions of that Article on that cargo, the Director General may delegate the authority to inspect that cargo to the other Director General of Customs.

(Place for Inspection of Cargo)

Article 69 (1) Inspections as referred to in Article 67 (Permission for Export or Import) are to be conducted at a place designated by the Director General of Customs.

(2) A person that seeks to have an inspection as referred to in Article 67 conducted at a place other than the place designated pursuant to the provisions of the preceding paragraph must obtain permission of the Director General of Customs having jurisdiction over the place where the cargo that the person seeks to have inspected undergo is stored.

(3) The Director General of Customs must give permission referred to in the preceding paragraph if it is found that, due to the nature or quantity of the cargo concerned, it is inappropriate to inspect them at the place which they have designated and that it will not cause any problem in conducting the inspection efficiently.

Section 4 Cargo Prohibited for Export or Import

Subsection 1 Cargo Prohibited for Export

(Cargo Prohibited for Export)

Article 69-2 (1) It is prohibited to export the following cargo:

- (i) narcotics and psychotropic drugs, cannabis, opium and opium poppies, and stimulants (including raw materials for stimulants as referred to in the Stimulants Control Act (Act No. 252 of 1951)); provided, however, that those exported by the Government or by a person authorized, under other laws and regulations, to export pursuant to the provisions of those laws and regulations are excluded;
- (ii) child pornography (meaning child pornography provided under Article 2, paragraph (3) (Definitions) of the Act on Regulation and Punishment of Acts Relating to Child Prostitution and Child Pornography, and the Protection of Children (Act No. 52 of 1999));
- (iii) goods that infringe patent rights, utility model rights, design rights, trademark rights, copyrights, neighboring rights or breeder's rights;
- (iv) goods that compose the acts set forth in any of Article 2, paragraph (1), items (i) through (iii), or items (x) through (xii) (Definitions) of the Unfair Competition Prevention Act (Act No. 47 of 1993) (excluding the acts specified in Article 19, paragraph (1), items (i) through (v), item (vii), or item (viii) (Exclusion from Application) of that Act for the category of unfair

- competition as set forth respectively in these items).
- (2) The Director General of Customs may confiscate and dispose of cargo as set forth in item (i), item (iii), or item (iv) of the preceding paragraph that a person is seeking to export.
 - (3) If, among cargo that a person seeks to export in accordance with the provisions of this Chapter, there is cargo that the Director General of Customs has adequate grounds to believe constitutes cargo as set forth in paragraph (1), item (ii), the Director General must notify the person seeking to export the cargo of this.

(Verification Procedures to Check for Cargo Prohibited for Export)

Article 69-3 (1) If the Director General of Customs thinks that cargo constituting cargo as set forth in paragraph (1), item (iii) or (iv) of the preceding Article is among the cargo that a person seeks to export in accordance with the provisions of this Chapter, the Director General, pursuant to the provisions of Cabinet Order, must implement procedures to verify whether the cargo in question constitutes cargo as set forth in one of those items (hereinafter referred to as "verification procedures" in this Subsection). In such a case, the Director General of Customs, pursuant to the provisions of Cabinet Order, must notify the rightholder that the cargo is associated with (meaning the holder of a patent right, utility model right, design right, trademark right, copyright, neighboring right, breeder's right, or right to seek an injunction against unfair competition (a person who may seek, pursuant to the provisions of Article 3, paragraph (1) (Right to Seek an Injunction) of the Unfair Competition Prevention Act, the suspension or prevention of infringement of its business interests the infringement of which has been caused by the acts specified in paragraph (1), item (iv) of the preceding Article with respect to the cargo set forth in the item; hereinafter the same applies in this Subsection); hereinafter the same applies in this Article and the following Article) and the person seeking to export the cargo that the Director General is implementing verification procedures for the cargo, notify these persons that they may submit evidence and state their opinions concerning whether the cargo does or does not constitute cargo as set forth in paragraph (1), item (iii) or (iv) of the preceding Article, and notify them of any other particulars prescribed by Cabinet Order.

- (2) If the Director General of Customs notifies a person as under the preceding paragraph, the Director General, at the same time, is to notify the rightholder that the cargo is associated with of the names and domiciles of the person seeking to export the cargo and its consignee, and also notify the person seeking to export the cargo of the name and domicile of the rightholder.
- (3) When the Director General of Customs finds that the name or domicile of a

manufacturer of the cargo subject to verification procedures is evident from an export declaration form or other documents submitted with respect to the cargo pursuant to the provisions of Article 67 (Permission for Export or Import) pertaining to the export of cargo subject to verification procedures, from any other documents submitted to the Director General of Customs in the verification procedures or from any indications affixed to the cargo, the Director General notifies the rightholder that the cargo is associated with of the name or domicile of the manufacturer together with the notice referred to in paragraph (1), or after that notice but while the verification procedures are being implemented.

- (4) The Director General of Customs must not take measures referred to in paragraph (2) of the preceding Article with respect to cargo that a person is seeking to export in accordance with the provisions of this Chapter, unless that cargo has gone through verification procedures.
- (5) Having verified that the cargo subject to verification procedures (referred to as "suspect cargo" in the following paragraph) either constitutes or does not constitute cargo as set forth in paragraph (1), item (iii) or (iv) of the preceding Article, the Director General must notify the rightholder with which the verified cargo is associated and the person seeking to export the verified cargo of this finding and the reason for it; provided, however, that this does not apply if the Director General notifies the relevant person as under the following paragraph.
- (6) If, before the relevant persons are notified of the verification to which the suspect cargo under the main clause of the preceding paragraph is subject, it is decided that suspect cargo will no longer be exported, the Director General of Customs is to notify the rightholder with which the suspect cargo is associated of this and is to discontinue the verification procedures. In such a case, a person seeking to call off the export of the suspect cargo must first file a notification of this with the Director General of Customs.
- (7) A person that has been notified as under paragraph (2) or (3) must not divulge any matter of which the person has been notified to any other person without reason, nor use them for any unjust purposes.

(Procedures for the Filing of Petitions to Check for Cargo Prohibited for Export)

Article 69-4 (1) A rightholder may, pursuant to the provisions of Cabinet Order, submit to any of the Directors General of Customs evidence necessary for a prima facie showing of the facts of the infringement with respect to cargo which, they believe, infringe their patent right, utility model right, design right, trademark right, copyright, neighboring right, breeder's right or business interests, and may file a petition with any of the Directors General of

Customs for that Director General (hereinafter in this Article and in the following Article, "the Director General of Customs with whom the petition has been filed") or any other Director General to implement verification procedures for any such cargo that a person seeks to export in accordance with the provisions of this Chapter. In this case, a person who has the right to seek an injunction against unfair competition, pursuant to the provisions of Ministry of Economy, Trade and Industry Order, must seek from the Minister of the Ministry, when the cargo is as set forth in Article 69-2, paragraph (1), item (iv) (Cargo Prohibited for Export) (excluding cargo connected with Article 2, paragraph (1), item (x) (Definitions) of the Unfair Competition Prevention Act), the opinion with respect to the matters specified by the Order, which may prescribe, among other things, that the indication of cargo, etc. provided for in Article 2, paragraph (1), item (i) of that Act and related to that person is well known among consumers, or if the cargo is as set forth in Article 69-2, paragraph (1), item (iv) (limited to cargo connected with Article 2, paragraph (1), item (x) of that Act), the certification with respect to the fact that the cargo concerned has been generated by an act of unauthorized use as provided for in Article 2, paragraph (1), item (x) of that Act and that a person who is likely to export the cargo was, at the time when the cargo was transferred, not aware that it was generated by that act of unauthorized use and that the person was not grossly negligent in not knowing that it was so generated, and submit the details of those opinions or certification in writing to the Director General of Customs with whom the petition has been filed.

- (2) If a petition under the preceding paragraph has been filed, it is permissible for the Director General of Customs with whom the petition has been filed to decide not to accept it upon finding insufficient evidence for a prima facie showing of the facts of the infringement to which it pertains.
- (3) If a petition under paragraph (1) has been filed and the Director General of Customs with whom the petition has been filed accepts it, the Director General must notify the person that filed the petition of this and of the period during which the petition will be in effect (meaning the period during which the Director General of Customs will implement verification procedures based on that petition each time during that period that the Director General finds there to be cargo that the petition concerns among the cargo that a person seeks to export in accordance with the provisions of this Chapter); if the Director General does not accept the petition pursuant to the provisions of the preceding paragraph, the Director General must notify that person of the non-acceptance and the reason therefor.
- (4) If the Director General of Customs has accepted a petition under paragraph (1) or if such a petition has been accepted by any other Director General of Customs, and if the Director General has implemented verification procedures

for cargo that the petition concerns, the Director General, pursuant to the provisions of Cabinet Order, must provide the person that filed the petition or the person seeking to export the cargo with the opportunity to inspect the cargo, at the application of the person in question; provided, however, that this does not apply if verification procedures have been discontinued pursuant to the provisions of paragraph (6) of the preceding Article.

(Seeking Opinions of Technical Advisors with Respect to Petition for Export Suspension)

Article 69-5 If a petition under paragraph (1) of the preceding Article is filed and the Director General of Customs with whom the petition has been filed finds it to be necessary to do so, the Director General may designate persons with relevant expertise in intellectual property rights (meaning intellectual property rights as defined in Article 2, paragraph (2) (Definitions) of the Intellectual Property Basic Act (Act No. 122 of 2002); the same applies hereinafter), having no special interests with the parties involved in the cases pertaining to the petition, to serve as technical advisors and, pursuant to the provisions of Cabinet Order, may seek opinions of the technical advisors as to whether the evidence submitted pursuant to the provisions of paragraph (1) of the preceding Article is sufficient for prima facie showing of the facts of infringement pertaining to the application; provided, however, that this does not apply to the particulars with respect to which the opinion or certification of the Minister of Economy, Trade and Industry is to be sought pursuant to the provisions of the second sentence of paragraph (1) of the preceding Article.

(Deposit Pertaining to Petition for Export Suspension)

Article 69-6 (1) If the Director General of Customs has accepted a petition under Article 69-4, paragraph (1) (Procedures for the Filing of Petitions to Check for Cargo Prohibited for Export) or if such a petition has been accepted by any other Director General of Customs, and if the Director General finds it to be necessary to do so in order for security to be provided to compensate for loss or damage that the person seeking to export cargo that the petition concerns is likely to incur from that cargo not being exported until completion of the verification procedures, the Director General may set a deadline and order the person that filed the petition (hereinafter in this Article referred to as the "petitioner") to deposit what the Director General finds to be a sufficient amount of money with the official depository that the Director General designates.

(2) The Director General of Customs, if the amount of the monetary deposit provided pursuant to the provisions of the preceding paragraph is found insufficient to compensate for the damages provided for in that paragraph, may

order the petitioner to deposit, within a specified period, the amount of money deemed equivalent to the shortfall.

- (3) The monetary deposit to be provided pursuant to the provisions of the preceding two paragraphs may be replaced by Japanese Government Bonds, Local Government Bonds or other securities which the Director General of Customs considers to be secure (other securities include book-entry transfer bonds as provided for in Article 278, paragraph (1) (Depositing Transferred Bonds) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001); the same applies in this Article and Article 69-10 (Request to Discontinue Verification Procedures to Check for Cargo Prohibited for Export)).
- (4) Cabinet Order provides for the necessary particulars concerning the procedures taken with the Director General of Customs in connection with a deposit that has been made pursuant to an order under paragraph (1) or (2).
- (5) If a petitioner, pursuant to the provisions of Cabinet Order, enters into a contract which provides that the amount necessary to compensate for damages as provided for in paragraph (1) will be paid on the petitioner's behalf and notifies the Director General of Customs of this by the deadline that has been established pursuant to paragraph (1) or (2), it is permissible for the petitioner to not deposit the whole or part of the amount referred to in paragraph (1) or (2) while the contract is effective.
- (6) An exporter of the cargo referred to in paragraph (1) has the right, with respect to the claim for compensation for the damages against the petitioner as provided for in that paragraph, to receive payment, in preference over other creditors, from the monetary deposit provided pursuant to the provisions of paragraphs (1) and (2) (the monetary deposit includes the securities prescribed in paragraph (3); the same applies in paragraphs (8) through (10)).
- (7) Cabinet Order provides for the necessary particulars concerning the enforcement of a right as referred to in the preceding paragraph.
- (8) A petitioner that has deposited money pursuant to the provisions of paragraph (1) or (2) may recover the money that the petitioner has deposited if the situation comes to constitute a case set forth in one of the following items:
 - (i) if the petitioner has been notified as under the main clause of Article 69-3, paragraph (5) (Verification Procedures to Check for Cargo Prohibited for Export) that the cargo that served as the cause for the deposit to be provided constitutes cargo as set forth in Article 69-2, paragraph (1), item (iii) or (iv) (Cargo Prohibited for Export);
 - (ii) if the petitioner has been notified as under Article 69-3, paragraph (6) regarding cargo that served as the cause for the deposit to be provided;
 - (iii) if the petitioner has proved to and had it confirmed by the Director General of Customs that the exporter of the cargo referred to in paragraph (1) has consented to the recovery of the deposit, that the right to claim

- compensation for damages as provided in that paragraph has been extinguished by prescription, or that the deposit for compensation for damages as provided for in that paragraph is otherwise no longer necessary;
- (iv) if the petitioner has entered into a contract as referred to in paragraph (5) and has gained the approval of the Director General of Customs, pursuant to the provisions of Cabinet Order;
- (v) if the petitioner has gained the approval of the Director General of Customs, pursuant to the provisions of Cabinet Order, to provide another deposit in lieu of the thing that is on deposit at the time in question, because the petitioner will redeem deposited securities or for any other such reason.
- (9) Ministry of Justice Order and Ministry of Finance Order provide for the necessary matters concerning the recovery of the monetary deposit under the preceding paragraph.
- (10) If a person who has been ordered to deposit money pursuant to the provisions of paragraph (1) or (2) fails to deposit the full amount by the deadline that has been established pursuant to the provisions of those paragraphs and also fails to file a notification of its entering into a contract under paragraph (5), the Director General of Customs may discontinue verification procedures with respect to the cargo that was the cause of the order to provide the deposit.
- (11) When the Director General of Customs discontinues verification procedures pursuant to the provisions of the preceding paragraph, the Director General must notify the person that filed the petition for those procedures and the person seeking to export the cargo that is subject to those procedures of this.

(Requesting a Hearing of Opinions Concerning Cargo Prohibited for Export)

Article 69-7 (1) If verification procedures have been implemented to verify whether cargo constitutes cargo that infringes a patent right, utility model right, or design right or whether it constitutes cargo that is a component of an act set forth in Article 2, paragraph (1), item (x) (Definitions) of the Unfair Competition Prevention Act (excluding the acts provided for in Article 19, paragraph (1), item (vii) (Exclusion from Application) of that Act; hereinafter the same applies in this paragraph and paragraph (9)), the rightholder with which the cargo is associated (meaning the holder of patent right, utility model right, design right, or right to seek an injunction against unfair competition (but only such a person as it relates to cargo that is a component of an act set forth in Article 2, paragraph (1), item (x) of that Act; hereinafter the same applies in this paragraph, paragraph (9) and Article 69-10, paragraph (1) (Request to Discontinue Verification Procedures to Check for Cargo Prohibited for Export); hereinafter the same applies in this Article) or the exporter of that cargo (meaning the person seeking to export the cargo that is subject to the

verification procedures; hereinafter the same applies in this Article), pursuant to the provisions of Cabinet Order, may request that the Director General of Customs hear the opinion of the Commissioner of the Patent Office with respect to the technical scope or other scope of the matter in question (meaning the technical scope provided for in Article 70, paragraph (1) (Technical Scope of Patented Invention) of the Patent Act (Act No. 121 of 1959) (including as applied mutatis mutandis pursuant to Article 26 (Mutatis Mutandis Application of the Patent Act) of the Utility Model Act (Act No. 123 of 1959)), or the scope provided for in Article 25, paragraph (1) (The Scope of Registered Design) of the Design Act (Act No. 125 of 1959) (the same applies in paragraph (9) and Article 69-9 (Seeking Opinions of Technical Advisors in Verification Procedures to Check for Cargo Prohibited for Export))) if the verification procedures are being implemented to verify whether the cargo subject to the procedures constitutes cargo that infringes the patent right, utility model right, or design right of the rightholder (excluding a person who has the right seek an injunction against unfair competition), and may request that the Director General of Customs hear the opinion of the Minister of Economy, Trade and Industry as to whether the cargo that is subject to those procedures constitutes cargo that is a component of an act set forth in Article 2, paragraph (1), item (x) of the Unfair Competition Prevention Act, if the verification procedures are being implemented to verify whether the cargo that is subject to them constitutes cargo that is a component of an act as set forth in that item which involves the relevant rightholder; the rightholder or exporter may make this request during the period from the day on which the rightholder receives the notice prescribed in Article 69-3, paragraph (1) (Verification Procedures to Check for Cargo Prohibited for Export) (hereinafter in this paragraph and Article 69-10, paragraph (2) referred to as the "rightholder notice date") up until the final day in the period of ten days (the holidays of the administrative organs are not included) that starts to run on the rightholder notice date (in Article 69-10, paragraphs (1) and (2), this is referred to as the "final day in the ten-day period that starts to run on the rightholder notice date") (or until the final day in the period of twenty days (the holidays of the administrative organs are not included) that starts to run on the rightholder notice date (referred to as the "final day in the twenty-day period that starts to run on the rightholder notice date" in Article 69-10, paragraph (1)) if, before the day on which the aforementioned ten-day period expires, the Director General of Customs finds it necessary to extend that period in consideration of the progress made with respect to verification procedures and other circumstances and notifies the rightholder and the exporter of this), but only while the verification procedures are being implemented.

(2) When a request under the preceding paragraph has been made, the Director

General of Customs, pursuant to the provisions of Cabinet Order, seeks the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office; provided, however, that this does not apply if the Director General of Customs finds it evident that the cargo subject to the request under that paragraph does or does not constitute cargo as set forth in Article 69-2, paragraph (1), item (iii) or (iv) (Cargo Prohibited for Export) or finds that it is unnecessary to seek the opinion of the Minister or the Commissioner.

- (3) When a request prescribed in paragraph (1) has been made, if the Director General of Customs has not sought the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office pursuant to the provisions of the proviso to the preceding paragraph, the Director General of Customs must notify the rightholder or exporter who has made the request prescribed in paragraph (1) of that fact and the reason therefor.
- (4) If the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office has been asked for an opinion by the Director General of Customs pursuant to the provisions of the main clause of paragraph (2), the Minister or the Commissioner must provide an opinion in writing within thirty days from the day on which the opinion was sought.
- (5) When the Director General of Customs, pursuant to the provisions of the main clause of paragraph (2), seeks the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office, the Director General of Customs must notify the rightholder and exporter concerned of this.
- (6) When the opinion prescribed in paragraph (4) is provided, the Director General of Customs must notify the rightholder and exporter concerned of this and of the substance of the opinion.
- (7) When the Director General of Customs seeks the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office pursuant to the provisions of the main clause of paragraph (2), the Director General of Customs must not, before the opinion prescribed in paragraph (4) is provided, certify that, if a person who requests to seek the opinion referred to in paragraph (1) is a rightholder, the cargo concerned does not constitute cargo as set forth in Article 69-2, paragraph (1), item (iii) or (iv) or that, if the person requesting that the opinion referred to in paragraph (1) be sought is an exporter, the cargo concerned constitutes cargo as set forth in paragraph (1), item (iii) or (iv) of that Article.
- (8) Having sought the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office pursuant to the provisions of the main clause of paragraph (2), the Director General of Customs is to notify the Minister or Commissioner if the person making the request under paragraph (1) is a rightholder, and the Director General verifies, before the requested opinion under the provisions of paragraph (4) has been stated, that the cargo

subject to the request constitutes cargo as set forth in Article 69-2, paragraph (1), item (iii) or (iv); if the person making the request referred to in paragraph (1) is the exporter, and the Director General verifies, before the requested opinion under the provisions of paragraph (4) has been stated, that the cargo subject to the request does not constitute cargo as set forth in paragraph (1), item (iii) or (iv) of that Article; or if the Director General discontinues verification procedures for the cargo in question pursuant to the provisions of Article 69-3, paragraph (6) or paragraph (10) of the preceding Article before the requested opinion under the provisions of paragraph (4) has been stated. In this case, the Minister or the Commissioner is not required to provide an opinion prescribed in paragraph (4).

(9) In the verification procedures to check whether the cargo constitutes cargo that infringes a patent right, utility model right or design right or constitutes cargo that is a component of an act as set forth in Article 2, paragraph (1), item (x) of the Unfair Competition Prevention Act, if it is found necessary for the purpose of verification prescribed in Article 69-3, paragraph (1), the Director General of Customs may, pursuant to the provisions of Cabinet Order, if verification procedures have been initiated to check whether the cargo constitutes cargo that infringes a patent right, utility model right or design right, seek the opinion of the Commissioner of the Patent Office with respect to the technical scope, etc. as to whether the cargo subject to the verification procedures does or does not constitute cargo that infringes the patent right, utility model right or design right of the rightholder that the cargo is associated with (excluding a person with the right to seek an injunction against unfair competition), or if the verification procedures have been implemented to determine whether the cargo constitutes cargo that is a component of an act as set forth in the item, seek the opinion of the Minister of Economy, Trade and Industry as to whether the cargo concerned constitutes cargo that is a component of an act as set forth in the item, pertaining to the rightholder concerned (limited to a person who has the right to seek an injunction against unfair competition).

(10) The provisions of paragraphs (4) to (6) of this Article and paragraph (5) of the following Article apply mutatis mutandis if an opinion is sought pursuant to the provisions of the preceding paragraph. In such a case, Cabinet Order provides for the necessary technical replacement of terms.

(Seeking the Opinion of the Minister of Agriculture, Forestry and Fisheries in Verification Procedures to Check for Cargo Prohibited for Export)

Article 69-8 (1) In the verification procedures to check whether cargo constitutes cargo that infringes a breeder's right or cargo as set forth in Article 69-2, paragraph (1), item (iv) (Cargo Prohibited for Export) (excluding cargo

connected with Article 2, paragraph (1), item (x) (Definitions) of the Unfair Competition Prevention Act; hereinafter the same applies in this paragraph and paragraph (5)), if it is considered necessary for the purpose of verification prescribed in Article 69-3, paragraph (1) (Verification Procedures to Check for Cargo Prohibited for Export), the Director General of Customs pursuant to the provisions of Cabinet Order, may seek, for reference purposes, the opinion of the Minister of Agriculture, Forestry and Fisheries in the case of verification procedures to check whether the cargo infringes a breeder's right, or the opinion of the Minister of Economy, Trade and Industry in the case of verification procedures to check whether the cargo constitutes cargo as set forth in Article 69-2, paragraph (1), item (iv).

- (2) If the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry has been asked for an opinion by the Director General of Customs pursuant to the provisions of the preceding paragraph, the Minister must provide an opinion in writing within thirty days from the date on which the opinion was sought.
- (3) Having sought an opinion pursuant to the provisions of paragraph (1), the Director General of Customs must notify the holder of breeder's rights or the right to seek an injunction against unfair competition that is involved in the verification procedures, and the person seeking to export the cargo that is subject to those procedures, of this.
- (4) When the opinion prescribed in paragraph (2) is provided, the Director General of Customs must notify the holder of breeder's rights or the right to seek an injunction against unfair competition referred to in the preceding paragraph and the person seeking to export cargo that is subject to the verification procedures of this and of the substance of the opinion.
- (5) When the Director General of Customs seeks the opinion of the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry pursuant to the provisions of paragraph (1), if the Director General has verified, before the opinion prescribed in paragraph (2) is provided, that the cargo concerned does or does not constitute cargo that infringes a breeder's right or that it does or does not constitute cargo as set forth in Article 69-2, paragraph (1), item (iv) or if the Director General has discontinued verification procedures with respect to the cargo pursuant to the provisions of Article 69-3, paragraph (6) or Article 69-6, paragraph (10) (Deposit Pertaining to an Application for Export Suspension), the Director General notifies the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry of that fact. In this case, the Minister is not required to provide the opinion prescribed in paragraph (2).

(Seeking Opinions of Technical Advisors in Verification Procedures to Check

for Cargo Prohibited for Export)

Article 69-9 In the verification procedures to check whether cargo constitutes cargo as set forth in Article 69-2, paragraph (1), item (iii) (Cargo Prohibited for Export) (excluding cargo that infringe a breeder's right), the Director General of Customs may, if it is considered necessary for the purpose of verification prescribed in Article 69-3, paragraph (1) (Verification Procedures to Check for Cargo Prohibited for Export), designate persons with relevant expertise in intellectual property rights, having no special interests with the parties involved in the cases pertaining to the verification procedures, to serve as technical advisors and may, pursuant to the provisions of Cabinet Order, seek, for reference purposes, opinions of the technical advisors; provided, however, that this does not apply to the technical scope, etc.

(Request to Discontinue Verification Procedures to Check for Cargo Prohibited for Export)

Article 69-10 (1) If verification procedures have been implemented for cargo that is the subject of a petition under Article 69-4, paragraph (1) (Procedures for the Filing of Petitions to Check for Cargo Prohibited for Export) that was filed by a holder of a patent right, utility model right, design right, or right to seek an injunction against unfair competition (hereinafter in this Article referred to as the "petitioning rightholder") and that has been accepted, a person seeking to export that cargo may request that the Director General of Customs discontinue the verification procedures, pursuant to the provisions of Cabinet Order and after the day specified in the relevant of the following items for the category of cases set forth in that item, but only while those verification procedures are being implemented:

- (i) when it is notified that the period until the final day in the ten-day period that starts to run on the rightholder notice date is extended pursuant to the provisions of Article 69-7, paragraph (1) (Seeking the Opinion Pertaining to Cargo Prohibited for Export): the final day in the twenty-day period that starts to run on the rightholder notice date (when a notice indicating that the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office has been sought pursuant to the provisions of Article 69-7, paragraph (5) (including as applied mutatis mutandis pursuant to Article 69-7, paragraph (10); the same applies in the following item) has been received, the final day in the twenty-day period that starts to run on the rightholder notice date, or the final day in the ten-day period that starts to run on the rightholder notice date from the date of receipt of the notice under Article 69-7, paragraph (6), pertaining to seeking the opinion (including as applied mutatis mutandis pursuant to Article 69-7, paragraph (10); the same applies in the following item), whichever comes later);

- (ii) in the case other than the case set forth in the preceding item: the final day in the ten-day period that starts to run on the rightholder notice date (when a notice indicating that the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office has been sought pursuant to the provisions of Article 69-7, paragraph (5) has been received, the final day in the ten-day period that starts to run on the rightholder notice date or the final day in the ten-day period that starts to run on the rightholder notice date from the date of receipt of the notice under Article 69-7, paragraph (6) pertaining to seeking the opinion, whichever comes later).
- (2) Having implemented verification procedures for cargo that is the subject of the petition of a petitioning rightholder, the Director General of Customs must notify the person seeking to export the cargo of the rightholder notice date, before the final day in ten-day period that starts to run on the rightholder notice date.
- (3) When the Director General of Customs is requested to discontinue verification procedures pursuant to the provisions of paragraph (1), the Director General notifies the petitioning rightholder that filed the petition for those verification procedures of the request, and must order the person making the request (hereinafter in this Article referred to as the "requester") to deposit, within a specified period, the amount of money found sufficient to cover the damages that may be incurred by the applicant from the export of the cargo subject to the verification procedures with the designated official depository.
- (4) The monetary deposit to be provided pursuant to the provisions of the preceding paragraph may be replaced by Japanese Government Bonds, Local Government Bonds or other securities which the Director General of Customs considers to be secure.
- (5) Cabinet Order provides for the necessary particulars concerning the procedures taken with the Director General of Customs in connection with a deposit that has been made pursuant to an order as under paragraph (3).
- (6) If a requester, pursuant to the provisions of Cabinet Order, enters into a contract which provides that the amount of money necessary to compensate for the damage provided for in paragraph (3) will be paid on the requester's behalf and notifies the Director General of Customs of this by the deadline that has been established pursuant to the provisions of that paragraph, it is permissible for the requester to not deposit the whole or part of the amount referred to in that paragraph while the contract is effective.
- (7) A petitioning rightholder as referred to in paragraph (3) has the right, with respect to the right to claim for compensation for the damages against the requester as provided for in that paragraph, to receive payment in preference over other creditors, from the monetary deposit provided pursuant to the provisions of that paragraph (the monetary deposit includes the securities

- prescribed in paragraph (4); the same applies in paragraphs (9) through (11)).
- (8) Cabinet Order provides for the necessary particulars concerning the enforcement of a right as referred to in the preceding paragraph.
- (9) The requester that has provided the monetary deposit pursuant to the provisions of paragraph (3) may recover monetary deposit if the situation falls under any of the cases set forth in the following items:
- (i) when it has been proved to, and confirmed by the Director General of Customs that a petitioning rightholder as referred to in paragraph (12) has consented to the recovery of the deposit, that the right to claim for compensation for damages as provided for in paragraph (3) has been extinguished by prescription or that the deposit for compensation for damages as provided for in paragraph (3) is no longer necessary;
 - (ii) when the requester has entered into a contract referred to in paragraph (6) and the contract has been, pursuant to the provisions of Cabinet Order, approved by the Director General of Customs;
 - (iii) when, pursuant to the provisions of Cabinet Order, the Director General of Customs has approved to provide another deposit, in lieu of the deposit actually provided, for the reason of redemption of the deposited securities or for other grounds;
 - (iv) beyond what is provided for in the preceding three items, when a petitioning rightholder as referred to in paragraph (12) fails to file, within thirty days from the date on which of receiving the notice under that paragraph, any judicial action for claiming for damages as provided for in paragraph (3).
- (10) Ministry of Justice Order and Ministry of Finance Order provide for the necessary matters concerning the recovery of the monetary deposit under the preceding paragraph.
- (11) If a person who has been ordered to deposit money pursuant to the provisions of paragraph (3) deposits the full amount by the deadline that has been established pursuant to the provisions of that paragraph or notifies the fact of entering into a contract prescribed in paragraph (6), the Director General of Customs is to discontinue the verification procedures with respect to the cargo that was the cause of the order to provide the deposit.
- (12) When the Director General of Customs discontinues the verification procedures pursuant to the provisions of the preceding paragraph, the Director General must notify the person seeking to export the cargo subject to those verification procedures and the petitioning rightholder that filed the petition for those verification procedures of this.

Subsection 2 Cargo Prohibited for Import

(Cargo Prohibited for Import)

Article 69-11 (1) It is prohibited to import cargo as set forth in the following items:

- (i) narcotics and psychotropic drugs, cannabis, opium and opium poppies, and stimulants (including raw materials for stimulants thereof as referred to in the Stimulants Control Act) and utensils for opium smoking; provided, however, that those imported by the Government or by a person authorized, under other laws and regulations, to import pursuant to the provisions thereof, are excluded;
- (i)-2 the designated substance provided for in Article 2, paragraph (15) (Definitions) of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Act No. 145 of 1960) (excluding those imported for the purpose of using for medical care, etc. as provided for in Article 76-4 (Prohibition of Manufacturing) of that Act;
- (ii) hand-guns, rifles, machine guns, cannons, and bullets thereof and parts of hand-guns; provided, however, that those imported by a person authorized, under other laws and regulations, to import pursuant to the provisions thereof, are excluded;
- (iii) explosives (explosives provided for in Article 1 (Use of Explosives) of the Criminal Regulations to Control Explosives (Cabinet Order No. 32 of 1884); excluding those set forth in the preceding item and the following item); provided, however, that those imported by a person authorized, under other laws and regulations, to import pursuant to the provisions thereof, are excluded;
- (iv) gunpowder (gunpowder provided for in Article 2, paragraph (1) of (Definitions) of the Explosives Control Act (Act No. 149 of 1950); excluding those that constitute cargo as set forth in item (ii)); provided, however, that those imported by a person authorized, under other laws and regulations, to import pursuant to the provisions thereof, are excluded;
- (v) the specified substances provided for in Article 2, paragraph (3) (Definitions) of the Act on the Prohibition of Chemical Weapons and the Regulation of Specific Chemicals (Act No. 65 of 1995); provided, however, that those imported by a person authorized, under conventions or other laws and regulations, to import them pursuant to the provisions thereof, are excluded;
- (v)-2 Class I pathogens, etc. as referred to in paragraph (20) and Class II pathogens, etc. as referred to in paragraph (21) of Article 6 (Definitions) of the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infections Diseases (Act No. 114 of 1998); provided, however, that those imported by a person authorized, under other laws and regulations, to import them pursuant to the provisions thereof, are excluded;

- (vi) counterfeit, altered and imitated coins, money bills, bank notes, revenue stamps or postal stamps (including identification cards with marks representing postage, other than postal stamps; hereinafter the same applies in this item) or securities (excluding imitated revenue stamps imported with the authorization of the Minister of Finance under Article 1, paragraph (2) of the Act on the Control of Imitating of Stamps (Act No. 189 of 1947) and imitated postal stamps imported with the authorization of the Minister of Internal Affairs and Communications under Article 1, paragraph (2) of the Act on Control of Imitation of Stamps, etc. (Act No. 50 of 1972)) and the cards (including materials used in the production of the cards) which contain electronic or magnetic record (meaning a record used in computerized information processing which is created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses; the same applies hereinafter) of the card created unlawfully for the payment of charges or fees or for the withdrawal of deposits and savings;
 - (vii) books, pictures, sculptures or other goods that are detrimental to public security or that corrupt public morals (excluding those that constitute cargo as set forth in the following item);
 - (viii) child pornography (meaning the child pornography referred to in Article 2, paragraph (3) (Definitions) of the Act on Regulation and Punishment of Acts Relating to Child Prostitution and Child Pornography, and the Protection of Children;
 - (ix) goods that infringe patent rights, utility model rights, design rights, trademark rights, copyrights, neighboring rights, layout-design exploitation rights or breeder's rights;
 - (x) goods that compose the acts set forth in Article 2 (Definitions) paragraph (1), items (i) through (iii), or items (x) through (xii) of the Unfair Competition Prevention Act (excluding the acts specified in Article 19, paragraph (1), items (i) through (v), item (vii,) or (viii) (Exclusion from Application) of that Act for the category of unfair competitions as set forth respectively in those items).
- (2) The Director General of Customs may confiscate and dispose of cargo as set forth in items (i) through (vi), (ix), or (x) of the preceding paragraph that a person seeks to import, or may order the person seeking to import that cargo to send it back.
- (3) If, among the cargo that a person seeks to import in accordance with the provisions of this Chapter, there is cargo that the Director General of Customs has adequate grounds to believe constitutes cargo as set forth in paragraph (1), item (vii) or (viii), the Director General must notify the person seeking to import that cargo of this.

(Verification Procedures to Check for Cargo Prohibited for Import)

- Article 69-12 (1) If the Director General of Customs thinks that cargo constituting cargo as set forth in paragraph (1), item (ix) or (x) of the preceding Article is among the cargo that a person seeks to import in accordance with the provisions of this Chapter, the Director General, pursuant to the provisions of Cabinet Order, must implement procedures to verify whether the cargo in question constitutes cargo as set forth in one of those items (hereinafter referred to as "verification procedures" in this Subsection). In such a case, the Director General of Customs, pursuant to the provisions of Cabinet Order, must notify the rightholder that the cargo is associated with (meaning the holder of a patent right, utility model right, design right, trademark right, copyright, neighboring right, layout-design exploitation right, breeder's right, or right to seek an injunction against unfair competition (meaning a person that, pursuant to the provisions of Article 3, paragraph (1) (Right to Seek an Injunction) of the Unfair Competition Prevention Act, is entitled to seek the cessation or prevention of infringement of its business interests by an act as set forth in paragraph (1), item (x) of the preceding Article in connection with the cargo set forth in that item; hereinafter the same applies in this Subsection); hereinafter the same applies in this Article) and the person seeking to import the cargo that the Director General is implementing verification procedures for the cargo, notify these persons that they may submit evidence and state their opinions concerning whether the cargo does or does not constitute cargo as set forth in paragraph (1), item (ix) or (x) of the preceding Article, and notify them of any other particulars prescribed by Cabinet Order.
- (2) If the Director General of Customs notifies a person as under the preceding paragraph, the Director General, at the same time, is to notify the rightholder that the cargo is associated with of the names and domiciles of the person seeking to import the cargo and its consignor, and also notify the person seeking to import the cargo of the name and domicile of the rightholder.
- (3) When the Director General of Customs finds that the name or domicile of a manufacturer of the cargo subject to verification procedures is evident from an import declaration form and other documents filed with respect to the cargo pursuant to the provisions of Article 67 (Permission for Export or Import), any other documents submitted to the Director General of Customs in the verification procedures or from any indications affixed to the cargo, the Director General is to notify the rightholder that the cargo is associated with of the name or domicile of the manufacturer either together with the notice referred to in paragraph (1), or after that notice but while the verification procedures are being implemented.
- (4) The Director General of Customs may not take a measure referred to in

paragraph (2) of the preceding Article for cargo that a person seeks to import in accordance with the provisions of this Chapter unless the cargo has been subjected to verification procedures.

- (5) When the Director General of Customs has verified whether the cargo subject to verification procedures (hereinafter in this Article and Article 69-16 (Inspection of Samples of Suspect Cargo by Applicant), referred to as "suspect cargo") constitutes cargo as set forth in paragraph (1), item (ix) or (x) of the preceding Article, the Director General must notify the rightholder with which the verified cargo is associated and the person seeking to import the verified cargo of the findings and the reason therefor; provided, however, that this does not apply if notice is given as under the following paragraph.
- (6) If the situation comes to fall under any of the following items before the Director General of Customs notifies the relevant person of the verification of suspect cargo under the main clause of the preceding paragraph, the Director General is to notify the rightholder associated with the suspect cargo of this, and is also to discontinue the verification procedures:
- (i) if the suspect cargo has been disposed of pursuant to the provisions of Article 34 (Disposal of Foreign Cargo);
 - (ii) if the suspect cargo has been destroyed pursuant to the provisions of the proviso to Article 45, paragraph (1) (Obligation of the Licensee to Pay Customs Duties) (including as applied *mutatis mutandis* pursuant to Articles 36, Article 41-3, Article 61-4, Article 62-7 and Article 62-15);
 - (iii) if the suspect cargo has been sent back pursuant to the provisions of Article 75 (Sending Back Foreign Cargo);
 - (iv) if it has been decided that the suspect cargo will not be imported, beyond what is provided for in the preceding three items.
- (7) Any person who has been notified as under paragraph (2) or (3) or any applicant provided for in Article 69-16, paragraph (2) whose application has been approved pursuant to the provisions of that paragraph must not divulge any particulars they have been notified or any other particulars they have learned during the inspection (including inspection by disassembling; the same applies in Article 69-16) or handling of a sample pertaining to the application to any other persons without reason, nor use such particulars for any unjust purpose.

(Procedures for the Filing of Petitions in Connection with Cargo Prohibited for Import)

Article 69-13 (1) The holder of a patent right, utility model right, design right, trademark right, copyright, neighboring right, breeder's right, or right to seek an injunction against unfair competition may, pursuant to the provisions of Cabinet Order, submit to any of the Directors General of Customs evidence

necessary for prima facie showing of the facts of infringement with respect to cargo that the person considers to infringe its patent right, utility model right, design right, trademark right, copyright, neighboring right, breeder's right, or business interests, and may file a petition with any of the Directors General of Customs for that Director General or any other Director General of Customs to undertake verification procedures for any such cargo that a person seeks to import in accordance with the provisions of this Chapter (hereinafter in this Article and in the following Article, the Director General of Customs with whom the petition is filed is referred to as "the Director General of Customs with whom the petition has been filed"). In this case, a person who has the right to seek an injunction against unfair competition must, pursuant to the provisions of Ministry of Economy, Trade and Industry Order, seek from the Minister of the Ministry, when the cargo constitutes cargo as set forth in Article 69-11, paragraph (1), item (x) (Cargo Prohibited for Import) (excluding cargo connected with Article 2, paragraph (1), item (x) (Definitions) of the Unfair Competition Prevention Act), the opinion with respect to the particulars specified by the Order, which may prescribe, among other things, that the indication of cargo, etc. provided for in Article 2, paragraph (1), item (i) of that Act and related to that person are well known among consumers, or when the cargo constitutes cargo as set forth in Article 69-11, paragraph (1), item (x) (limited to those pertaining to Article 2, paragraph (1), item (x) of that Act), the certification with respect to the fact that the cargo concerned is something that was generated by an act of unauthorized use as provided for in Article 2, paragraph (1), item (x) of that Act and that a person who is likely to import the cargo was, at the time when they were transferred, not aware that it was generated by that act of unauthorized use and that the person was not grossly negligent in knowing that the cargo was so generated, and must submit the details of the opinion or certification in writing to the Director General of Customs with whom the petition has been filed.

- (2) If a petition under the preceding paragraph has been filed, it is permissible for the Director General of Customs with whom the petition has been filed to decide not to accept it upon finding insufficient evidence for a prima facie showing of the facts of the infringement to which the petition pertains.
- (3) If a petition as under paragraph (1) is filed and the Director General of Customs with whom the petition has been filed accepts the petition, the Director General must notify the person who has filed the petition of the acceptance and the effective period of the petition (meaning the period during which the Director General of Customs will implement verification procedures based on that petition each time during that period that the Director General finds there to be cargo that the petition concerns among the cargo that a person seeks to import in accordance with the provisions of this Chapter); if the

Director General of Customs with whom the petition has been filed does not accept the petition pursuant to the provisions of the preceding paragraph, the Director General must notify that person of this and of the reason therefor.

(4) If the Director General of Customs has accepted a petition under paragraph (1) or if such a petition has been accepted by any other Director General of Customs, and if the Director General has implemented verification procedures for cargo that the petition concerns, the Director General, pursuant to the provisions of Cabinet Order, must provide the person that filed the petition or the person seeking to import the cargo with the opportunity to inspect the cargo, at the application of the person in question; provided, however, that this does not apply if verification procedures have been discontinued pursuant to the provisions of paragraph (6) of the preceding Article.

(Seeking Opinions of Technical Advisors with Respect to Petition for Import Suspension)

Article 69-14 If a petition as prescribed in paragraph (1) of the preceding Article has been filed and the Director General of Customs with whom the petition has been filed finds it to be necessary to do so, the Director General may designate persons with relevant expertise in intellectual property rights, that have no special interests with the parties involved in the cases to which the petition pertains, to serve as technical advisors and may, pursuant to the provisions of Cabinet Order, seek the opinions of the technical advisors as to whether the evidence submitted pursuant to the provisions of that paragraph is sufficient for a prima facie showing of the facts of infringement to which the petition pertains; provided, however, that this does not apply to the matters with respect to which the opinion or certification of the Minister of Economy, Trade and Industry is to be sought pursuant to the provisions of the second sentence of that paragraph.

(Deposit Pertaining to Petition for Import Suspension)

Article 69-15 (1) If the Director General of Customs has accepted a petition under Article 69-13, paragraph (1) (Procedures for the Filing of Petitions in Connection with Cargo Prohibited for Import) or if such a petition has been accepted by any other Director General of Customs, and if the Director General finds it to be necessary to do so in order for security to be provided to compensate for loss or damage that the person seeking to import the cargo that the petition concerns is likely to incur from that cargo not being imported until completion of the verification procedures, the Director General may set a deadline and order the person that filed the petition (hereinafter in this Article referred to as the "petitioner") to deposit what the Director General finds to be a sufficient amount of money with the official depository that the Director

General designates.

- (2) The Director General of Customs may, if the amount of the monetary deposit provided pursuant to the provisions of the preceding paragraph is considered insufficient to compensate for the damages provided for in that paragraph, order the petitioner to deposit, within a specified period, the amount of money deemed equivalent to the shortfall.
- (3) The monetary deposit to be provided pursuant to the provisions of the preceding two paragraphs may be replaced by Japanese Government Bonds, Local Government Bonds or other securities which the Director General of Customs considers to be secure (other securities include book-entry transfer bonds as provided for in Article 278, paragraph (1) (Depositing Transferred Bonds) of the Act on Book-Entry Transfer of Corporate Bonds and Shares; hereinafter the same applies in this Article and in Article 69-20 (Request for Discontinuance of Verification Procedures to Check for Cargo Prohibited for Import)).
- (4) Cabinet Order provides for the necessary particulars concerning the procedures taken with the Director General of Customs in connection with a deposit that has been made pursuant to an order as under paragraph (1) or (2).
- (5) If a petitioner, pursuant to the provisions of Cabinet Order, enters into a contract which provides that the amount necessary to compensate for damage as provided in paragraph (1) will be paid on the petitioner's behalf and notifies the Director General of Customs of that fact by the deadline that has been established pursuant to the provisions of paragraph (1) or (2), it is permissible for the petitioner to not deposit the whole or part of the amount referred to in paragraph (1) or (2) while the contract is effective.
- (6) The importer of cargo referred to in paragraph (1) has the right, with respect to its claim for compensation for the damages against the petitioner as provided for in that paragraph, to receive payment, in preference over other creditors, from the monetary deposit provided pursuant to the provisions of paragraphs (1) and (2) (the monetary deposit includes securities prescribed in paragraph (3); the same applies in paragraphs (8) through (10)).
- (7) Cabinet Order provides for the necessary particulars concerning the enforcement of a right as referred to in the preceding paragraph.
- (8) A petitioner who has provided the monetary deposit pursuant to the provisions of paragraph (1) or (2) may recover the monetary deposit if the situation falls under any of the cases set forth in the following items:
 - (i) when the petitioner has been notified under the main clause of Article 69-12, paragraph (5) (Verification Procedures to Check for Cargo Prohibited for Import) that the cargo that was the cause of the deposit being provided constitutes cargo as set forth in Article 69-11, paragraph (1), item (ix) or (x) (Cargo Prohibited for Import);

- (ii) when the petitioner has been notified under Article 69-12, paragraph (6) for the cargo that was the cause of the deposit being provided;
 - (iii) when it has been proved to, and confirmed by the Director General of Customs that the importer of the cargo referred to in paragraph (1) has consented to the recovery of the deposit, that the right to claim for compensation for damages as provided for in that paragraph has been extinguished by prescription or that the deposit for compensation for damages as provided for in that paragraph is no longer necessary;
 - (iv) when the petitioner has entered into the contract referred to in paragraph (5) and the contract has been, pursuant to the provisions of Cabinet Order, approved by the Director General of Customs;
 - (v) when, pursuant to the provisions of Cabinet Order, it has been approved by the Director General of Customs to provide another deposit, in lieu of the deposit actually provided, for the reason of redemption of the deposited securities or for other reasons.
- (9) Ministry of Justice Order and Ministry of Finance Order provide for the necessary particulars concerning recovery of the monetary deposit under the preceding paragraph.
- (10) If a person who has been ordered to deposit money pursuant to the provisions of paragraph (1) or (2) fails to deposit the full amount by the deadline that has been established pursuant to the provisions of these paragraphs and also fails to file a notification of entering into a contract under paragraph (5), the Director General of Customs may discontinue verification procedures with respect to the cargo that was the cause of the deposit being provided.
- (11) If the Director General of Customs discontinues verification procedures pursuant to the provisions of the preceding paragraph, the Director General must notify the person that filed the petition for the verification procedures and the person seeking to import the cargo subject to those procedures of this.

(Inspection of Samples of Suspect Cargo by Applicant)

Article 69-16 (1) The holder of a patent right, utility model right, design right, trademark right, copyright, neighboring right, breeder's right, or right to seek an injunction against unfair competition that has had a petition under Article 69-13, paragraph (1) (Procedures for the Filing of Petitions in Connection with Cargo Prohibited for Import) accepted may file an application with the Director General of Customs for the Director General to approve that person's inspection of a sample of the suspect cargo that is subject to the verification procedures, but only within the period in which the verification procedures are being carried out with respect to cargo that is subject to that petition. In this case, the Director General of Customs with whom such an application has been

- filed must notify the person seeking to import the suspect cargo of this.
- (2) The Director General of Customs, if all of the requirements set forth in the following items are met, in response to an application filed under the preceding paragraph, gives approval to the person who has filed the application (including a person who has been entrusted; hereinafter in this Article (excluding paragraph (5)) referred to as "applicant") to inspect the sample of suspect cargo subject to the verification procedures; provided, however, that this does not apply if the Director General of Customs finds it evident that the cargo that the application concerns does or does not constitutes cargo as set forth in Article 69-11, paragraph (1), item (ix) (Cargo Prohibited for Import) (cargo that infringe a layout-design exploitation right are excluded; the same applies in this paragraph and paragraph (5)) or paragraph (1), item (x) of that Article, or when the Director General considers it unnecessary to give the approval:
- (i) that the inspection of sample is considered necessary for the purpose of submitting evidence or stating opinions to the Director General of Customs with regard to the fact that the suspect cargo subject to the sample constitutes cargo as set forth in Article 69-11, paragraph (1), item (ix) or (x);
 - (ii) that it is considered that the interests of the person seeking to import the suspect cargo from which the sample was taken are not likely to be unjustly infringed;
 - (iii) beyond what is provided for in the preceding items, that it is found that the sample is not likely to be used for unjust purposes;
 - (iv) that the applicant is found to have the ability and the financial resources necessary to properly carry out transport, storage, inspection or other handling of the sample.
- (3) When the Director General of Customs approves inspection of a sample by an applicant pursuant to the provisions of the preceding paragraph, the Director General must notify the applicant (excluding a person who has been entrusted) and the person seeking to import the suspect cargo from which the sample comes of this.
- (4) When approval is given by the Director General of Customs pursuant to the provisions of paragraph (2), the applicant must bear, to the extent necessary for the inspection of the sample, the expenses necessary for the transport, storage or inspection of the sample and other expenses.
- (5) The provisions of the preceding Article (excluding paragraph (11)) apply mutatis mutandis if the Director General of Customs gives approval pursuant to the provisions of paragraph (2). In this case, the terms reproduced in the middle columns of the following table, which are used in that paragraphs of the left-hand columns are to be replaced respectively by the terms shown in the right-hand columns:

Provisions to Replace	Terms to be Replaced	Terms to Replace
Article 69-15, paragraph (1)	from being unable to import until completion of the verification procedures for such goods	in cases where the suspect goods pertaining to the sample have been verified not to fall under the goods set forth in Article 69-11, paragraph (1), item (ix) or (x)
	a person who has filed the application (hereinafter in this Article referred to as "applicant"	a person who has made an application for approval (hereinafter in this Article referred to as "applicant"
Article 69-15, paragraphs (2), (5), (6) and (8)	applicant	applicant
Article 69-15, paragraph (10)	discontinue verification procedures	not give approval referred to in paragraph (2) of the next Article

- (6) When an applicant that has been given approval pursuant to the provisions of paragraph (2) inspects a sample, customs officials are to be present at the inspection. In such a case, the person seeking to import the suspect cargo from which the sample comes may apply to the Director General of Customs to be present at the inspection.
- (7) Beyond what is provided for in the preceding paragraphs, Cabinet Order prescribes the application procedures referred to in paragraph (1) and the bearing of expenses referred to in paragraph (4), and provides for other necessary particulars concerning the inspection of a sample by an applicant.

(Requesting a Hearing of Opinions Concerning Cargo Prohibited for Import)

Article 69-17 (1) If verification procedures have been implemented to verify whether cargo constitutes cargo that infringes a patent right, utility model right, design right or whether it constitutes cargo that is a component of an act set forth in Article 2, paragraph (1), item (x) (Definitions) of the Unfair Competition Prevention Act (excluding the acts provided for in Article 19, paragraph (1), item (vii) (Exclusion from Application) of that Act; hereinafter the same applies in this paragraph and paragraph (9)), the rightholder with which the cargo is associated (meaning the holder of a patent right, utility model right, design right, or right to seek an injunction against unfair competition (but only such a person as it relates to cargo that is a component of an act set forth in Article 2, paragraph (1), item (x) of that Act; hereinafter the same applies in this paragraph, paragraph (9) and Article 69-20, paragraph (1) (Request for Discontinuance of Verification Procedures to Check for Cargo

Prohibited for Import); hereinafter the same applies in this Article) or the importer of that cargo (meaning the person seeking to import the cargo that is subject to the verification procedures; hereinafter the same applies in this Article), pursuant to the provisions of Cabinet Order, may request that the Director General of Customs hear the opinion of the Commissioner of the Patent Office with respect to the technical scope or other scope of the matter in question (meaning the technical scope provided for in Article 70, paragraph (1) (Technical Scope of Patented Invention) of the Patent Act (including as applied mutatis mutandis pursuant to Article 26 (Mutatis Mutandis Application of the Patent Act) of the Utility Model Act), or the scope provided for in Article 25, paragraph (1) (The Scope of Registered Design) of the Design Act (the same applies in paragraph (9) and Article 69-19 (Seeking Opinions of Technical Advisors in Verification Procedures to Check for Cargo Prohibited for Import)), if the verification procedures are being implemented to verify whether the cargo subject to the procedures constitutes cargo that infringes the patent right, utility model right, or design right of the rightholder (excluding a person who has the right seek an injunction against unfair competition), and may request that the Director General of Customs hear the opinion of the Minister of Economy, Trade and Industry as to whether the cargo that is subject to those procedures constitutes cargo that is a component of an act set forth in Article 2, paragraph (1), item (x) of the Unfair Competition Prevention Act, if the verification procedures are being implemented to verify whether the cargo that is subject to them constitutes cargo that is a component of an act as set forth in that item which involves the relevant rightholder; the rightholder or importer may make this request during the period from the day on which the rightholder receives the notice prescribed in Article 69-12, paragraph (1) (Verification Procedures to Check for Cargo Prohibited for Import) (hereinafter in this paragraph and Article 69-20, paragraph (2) (Request for Discontinuance of Verification Procedures to Check for Cargo Prohibited for Import) referred to as the "rightholder notice date") up until the final day in the period of ten days (the holidays of the administrative organs are not included) that starts to run on the rightholder notice date (in Article 69-20, paragraphs (1) and (2), this is referred to as the "final day in the ten-day period that starts to run on the rightholder notice date") (or until the final day in the period of twenty days (the holidays of the administrative organs are not included) that starts to run on the rightholder notice date (referred to as the "final day in the twenty-day period that starts to run on the rightholder notice date" in Article 69-20, paragraph (1)) if, before the day on which the aforementioned ten-day period expires, the Director General of Customs finds it necessary to extend that period in consideration of the progress made with respect to verification procedures and other circumstances and notifies the rightholder and the

importer of this), but only while the verification procedures are being implemented.

- (2) When a request under the preceding paragraph has been made, the Director General of Customs, pursuant to the provisions of Cabinet Order, is to seek the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office; provided, however, that this does not apply if the Director General of Customs finds it evident whether or not the cargo subject to the request under that paragraph constitutes cargo as set forth in Article 69-11, paragraph (1), item (ix) or (x) (Cargo Prohibited for Import) or finds it unnecessary to seek the opinion of the Minister or Commissioner.
- (3) If a request under paragraph (1) has been made but the Director General of Customs has not sought the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office pursuant to the provisions of the proviso to the preceding paragraph, the Director General must notify the rightholder or importer that made the request under paragraph (1) of this and of the reason therefor.
- (4) If the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office has been asked for an opinion by the Director General of Customs pursuant to the provisions of the main clause of paragraph (2), the Minister or Commissioner must provide an opinion in writing within thirty days from the day on which the opinion was sought.
- (5) When the Director General of Customs, pursuant to the provisions of the main clause of paragraph (2), seeks the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office, the Director General must notify the rightholder and importer concerned of this.
- (6) When the opinion prescribed in paragraph (4) is provided, the Director General of Customs must notify the rightholder and importer concerned of this and of the substance of that opinion.
- (7) When the Director General of Customs seeks the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office pursuant to the provisions of the main clause of paragraph (2), the Director General must not determine that, before the opinion prescribed in paragraph (4) is provided, when the person who requests them to seek the opinion referred to in paragraph (1) is the rightholder, the cargo concerned does not constitute cargo as set forth in Article 69-11, paragraph (1), item (ix) or (x), or that, when the person who requests them to seek the opinion referred to in paragraph (1) is an importer, the cargo concerned constitutes cargo as set forth in paragraph (1), item (ix) or (x) of that Article.
- (8) If the Director General of Customs seeks the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office pursuant to the provisions of the main clause of paragraph (2), if the Director

General has determined that, before the opinion prescribed in paragraph (4) is provided, when a person who makes the request under paragraph (1) is the rightholder, the cargo concerned constitutes cargo as set forth in Article 69-11, paragraph (1), item (ix) or (x), or that, when a person who makes the request under paragraph (1) is an importer, the cargo concerned does not constitute cargo as set forth in paragraph (1), item (ix) or (x) of that Article, or if the Director General has discontinued verification procedures with respect to the cargo concerned pursuant to the provisions of Article 69-12, paragraph (6) or Article 69-15, paragraph (10) (Deposit Pertaining to Petition for Import Suspension), the Director General notifies the Minister of Economy, Trade and Industry or the Commissioner of that fact. In this case, the Minister or Commissioner is not required to state their opinion as prescribed in paragraph (4).

- (9) In the verification procedures for determining whether the cargo constitutes cargo that infringes a patent right, utility model right, or design right or constitutes cargo that is a component of an act as set forth in Article 2, paragraph (1), item (x) of the Unfair Competition Prevention Act, if it is considered necessary for the purpose of verification prescribed in Article 69-12, paragraph (1), the Director General of Customs may, pursuant to the provisions of Cabinet Order, when verification procedures have been initiated to determine whether the cargo constitutes cargo that infringes the patent right, utility model right, or design right, seek the opinion of the Commissioner of the Patent Office with respect to the technical scope, etc. as to whether or not the cargo subject to the verification procedures constitutes cargo that infringes the patent right, utility model right, or design right of the rightholder that the cargo is associated with (excluding a person with the right to seek an injunction against unfair competition), or when the verification procedures have been implemented to check whether cargo constitutes cargo that is a component of an act as set forth in the item, seek the opinion of the Minister of Economy, Trade and Industry as to whether the cargo concerned constitutes cargo that is a component of an act as set forth in the item, the rightholder that the cargo is associated with (limited to a person that has the right to seek an injunction against unfair competition).
- (10) The provisions of paragraphs (4) through (6) of this Article and paragraph (5) of the following Article apply mutatis mutandis if an opinion is sought pursuant to the provisions of the preceding paragraph. In such a case, Cabinet Order provides for the necessary technical replacement of terms.

(Seeking the Opinion of the Minister of Agriculture, Forestry and Fisheries in Verification Procedures to Check for Cargo Prohibited for Import)
Article 69-18 (1) In the verification procedures to check whether cargo

constitutes cargo that infringes a breeder's right or cargo as set forth in Article 69-11, paragraph (1), item (x) (Cargo Prohibited for Import) (excluding cargo connected with Article 2, paragraph (1), item (x) (Definitions) of the Unfair Competition Prevention Act; hereinafter the same applies in this paragraph and paragraph (5)), if it is considered necessary for the purpose of certification prescribed in Article 69-12, paragraph (1) (Verification Procedures to Check for Cargo Prohibited for Import), the Director General of Customs may seek for reference purposes, pursuant to the provisions of Cabinet Order, the opinion of the Minister of Agriculture, Forestry and Fisheries in the case of verification procedures to check whether it constitutes cargo that infringes a breeder's right, or the opinion of the Minister of Economy, Trade and Industry in the case of verification procedures to check whether it constitutes cargo as set forth in Article 69-11, paragraph (1), item (x).

- (2) If the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry has been asked for an opinion by the Director General of Customs pursuant to the provisions of the preceding paragraph, the Minister must provide an opinion in writing within thirty days from the date on which the opinion was sought.
- (3) Having sought an opinion pursuant to the provisions of paragraph (1), the Director General of Customs must notify the holder of breeder's rights or the right to seek an injunction against unfair competition that is involved in the verification procedures and the person seeking to import the cargo that is subject to the verification procedures, of this.
- (4) When the opinion under paragraph (2) is provided, the Director General of Customs must notify the holder of breeder's rights or the right to seek an injunction against unfair competition and the person seeking to import the cargo subject to the verification procedures of this and of the details of the opinion, as referred to in the preceding paragraph.
- (5) When the Director General of Customs seeks the opinion of the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry pursuant to the provisions of paragraph (1), if the Director General has determined, before the opinion prescribed in paragraph (2) is provided, that the cargo concerned does or does not constitute cargo that infringe a breeder's right or cargo as set forth in Article 69-11, paragraph (1), item (x) or if the Director General has discontinued verification procedures with respect to the cargo pursuant to the provisions of Article 69-12, paragraph (6) or Article 69-15, paragraph (10) (Deposit Pertaining to a Petition for Import Suspension), the Director General notifies the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry of that fact. In this case, the Minister concerned is not required to state their opinion as prescribed in paragraph (2).

(Seeking Opinions of Technical Advisors in Verification Procedures to Check for Cargo Prohibited for Import)

Article 69-19 In the verification procedures to check whether cargo constitutes cargo as set forth in Article 69-11, paragraph (1), item (ix) (Cargo Prohibited for Import) (excluding cargo that infringes a breeder's right), the Director General of Customs may, if they consider it necessary for the purpose of the certification prescribed in Article 69-12, paragraph (1) (Verification Procedures to Check for Cargo Prohibited for Import), designate persons with relevant expertise in intellectual property rights, having no special interests with the parties involved in the cases pertaining to the verification procedures, to serve as technical advisors and may seek for reference purposes, pursuant to the provisions of Cabinet Order, the opinions of the technical advisors; provided, however, that this does not apply to the technical scope, etc.

(Request for Discontinuance of Verification Procedures to Check for Cargo Prohibited for Import)

Article 69-20 (1) If verification procedures have been implemented for cargo that is the subject of a petition under Article 69-13, paragraph (1) (Procedures for the Filing of Petitions in Connection with Cargo Prohibited for Import) that was filed by a holder of patent right, utility model right, design right, or a right to seek an injunction against unfair competition (hereinafter in this Article referred to as a "petitioning rightholder") and that has been accepted, a person seeking to import that cargo may request that the Director General of Customs discontinue the verification procedures, pursuant to the provisions of Cabinet Order and after the day specified in the relevant of the following items for the category of cases set forth in that item, but only while those verification procedures are being implemented:

- (i) if the person is notified that the period until the final day in the ten-day period that starts to run on the rightholder notice date is extended pursuant to the provisions of Article 69-17, paragraph (1) (Seeking the Opinion Pertaining to Cargo Prohibited for Import): the final day in the twenty-day period that starts to run on the rightholder notice date (when a notice that the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office has been sought pursuant to the provisions of Article 69-17, paragraph (5) (including as applied mutatis mutandis pursuant to Article 69-17, paragraph (10); the same applies in the following item) has been received, the final day in the twenty-day period that starts to run on the rightholder notice date, or the final day in the ten-day period that starts to run on the rightholder notice date from the date of receipt of the notice under Article 69-17, paragraph (6) concerning the

- seeking of the opinion (including as applied *mutatis mutandis* pursuant to Article 69-17, paragraph (10); the same applies in the following item), whichever comes later);
- (ii) in the case other than the case referred to in the preceding item: the final day in the ten-day period that starts to run on the rightholder notice date (when a notice indicating that the opinion of the Minister of Economy, Trade and Industry or the Commissioner of the Patent Office has been sought pursuant to the provisions of Article 69-17, paragraph (5) has been received, the final day in the ten-day period that starts to run on the rightholder notice date or the final day in the ten-day period that starts to run on the rightholder notice date from the date of receipt of the notice under Article 69-17, paragraph (6) pertaining to seeking the opinion, whichever comes later).
- (2) When the Director General of Customs has implemented verification procedures for cargo that the petition of a petitioning rightholder concerns, the Director General must notify the person seeking to import the cargo of the rightholder notice date before the final day in the ten-day period that starts to run on the rightholder notice date.
- (3) When the Director General of Customs is requested to discontinue verification procedures pursuant to the provisions of paragraph (1), the Director General must notify the petitioning rightholder that filed the petition for the verification procedures of the request, and order the person making the request (hereinafter in this Article referred to as the "requester") to deposit, within a specified period, the amount of money found sufficient to cover the damages that may be incurred by the petitioning rightholder from the import of the cargo subject to the verification procedures with the designated official depository.
- (4) The monetary deposit to be provided pursuant to the provisions of the preceding paragraph may be replaced by Japanese Government Bonds, Local Government Bonds or other securities which the Director General of Customs considers to be secure.
- (5) Cabinet Order provides for the necessary particulars concerning the procedures taken with the Director General of Customs in connection with a deposit that has been made pursuant to an order under paragraph (3).
- (6) If a requester, pursuant to the provisions of Cabinet Order, enters into a contract which provides that the amount of money necessary to compensate for damage as provided in paragraph (3) will be paid on the requester's behalf and notifies the Director General of Customs of this by the deadline that has been established pursuant to the provisions of that paragraph, it is permissible for the requester to not deposit the whole or part of the amount referred to in that paragraph while the contract is effective.
- (7) The petitioning rightholder referred to in paragraph (3) has the right, with

respect to its right to claim compensation for damages against the requester as provided for in that paragraph, to receive payment in preference over other creditors, from the monetary deposit provided pursuant to the provisions of that paragraph (the monetary deposit includes the securities prescribed in paragraph (4); the same applies in paragraphs (9) through (11)).

- (8) Cabinet Order provides for the necessary particulars concerning the enforcement of a right as referred to in the preceding paragraph.
- (9) The requester who has provided the monetary deposit pursuant to the provisions of paragraph (3) may recover monetary deposit if the situation falls under any of the cases set forth in the following items:
- (i) when it has been proved to, and confirmed by the Director General of Customs that the petitioning rightholder referred to in paragraph (12) has consented to the recovery of the deposit, that the right to claim compensation for damages as provided for in paragraph (3) has been extinguished by prescription or that the deposit for compensation for damages as provided for in paragraph (3) is no longer necessary;
 - (ii) when the requester has entered into a contract referred to in paragraph (6) and pursuant to the provisions of Cabinet Order, the contract has been approved by the Director General of Customs;
 - (iii) when, pursuant to the provisions of Cabinet Order, it has been approved by the Director General of Customs to provide another deposit, in lieu of the deposit actually provided, for the reason of redemption of the deposited securities or for other reasons;
 - (iv) beyond what is provided for in the preceding three items, when the petitioning rightholder referred to in paragraph (12) fails to institute, within thirty days from the date of having been notified as under that paragraph, any judicial action claiming for the damages as provided for in paragraph (3).
- (10) Ministry of Justice Order and Ministry of Finance Order provide for the necessary particulars concerning the recovery of monetary deposit under the preceding paragraph.
- (11) If a person who has been ordered to deposit pursuant to the provisions of paragraph (3) deposits the full amount by the deadline that has been established pursuant to the provisions of that paragraph or files a notification of its entering into a contract prescribed in paragraph (6), the Director General of Customs discontinues the verification procedures with respect to the cargo that was the cause of the order to provide the deposit.
- (12) When the Director General of Customs discontinues verification procedures pursuant to the provisions of the preceding paragraph, the Director General must notify the person seeking to import the cargo that is subject to the verification procedures and the petitioning rightholder that filed the petition for those verification procedures of this.

Subsection 3 Technical Advisors

Article 69-21 (1) Technical advisors whose opinions are sought by the Director General of Customs pursuant to the provisions of Article 69-5 (Seeking Opinions of Technical Advisors with Respect to Application for Export Suspension), Article 69-9 (Seeking Opinions of Technical Advisors in Verification Procedures to Check for Cargo Prohibited for Export), Article 69-14 (Seeking Opinions of Technical Advisors with Respect to Application for Import Suspension) and Article 69-19 (Seeking Opinions of Technical Advisors in Verification Procedures to Check for Cargo Prohibited for Import), must not divulge any secrets that they have learned with respect to the cases for which their opinions are sought. The same applies after their resignation.

(2) Cabinet Order provides for the designation of technical advisors and other necessary particulars concerning technical advisors.

Section 5 Export and Import Certifications and Confirmations

(Certification or Confirmation)

Article 70 (1) For cargo that the provisions of other laws and regulations establish as needing the permission, approval, or other such disposition of an administrative organ, or anything equivalent to this, in connection with its export or import (hereinafter in this paragraph referred to as "permission, approval, or other such measure"), a person must certify to customs, at the time of filing an export or import declaration, that the cargo is subject to that permission, approval, or other such measure.

(2) For cargo whose export or import, pursuant to the provisions of other laws and regulations, requires completion of inspection or fulfillment of conditions, the completion or fulfillment prescribed by those laws and regulations must be proved to, and confirmed by customs at the time of inspection referred to in Article 67 ((Permission for Export or Import) or at the time of the customs examination pertaining to export or import declaration.

(3) No export or import permission is given unless the certification referred to in paragraph (1) or the confirmation referred to in the preceding paragraph is made for the cargo concerned.

(Importation of Cargo Whose Origin Is Being Represented Falsely or Misleadingly)

Article 71 (1) Import permission is not given for foreign cargo whose origin is being represented falsely or misleadingly, either directly or indirectly.

(2) The Director General of Customs must immediately notify the person that has

filed the import declaration for foreign cargo as referred to in the preceding paragraph that the origin of the cargo is being represented falsely or misleadingly, specify a period, and require that person to erase or correct the representation, or to send back the cargo, according to the person's choice.

Section 6 Import Permission and Withdrawal of Imported Cargo

(Payment of Customs Duties and Import Permission)

Article 72 With respect to foreign cargo for which customs duties are to be paid, unless specially declared cargo is imported (excluding when security is not provided when provision of security is ordered pursuant to the provisions of Article 7-8, paragraph (1) (Provision of Security)) or the deadline by which the relevant person is required to pay the customs duties is extended pursuant to the provisions of Article 9-2, paragraph (1) or (2) (Extension of Payment Deadline), import permission may be given only after customs duties (excluding additional tax for deficient declaration and heavy additional tax referred to in Article 12-4, paragraphs (1) and (3) (Heavy Additional Tax) (with respect to paragraph (3), limited to the provisions concerning heavy additional tax referred to in paragraph (1) of that Article)) is paid (when monetary security or proceeds of public auction of collateral (other than monetary security) are allocated to customs duties pursuant the provisions of Article 10, paragraph (2) (Appropriation or Collection If Security Has Been Provided), import permission is not given unless the required procedures are completed, and when provision of security is ordered to be provided pursuant to the provisions of Article 7, paragraph (10) (Countervailing Duties) or Article 8, paragraph (9), item (ii) or paragraph (18) (Anti-Dumping Duties) of the Customs Tariff Act, import permission is not given unless such security is provided and customs duties are paid at the rate set out in the Appended Table of that Act). The same applies to payment of domestic consumption tax and local consumption tax pertaining to foreign cargo (excluding penalty tax for deficient declaration and heavy penalty tax to be imposed in lieu of the penalty tax for deficient declaration), except when the payment deadline is extended or in other cases prescribed by Cabinet Order.

(Withdrawal of Cargo Prior to Import Permission)

Article 73 (1) A person seeking to withdraw the foreign cargo (excluding specially declared cargo) after import declaration, but prior to import permission must obtain approval of the Director General of Customs by providing security in an amount equivalent to that of customs duties chargeable (excluding the amount equivalent to that of additional tax for deficient declaration and heavy additional tax referred to in Article 12-4,

paragraphs (1) and (3) (Heavy Additional Tax) (with respect to paragraph (3), limited to the provisions concerning heavy additional tax referred to in paragraph (1) of that Article).

- (2) If import permission cannot be given (excluding the case prescribed in the preceding Article), the Director General of Customs must not give the approval referred to in the preceding paragraph.
- (3) To apply this Act with the exception of Article 4 (Time of Determination of Taxable Items), Article 5 (Applicable Laws and Regulations), the preceding Article, Article 105 (Authority of Customs Officials), and Article 106 (Authority of the Director General of Customs in Special Cases), foreign cargo for which a person has been given the approval referred to in paragraph (1) is deemed to be domestic cargo.

(Things That Are Deemed to Be Cargo Permitted for Export)

Article 73-2 To apply this Act, a postal item of which a person has been notified pursuant to the provisions of Article 76, paragraph (5) (Simplified Procedures for Exporting and Importing Postal Items) (limited to a postal item to be exported) is deemed to be cargo that a person has been permitted to export.

(Things That Are Deemed to Be Cargo Permitted for Import)

Article 74 To apply this Act, the following cargo is deemed to be cargo a person has been permitted to import: foreign postal items delivered by Japan Post Co., Ltd. (excluding those prescribed by Cabinet Order) or foreign correspondence delivered by a person who dispatches postal correspondence that falls under the cases set forth in the items of Article 3 (Exclusion from Application of the Postal Act) of the Act on Correspondence Delivery by Private Business Operators, foreign cargo for which customs duties have been collected pursuant to the provisions of Article 62-6, paragraph (1) (Collection of Customs Duties on Foreign Cargo That Is at a Bonded Exhibition Site After the Expiration of the License Period), foreign cargo confiscated pursuant to the provisions of Article 69-2, paragraph (2) (Cargo Prohibited for Export), Article 69-11, paragraph (2) (Cargo Prohibited for Import) or paragraph (1) of Article 118 (Forfeiture), foreign cargo which were offered for public auction or for sale by negotiated contract and have been purchased by a purchaser pursuant to the provisions of Article 84, paragraphs (1) to (3) (Public Auction or Sale of Housed Cargo) (including as applied mutatis mutandis pursuant to Article 88 (Mutatis Mutandis Application of Provisions on Housed Cargo) and Article 133, paragraph (3) (Disposal of Retained Objects)) or Article 133, paragraph (2)), foreign cargo that is vested in the national treasury pursuant to the provisions of Article 134, paragraph (3) (Return of Retained Objects), foreign cargo offered pursuant to the provisions of Article 146, paragraph (1) (Disposition of

Administrative Notification by the Director General of Customs), foreign cargo sold, confiscated or vested in the national treasury pursuant to the provisions of the Code of Criminal Procedure, foreign cargo sold or vested in the national treasury pursuant to the provisions of the Act for Controlling the Possession of Firearms or Swords and Other Such Weapons (Act No. 6 of 1958) and other similar foreign cargo prescribed by Cabinet Order.

Section 7 Sending Back Foreign Cargo

Article 75 The following provisions apply mutatis mutandis to the sending back of foreign cargo from Japan to a foreign country (excluding foreign cargo temporarily landed (excluding cargo subjected to permission prescribed in Article 48, paragraph (1) (Export Permission) of the Foreign Exchange and Trade Act (Act No. 228 of 1949); the same applies in Article 108-4, paragraphs (1) and (2) and Article 111, paragraph (1), item (i)): Article 67 (Permission for Export or Import), Article 67-2, paragraphs (1) and (2) (Procedures for Export or Import Declaration), Article 67-3, paragraph (1) (excluding the second sentence and item (iii)) (Special Provisions for Export Declaration), Articles 68 through 69-10 (Documents to be Submitted at the Time of Export or Import Declaration; Delegation of Authority for Inspection of Cargo; Place for Inspection of Cargo; Cargo Prohibited for Export; Verification Procedures to Check for Cargo Prohibited for Export; Procedures for the Filing of Petitions to Check for Cargo Prohibited for Export; Seeking Opinions of Technical Advisors with Respect to Petition for Export Suspension; Deposit Pertaining to Petition for Export Suspension; Seeking the Opinion Pertaining to Cargo Prohibited for Export; Seeking the Opinion of the Minister of Agriculture, Forestry and Fisheries in Verification Procedures to Check for Cargo Prohibited for Export; Seeking Opinions of Technical Advisors in Verification Procedures to Check for Cargo Prohibited for Export; Request to Discontinue Verification Procedures to Check for Cargo Prohibited for Export) and Article 70 (Certification or Confirmation). In this case, the term "cargo" in Article 69-2, paragraph (1) is deemed to be replaced with "cargo (excluding cargo ordered to be sent back pursuant to the provisions of Article 69-11, paragraph (2))" and the term "goods" in items (iii) and (iv) of that paragraph is deemed to be replaced with "goods (excluding those sent back pursuant to the provisions of other laws and regulations by a person who is permitted to send them back pursuant to the provisions of those other laws and regulations)".

Section 8 Special Provisions Concerning Postal Items

(Simplified Procedures for Exporting and Importing Postal Items)

Article 76 (1) With respect to postal items (excluding those the value of which exceeds two hundred thousand yen (other than gifts and other goods prescribed by Cabinet Order) (if it is imported goods, the value that forms the basis for assessing duties) and those pertaining to the case prescribed by Cabinet Order as referred to in paragraph (3); hereinafter the same applies in this paragraph, Article 94 and Article 114-2, item (xiv)), the following provisions do not apply: Articles 67 to 69 (Permission for Export or Import; Procedures for Export or Import Declaration; Special Provisions for Export Declaration; Revocation of Export Permission; Notification of Loss of Special Export Cargo; Requirements for Approval; Measures for Improvement of Rules; Keeping of Books; Notification of Discontinuance of Application of Special Provisions for Export Declaration; Invalidation of Approval; Revocation of Approval; Mutatis Mutandis Application of the Provisions on Licensing Succession; Authorization of Manufacturer; Measures for Improvement of Rules; Notification of Discontinuance of Authorization of Authorized Manufacturer; Invalidation of Authorization; Revocation of Authorization; Mutatis Mutandis Application of the Provisions on Licensing Succession; Special Provisions for Import Declaration; Documents to Be Submitted at the Time of Export or Import Declaration; Delegation of Authority for Inspection of Cargo; Place for Inspection of Cargo) and Articles 70 to 73 (Certification or Confirmation; Importation of Cargo Whose Origin Is Being Represented Falsely or Misleadingly; Payment of Customs Duties and Import Permission; Withdrawal of Cargo Prior to Import Permission), and in applying the preceding Article, the term "(excluding those subjected to permission prescribed in Article 48, paragraph (1) (Export Permission) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949); the same applies in Article 108-4, paragraphs (1) and (2) and Article 111, paragraph (1), item (i))" is deemed to be replaced with the term "(limited to those subjected to the permission prescribed in Article 48, paragraph (1) (Export Permission) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949))"; provided, however, that the Director General of Customs, pursuant to the provisions of Cabinet Order, has customs officials conduct necessary inspection of postal items to be exported or imported (other than correspondence contained therein).

(2) Customs officials must not violate the privacy of personal correspondence at the time of conducting inspection referred to in the proviso to the preceding paragraph.

(3) When Japan Post Co., Ltd. receives postal items being exported or imported (excluding those containing correspondence only), it must present those postal items to the Director General of Customs, unless it has been informed by the person seeking to export or import those items that the person is making a declaration as referred to in Article 67 for the items or in other cases

prescribed by Cabinet Order.

- (4) The provisions of Article 70 apply mutatis mutandis to postal items subjected to inspection pursuant to the provisions of the proviso to paragraph (1). In this case, the terms "export or import declaration" in paragraph (1) of that Article and "inspection referred to in Article 67 (Permission for Export or Import) or otherwise at the time of customs examination pertaining to export or import declaration" in Article 70, paragraph (2) are respectively deemed to be replaced with "inspection referred to in the proviso to Article 76, paragraph (1) or at the time of customs examination pertaining to postal items," and the term "No export or import permission is given" in Article 70, paragraph (3) is deemed to be replaced with "Japan Post Co., Ltd. does not dispatch those postal items nor delivers them to an addressee."
- (5) The Director General of Customs, when inspection referred to in the proviso to paragraph (1) is completed or when the Director General considers it unnecessary to conduct the inspection, notifies Japan Post Co., Ltd. thereof.

(Collection of Customs Duties on Pre-Delivery Postal Items)

Article 76-2 (1) If a postal item connected with a notice under paragraph (5) of the preceding Article (limited to a postal item to be imported) that has not yet been delivered to the addressee (hereinafter referred to as a "pre-delivery postal item" in this Article) is lost or destroyed, the customs duties chargeable thereon is immediately collected from Japan Post Co., Ltd.; provided, however, that this does not apply if a pre-delivery postal item is lost due to a disaster or any other unavoidable circumstances, or is destroyed with prior approval of the Director General of Customs.

- (2) The provisions of Article 45, paragraph (2) (Obligation of the Licensee to Pay Customs Duties) apply mutatis mutandis to the approval referred to in the proviso to the preceding paragraph.
- (3) If a pre-delivery postal item is lost, Japan Post Co., Ltd. must immediately file a notification of this with the Director General of Customs, pursuant to the provisions of Cabinet Order.

(Payment of Customs Duties on Postal Items)

Article 77 (1) When postal items contain goods for which customs duties are chargeable (limited to those subject to the official assessment system; hereinafter the same applies in this Article to Article 77-3 and Article 78), the Director General of Customs, through Japan Post Co., Ltd., must notify the addressee of the postal items in writing of the basis for assessing duties and the amount of duties for those postal items.

- (2) Japan Post Co., Ltd., before delivering postal items referred to in the preceding paragraph, must deliver to the addressee a document as referred to

in that paragraph.

- (3) A person seeking to collect a postal item as referred to in the preceding paragraph, before collecting it, must pay customs duties in an amount equivalent to that stated in a document as referred to in that paragraph or entrust Japan Post Co., Ltd. with payment of customs duties pursuant to the provisions of paragraph (1) of the following Article; provided, however, that this does not apply if a person seeking to collect that postal item obtains the approval referred to in Article 63, paragraph (1) (Bonded Transportation) for that item and collects the item after presenting a document pertaining to the approval to Japan Post Co., Ltd.
- (4) A person seeking to pay customs duties pursuant to the provisions of the preceding paragraph must pay money equivalent to the amount of customs duties, accompanied by a written statement of payment, to the Bank of Japan (this includes an agent authorized to receive national taxes); provided, however, that payment in securities as provided for in the Act on the Payment of Revenues in Securities is not precluded.
- (5) If an addressee of postal items referred to in paragraph (1) pays customs duties on those items pursuant to the provisions of paragraph (3) or delivers to Japan Post Co., Ltd. the amount of money equivalent to that of customs duties for those items pursuant to the provisions of paragraph (1) of the following Article, the document referred to in paragraph (1) for the items is deemed to be a written official assessment decision notice as provided for in Article 8, paragraph (4) (Official Assessment Decision).
- (6) The addressee of postal items referred to in paragraph (1), if approval of the Director General of Customs is given in advance, pursuant to the provisions of Cabinet Order, may receive the postal items before determination is made with respect to the basis for assessing duties and the amount of duties on the items. In this case, when the Director General of Customs becomes able to determine the basis for assessing duties and the amount of duties chargeable, the Director General must without delay, make a determination prescribed in Article 8, paragraph (1) (Official Assessment Decision) and issue a notice to pay duties prescribed in Article 9-3, paragraph (1) (Notice to Pay Duties).
- (7) When the Director General of Customs gives approval referred to in the preceding paragraph, if it is considered necessary, the Director General may require security to be provided in an amount equivalent to that of customs duties chargeable.
- (8) To apply this Act with the exception of Article 4 (Time of Determination of Taxable Goods) and Article 5 (Applicable Laws and Regulations), a postal item collected with the approval referred to in paragraph (6) is deemed to be domestic cargo.

(Entrustment of Payment of Customs Duties for Postal Items)

Article 77-2 (1) A person seeking to pay customs duties on postal items may deliver money equivalent to the amount of the duties stated in the document referred to in paragraph (1) of the preceding Article, accompanied by a written statement of payment referred to in paragraph (4) of that Article, to Japan Post Co., Ltd., and entrust Japan Post Co., Ltd. with the payment of customs duties.

(2) If a person seeking to pay customs duties on a postal item delivers money equivalent to the amount of duties that the person seeks to pay pursuant to the provisions of the preceding paragraph to Japan Post Co., Ltd., the customs duties are deemed to have been paid on the day of the delivery and the provisions of Article 12 (Tax on Delinquency) apply.

(Payment of Customs Duties by Japan Post Co., Ltd.)

Article 77-3 (1) When Japan Post Co., Ltd. has been delivered money equivalent to the amount of customs duties for postal items under entrustment from a person seeking to pay those customs duties pursuant to the provisions of paragraph (1) of the preceding Article, it must pay to the Bank of Japan (including agents authorized to receive national taxes) the amount of money equivalent to that of customs duties so entrusted, accompanied by a written statement of payment, on or before the day as prescribed by Cabinet Order; provided, however, that payment in securities as provided for in the Act on the Payment of Revenues in Securities is not precluded.

(2) If Japan Post Co., Ltd. has been delivered money equivalent to the amount of customs duties for postal items under entrustment from a person seeking to pay those customs duties pursuant to the provisions of paragraph (1) of the preceding Article, it must report that fact and the date of delivery to the Director General of Customs without delay, pursuant to the provisions of Ministry of Finance Order.

(3) When Japan Post Co., Ltd. fails to pay the full amount of customs duties referred to in paragraph (1) on or before the day prescribed by Cabinet Order as provided for in that paragraph, the Director General of Customs collects the customs duties from Japan Post Co., Ltd., using the rules for collection involving the guarantor of a national tax liability.

(4) With respect to customs duties to be paid by Japan Post Co., Ltd. pursuant to the provisions of paragraph (1), unless any balance to be collected remains even after disposition under Article 40 (Measures to Collect Arrears) of the Act on General Rules for National Taxes which is to be applied as a rule pursuant to the provisions of the preceding paragraph is made to Japan Post Co., Ltd., the Director General of Customs may not collect the amount of balance from a person who entrusts payment of customs duties under paragraph (1) of the

preceding Article.

- (5) If a report under paragraph (2) is made and the Director General of Customs finds it to be necessary to do so, the Director General may have Japan Post Co., Ltd. provide security in an amount equivalent to that of the customs duties for the postal items subject to the report.

(Keeping of Books)

Article 77-4 Japan Post Co., Ltd., pursuant to the provisions of Cabinet Order, must keep books stating the particulars of the functions involved in paying customs duties as entrusted pursuant to the provisions of Article 77-2, paragraph (1) (Entrustment of Payment of Customs Duties for Postal Items), and preserve these books.

(Rectification of Illegal Acts)

Article 77-5 (1) The Director General of Customs, when they find that Japan Post Co., Ltd. violates or is likely to violate the provisions of Article 77-3, paragraph (2) (Payment of Customs Duties by Japan Post Co., Ltd.) or the preceding Article, may request Japan Post Co., Ltd. to take necessary measures to rectify those acts.

- (2) Japan Post Co., Ltd., when requested by the Director General of Customs under the preceding paragraph, must take measures to rectify the acts or other measures considered necessary without delay and report the details of the measures to the Director General of Customs.

(Postal Items Whose Origin Is Being Represented Falsely or Misleadingly)

Article 78 (1) If, either directly or indirectly, the origin of a thing other than correspondence that is contained in imported postal item is being represented falsely or misleadingly, the Director General of Customs must notify Japan Post Co., Ltd. of this.

- (2) When Japan Post Co., Ltd. is notified as referred to in the preceding paragraph, it must have the addressee either erase or correct the representation referred to in that paragraph, at their own choice.
- (3) Unless an addressee erases or corrects the representation referred to in paragraph (1), Japan Post Co., Ltd. may not deliver the postal item.

(Revocation of Export or Import Permission for Postal Items)

Article 78-2 (1) When Japan Post Co., Ltd. is requested by a sender to recover a postal item that has been given permission for export, but which has not yet been exported or in other cases prescribed by Cabinet Order, it must immediately notify the Director General of Customs of this and bring the item into the bonded area where it was being stored when export permission was

received (or, in the case of postal items for which export permission is deemed to have been given under Article 73-2 (Things That Are Deemed to Be Cargo Permitted for Export), at the time when a notice was issued pursuant to the provisions of Article 76, paragraph (5) (Simplified Procedures for Exporting and Importing Postal Items)).

- (2) If the Director General of Customs is notified as under the preceding paragraph and the postal items referred to in that paragraph have been brought into a bonded area referred to in that paragraph, the Director General must revoke export permission of those postal items.
- (3) When the Director General of Customs revokes export permission pursuant to the provisions of the preceding paragraph, the Director General must notify the sender referred to in paragraph (1) of this.
- (4) The provisions of the preceding three paragraphs apply mutatis mutandis to postal items permitted for import that have not yet been delivered to their addressees. In this case, the term "at the time of their export permission (or, in the case of postal items for which export permission is deemed to have been given under Article 73-2 (Things That Are Deemed to Be Cargo Permitted for Export), at the time when notice was issued pursuant to the provisions of Article 76, paragraph (5) (Simplified Procedures for Exporting and Importing Postal Items))" in paragraph (1) is deemed to be replaced with "at the time of their import permission" and the term "the sender referred to in paragraph (1)" in the preceding paragraph is deemed to be replaced with "the addressee of the postal items," and Cabinet Order provides for the necessary technical replacement of terms.

(Mutatis Mutandis Application of Provisions on Postal Items for Correspondence)

Article 78-3 The provisions of the main clause of Article 76, paragraph (1) (Simplified Procedures for Exporting and Importing Postal Items) apply mutatis mutandis to the correspondence which does not fall under postal items, and the provisions of paragraph (2) of that Article apply mutatis mutandis if postal correspondence is inspected pursuant to the provisions of this Act.

Chapter VI-2 Authorized Customs Brokers

(Authorization of Customs Brokers)

Article 79 (1) A customs broker may, upon application, be authorized by the Director General of Customs to be a broker recognized as being capable of properly and surely carrying out the customs clearance services and other such export- and import-related services.

- (2) A person seeking the authorization referred to in the preceding paragraph

must submit an application form stating their domicile or residence, and name and other necessary particulars to the Director General of Customs.

- (3) When the Director General of Customs finds that the application for authorization prescribed in paragraph (1) meets the following criteria, the Director General is to give the authorization:
- (i) that the person seeking authorization does not fall under any of the following sub-items:
 - (a) that three years have not passed since the day on which authorization referred to in paragraph (1) was revoked pursuant to the provisions of Article 79-5, paragraph (1) (Revocation of Authorization) for the person;
 - (b) that, with respect to permission already given under Article 3, paragraph (1) (Permission for Customs Brokerage) of the Customs Business Act, three years have not passed since the day of the permission for the person;
 - (c) that the person does not meet the criteria set forth in the items of Article 5 (Licensing Requirements) of the Customs Business Act;
 - (d) that the person falls under any of Article 6, item (i), items (iii) through (vii), items (x) and (xi) (Grounds for Disqualification) of the Customs Business Act;
 - (e) that the person uses, with respect to its services, any person who falls under Article 6, item (vi) or (vii) of the Customs Business Act as an agent, employee or other workers;
 - (ii) that the person seeking authorization is able to provide customs clearance services by means of an electronic data processing system or is otherwise able to properly and reliably perform export- and import-related services in accordance with the criteria prescribed by Ministry of Finance Order;
 - (iii) that the person seeking authorization has established rules for its export- and import-related services, providing for the particulars that Ministry of Finance Order prescribes as particulars for ensuring that the person (if the person is a corporation, this includes its officers) and its agents, managers, and other workers comply with the provisions of this Act and other laws and regulations.
- (4) When the Director General of Customs gives authorization referred to in paragraph (1), the Director General must immediately issue public notice of this.
- (5) Cabinet Order provides for the submission of an application form as referred to in paragraph (2) and any other necessary particulars concerning the application of the preceding paragraphs.

(Measures for Improvement of Rules)

Article 79-2 If the Director General of Customs finds it to be necessary to do so in order to ensure the implementation of this Act because a person that has

obtained the authorization referred to in paragraph (1) of the preceding paragraph (hereinafter referred to as an "authorized customs broker") has failed to conduct export- and import-related services in accordance with the provisions of this Act or for any other reason, the Director General may request that person to take the necessary measures to improve the rules provided for in paragraph (3), item (iii) of that Article or its performance of business activities in connection with the particulars provided for in those rules, or to newly establish the rules provided for in that item.

(Notification of Discontinuance of Authorization of Authorized Customs Broker)

Article 79-3 If an authorized customs broker no longer needs the authorization referred to in Article 79, paragraph (1) (Authorization of a Customs Broker), the broker, pursuant to the provisions of Cabinet Order, may file a notification of this with the Director General of Customs who gave the authorization referred to in that paragraph.

(Expiration of Authorization)

- Article 79-4 (1) Authorization referred to in Article 79, paragraph (1) (Authorization of a Customs Broker) ceases to be effective if any of the situations set forth in the following items occurs:
- (i) when a notification prescribed in the preceding Article is submitted;
 - (ii) when, after an authorized customs broker has died, application prescribed in the provisions of Article 48-2, paragraph (2) (Licensing Succession), as applied mutatis mutandis pursuant to Article 79-6 (Mutatis Mutandis Application of the Provisions on Licensing Succession) is not made within the period specified in that paragraph or disposition not to give the approval referred to in that paragraph is made;
 - (iii) when permission of custom brokerage has ceased to be valid pursuant to the provisions of Article 10, paragraph (1) (Expiration of Permission) of the Customs Business Act;
 - (iv) when permission of customs brokerage is revoked pursuant to the provisions of Article 11, paragraph (1) (Revocation of Licensing) of the Customs Business Act;
 - (v) when the Director General of Customs revokes the authorization.
- (2) When authorization referred to in paragraph (1) of Article 79 expires, the Director General of Customs must immediately issue public notice of this.
- (3) When authorization referred to in Article 79, paragraph (1) expires, if any customs clearance procedures (limited to those involving a special declaration (limited to a declaration from a special entrusting importer) or involving an export declaration under specific entrustment; hereinafter the same applies in

this paragraph) are being processed, a person that has been given the authorization or their heir (when a corporation that has been given authorization has ceased to exist as a result of merger, the corporation that survives the merger or the corporation that has been established as a result of the merger) is deemed to be given the authorization in connection with those customs clearance procedures.

(Revocation of Authorization)

Article 79-5 (1) If an authorized customs broker falls under any of the following items, the Director General of Customs may revoke the authorization referred to in Article 79, paragraph (1) (Authorization of Customs Broker):

- (i) when the authorized customs broker falls under Article 79, paragraph (3), item (i), sub-items (c) through (e), or the criteria referred to in item (ii) of that paragraph is not met;
- (ii) when the authorized customs broker fails to respond to the request made by the Director General of Customs as prescribed in Article 79-2 (Measures for Improvement of Rules).

(2) Cabinet Order prescribes the procedures for a revocation of authorization under the preceding paragraph and provides for other necessary particulars concerning the application of that paragraph.

(Mutatis Mutandis Application of the Provisions on Licensing Succession)

Article 79-6 The provisions of Article 48-2 (Licensing Succession) apply mutatis mutandis to an authorized customs broker. In such a case, Cabinet Order provides for the necessary technical replacement of terms.

Chapter VII Housing and Holding of Cargo

(Housing of Cargo)

Article 80 (1) The Director General of Customs may house cargo set forth in the following items for the purpose of removing any obstacles to the use of a bonded area or ensuring collection of customs duties. In this case, the State does not bear the risk of any damages, unless damage is caused intentionally or by negligence:

- (i) foreign cargo stored in a designated bonded area for a period exceeding one month from the date on which it is brought into that area;
- (ii) foreign cargo stored in a bonded warehouse for a period exceeding the period specified in Article 43-2 (Period for Which Foreign Cargo May Be Stored);
- (iii)-1 foreign cargo stored in a bonded factory for a period exceeding the period specified in Article 57 (Period for Which Foreign Cargo May Be Stored);

- (iii)-2 foreign cargo stored in an integrated bonded area for a period exceeding the period specified in Article 62-9 (Period for Which Foreign Cargo May Be Stored);
 - (iii)-3 foreign cargo stored in a bonded warehouse, bonded factory or integrated bonded area for a period exceeding the period specified in Article 43-3, paragraph (1) (Approval to Store Foreign Cargo) (including as applied mutatis mutandis pursuant to Article 61-4) or Article 62-10 (Approval to Store Foreign Cargo or Take Other Such Action), without obtaining approval prescribed in these provisions;
 - (iv) foreign cargo stored in a place deemed to be a designated bonded area, bonded warehouse, bonded factory, bonded exhibition site or integrated bonded area pursuant to the provisions of Article 41 (Foreign Cargo After Revocation of Designation) or Article 47, paragraph (3) (Expiration of Permission) (including as applied mutatis mutandis pursuant to Article 61-4, Article 62-7 and Article 62-15) for a period exceeding the period specified by the Director General of Customs pursuant to these provisions;
 - (v) foreign cargo permitted to be stored in a place specified pursuant to the provisions of Article 30, paragraph (1), item (ii) (Restrictions on Places for Storing Foreign Cargo), and stored in that place for a period exceeding the period specified pursuant to the provisions of the item;
 - (vi) cargo that is stored in a bonded area and pursuant to the provisions of Article 106, item (i) (Authority of the Director General of Customs in Special Cases), is ordered to be brought out of that area where it is stored for a period exceeding the period specified by the Director General of Customs pursuant to the provisions of the item;
 - (vii) cargo which is, with the approval prescribed in Article 83, paragraph (1) (Release of Housed Cargo), stored in a place where they were located at the time of the approval for more than three days (excluding the holidays of administrative organs, if any) after the date of the approval (excluding foreign cargo over which custody is exercised pursuant to the provisions of the proviso to paragraph (3) of the following Article and for which permission referred to in Article 67 (Permission for Export or Import) or approval referred to in Article 73, paragraph (1) (Withdrawal of Cargo Prior to Import Permission) is given).
- (2) When cargo set forth in each item of the preceding paragraph consists of live animals or plants, if the cargo has spoiled or deteriorated, is likely to spoil or deteriorate, or is likely to damage any other foreign cargo, the period set forth in the items of the preceding paragraph may be shortened.
- (3) Having taken in cargo to house it pursuant to the provisions of paragraph (1) or the preceding paragraph, the Director General of Customs must immediately give public notice of this pursuant to the provisions of Cabinet

Order. In such a case, if the period is shortened as under the preceding paragraph, the Director General must notify the known owner, administrator, or any other interested persons of the cargo, of this.

(How Cargo Is Housed)

Article 80-2 (1) Customs is to take possession of cargo to house it.

(2) Pledgees or lienholders of cargo that will be housed must deliver the cargo to customs notwithstanding the provisions of other laws and regulations.

(3) Custody is exercised over cargo that is housed at a place administered by customs; provided, however, that if it is considered difficult or inappropriate to exercise custody over the cargo at that place, customs may, with the consent of the administrator of the place where it is stored, have the administrator act as custodian of the cargo. In such a case, customs must make it clear that the cargo is cargo that is being housed, by putting it under seal or other means.

(Effect of Cargo Being Housed)

Article 81 (1) The effect of cargo being housed extends to the natural fruits of the cargo that is being housed.

(2) Judicial provisional seizure or provisional disposition does not preclude execution of the housing of cargo.

(Housing Charges)

Article 82 Housing charges in an amount prescribed by Cabinet Order are imposed on cargo that has been housed, on the basis of the type, volume or weight and the period of housing of that cargo.

(Release of Housed Cargo)

Article 83 (1) A person seeking the release of cargo from housing, pursuant to the provisions of Cabinet Order, must pay to customs the cost required for housing it and the housing charges and obtain approval of the Director General of Customs.

(2) When the Director General of Customs finds it to be certain that cargo that is being housed will be taken away, the Director General must give the approval referred to in the preceding paragraph.

(Public Auction or Sale of Housed Cargo)

Article 84 (1) If cargo that is being housed has been housed for a period exceeding four months from the date on which it was initially housed, the Director General of Customs, pursuant to the provisions of Cabinet Order, after giving public notice, may offer the cargo for public auction. In this case, if the period is shortened under the following paragraph for the cargo offered for

public auction, the provisions of the second sentence of Article 80, paragraph (3) (Housing of Cargo) apply *mutatis mutandis*.

- (2) If cargo that is being housed consists of live animals or plants or if the cargo has spoiled or deteriorated, is likely to spoil or deteriorate, or is likely to damage any other foreign cargo, the period referred to in the preceding paragraph may be shortened.
- (3) If cargo that is being housed cannot be offered for public auction or if there is no purchaser at the public auction, pursuant to the provisions of Cabinet Order, the Director General of Customs may sell the cargo under a negotiated contract.
- (4) When cargo referred to in Article 71, paragraph (1) (Cargo Whose Origin Is Being Represented Falsely or Misleadingly) is offered for public auction or sold under a negotiated contract pursuant to the provisions of paragraph (1), (2) or the preceding paragraph, customs must erase the false or misleading representation of its origin.
- (5) The Director General of Customs may dispose of cargo being housed that is likely to cause an imminent danger that jeopardizes human life or damages property, or cargo being housed that has depreciated significantly in value due to spoilage, deterioration, or other compelling reasons and that has no purchaser.
- (6) The provisions of Article 81, paragraph (2) (Housing and Provisional Seizure or Provisional Disposition) apply *mutatis mutandis* to public auction or sale under a negotiated contract, as prescribed in paragraph (1) or (2), or (3).

(Appropriation and Deposit of Proceeds from Public Auction)

- Article 85 (1) If cargo is offered for public auction or is sold under a negotiated contract pursuant to the provisions of paragraph (1) or (2), or (3) of the preceding Article, customs duties and any other national taxes on the cargo are immediately collected. In such a case, pursuant to the provisions of Cabinet Order, the proceeds from the sale are allocated to the expenses for public auction or sale under negotiated contract, costs required for housing, housing charges, customs duties and other national taxes, in the order of those expenses, and the remaining amount, if any, is delivered to the person who owned the cargo at the time of public auction or sale under negotiated contract.
- (2) If there is any remaining amount referred to in the preceding paragraph, and there is a person that held in pledge, or had a right of retention over, the cargo offered for public auction or sold under a negotiated contract at the time when it was taken in to be housed, the amount of money up to the amount of claim secured by the pledge or right of retention is delivered to the person who had the pledge or right of retention, prior to delivery of the remaining amount to the owner of the cargo pursuant to the provisions of that paragraph.
 - (3) The amount of money to be delivered under the preceding two paragraphs

may be deposited pursuant to the provisions of Cabinet Order.

(Holding of Personal Effects of Passengers and Others)

Article 86 (1) If the personal effects of a passenger or crew member constitute cargo that falls under Article 70, paragraph (3) (Cargo That Cannot Be Certified or Confirmed), the Director General of Customs may hold the cargo in exchange for a certificate of holding.

(2) A person seeking the return of cargo held pursuant to the provisions of the preceding paragraph must pay customs the cost required to hold it.

(Holding of Cargo Whose Origin Is Being Represented Falsely or Misleadingly)

Article 87 (1) When a person who makes an import declaration of the cargo referred to in Article 71, paragraph (1) (Cargo Whose Origin Is Being Represented Falsely or Misleadingly) does not erase or correct the false or misleading representation of origin, or does not send back the cargo, within the period specified pursuant to the provisions of paragraph (2) of that Article, the Director General of Customs holds the cargo.

(2) Cargo being held pursuant to the provisions of the preceding paragraph is returned only after the false or misleading representation of origin is erased or corrected, or if it is found that the cargo will be sent back pursuant to the provisions of Cabinet Order.

(3) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the return referred to in the preceding paragraph.

(Mutatis Mutandis Application of Provisions on the Housing of Cargo)

Article 88 The provisions of the second sentence of Article 80, paragraph (1) (Housing of Cargo), Article 80-2 (How Cargo Is Housed), Article 81 (Effect of Housing Cargo), Article 84 (Public Auction or Sale of Housed Cargo) and Article 85 (Appropriation and Deposit of Proceeds from a Public Auction) apply mutatis mutandis to the holding of cargo referred to in the preceding two Articles.

Chapter VII-2 This Act's Relationship to the Administrative Procedure Act

Article 88-2 (1) Beyond what is provided for in Article 3, paragraph (1) (Exclusion from Application) and Article 4, paragraph (1) (Exclusion from the Application of Dispositions Rendered towards National Government Organs) of the Administrative Procedure Act (Act No. 88 of 1993), the provisions of Chapter 2 (Dispositions upon Applications) (excluding Article 8 (Presentation of Grounds)) and Chapter 3 (Adverse Dispositions) (excluding Article 14 (Showing of Grounds for Adverse Dispositions)) of the Administrative

Procedure Act do not apply to a disposition or other act involving the exercise of public authority based on this Act or other laws concerning customs duties (excluding those based on the provisions of Article 71, paragraph (2) (Importation of Cargo Whose Origin Is Being Represented Falsely or Misleadingly)).

- (2) Beyond what is provided for in Article 3, paragraph (1) and Article 35, paragraph (4) (Means of Administrative Guidance) of the Administrative Procedure Act, the provisions of Article 35, paragraph (3) and Article 36 (Administrative Guidance Directed to More Than One Person) of the Administrative Procedure Act do not apply to administrative guidance performed for the purpose of properly discharging the obligations to pay customs duties pursuant to the provisions of this Act or other laws concerning customs duties (meaning administrative guidance as provided for in Article 2, item (vi) (Definitions) of the Administrative Procedure Act).

Chapter VIII Appeal

(Request for Re-Investigation)

- Article 89 (1) Any person may request re-investigation if the person is dissatisfied with dispositions made by the Director General of Customs as prescribed in the provisions of this Act or any other laws concerning customs duties.
- (2) For the purpose of application of the preceding paragraph and Article 91, any dispositions made by customs officials prescribed in the provisions of this Act or other laws concerning customs duties are deemed to be a disposition made by the Director General of Customs having jurisdiction over the customs office to which the customs officials belong.

Article 90 Deleted.

(Consultation with Councils)

- Article 91 When a request for administrative review is filed regarding a disposition made by the Minister of Finance or the Director General of Customs under the provisions of this Act or other laws concerning customs duties, except in a case that falls under any of the following items, the Minister of Finance must consult with the Council, etc. (meaning the organs provided for in Article 8 (Councils) of the National Government Organization Act (Act No. 120 of 1948)) prescribed by Cabinet Order:
- (i) if there is a filing from the person requesting the administrative review indicating that the person does not wish for the Council, etc. to be consulted (but not if an intervenor (an intervenor provided for in Article 13, paragraph

- (4) (Intervenors) of the Administrative Complaint Review Act) has raised an objection to the Council, etc. not being consulted);
- (ii) if the request for administrative review is unlawful and the reviewing agency dismisses it without prejudice;
 - (iii) if the disposition subject to the administrative review (excluding a disposition to dismiss with or without prejudice an application based on laws and regulations, and de facto acts) is wholly revoked pursuant to the provisions of Article 46, paragraph (1) (Upholding of Request for Administrative Review with Regard to Disposition) of the Administrative Complaint Review Act or if the de facto acts subject to the administrative review are ordered to be wholly eliminated pursuant to the provisions of Article 47, item (i) or (ii) (Upholding of Request for Administrative Review with Regard to Disposition) of the Act or are to be eliminated (other than if a written opinion to oppose the revocation of the relevant disposition in full or the order or decision to eliminate the relevant de facto acts in full has been submitted or if an opinion to that effect has been stated on the occasion of stating an opinion orally);
 - (iv) if the measures specified in the items of Article 46, paragraph (2) of the Administrative Complaint Review Act (limited to ordering to uphold or deciding to uphold an application based on laws and regulations in full) are to be taken (other than if a written opinion that opposes the upholding of the relevant application in full has been submitted or if an opinion to that effect has been stated on the occasion of stating an opinion orally).

Article 92 Deleted

(Relation between Request for Administrative Review and Litigation)

Article 93 A civil action for the revocation of an administrative disposition or notice set forth in the following items may not be filed until after an administrative determination is reached regarding the request for an administrative review of that disposition or notice:

- (i) a disposition concerning determination or collection of customs duties or a measure to collect arrears (meaning a measure to collect arrears in a case in which customs duties are collected using the same rules as for national taxes);
- (ii) a notice under Article 69-2, paragraph (3) (Cargo Prohibited for Export) or Article 69-11, paragraph (3) (Cargo Prohibited for Import).

Chapter IX Miscellaneous Provisions

(Keeping of Books)

Article 94 (1) A person that, in the course of trade, imports cargo to which the self-assessment system applies (excluding specially declared cargo of an authorized importer; referred to as "general import cargo" in paragraph (3)), pursuant to the provisions of Cabinet Order, must keep books stating the product names, quantities, prices, and other such necessary particulars of the cargo and preserve these books and documents prepared or received in connection with transactions involving that cargo and other documents prescribed by Cabinet Order; provided, however, that this does not apply to documents submitted to customs pursuant to the provisions of Article 68 (Documents to Be Submitted at the Time of Export or Import Declaration).

(2) The provisions of the preceding paragraph apply mutatis mutandis to a person who exports cargo in the course of trade (excluding cargo exported as accompanied cargo by a person upon departure from Japan, postal items and specific export cargo; referred to as "general export cargo" in the following paragraph).

(3) The provisions of Articles 4 to 10 (Preservation of Books and Documents Related to National Taxes in Electronic or Magnetic Records; Preservation of Books and Documents Related to National Taxes on Computer-Output Microfilm; Application for Approval of Preservation in Electronic or Magnetic Records; Changes Pertaining to Approval of Preservation in Electronic or Magnetic Records; Revocation of Approval of Preservation in Electronic or Magnetic Records; Mutatis Mutandis Application to Approval of Preservation on Computer-Output Microfilm; Exclusion from Application of the Act on Use of Information and Communications Technology in Administrative Procedure; Preservation of Electronic or Magnetic Records Pertaining to Information on Electronic Transaction) and Article 11, paragraphs (1) and (2) (Application of Provisions of Other Laws Related to National Taxes) of the Act concerning Preservation of Electronic Books apply mutatis mutandis to a person who, in the course of trade, imports general import cargo or exports general export cargo. In this case, the terms shown in the middle columns of the following table, which correspond to the provisions set forth in the left-hand columns are replaced respectively by the terms shown in the right-hand columns, and Cabinet Order provides for the necessary technical replacement of terms.

Provisions of the Act concerning Preservation of Electronic Books	Terms to be Replaced	Terms to Replace

Article 4, paragraph (1)	all or part of the books relating to national taxes	the books required to be kept and preserved pursuant to the provisions of Article 94, paragraph (1) (Keeping of Books) of the Customs Act (including as applied mutatis mutandis pursuant to paragraph (2) of that Article; the same applies in the following paragraph) (hereinafter referred to as "books relating to customs duty")
	the District Director of Tax Office having jurisdiction over the place of tax payment, etc. (in the case where Ministry of Finance Order so specifies, the Director General of Customs having jurisdiction over the place of tax payment, etc.; hereinafter referred to as "the competent District Director of Tax Office, etc.")	the Director General of Customs having jurisdiction over the place where general import goods (meaning the general import goods provided for in paragraph (1) of that Article; the same applies in Article 10) are to be imported or the place where such general export goods meaning the general export goods provided for in Article 94, paragraph (2) of that Act) are to be exported (hereinafter referred to as "the competent Director General of Customs")
Article 4, paragraph (2)	all of the documents relating to national taxes	all of the documents required to be preserved under Article 94, paragraph (1) of the Customs Act (hereinafter referred to as "documents relating to customs duty")
Article 5, paragraph (1)	all or part of the books relating to national taxes	books relating to customs duty
Article 5, paragraph (3)	of books or documents relating to national taxes	of books or documents relating to customs duty (meaning books relating to customs duty or documents relating to customs duty; the same applies hereinafter)

Article 6, paragraph (1)	the day of commencing maintenance of the books relating to national taxes (when the days of commencing maintenance of two or more books relating to national taxes, if any, are different, then the earliest day of commencing the maintenance; the same applies in item (i) of paragraph (5))	the day of commencing keeping of books relating to customs duty
	the kinds of books relating to national taxes, such books relating to national taxes	books relating to customs duty
	all or part of the books relating to national taxes	books relating to customs duty
Article 6, paragraph (6)	the District Director of Tax Office (hereinafter in this paragraph referred to as "the District Director of Tax Office not having jurisdiction over the areas")	the Director General of Customs (hereinafter in this paragraph referred to as "the Director General of Customs not having jurisdiction over the areas")
Article 9	the date to replace (where there are two or more books relating to national taxes, if the days on which such books are replaced are different, an earlier day on which such books are replaced; the same applies in item (i) of paragraph (5))	the date to replace
Article 10	the person responsible for preservation, pertaining to income tax (excluding withholding income tax) and corporation tax	the person engaged in importing general import goods in the course of trade or the person engaged in exporting general export goods in the course of trade

(Customs Process Administrator)

Article 95 (1) If a declarant or other such person (meaning a person that is required to undertake customs procedures; hereinafter the same applies in this Article) who is an individual does not have or ceases to have a domicile and residence in Japan (excluding the office and place of business), or if a declarant or other such person that is a corporation without a headquarters or principal office in Japan does not have or ceases to have an office or place of business in Japan, and if it is necessary for the declarant or other such person to deal with customs procedures and matters related to them (hereinafter in this paragraph and paragraph (3) referred to as "customs procedures and related matters"), the declarant or other such person must appoint a customs process administrator from among persons that have a domicile or residence in Japan (in the case of a corporation, the headquarters or principal office) and that provide services for handling the relevant customs procedures and related matters, in order to have the administrator handle those customs procedures and related matters.

(2) When a declarant or other such person has appointed a customs process administrator pursuant to the provisions of the preceding paragraph, they must file a notification of this with the Director General of Customs who is concerned in the customs procedures that will be handled by that administrator, pursuant to the provisions of Cabinet Order. The same applies if the declarant or other such person dismisses the administrator.

(3) A customs process administrator that has handled customs procedures and related matters, when it is requested by the Director General of Customs to present books and documents that the declarant or other such person is required to preserve in connection with the customs procedures and related matters pursuant to the provisions of Article 7-9, paragraph (1), Article 67-8, paragraph (1) (Keeping of Books) and paragraph (1) of the preceding Article (including as applied mutatis mutandis pursuant to paragraph (2) of that Article), must present those books and documents to the Director General of Customs. In this case, the declarant or other such person must provide the administrator necessary facilities for presenting the books and documents.

(4) The term "customs procedure" as used in paragraphs (1) and (2) means an import declaration or any other procedure based on the provisions of this Act, the Customs Tariff Act or other laws concerning customs duties (this excludes procedures that a person entering or departing from Japan undertakes upon entry into or departure from Japan, and excluding other procedures prescribed by Cabinet Order).

(Port Area of Open Port and Customs Airport)

Article 96 Except as provided for by Cabinet Order, the port area of an open port

is the area of port as provided for by the Act on Port Regulations (Act No. 174 of 1948); Cabinet Order provides for the port area of a customs airport.

(Reports by Police Officers)

Article 97 (1) If a police officer accepts a notification under Article 20, paragraph (2) (Entry into or Departure from Closed Port), Article 21 (Temporary Landing of Foreign Cargo), the proviso to Article 23, paragraph (2) (Loading of Vessel's or Aircraft's Stores) or the proviso to Article 64, paragraph (1) (Transportation of Wreckage), they must immediately report this to customs.

(2) If foreign cargo is a part of the object that will be subject to the disposition in question in a case in which the mayor of a municipality sells an object at public auction, approves the sale of an object, or delivers an object pursuant to the provisions of the Sea Casualties Rescue Act (Act No. 95 of 1899), in which the chief of a police station returns or sells an object or allows an object to be retrieved pursuant to the provisions of the Lost Property Act (Act No. 73 of 2006) or the Act for Controlling the Possession of Firearms or Swords and Other Such Weapons, or in which any other public employee who is not a customs official disposes of an object; that person must notify customs of this in advance.

(3) In the case referred to in the preceding paragraph, in addition to the case in which the provisions of Article 118, paragraph (5) (Collection of Customs Duties on Offending Cargo) or Article 134, paragraph (6) (Collection from the Realized Proceeds of Retained Objects) apply, customs duties on foreign cargo are immediately collected from the person acquiring the foreign cargo as a result of the disposition referred to in the preceding paragraph (excluding persons prescribed by Cabinet Order).

(4) In the case referred to in the preceding paragraph, customs duties on the foreign cargo referred to in that paragraph are to be collected pursuant to the provisions of that paragraph at or after the time when the foreign cargo comes into the possession of the person making the disposition referred to in that paragraph, even if customs duties should have been paid for the reason that the foreign cargo was imported. In this case, if procedures for determination of customs duties prescribed in Article 7-16, paragraph (2) (Determination) or other procedures for determination of customs duties have been performed, the procedures are deemed not to have been performed.

(Request for Customs Services Outside Office Hours)

Article 98 (1) A person seeking to request that customs perform a customs function prescribed by Cabinet Order outside the official office hours of customs offices must first file a notification of this with the Director General of Customs.

(2) In a case as referred to in the preceding paragraph, if the Director General of Customs finds that doing so does not cause any problem in terms of the performance of customs functions, the Director General performs the function subject to the notification referred to in that paragraph.

(Criteria for Approval or Permission)

Article 99 If it is found that it will not cause any problem in ensuring the implementation of this Act, approval referred to in Article 59, paragraph (2) (Use of Domestic Cargo) (including as applied mutatis mutandis pursuant to Article 62-15), Article 63, paragraph (1) (Bonded Transportation), Article 64, paragraph (1) (Transportation of Wrecked Cargo) or Article 66, paragraph (1) (Transportation of Domestic Cargo), or permission referred to in the proviso to Article 16, paragraph (3) (Loading and Unloading of Cargo), Article 20, paragraph (1) (Entry into or Departure from Closed Port), Article 24 (Travel between Vessels or Aircraft and Land), Article 30, paragraph (1), item (ii) (Restrictions on Places for Storing Foreign Cargo) or Article 32 (Temporary Taking Out of Samples) (including as applied mutatis mutandis pursuant to Article 36), must be given.

(Fees)

Article 100 A person who obtains permission or licensing set forth in the following items, pursuant to the provisions of Cabinet Order, must pay customs a fee in an amount prescribed by Cabinet Order on the basis of the particulars specified in the items:

- (i) permission referred to in Article 20, paragraph (1) (Entry into or Departure from Closed Port): net tonnage of a vessel engaged in foreign trade or deadweight of an aircraft engaged in foreign trade;
- (ii) licensing referred to in Article 42, paragraph (1) (Licensing of Bonded Warehouses), Article 56, paragraph (1) (Licensing of Bonded Factories), Article 62-2, paragraph (1) (Licensing of Bonded Exhibition Sites) or Article 62-8, paragraph (1) (Licensing of Integrated Bonded Areas): the type, total floor space and validity period of the license of the bonded warehouse, bonded factory, bonded exhibition site, or integrated bonded area subject to that licensing, and the type of customs services to be provided in the bonded warehouse, bonded factory, bonded exhibition site, or integrated bonded area;
- (iii) permission referred to in Article 69, paragraph (2) (Place for Inspection of Cargo) (including as applied mutatis mutandis pursuant to Article 75): the time required for inspection related to that permission.

(Reduction or Waiver of Fees)

Article 101 (1) The Director General of Customs, if they find it particularly necessary for increasing the use of a designated bonded area or for contributing to the promotion of trade or international cultural exchange, pursuant to the provisions of Cabinet Order, may reduce the fees to be paid pursuant to the provisions of the preceding paragraph by a person with the licensing referred to in Article 42, paragraph (1) (Bonded Warehouse), Article 56, paragraph (1) (Bonded Factory), Article 62-2, paragraph (1) (Bonded Exhibition Site) or Article 62-8, paragraph (1) (Integrated Bonded Area), or the fees may be waived.

(2) When a person with the licensing referred to in Article 42, paragraph (1), Article 56, paragraph (1), Article 62-2, paragraph (1), or Article 62-8, paragraph (1), files a notification of the suspension of its business pursuant to the provisions of Article 46 (Notification of Suspension or Discontinuance of Business) (including as applied mutatis mutandis pursuant to Article 61-4, Article 62-7 and Article 62-15), the Director General of Customs, pursuant to the provisions of Cabinet Order, may waive the fees that a person is required to pay pursuant to the preceding Article.

(3) If a vessel engaged in foreign trade enters the same closed port four times or more in one year, the Director General of Customs may reduce or waive the permission fees set forth in item (i) of the preceding Article for the fourth and any subsequent entry, pursuant to the provisions of Cabinet Order.

(4) The initial date for calculating the period referred to in the preceding paragraph is the first day of January.

(Delivery of Certificates and Inspection of Statistics)

Article 102 (1) Pursuant to the provisions of Cabinet Order, customs must deliver certificates concerning customs processes if any person requests such certificates to be delivered, and prepare statistics concerning the following matters and make the statistics available to any person for inspection if so requested:

(i) cargo exported, sent back, or imported;

(ii) vessels or aircrafts engaged in foreign trade that have entered or departed from a port;

(iii) beyond what is provided for in the preceding two items, other particulars concerning foreign trade prescribed by Cabinet Order.

(2) A person who requests delivery of certificates referred to in the preceding paragraph, pursuant to the provisions of Cabinet Order, must pay fees fixed on the basis of the number of sheets of paper used for the certificates.

(3) The Minister of Finance must prepare the statistics referred to in paragraph (1) and, pursuant to the provisions of Cabinet Order, make them publicly available at regular intervals.

- (4) The Minister of Finance, when any person wishes to inspect the statistics prepared under the preceding paragraph, pursuant to the provisions of Cabinet Order, must make the statistics available to that person for inspection, and when any person requests recording of the statistics on a tape by providing magnetic tape for an computer or such other recording medium prescribed by Cabinet Order (hereinafter referred to as "magnetic tape, etc." in this paragraph and in the following paragraph), the Minister must record the statistics on the magnetic tape, etc. and deliver it to that person.
- (5) The provisions of paragraph (2) apply mutatis mutandis to the person who requests recording of statistics on magnetic tape, etc. In this case, the term "the number of sheets of paper used for certificates" in that paragraph is deemed to be replaced with "the number of magnetic tape, etc."

(Refund, Reduction, or Waiver of Fees Due to a Disaster)

Article 102-2 (1) The Director General of Customs, with respect to the fees paid pursuant to the provisions of Article 100, item (iii) (Fees) by a person with the licensing referred to in Article 69, paragraph (2) (Place for Inspection of Cargo) (including as applied mutatis mutandis pursuant to Article 75; the same applies in the following paragraph) for cargo set forth in the following items, if it is found necessary, may refund, pursuant to the provisions of Cabinet Order, the amount equivalent to that of the fees paid:

- (i) cargo that constitutes supplies donated for relief purposes as prescribed in Article 15, paragraph (1), item (iii) (Waiver of Customs Duties on Goods for Specific Uses) of the Customs Tariff Act and which are intended for supporting victims of a specified disaster;
- (ii) cargo which are kept in a bonded area located in a designated area (including a place for cargo that the Director General of Customs has permitted pursuant to the provisions of Article 30, paragraph (1), item (ii) (Restrictions on Places for Storing Foreign Cargo); hereinafter the same applies in this item and in paragraph (3), item (ii)) at the time of occurrence of a specified disaster in that designated area, and which need to be urgently removed from that bonded area for preservation or for other reasons, or any other cargo recognized as equivalent to those cargo by the Director General of Customs.
- (2) If the Director General of Customs finds it to be necessary to do so when granting the permission referred to in Article 69, paragraph (2) for cargo set forth in the items of the preceding paragraph, the Director General, pursuant to the provisions of Cabinet Order, may waive the fees that the person being granted that permission is required to pay pursuant to the provisions of Article 100, item (iii).
- (3) On finding it to be necessary to do so, the Director General of Customs,

pursuant to the provisions of Cabinet Order, may return an amount of money equivalent to the amount of the fees that a person requesting delivery of a certificate as follows that is provided for in paragraph (1) of the preceding Article has paid pursuant to the provisions of paragraph (2) of that Article:

- (i) a certificate for the cargo set forth in paragraph (1), item (i);
- (ii) a certificate related to the damage caused by a specified disaster in a designated area to cargo kept in a bonded area located in the designated area at the time of occurrence of the specified disaster;
- (iii) a certificate that is identical in substance to a certificate that was issued to a victim of a specified disaster in a designated area before the occurrence of the specified disaster, that was lost, burned, or significantly damaged due to the specified disaster and that the victim has come to need; or a certificate regarding an administrative disposition of the Director General of Customs for which a written notice was issued to a victim of a specified disaster in a designated area before the occurrence of the specified disaster in a designated area, but was lost, burned, or significantly damaged due to the specified disaster, and the victim has come to need it.

(4) If the Director General of Customs finds it to be necessary to do so when issuing a certificate as set forth in the items of the preceding paragraph, the Director General, pursuant to the provisions of Cabinet Order, may waive the fees that the person requesting issuance of that certificate is required to pay pursuant to the provisions of paragraph (2) of the preceding Article.

(5) The Director General of Customs, when finding that the facilities set forth in the left-hand columns of the table shown below, which are located in a designated area, cause difficulty in improving the services due to the damage to the facilities caused due to a specified disaster in the designated area, pursuant to the provisions of Cabinet Order and according to the extent of the damage, may wholly or partly refund the amount of money equivalent to that of the fees paid, pursuant to the provisions shown in the right-hand columns of the table, by the person who received the administrative disposition shown in the middle columns of the table for the facilities set forth in the left columns, or reduce or waive the fees to be paid by the person pursuant to the provisions shown in the right columns of the table.

(i) bonded warehouse	permission under Article 42, paragraph (1)	Article 100, item (ii)
(ii) bonded factory	permission under Article 56, paragraph (1)	Article 100, item (ii)
(iii) bonded exhibition site	permission under Article 62-2, paragraph (1)	Article 100, item (ii)
(iv) integrated bonded area	permission under Article 62-8, paragraph (1)	Article 100, item (ii)

(v) the facilities prescribed by Cabinet Order, which are established under the laws relating to customs duty	the administrative disposition prescribed by Cabinet Order, which is given under the provisions of the laws relating to customs duty pertaining to the facilities	the provisions of the laws relating to customs duty, which order the payment of fees for the disposition and are prescribed by Cabinet Order
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(Limitation of Purchasers)

Article 103 If collateral for customs duties, cargo being housed or held, cargo that has been confiscated, or a retained object or a seized object is offered for public auction or for sale under a negotiated contract by customs, it is not permissible for a customs official or the owner of the article in question to purchase it, through any means.

(Carrying and Using Weapons)

Article 104 (1) Until otherwise provided by law, a customs official may carry small weapons if it is particularly necessary for the official to do so when acting in a regulatory capacity in connection with the export or import of cargo or investigating in a criminal case pursuant to the provisions of this Act.
(2) When acting in a regulatory capacity or conducting an investigation as referred to in the preceding paragraph, if there are adequate grounds to believe that it is unavoidably necessary for the purpose of protecting their own or any other person's life or body or suppressing resistance against performing public duties, a customs official may use the weapons referred to in the preceding paragraph to the extent considered reasonably necessary under the circumstances.

(Authority of Customs Officials)

Article 105 (1) A customs official, when it is necessary for performing the duties prescribed by Cabinet Order under the provisions of this Act (except Chapter 11 (Investigation and Disposition of Criminal Cases)), the Customs Tariff Act or other laws concerning customs duties, may perform the acts set forth in the following items to the extent considered necessary:

(i) with respect to a vessel or aircraft engaged in foreign trade or a vessel, aircraft or a vehicle other than a vessel or aircraft engaged in foreign trade, which carry on board foreign cargo, cargo loaded thereon, cargo kept in, or brought into or removed from, a bonded area, or foreign cargo other than those specified above, to question the owner, possessor, administrator, master of a vessel, captain of an aircraft, carrier or any other person concerned, to inspect the vessels, aircraft, vehicles or cargo, or to have,

- instead of taking those actions, those persons present or submit relevant documents (including electronic or magnetic records when the records are prepared or preserved in lieu of those documents);
- (ii) to inspect books and documents concerning cargo set forth in the preceding item (including electronic or magnetic records, if the records are prepared or preserved in lieu of preparing or preserving books or documents; the same applies in items (iv)-2 through (vi) and Article 105-3) or to place the cargo or the place where it is stored under seal;
 - (iii) to take samples or to require samples to be provided, at the time of inspection prescribed in Article 43-4 (Inspection at the Time of Approval to Store Foreign Cargo) (including as applied mutatis mutandis pursuant to Article 61-4 (Mutatis Mutandis Application of Provisions on Bonded Warehouses) and Article 62-15 (Mutatis Mutandis Application of Provisions on Bonded Warehouses, Bonded Factories and Bonded Exhibition Sites)), Article 61, paragraph (3) (Bonded Operations Outside a Bonded Factory) (including as applied mutatis mutandis pursuant to Article 62-7 (Mutatis Mutandis Application of Provisions on Bonded Warehouses and Bonded Factories) or Article 62-15), Article 62-3, paragraph(2)of (Procedures for Foreign Cargo Being Brought into a Bonded Exhibition Site), Article 63, paragraph (2) (Bonded Transportation), Article 67 (Permission for Export or Import) (including as applied mutatis mutandis pursuant to Article 75), Article 67-4, paragraph (3) (Revocation of Export Permission), or the proviso to Article 76, paragraph (1) (Simplified Procedures for Exporting and Importing Postal Items);
 - (iv)-1 to board a vessel or aircraft engaged in foreign trade or a vessel or aircraft other than a vessel or aircraft engaged in foreign trade, which loads or is to load foreign cargo on board, or to require any vehicle entering, or departing from a bonded area to temporarily halt;
 - (iv)-2 to question an exporter of exported cargo, a customs broker who provided customs clearance services for that export, the person that entrusted the export, or other persons concerned (referred to as "exporter or other related party" in the following paragraph), to inspect books and documents concerning the cargo and any other objects, or to request to present or submit the books, documents and other objects (including their copies);
 - (v) to inspect cargo for which customs duties are reduced or waived pursuant to the provisions of Article 13, paragraph (1) (Reduction or Waiver of Customs Duties on Raw Materials for Manufacture) or Article 19, paragraph (1) (Reduction, Waiver, or Refund of Customs Duties on Raw Materials for the Manufacture of Cargo for Export) of the Customs Tariff Act, cargo subject to refund of customs duties under that paragraph, cargo subject to a deduction for customs duties under paragraph (6) of that Article, products

manufactured from the cargo, machineries and equipment used for the manufacture, or books and documents relating thereto;

- (vi) to question an importer of imported cargo, a customs broker who provided customs clearance services for the import of that cargo, a person that entrusts the import of that cargo, or a person who has domestically sold cargo that has been dumped in the sense as provided for in Article 8, paragraph (1) (Anti-Dumping Duties) of the Customs Tariff Act (including the import of cargo that is deemed to be dumped cargo pursuant to the provisions of paragraph (36) of that Article) or other persons concerned (referred to as "importer or other related party" in the following paragraph), to inspect the cargo, books and documents or other objects concerning the cargo, or to request to present or submit the books, documents and other objects (including their copies).
- (2) Customs officials, when they request exporter or other related party or importer or other related party to submit objects pursuant to the provisions of item (iv)-2 or (vi) of the preceding paragraph, if it is considered necessary, may retain the materials so submitted.
- (3) Customs officials, when they perform their duties pursuant to the provisions of paragraph (1), pursuant to the provisions of Ministry of Finance Order, must wear a uniform, carry their certificate of identification, and, if requested by any person concerned, present the certificate to that person.
- (4) The authority to ask questions or inspect cargo, etc. as prescribed in paragraphs (1) and (2) must not be construed as being approved for criminal investigation.
- (5) Beyond what is provided for in the preceding paragraph, Cabinet Order provides for the necessary particulars concerning the application of paragraph (2).

(Prior Notice of Examination to Importers)

Article 105-2 The provisions of Articles 74-9 (excluding paragraphs (3), (5) and (6)) through 74-11 (excluding paragraphs (4) and (5)) (Prior Notice of Examination to a Person Liable to Pay Taxes; Cases in Which Prior Notice Is Not Required; Procedures for Terminating Examination) of the Act on General Rules for National Taxes apply mutatis mutandis if the Director General of Customs has customs officials ask importers questions, conduct inspections, or request importers to present or submit books and documents, as provided for in paragraph (1), item (vi) of the preceding Article. This being the case, beyond the technical replacement of terms shown in the middle columns of the following table that correspond to the provisions set forth in the left-hand columns with the terms shown in the right-hand columns, Cabinet Order provides for the necessary particulars concerning the application of these

provisions.

Provisions of the Act on General Rules for National Taxes	Terms to be Replaced	Terms to Replace
Article 74-9, paragraph (1)	the District Director of Tax Office, etc. (meaning the Commissioner of National Tax Agency, the Director of the Regional Taxation Bureau, the District Director of Tax Office or the Director General of Customs; hereinafter the same applies in this Article to Article 74-11 (Procedures at the Time of Completion of Examination))	the Director General of Customs
	the National Tax Agency, etc. or the customs	the customs
	(hereinafter the Article	(hereinafter Article 74-11
	to the taxpayer	to the importer
	examination (in the case of examination conducted by the customs officials, limited to the examination carried out after the objects on which consumption tax, etc. is chargeable are withdrawn from bonded areas or examination conducted with respect to international tourist tax; hereinafter the same applies in this Article to that Article)	examination
	Articles 74-2 through 74-6 (Right of Inquiries and Inspection of Officials)	item (vi) of paragraph (1) of Article 105 of the Customs Act (Authority of Customs Officials)
	taxpayer (in cases where a tax agent acts on behalf of the taxpayer, including the tax agent)	importer

Article 74-9, paragraph (2)	the District Director of Tax Office, etc.	the Director General of Customs
	taxpayer	importer
Article 74-10	the District Director of Tax Office, etc.	the Director General of Customs
	the taxpayer set forth in paragraph (3), item (i) of that Article	the importer
	the National Tax Agency or the customs	the customs
	to national taxes	to customs duty
Article 74-11, paragraph (1)	the District Director of Tax Office, etc.	the Director General of Customs
	national taxes	customs duty
	reassessment or determination, etc. (including the notice of tax due provided for in of Article 36, paragraph (1) (Notice of Tax Due) (limited to the notice pertaining to item (ii) of that paragraph); hereinafter the same applies in this Article)	reassessment, determination or determination for official assessment (hereinafter referred to as "reassessment or determination, etc." in this Article)
	taxpayer (meaning taxpayer set forth in Article 74-9, paragraph (3), item (i) (Prior Notice of Examination to a Taxpayer); hereinafter the same applies in this Article)	importer
Article 74-11, paragraph (2)	national taxes	customs duty
	taxpayer	importer
Article 74-11, paragraph (3)	taxpayer	importer
	return filed after the due date	special declaration after deadline prescribed in Article 7-4, paragraph (1) (Special Declaration after Deadline) of the Customs Act
	tax return	declaration form pertaining to those declarations
Article 74-11,	taxpayer	importer

paragraph (6)	filing of a return form after the deadline or payment of withholding income tax	filing of a special declaration form after the deadline as provided for in Article 7-4, paragraph (2) of the Customs Act
	Articles 74-2 to 74-6 (Right of Inquiries and Inspection of Officials)	Article 105, paragraph (1), item (vi) (Authority of Customs Officials) of the Customs Act

(Request for Cooperation to Public Agencies)

Article 105-3 Customs officials, when it is necessary for performing their duties pursuant to the provisions of this Act, the Customs Tariff Act or other laws concerning customs duties, may request a public agency or government-affiliated agencies to enable them to inspect or provide them with books and documents or other objects useful as reference for performing their duties, or to extend other forms of cooperation.

(Authority of the Director General of Customs in Special Cases)

Article 106 The Director General of Customs, if there are adequate grounds to believe that it is unavoidably necessary for ensuring the implementation of this Act, may perform the acts set forth in the following items:

- (i) to temporarily suspend the loading of cargo onto, or unloading of cargo from, a vessel or aircraft engaged in foreign trade or a vessel or aircraft other than a vessel or aircraft engaged in foreign trade, which carries foreign cargo on board, or temporary suspension of handling of cargo stored in a bonded area, or to require any cargo to be removed from a bonded area within a period to be specified;
- (ii) to temporarily postpone the departure of a vessel or an aircraft or to temporarily suspend its navigation.

(Delegation of Authority of the Director General of Customs)

Article 107 The Director General of Customs, pursuant to the provisions of Cabinet Order, may delegate part of their authority to the chief of customs branch or of other customs office.

(Territory Deemed to Be a Foreign Country)

Article 108 To apply this Act, the areas of Japan that are prescribed by Cabinet Order are deemed to be a foreign country until otherwise provided for by law.

(Provision of Information)

Article 108-2 (1) The Minister of Finance may provide the authorities that

enforce foreign laws and regulations (hereinafter referred to as "foreign customs authorities" in this Article and the following Article) equivalent to this Act, the Customs Tariff Act and other laws concerning customs duties (hereinafter referred to as "customs laws and regulations" in this Article and the following Article) with information which is found to contribute to the execution of their duties (limited to the duties equivalent to those of customs as prescribed by customs laws and regulations; hereinafter the same applies in this Article and the following Article); provided, however, that this does not apply if it is found that provision of the information is likely to cause difficulty in properly enforcing customs laws and regulations or to infringe on the interests of Japan.

- (2) The Minister of Finance, at the time of providing information provided for in the preceding paragraph to foreign customs authorities, must confirm the following particulars:
 - (i) that the foreign customs authorities are able to provide Japanese customs authorities with information equivalent to the information prescribed in the preceding paragraph;
 - (ii) that maintenance of confidentiality is ensured under the laws and regulations of the foreign countries at the level equivalent to that of Japan with respect to the information provided pursuant to the provisions of the preceding paragraph as confidential information;
 - (iii) that the information provided pursuant to the provisions of the preceding paragraph is not used by the foreign customs authorities for the purposes other than those contributing to the execution of their duties.
- (3) Appropriate measures must be taken with respect to the information provided pursuant to the provisions of paragraph (1) so that the information may not be used in criminal proceedings executed by a foreign court or judge (referred to simply as "criminal proceedings" in the following paragraph) without the consent prescribed in the following paragraph.
- (4) Except in a case falling under any of the following items, if requested to do so by foreign customs authorities, the Minister of Finance may give consent to use the information that the Minister has provided pursuant to the provisions of paragraph (1) in criminal proceedings that the request concerns:
 - (i) if the crime subject to the criminal proceedings that the request concerns is a political crime or if the request is found to have been made for the purpose of conducting criminal proceedings for a political crime;
 - (ii) if the actions involved in the offense that is subject to the criminal proceedings that the request concerns would not constitute a crime under the laws and regulations of Japan if those actions had taken place in Japan;
 - (iii) if the foreign country making the request does not guarantee that it will comply with a similar request from Japan.

- (5) The Minister of Finance, when giving the consent referred to in the preceding paragraph, must obtain in advance confirmation of the Minister of Justice that items (i) and (ii) of that paragraph are not applicable or confirmation of the Minister of Foreign Affairs that item (iii) of that paragraph is not applicable.

(Attendance)

Article 108-3 (1) The Minister of Finance, when any foreign customs authority requests approval of attendance of their officials at the time when Japanese customs officials make inquiries based on customs laws and regulations, on the grounds that those officials' attendance is necessary for the execution of their duties, if it is considered appropriate to accept the request, may approve the attendance; provided, however, that this does not apply if it is found that approval of the attendance is likely to cause difficulty in properly enforcing customs laws and regulations or to infringe on the interests of Japan or if no consent is obtained from the person to be inquired under Article 105 (Authority of Customs Officials) (including as applied *mutatis mutandis* pursuant to other laws concerning customs duties).

(2) The Minister of Finance, at the time of providing approval of attendance of officials of foreign customs authorities as prescribed in the preceding paragraph, must confirm the following matters:

- (i) that the foreign customs authorities may approve the attendance of the officials of Japanese customs authorities that corresponds to the attendance prescribed in the preceding paragraph;
- (ii) that the maintenance of confidentiality is ensured at the same level as that of Japan under the laws and regulations of the foreign country concerned with respect to the information obtained under the attendance prescribed in the preceding paragraph (excluding information already made publicly available).

Chapter X Penal Provisions

Article 108-4 (1) A person who exports cargo set forth in Article 69-2, paragraph (1), item (i) (Cargo Prohibited for Export) (including a person that sends back (excluding when this is done as ordered pursuant to the provisions of Article 69-11, paragraph (2) (Cargo Prohibited for Import)) foreign cargo (excluding cargo temporarily landed) from Japan to a foreign country) is subject to imprisonment with work for not more than ten years or a fine of not more than thirty million yen, or both.

(2) A person that exports cargo as set forth in Article 69-2, paragraph (1), items (ii) through (iv) (including a person sending back (excluding when this is done by a person who may, under other laws and regulations, send back cargo set

forth in items (iii) and (iv) of that paragraph pursuant to the provisions of those other laws and regulations and when this is done as ordered pursuant to the provisions of Article 69-11, paragraph (2)) foreign cargo (excluding cargo temporarily landed) from Japan to a foreign country) is punished by imprisonment with work for not more than ten years or a fine of not more than ten million yen, or both.

- (3) The preceding two paragraphs also apply to a person that began to commit an offense as referred to in one of those paragraphs but did not accomplish it.
- (4) A person who makes preparations with the intention of committing the offense referred to in paragraph (1) is punished by imprisonment with work for not more than five years or a fine of not more than thirty million yen, or both.
- (5) A person who makes preparations with the intention of committing the offense referred to in paragraph (2) is punished by imprisonment with work for not more than five years or a fine of not more than five million yen, or both.

Article 109 (1) A person who has imported cargo as set forth in Article 69-11, paragraph (1), items (i) through (vi) (Cargo Prohibited for Import) is punished by imprisonment with work for not more than ten years or a fine of not more than thirty million yen, or both.

- (2) A person who has imported cargo set forth in Article 69-11, paragraph (1), items (vii) through (x) is punished by imprisonment with work for not more than ten years or a fine of not more than ten million yen, or both.
- (3) The preceding two paragraphs also apply to a person that began to commit an offense as referred to in one of those paragraphs but did not accomplish it.
- (4) A person who makes preparations with the intention of committing the offense referred to in paragraph (1) is punished by imprisonment with work for not more than five years or a fine of not more than thirty million yen, or both.
- (5) A person who makes preparations with the intention of committing the offense referred to in paragraph (2) is punished by imprisonment with work for not more than five years or a fine of not more than five million yen, or both.

Article 109-2 (1) A person who stores cargo (limited to cargo that has arrived in Japan other than for the purpose of import) set forth in Article 69-11, paragraph (1), items (i) through (iv), (v)-2 and (vi) (Cargo Prohibited for Import) in a bonded area in violation of Article 30, paragraph (2) (Restrictions on Places for Storing Foreign Cargo) or transports the cargo as foreign cargo in violation of Article 65-3 (Cargo That May Not Be Transported Using Bonded Transportation) is punished by imprisonment with work for not more than ten years or a fine of not more than ten million yen, or both.

- (2) A person who stores cargo set forth in Article 69-11, paragraph (1), items (viii) through (x) (limited to cargo that has arrived in Japan other than for the

purpose of import; in the case of cargo set forth in item (ix) of that paragraph, those which solely infringe layout-design exploitation right are excluded) in a bonded area in violation of Article 30 paragraph (2), or a person who transports such cargo as foreign cargo in violation of Article 65-3 is punished by imprisonment with work for not more than ten years or a fine of not more than seven million yen, or both.

- (3) The preceding two paragraphs also apply to a person that began to commit an offense as referred to in one of those paragraphs but did not accomplish it.
- (4) A person who makes preparations with the intention of committing the offense referred to in paragraph (1) is punished by imprisonment with work for not more than five years or a fine of not more than five million yen, or both.
- (5) A person who makes preparations with the intention of committing the offense referred to in paragraph (2) is punished by imprisonment with work for not more than five years or a fine of not more than three million yen, or both.

Article 110 (1) A person who falls under any of the following items is punished by imprisonment with work for not more than ten years or a fine of not more than ten million yen, or both:

- (i) a person using deception or other wrongful actions to avoid customs duties or to get a refund of customs duties;
 - (ii) a person using deception or other wrongful actions to import cargo for which duties must be paid without paying customs duties.
- (2) The preceding paragraph also applies to a customs broker that has used deception or other wrongful actions to evade customs duties or get them refunded, or to import cargo for which customs duties must be paid without paying customs duties.
 - (3) The preceding two paragraphs also apply to a person that began to commit an offense as referred to in one of those paragraphs but did not accomplish it.
 - (4) When ten times the amount of customs duties or the amount of a refund of customs duties that is involved in an offense as referred to in one of the preceding three paragraphs exceeds ten million yen, the fine referred to in the preceding three paragraphs, in the light of circumstances, may be more than ten million yen, but not more than the amount equivalent to ten times the amount of the customs duties or the amount of the refund of customs duties.
 - (5) A person who makes preparations with the intention of committing the offense referred to in paragraph (1) or (2) is punished by imprisonment with work for not more than five years or a fine of not more than five million yen, or both.
 - (6) When ten times the amount of customs duties or the amount of refund of customs duties that is involved in an offense as referred to in one of the preceding paragraph exceeds five million yen, the fine prescribed in the

preceding paragraph, in the light of circumstances, may be more than five million yen, but not more than the amount equivalent to ten times the amount of the customs duties or the amount of refund of customs duties.

Article 111 (1) A person who falls under any of the following items is punished by imprisonment with work for not more than five years or a fine of not more than ten million yen, or both; provided, however, that when five times the value of cargo involved in the offense exceeds ten million yen, the fine is not to be more than five times that value:

(i) a person who, without permission, exports (including sending back foreign cargo (excluding cargo temporarily landed) from Japan to a foreign country; the same applies in the following item and the following paragraph) or imports cargo that requires the permission referred to in Article 67 (Permission for Export or Import) (including as applied *mutatis mutandis* pursuant to Article 75 (Reshipment of Foreign Cargo); the same applies in the following item and the following paragraph);

(ii) a person that has imported or exported cargo while making a false declaration or a false certification or by submitting false documents, at the time of declaration or inspection referred to in Article 67.

(2) The preceding paragraph also applies to a customs broker who exported or imported cargo based on a false declaration or a false certification made, or on false documents submitted by the customs broker at the time of declaration or inspection referred to in Article 67.

(3) The preceding two paragraphs also apply to a person that began to commit an offense as referred to in one of those paragraphs but did not accomplish it.

(4) A person who makes preparations with the intention of committing the offense referred to in paragraph (1) or (2) is punished by imprisonment with work for not more than three years or a fine of not more than five million yen, or both; provided, however, that when five times the value of cargo involved in the offense exceeds five million yen, the fine is not to be more than five times the value.

Article 112 (1) A person who knowingly transports, retains, acquires with or without compensation or, mediates or arranges disposal of (hereinafter these acts are referred to as the "transportation or other such handling" of cargo in this Article) cargo involved in the offense referred to in Article 108-4, paragraph (1) or (2) (Offense of Exporting Cargo Prohibited for Export), Article 109, paragraph (1) or (2) (Offense of Importing Cargo Prohibited for Import), Article 109-2, paragraph (1) or (2) (Offense of Storing Cargo Prohibited for Import in Bonded Area) or Article 110, paragraph (1) (Offense of Evading Customs Duties), is punished by imprisonment with work for not more than

five years or a fine of not more than five million yen, or both.

- (2) When five times the amount of customs duties or the amount of refund of customs duties that is involved in an offense as referred to in Article 110, paragraph (1) which is connected with the cargo involved in an offense as referred to in the preceding paragraph exceeds five million yen, the fine referred to in the preceding paragraph, in the light of circumstances, may be more than five million yen, but not more than the amount equivalent to five times the amount of the customs duties or amount of refund of customs duties.
- (3) A person who knowingly engages in the transportation or other such handling of cargo involved in an offense as referred to in paragraph (1) of the preceding Article is punished by imprisonment with work for not more than three years or a fine of not more than five million yen, or both; provided, however, that if three times the value of the cargo involved in the offense exceeds five million yen, the fine is not to be more than three times the value.

Article 112-2 A person who violates Article 13, paragraph (6) (Uses for Purposes Other Than for Those Intended) of the Customs Tariff Act (including as applied *mutatis mutandis* pursuant to Article 19, paragraph (2) of that Act) or Article 20-2, paragraph (2) (Uses for Purposes Other Than for Those Intended) of that Act, is punished by imprisonment with work for not more than one year or a fine of not more than two million yen.

Article 113 A master or a captain (including a person that performs the duties on behalf of a master or captain; hereinafter the same applies in Article 114, paragraph (1) and Article 115, paragraph (1) (Offense of Failing to Make a Report)) who brings a vessel or aircraft engaged in foreign trade into or out of a closed port in violation of Article 20, paragraph (1) (Entry into Departure from Closed Port) is punished by imprisonment with work for not more than three years or a fine of not more than three million yen.

Article 113-2 A person who fails to submit a special declaration form by the submission deadline without reasonable grounds is punished by imprisonment with work for not more than one year or a fine of not more than two million yen; provided, however, that the person may be exempted from punishment, in light of circumstances.

Article 114 (1) A person who falls under any of the following items is punished by imprisonment with work for not more than one year or a fine of not more than five hundred thousand yen:

- (i) a master or a captain who brings a vessel or aircraft into a port without making a report prescribed in Article 15, paragraph (1), (4) or (9) (Procedures

- for Entry into Port) or by making a false report;
- (ii) a master or a captain who fails to submit documents prescribed in Article 15, paragraph (2), (5) or (10) or submits false documents;
 - (iii) a master who fails to submit a notification of arrival in port or vessel's stores manifest provided for in Article 15, paragraph (3), in violation of that paragraph or submits a false notification of arrival in port or a false vessel's store manifest;
 - (iv) a master who fails to present, in violation of Article 15, paragraph (3), a certificate of vessel's nationality or a document in lieu thereof, as provided for in that paragraph;
 - (v) a captain, in violation of paragraph (11) of Article 15, who fails to submit a notification of arrival in port provided for in that paragraph or submits a false notification of arrival in port;
 - (vi) a master or a captain who brings a vessel or aircraft out of an open port or a customs airport without permission prescribed in the first sentence of Article 17, paragraph (1) (Procedures for Departure from Port);
 - (vii) a master or a captain who does not submit documents in response to the request prescribed in the second sentence of Article 17, paragraph (1) or submits false documents;
 - (viii) a master who brings a vessel out of a port without submitting a notification of arrival in port provided for in Article 18, paragraph (2) (Simplified Procedures for Entry into or Departure from Port) in violation of that paragraph or submits a false notification of arrival in port, or a captain of aircraft, in violation of paragraph (4) of that Article, who brings aircraft out of an airport without making a notification prescribed in that paragraph or makes a false notification;
 - (ix) a captain who brings aircraft into an airport without making a report prescribed in the proviso to Article 18, paragraph (3) or by making a false report;
 - (x) a captain who fails to submit documents prescribed in the proviso to Article 18, paragraph (3), or Article 18, paragraph (4), or submits false documents;
 - (xi) a master or a captain who fails to make a notification prescribed in Article 20, paragraph (2) (Entry into or Departure from Closed Port);
 - (xii) a master or a captain who fails to make a notification prescribed in Article 21 (Temporary Landing of Foreign Cargo), or makes a false notification;
 - (xiii) a master or a captain who fails to make a notification prescribed in Article 22 (Notification of Call at Foreign Port for Coasting Vessels) or fails to submit a manifest provided for in the Article;
 - (xiv) a master or a captain who fails to make a notification or makes a false notification in violation of Article 25, paragraph (1) (Change in the Status of Vessel or Aircraft) and uses a vessel or aircraft other than a vessel or aircraft

engaged in foreign trade as a vessel or aircraft engaged in foreign trade, or uses a vessel or aircraft engaged in foreign trade as a vessel or aircraft other than a vessel or aircraft engaged in foreign trade

- (2) When the act to be performed by a master or captain of a vessel or aircraft engaged in foreign trade pursuant to the provisions of Article 26 (Acting for Captain or Master) is performed by an owner, administrator, or agent of that vessel or aircraft (meaning an owner, administrator, or agent provided for in that Article), if the owner, administrator, or agent falls under any of the following items, they are punished by imprisonment with work for not more than one year or a fine of not more than five hundred thousand yen:
- (i) an owner, administrator, or agent that makes a false report for a report prescribed in Article 15, paragraph (1), (4) or (9) (but only if a vessel or aircraft engaged in foreign trade that the report concerns enters an open port or a customs airport);
 - (ii) an owner, administrator, or agent that submits a false document for a document under Article 15, paragraph (2), (5) or (10);
 - (iii) an owner, administrator, or agent that submits a false notification of arrival in port or a false vessel's stores manifest with respect to the notification of arrival in port or a vessel's stores manifest provided for in Article 15, paragraph (3);
 - (iv) an owner, administrator, or agent that submits a false notification of arrival in port with respect to the notification of arrival in port provided for in Article 15, paragraph (11);
 - (v) an owner, administrator, or agent that submits a false document for a document under the second sentence of Article 17, paragraph (1);
 - (vi) an owner, administrator, or agent who submits a false notification of arrival in port with respect to a notification of arrival in port provided for in Article 18, paragraph (2) or makes a false notification for a notification under paragraph (4) of that Article;
 - (vii) an owner, administrator, or agent that makes a false report for a report under the proviso to Article 18, paragraph (3) (but only if aircraft engaged in foreign trade that the report concerns enters a customs airport);
 - (viii) an owner, administrator, or agent that submits a false document for a document under the proviso to Article 18, paragraph (3) or paragraph (4);
 - (ix) an owner, administrator, or agent that makes a false notification for a notification under Article 21;
 - (x) an owner, administrator, or agent that makes a false notification for a notification under Article 25, paragraph (1) (but only if a vessel or aircraft other than a vessel or aircraft engaged in foreign trade that the notification concerns is used as a vessel or aircraft engaged in foreign trade or a vessel or aircraft engaged in foreign trade, that the notification concerns is used as a

vessel or aircraft other than a vessel or aircraft engaged in foreign trade).

Article 114-2 A person who falls under any of the following items is punished by imprisonment with work for not more than one year or a fine of not more than five hundred thousand yen:

- (i) a person who fails to make a report prescribed in Article 15, paragraph (7), (8) or (13) (Procedures for Entry into Port) or makes a false report;
- (ii) a person who fails to make a report prescribed in Article 15-2, paragraph (2) (Reporting on the Particulars of Cargo) or makes a false report;
- (iii) a person who loads or unloads cargo without making a report prescribed in Article 16, paragraph (1) (Loading and Unloading of Cargo) and without submitting documents, or by making a false report or submitting false documents, or a person who loads or unloads cargo without submitting documents prescribed in paragraph (2) of that Article or by presenting false documents;
- (iv) a person in violation of Article 16, paragraph (3), who unloads cargo without obtaining permission prescribed in the proviso to the paragraph;
- (v) a person who fails to make a report prescribed in the first sentence of Article 17, paragraph (4) (Procedures for Departure from Port) or makes a false report;
- (vi) a person who fails to make a report prescribed in the first sentence of Article 20, paragraph (4) (Entry into or Departure from Closed Port) or makes a false report;
- (vii) a person who loads vessel's or aircraft's stores in violation of Article 23, paragraph (1) or (2) (Loading of Vessel's or Aircraft's Stores);
- (viii) a person who fails to submit documents prescribed in the main clause of Article 23, paragraph (5) or submits false documents;
- (ix) a person who travels, or loads or unloads cargo in violation of Article 24, paragraph (1), (2) or (4) (Travel between Vessel or Aircraft and Land);
- (x) a person who transports foreign cargo in violation of Article 63, paragraph (1) or (3) (Bonded Transportation), Article 63-2, paragraph (1) or (2) (Special Provisions for Bonded Transportation) or Article 63-9, paragraph (1) or (2) (Bonded Transportation of Postal Items);
- (xi) a person who fails to obtain certification prescribed in the main clause of Article 63, paragraph (5), Article 63-2, paragraph (3) or Article 63-9, paragraph (3);
- (xii) a person who transports, in violation of Article 64, paragraph (1) (Transportation of Wrecked Cargo), foreign cargo set forth in the items of that paragraph, or a person who fails to submit documents in violation of paragraph (3) of that Article;
- (xiii) a person who transports domestic cargo on board a vessel or aircraft

- engaged in foreign trade from one place to another in Japan in violation of Article 66, paragraph (1) (Transportation of Domestic Cargo), or who fails to submit documents in violation of paragraph (2) of that Article;
- (xiv) a person who gives a false proof at the time of the inspection referred to in the proviso to Article 76, paragraph (1) (Simplified Procedures for Exporting and Importing Postal Items) or other customs inspection of postal items;
 - (xv) a person who fails to make a report prescribed in Article 77-5, paragraph (2) (Rectification of Illegal Acts) or makes a false report;
 - (xvi) a person who does not answer questions made by customs officials prescribed in Article 105, paragraph (1) (Authority of Customs Officials) or makes a false statement, or refuses, interferes with or evades the execution of their duties;
 - (xvii) a person who refuses, without reasonable grounds, the request to present or submit objects prescribed in Article 105, paragraph (1), item (iv)-2 or (vi), or presents or submits books and documents or other objects (including copies thereof) containing false statements or records;
 - (xviii) a person who refuses, interferes with or evades the execution of disposition of the Director General of Customs prescribed in Article 106 (Authority of the Director General of Customs in Special Cases) (including a person to whom part of the authority is delegated pursuant to the provisions of Article 107 (Delegation of Authority of the Director General of Customs)).

Article 115 (1) A person who falls under any of the following items is punished by imprisonment with work for not more than one year or a fine of not more than three hundred thousand yen:

- (i) a master or a captain who brings a vessel or aircraft into a port, without making a report prescribed in Article 15-3, paragraph (1) (Procedures for Entry into Port for Special Vessel or Aircraft) or by making a false report;
- (ii) a master or a captain who fails to submit documents prescribed in Article 15-3, paragraph (2) or submits false documents;
- (iii) a master or a captain who, in violation of Article 15-3, paragraph (3), fails to submit a notification of arrival in port provided for in that paragraph or submits a false notification of arrival in port;
- (iv) a master or a captain who, in violation of the first sentence of Article 17-2, paragraph (1) (Procedures for Departure from Port for Special Vessel or Aircraft), brings a vessel or an aircraft out of a port without submitting a clearance notice provided for in that paragraph or by submitting a false clearance notice;
- (v) a master or a captain who does not respond to the request for submitting a document prescribed in the second sentence of Article 17-2, paragraph (1) or who submits a false document;

- (vi) a master or a captain who brings a vessel or an aircraft into a port, without making a report prescribed in the proviso to Article 18-2, paragraph (1) or paragraph (3) (Simplified Procedures for Entry into or Departure from Port for Special Vessel or Aircraft) or by making a false report;
 - (vii) a master or a captain who fails to submit documents prescribed in the provisions of the proviso to Article 18-2, paragraph (1), Article 18-2, paragraph (2), paragraph (3) or paragraph (4), or who submits false documents;
 - (viii) a master who, in violation of Article 18-2, paragraph (2) brings a vessel out of a port without submitting a notification of arrival in port provided for in that paragraph or submits a false notification of arrival in port, or a captain who, in violation of paragraph (4) of that Article, brings an aircraft out of an airport without making a notification prescribed in that paragraph or by making a false notification;
 - (ix) a master or a captain who brings a vessel or an aircraft into a port, without making a report prescribed in Article 20-2, paragraph (1) (Entry into or Departure from Closed Port for Special Vessel or Aircraft) or by making a false report;
 - (x) a master or a captain who fails to submit documents prescribed in Article 20-2, paragraph (2) or submits false documents;
 - (xi) a master or a captain who, in violation of Article 20-2, paragraph (3), fails to submit a notification of arrival in port provided for in that paragraph or submits a false notification of arrival in port;
 - (xii) a master or a captain who, in violation of the first sentence of Article 20-2, paragraph (4), brings a vessel or an aircraft out of a port without submitting a clearance notice provided for in that paragraph or by submitting a false clearance notice;
 - (xiii) a master or a captain who does not respond to the request for submitting a document prescribed in the second sentence of Article 20-2, paragraph (4) or who submits a false document;
 - (xiv) a master or a captain who uses a coastal vessel, etc. as a special vessel or aircraft or uses a special vessel or aircraft as a coastal vessel, etc. without making a notification in violation of Article 25, paragraph (2) (Change in the Status of Vessels or Aircraft) or by making a false notification.
- (2) When the acts which are required to be performed by a master or a captain of a special vessel or aircraft under Article 26 (Acting for Captain or Master) are performed by an owner, administrator, or agent of the special vessel or aircraft (meaning an owner, administrator, or agent as provided for in the Article), if the owner, administrator, or agent falls under any of the following items, they are punished by imprisonment with work for not more than one year or a fine of not more than three hundred thousand yen:

- (i) an owner, administrator, or agent who makes a false report for a report under Article 15-3, paragraph (1) (but only if a special vessel or aircraft that the report concerns enters an open port or a customs airport);
- (ii) an owner, administrator, or agent who submits a false document for a document under Article 15-3, paragraph (2);
- (iii) an owner, administrator, or agent who submits a false notification of arrival in port with respect to a notification of arrival in port provided for in Article 15-3, paragraph (3);
- (iv) an owner, administrator, or agent who submits a false clearance notice with respect to a clearance notice provided for in the first sentence of Article 17-2, paragraph (1);
- (v) an owner, administrator, or agent who submits a false document with respect to a document provided for in the second sentence of Article 17-2, paragraph (1);
- (vi) an owner, administrator, or agent who makes a false report for a report under the proviso to Article 18-2, paragraph (1) or paragraph (3) (but only if a special vessel or aircraft that the report concerns enters an open port or a customs airport);
- (vii) an owner, administrator, or agent who submits a false document for a document under the provisions of the proviso to Article 18-2, paragraph (1), paragraph (2), or paragraph (3), or of paragraph (4);
- (viii) an owner, administrator, or agent who submits a false notification of arrival in port for a notification of arrival in port provided for in Article 18-2, paragraph (2), or makes a false notification for a notification under paragraph (4) of that Article;
- (ix) an owner, administrator, or agent who makes a false report for a report under Article 20-2, paragraph (1) (but only if a special vessel or aircraft that the report concerns enters a closed port);
- (x) an owner, administrator, or agent who submits a false document for a document under Article 20-2, paragraph (2);
- (xi) an owner, administrator, or agent who submits a false notification of arrival in port with respect to a notification of arrival in port provided for in Article 20-2, paragraph (3);
- (xii) an owner, administrator, or agent who submits a false clearance notice with respect to a clearance notice provided for in the first sentence of Article 20-2, paragraph (4);
- (xiii) an owner, administrator, or agent who submits a false document for a document under the second sentence of Article 20-2, paragraph (4);
- (xiv) an owner, administrator, or agent that makes a false notification for a notification under Article 25, paragraph (2) (but only if a coastal vessel, etc. that the notification concerns is used as a special vessel or aircraft or a

special vessel or aircraft that the notification concerns is used as a coastal vessel, etc.).

Article 115-2 A person who falls under any of the following items is punished by imprisonment with work for not more than one year or a fine of not more than three hundred thousand yen:

- (i) a person who, in violation of Article 7-9, paragraph (1), Article 67-8, paragraph (1), or Article 94, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (2) of that Article) (Keeping of Books), fails to make entries in the books or makes a false statement in the books, or conceals the books;
- (ii) a person who fails to make a report provided for in Article 15-3, paragraph (5) (Procedures for Entry into Port for Special Vessel or Aircraft) or makes a false report;
- (iii) a person who does not make a report provided for in Article 17-2, paragraph (3) (Procedures for Departure from Port for Special Vessel or Aircraft) or who makes a false report;
- (iv) a person who, in violation of Article 19 (Loading and Unloading of Cargo Outside Official Office Hours), fails to make a notification, or loads or unloads cargo after making a false notification;
- (v) a person who fails to make a report provided for in Article 20-2, paragraph (6) (Entry into or Departure from Closed Port for Special Vessel or Aircraft) or makes a false report;
- (vi) a person who, in violation of Article 32 (Temporary Taking out of Samples) (including as applied mutatis mutandis pursuant to Article 36, paragraph (1) (Mutatis Mutandis Application of Provisions on Bonded Area)), temporarily brings out foreign cargo as samples without permission;
- (vii) a person who, in violation of Article 34-2 or Article 61-3 (Obligation of Record Keeping) (including as applied mutatis mutandis pursuant to Article 62-7 (Mutatis Mutandis Application of Provisions on Bonded Warehouses and Bonded Factories)), fails to make entries in the books or makes a false statement in the books, or conceals the books;
- (viii) a person who, in violation of Article 36, paragraph (2), performs checking, repacking, sorting the content or other normal handling operations of cargo;
- (ix) a person who performs acts other than those permitted to be performed in a designated bonded area or a bonded warehouse pursuant to the provisions of Article 40, paragraph (1) or (2) (Handling of Cargo) (including as applied mutatis mutandis pursuant to Article 49 (Mutatis Mutandis Application of Provisions on Designated Bonded Areas)) with respect to foreign cargo or cargo that a person seeks to export;
- (x) a person who, in violation of Article 61, paragraph (1) (Bonded Operations

- Outside a Bonded Factory) (including as applied mutatis mutandis pursuant to Article 62-15 (Mutatis Mutandis Application of the Provisions on Bonded Warehouses, Bonded Factories, and Bonded Exhibition Sites)), brings, without permission, foreign cargo out of a bonded factory or an integrated bonded area for bonded operations;
- (xi) a person who, in violation of Article 43-3, paragraph (1) (Approval to Store Foreign Cargo), as applied mutatis mutandis pursuant to Article 61-4 (Mutatis Mutandis Application of Provisions on Bonded Warehouses) or Article 62-10 (Approval to Store Foreign Cargo or Take Other Such Action), uses foreign cargo for bonded operations or who performs the acts set forth in Article 62-8, paragraph (1), item (ii) or (iii) (Licensing of Integrated Bonded Areas), without obtaining approval;
 - (xii) a person who performs acts other than those permitted to be performed in a bonded exhibition site or an integrated bonded area with respect to foreign cargo pursuant to the provisions of Article 62-2, paragraph (3) (Licensing of Bonded Exhibition Sites) or Article 62-8, paragraph (1);
 - (xiii) a person who fails to make a declaration prescribed in Article 62-3, paragraph (1) (Procedures for Foreign Cargo Being Brought into a Bonded Exhibition Site) or makes a false declaration, or performs, without obtaining approval of the Director General of Customs referred to in that paragraph, acts referred to in Article 62-2, paragraph (3) (excluding acts deemed to be permitted to be performed pursuant to the provisions of Article 62-3, paragraph (4));
 - (xiv) a person who, in violation of Article 62-4, paragraph (1) (Restrictions on Places for Storing Cargo Meant for Sale, Use, or Consumption) (including as applied mutatis mutandis pursuant to Article 62-15), stores cargo referred to in that paragraph in a place other than restricted places, or fails to make a report in response to the request prescribed in that paragraph or makes a false report;
 - (xv) a person who, in violation of Article 62-5 (Permission for Use Outside a Bonded Exhibition Site) (including as applied mutatis mutandis pursuant to Article 62-15), brings foreign cargo out of a bonded exhibition site or an integrated bonded area for use at a place other than a bonded exhibition site or an integrated bonded area without obtaining permission;
 - (xvi) a person who brings foreign cargo provided for in Article 62-11 (Notification That Cargo Meant for Sale or Consumption Is Being Brought In) into an integrated bonded area, without making a notification prescribed in the Article or after making a false notification.

Article 115-3 A person who divulges any secrets, in violation of Article 69-21, paragraph (1) (Technical Advisors), is punished by imprisonment with work for

not more than six months or a fine of not more than five hundred thousand yen.

Article 116 A person who, due to gross negligence, commits the offense prescribed in Article 111, paragraph (1), item (ii) (Offense of Exporting or Importing Cargo without Permission), Article 113 (Offense of Entering or Departing from Closed Port without Obtaining Permission), Article 114, Article 114-2 (excluding items (xvi) and (xvii)), Article 115 (Offense of Failure to Make Reports) or Article 115-2 (excluding items (i), (vii) and (xvi)) (Offense of Failure to Make Entries in Books) is punished by a fine prescribed respectively in the Articles.

Article 117 (1) When a representative of a corporation or an agent, an employee or other workers of a corporation or of an individual has, with respect to the business or assets of the corporation or individual, committed a violation falling under Articles 108-4 to 112 (Offense of Exporting Cargo Prohibited for Export; Offense of Importing Cargo Prohibited for Import; Offense of Storing in Bonded Area Cargo Prohibited for Import; Offense of Evading Customs Duties; Offense of Exporting or Importing Cargo without Permission; Offense of Transporting Smuggled Cargo), Article 112-2 (Offense of Using Cargo for Purposes Other Than Their Intended Purpose), Article 113-2 (Offense of Failure to File Special Declaration Form by the Submission Deadline), Article 114-2 (Offense of Failure to Make Report), Article 115-2 (Offense of Failure to Make Entries in Books) or the preceding Article (excluding a violation that Article 113 (Offense of Entering or Departing from Closed Port without Permission) or Articles 114 and 115 (Offense of Failure to Make Report) concern), not only is the offender punished, but also the corporation or individual is punished by a fine prescribed respectively in the Articles.

(2) The period of prescription if a fine is, pursuant to the provisions of the preceding paragraph, imposed on a corporation or an individual for having committed the offense referred to in Articles 108-4 to 109-2, Article 110, paragraphs (1) through (3) or (5) or Article 111, paragraphs (1) through (3) or Article 112, paragraph (1) is the period of prescription applicable to the offenses referred to in these provisions.

(3) An association without legal personality, etc. (meaning an unincorporated association or foundation that has a provision for its representative or manager; the same applies in the following paragraph) is deemed to be a corporation and the preceding two paragraphs apply accordingly.

(4) When paragraph (1) applies to an association without legal personality, etc., its representative or manager represents the association without legal personality, etc. for its procedural acts, and the provisions of laws concerning criminal procedures that are applicable when a corporation stands as the

accused or suspect apply mutatis mutandis.

Article 118 (1) Cargo involved in an offense as referred to in Articles 108-4 through Article 111 (Offense of Exporting Cargo Prohibited for Export; Offense of Importing Cargo Prohibited for Import; Offense of Storing in Bonded Area Cargo Prohibited for Import; Offense of Evading Customs Duties; Offense of Exporting or Importing Cargo without Permission) (cargo involved in an offense as referred to in Article 110 or 111 is limited to import-restricted cargo and equivalent goods), a vessel or an aircraft used for the criminal acts or cargo involved in an offense as referred to in Article 112 (Offense of Transporting Smuggled Cargo) (limited to cargo involved in an offense as referred to in Article 108-4 or 109 and import-restricted cargo and equivalent goods) (hereinafter referred to collectively as "offending cargo" in this Article) is to be confiscated; provided, however, that this does not apply if the offending cargo is owned by a person other than the offender and the person falls under any of the following items:

- (i) when it is found that the person without knowing in advance about the commitment of offense referred to in Articles 108-4 through 112, has continuously possessed offending cargo since the offense was committed;
 - (ii) when it is found that the person unknowingly acquired offending cargo after the offense set forth in the preceding item was committed.
- (2) If offending cargo (excluding a vessel or an aircraft referred to in the preceding paragraph; hereinafter the same applies in this paragraph) which is to be confiscated pursuant to the provisions of the preceding paragraph cannot be confiscated or if it is not confiscated pursuant to the provisions of item (ii) of that paragraph (in both cases, if the offense is as referred to in Article 112 (Offense of Transporting Smuggled Cargo), this is limited to if it involves the acquisition of cargo referred to in Article 112, paragraph (1) or (3)), an amount equivalent to the value of cargo (meaning the value at the time when the offense was committed) which cannot be confiscated or which is not confiscated is to be collected from the offender.
- (3) The term "import-restricted cargo and equivalent goods" as used in paragraph (1) means cargo for import that falls under one of the following items at the time the offense referred to in that paragraph was committed with respect to the cargo:
- (i) cargo set forth in the following sub-items:
 - (a) liquors provided for in Article 2, paragraph (1) (Definitions) of the Liquor Tax Act (Act No. 6 of 1953);
 - (b) manufactured tobacco provided for in Article 2, item (iii) (Definitions) of the Tobacco Business Act (Act No. 68 of 1984) (including substitutes for manufactured tobacco provided for in Article 38, paragraph (2) (Substitutes

- for Manufactured Tobacco) of that Act);
- (c) State monopoly goods;
- (ii) other than cargo otherwise falling under the preceding item, cargo constituting non-liberalized import items (meaning those items for which an import quota is required to be allocated pursuant to the provisions of the Foreign Exchange and Foreign Trade Act and the order based on the Act) (excluding cargo to which an approval for import referred to in Article 52 (Import Approval) of that Act is granted, cargo which are permitted to be imported without the approval, cargo imported as accompanied cargo by a person upon their entry into Japan or imported, as unaccompanied cargo, by that person pursuant to the provisions of Cabinet Order and postal items).
- (4) If offending cargo is confiscated or an equivalent value is collected in lieu of confiscation pursuant to the provisions of paragraphs (1) and (2), no customs duties are imposed on that offending cargo.
- (5) If offending cargo is not confiscated pursuant to the provisions of paragraph (1), item (i) and customs duties are to be collected, they are collected immediately from the owner of the cargo; provided, however, that if this cargo is brought into a bonded area as foreign cargo within the period specified by the Director General of Customs, it is deemed not to have been imported.
- (6) If the offense referred to in Article 112 (Offense of Transporting Smuggled Cargo) is committed with respect to cargo for which customs duties are to be paid (but only if Article 97, paragraph (3) (Collection of Customs Duties on Lost Property) or Article 134, paragraphs (4) through (6) (Collection of Customs Duties on Retained Objects) are not applicable), if the cargo associated with the offense does not fall under a case as referred to in paragraph (2) and a person who imported the cargo is unknown, the customs duties to be so paid are to be immediately collected from the offender that committed the offense.
- (7) The provisions of Article 97, paragraph (4) (Adjustment of Procedures for Official Assessment) apply mutatis mutandis to the case referred to in paragraph (5). In this case, the term "when the foreign cargo comes into the possession of the person making the disposition referred to in that paragraph" in Article 97, paragraph (4) is deemed to be replaced with "when the foreign cargo is retained or seized".

Chapter XI Investigation and Disposition of Criminal Cases

Section 1 Investigation of Criminal Cases

(Questioning, Inspection or Retention)

Article 119 (1) A customs official, when it is necessary for investigating a criminal case, may request appearance of a suspected violator or a witness

(hereinafter referred to as a "suspect or witness" in this paragraph and Article 121, paragraph (1) (On-Site Inspection Search or Seizure)), question a suspect or witness, inspect any object possessed or abandoned by a suspect or witness, or retain any object voluntarily submitted or abandoned by a suspect or witness.

- (2) A customs official may request a public agency or a public or private organization to report on necessary particulars for investigating a criminal case.

(Request for Disclosure)

Article 120 When a person is considered to conceal around them any object sufficient to substantiate the fact of any criminal offense, a customs official may request disclosure of that object.

(On-Site Inspection, Search or Seizure)

Article 121 (1) When it is necessary for investigating a criminal case, a customs official may conduct an on-site inspection, a search of the body, objects, residence or any other place of a suspect or witness, a seizure of objects of evidence or objects that are considered to be seized, or a seizure with an order to produce a copy of records (meaning the seizure of a recording medium onto which a person retaining or otherwise authorized to use electronic or magnetic records is ordered to record or print electronic or magnetic records as necessary; the same applies hereinafter) under a permit issued in advance by a judge of a district court or summary court having jurisdiction over the location of the office to which the customs official belongs; provided, however, that the body, objects, residence or any other place of a witness may be searched when there is sufficient circumstances to suppose that objects which should be seized exist.

- (2) When an object to be seized is a computer and when a recording medium connected via a telecommunication line to the computer may be reasonably supposed to have been used to retain electronic or magnetic records, which have been created or altered using the computer or may be altered or erased using the computer, the computer or other recording media, after copying the electronic or magnetic records retained on the recording medium onto the computer or other recording medium, may be seized.

- (3) In the case referred to in the preceding two paragraphs, in case of urgency, a customs official may make a disposition as referred to in the preceding two paragraphs under a permit issued in advance by a judge of a district court or summary court having jurisdiction over the object or place to be on-site inspected, the person, object or place to be searched, the object to be seized, or the domicile of a person to be ordered to record or print electronic or magnetic

records.

- (4) A customs official, when requesting a permit referred to in paragraph (1) or the preceding paragraph (hereinafter referred to as a "permit" except in Article 136 (Commission of Expert Examination)), must submit materials that confirm the existence of a criminal case.
- (5) Where a request set forth in the preceding paragraph is made, a judge of the district court or summary court must issue to the customs official a permit with the judge's name and seal affixed thereto, specifying the name of the suspected violator (when the suspect is a corporation, its name), the charged offense, and the object or place to be inspected on-site, the person, object or place to be searched, the object to be seized or the electronic or magnetic records for which recording or printing is ordered and the person ordered to record or print the same, and the government position and name of the requester, the valid period, the fact that after the valid period has elapsed, the execution is not to be started and the permit is to be returned, the date of issuance and the name of the court.
- (6) In the case referred to in paragraph (2), in addition to the items referred to in the preceding paragraph, the permit must specify the scope of a recording medium connected via telecommunication lines to the computer to be seized of which electronic or magnetic records are to be copied.
- (7) A customs official may deliver a permit to any other customs official to have that customs official conduct an on-site inspection, search, seizure or seizure with an order to produce a copy of records.

(Seizure Against a Person Handling Communications Processes)

- Article 122 (1) A customs official, when it is necessary for investigating a criminal case, after receipt of a permit, may seize a postal item, correspondence, or a document related to telegrams sent by or to a suspected violator and retained or possessed by a person handling communications processes pursuant to the provisions of laws and regulations.
- (2) A customs official, after receipt of a permit, may seize a postal item, correspondence, or a document related to telegraphic communications that does not fall under the preceding paragraph that is retained or possessed by a person handling communications processes pursuant to the provisions of laws and regulations, only when there is sufficient circumstances to suppose that the item or document is related to a criminal case.
 - (3) A customs official, when a disposition pursuant to the preceding two paragraphs is taken, must notify the sender or the recipient of this; provided, however, that this does not apply if notifying that person is likely to hinder the investigation of the criminal case.

(Request for Preservation of Electronic or Magnetic Records of Communications History)

Article 123 (1) A customs official, when it is necessary for conducting a seizure or seizure with an order to produce a copy of records, may specify which electronic or magnetic records are needed among those with a given sender, recipient, date and time of transmission, or other transmission log data for electronic communications which are recorded in the course of business and, specifying a period not exceeding thirty days, may request in writing not to erase the history to the person engaged in the business of providing facilities operating electronic communications for the communications of other persons or the person having established facilities operating electronic communications capable of intermediating the transmissions of unspecified or many persons for the purpose of its own business. In such a case when it is no longer deemed necessary to conduct a seizure or seizure with an order to produce a copy of records with respect to the electronic or magnetic records, the customs official must revoke the request.

(2) The period during which the request is made not to erase the history pursuant to the provisions of the preceding paragraph may be extended for a period not exceeding thirty days when it is considered particularly necessary; provided, however, that the total period during which the request is made not to erase the history may not exceed sixty days.

(3) In the case of making the request as provided for in paragraph (1), when necessary, the customs official may request the person not to divulge any particulars of the request without reason.

(On-Site Inspection, Search or Seizure at the Scene of Offense)

Article 124 (1) If a person is in the process of committing or has just finished committing an offense, and if it is necessary for a customs official to do so in order to gather something that it is found will serve as evidence of the offense and the official is unable to get a permit issued because of the urgency required, the official may conduct an on-site inspection, search, or seizure pursuant to Article 121, paragraph (1) (On-Site Inspection, Search or Seizure) at the scene of the offense.

(2) If a person is in possession of an object that has been used in or obtained through an offense, or if there are notable traces of an offense from which a person can clearly be found to have just committed the offense, and if it is necessary for a customs official to do so in order to gather something that is found to serve as evidence of the offense and the official is unable to get a permit issued because of the urgency required, the official may conduct an on-site inspection, search, or seizure as referred to in Article 121, paragraph (1), for the object in the possession of that person.

(Disposition Taken in Lieu of Seizure of Recording Medium for Electronic or Magnetic Records)

Article 125 When an object to be seized is a recording medium containing an electronic or magnetic record, a customs official may make any of the following dispositions in lieu of a seizure of that object:

- (i) after copying, printing or transferring electronic or magnetic records contained in the recording medium to be seized onto other recording medium, seize the other recording medium;
- (ii) after having a person subject to seizure to copy, print or transfer electronic or magnetic records contained in the recording medium to be seized onto other recording medium, seize the other recording medium.

(Necessary Dispositions for On-Site Inspection, Search or Seizure)

Article 126 (1) If it is necessary to do so in order to conduct an on-site inspection, search, seizure, or seizure with an order to produce a copy of a record, a customs official may release a lock, open a seal, or take any other necessary action.

(2) The actions referred to in the preceding paragraph may also be taken with respect to a retained object, seized object, or object seized with an order to produce a copy of a record.

(Request for Cooperation from a Person Subject to Disposition)

Article 127 When an object to be inspected on-site or to be seized is a recording medium containing an electronic or magnetic record, a customs official may request a person subject to the on-site inspection or to the search or seizure to operate a computer and provide any other necessary cooperation.

(Presentation of Permit)

Article 128 A permit for on-site inspection, search, seizure or seizure with an order to produce a record must be presented to a person subject to the disposition.

(Proof of Identity)

Article 129 A customs official, when conducting a questioning, inspection, retention, on-site inspection, search, seizure or seizure with an order to produce a record, or requesting a disclosure pursuant to the provisions of this Section, must carry a certificate of identification and present it when requested to do so by any person concerned.

(Assistance from Police Officers)

Article 130 A customs official, when it is necessary in the course of conducting an on-site inspection, search, seizure or seizure with an order to produce a record, may request assistance from police officers or coast guard officials.

(Attendance of Owners)

Article 131 (1) A customs official, when conducting an on-site inspection, search, seizure or seizure with an order to produce a record at a person's residence, building or other place that a person watches over, or on a vessel, aircraft, vehicle, or in a warehouse or any other place, must have its owner or administrator (including its representative or agent, or any other persons who may act on their behalf), or their employee or cohabiting adult relative to attend the on-site inspection, search or seizure.

(2) When in the case referred to in the preceding paragraph, the person referred to in that paragraph is not available for attendance, the customs official must have an adult neighbor, or a police officer or an official of a local public entity to attend the on-site inspection, search or seizure.

(3) If on-site inspection, search or seizure as provided for in Article 124 (On-Site Inspection, Search or Seizure at the Scene of Offense) is conducted in case of urgency, it may not be subject to the provisions of the preceding two paragraphs.

(4) When conducting a body search involving a woman, customs officials must have an adult woman present at the search; provided, however, that this does not apply in case of urgency.

(Preparation of Retention Inventory)

Article 132 A customs official, when conducting a retention, seizure or seizure with an order to produce a record, prepare an inventory and deliver a certified copy thereof to a person who owns, possesses, or has custody of a retained object, seized object, or object seized with an order to produce a copy of a record (including a person who has received the disposition referred to in Article 125 (Disposition Taken in Lieu of Seizure of Recording Medium for Electronic or Magnetic Records)), or to a person acting on their behalf.

(Handling of Retained Objects)

Article 133 (1) With the consent of the owner or possessor of the object in question or any other person that a customs official finds to be appropriate, the customs official may collect a storage certificate and have a person store a retained object, seized object, or object seized with an order to produce a copy of a record that is unfit for transportation or storage.

(2) The Director General of Customs, when any retained or seized object spoils or deteriorates, or is likely to spoil or deteriorate, pursuant to the provisions of

Cabinet Order, may offer the object for public auction after issuing public notice, and store the proceeds from the auction.

- (3) The provisions of Article 84, paragraphs (3) and (4) (Public Auction or Sale of Housed Cargo) apply mutatis mutandis to the public auction referred to in the preceding paragraph, and the provisions of paragraph (5) of that Article apply mutatis mutandis to any retained or seized objects.

(Return of Retained Objects)

Article 134 (1) If it becomes unnecessary to keep a retained object, seized object, or object seized with an order to produce a copy of a record, a customs official must return the object to the person to whom it should be returned.

- (2) If it is not possible to return a retained object, seized object, or object seized with an order to produce a copy of a record as referred to in the preceding paragraph because the domicile or residence of the person to whom the object should be returned is unknown or for any other such reason, the Director General of Customs must issue public notice of this.

- (3) If there is no request for the return of a retained object, seized object, or object seized with an order to produce a copy of a record subject to a public notice as referred to in the preceding paragraph even though it has been six months since the day of the public notice, the object vests in the National Treasury.

- (4) In the case referred to in paragraph (1), if customs duties have not been paid for a retained or seized object referred to in that paragraph, the customs duties are to be collected immediately from a person to whom the object is to be returned (excluding a person that is found to have come to possess the object without knowledge of the fact that customs duties have not been paid; hereinafter the same applies in this Article).

- (5) If proceeds from any retained or seized object offered for public auction as provided in paragraph (2) of the preceding Article, or sold as provided in Article 84, paragraph (3) (Public Auction or Sale of Housed Cargo) as applied mutatis mutandis pursuant to paragraph (3) of the preceding Article, are returned to a person that should receive the return as provided in paragraph (1), and when customs duties or any other national taxes have not been paid for the object, the customs duties and other national taxes are immediately collected. In such a case, the proceeds are applied to the customs duties and other national taxes.

- (6) The Director General of Customs, if those proceeds from a retained or seized object offered for public auction as provided in paragraph (2) of the preceding Article that is succeeded by a public prosecutor as provided in Article 148 (Succession to Public Prosecutor), or proceeds from foreign cargo sold pursuant to the provisions of the Code of Criminal Procedure are returned to a person

that should receive the proceeds as provided in the Code, if customs duties have not been paid for the objects or cargo, immediately collects the customs duties from the person that should receive the proceeds.

- (7) The provisions of Article 97, paragraph (4) (Reports by Police Officers) apply mutatis mutandis to the cases referred to in the preceding three paragraphs. In such a case, the phrase "when the foreign cargo comes into the possession of the person issuing the disposition referred to in that paragraph" in paragraph (4) of that Article is deemed to be replaced with "when the foreign cargo is retained or seized."

(Delivery of Recording Medium Seized After Transfer)

Article 135 (1) A customs official, when it is no longer necessary to hold a recording medium seized after being transferred or having it transferred as provided in Article 125 (Disposition Taken in Lieu of Seizure of Recording Medium for Electronic or Magnetic Records), and when the person subject to seizure is different from the person that owns, possesses or retains the recording medium, must deliver the recording medium to the person subject to seizure, or allow the person subject to seizure to copy the electronic or magnetic records.

- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to any delivery or copying as provided for in the preceding paragraph.
- (3) When no request is made for the delivery or copying as referred to in the preceding paragraph after six months have elapsed since the day of the public notice as provided in paragraph (2) of the preceding Article as applied mutatis mutandis pursuant to the preceding paragraph, it is not required to make the delivery or copy.

(Commission of Expert Examination)

Article 136 (1) A customs official, when it is necessary for investigating a criminal case, may commission a person with relevant expertise conduct an expert examination of a retained object, seized object, or object seized with an order to produce a copy of a record, or commission interpretation or translation.

- (2) A person that has received a commission for an expert examination as provided for in the preceding Article (referred to as an "expert" in paragraphs (4) and (5)), upon permission by a judge of a district court or summary court having jurisdiction over the location of the office to which the customs official belongs as referred to in the preceding paragraph, may destroy the object for which the expert examination is conducted.
- (3) A request for the permission as referred to in the preceding paragraph must be made by a customs official.
- (4) In the case of the request as referred to in the preceding paragraph, when a

judge finds that the request is appropriate, the judge must issue to the customs official a permit with the judge's name and seal affixed thereto, specifying the first and last name of the suspected violator (or its name, if it is a corporation), the charged offense, the object to be destroyed, the name of the expert, and the government position and name of the requester, the valid period, the fact that execution must not be initiated and the permit must be returned after the valid period has elapsed, the date of issuance, and the name of the court.

- (5) An expert must present the permit as referred to in the preceding paragraph to a person subject to the disposition referred to in paragraph (2).

(Restrictions on Execution of On-Site Inspection, Search or Seizure at Night)

Article 137 (1) Any on-site inspection, search, seizure or seizure with an order to produce a copy of a record must not be executed between sunset and sunrise unless a permit specifies that it may be executed at night; provided, however, that the same does not apply if the disposition is to be made against a hotel, a restaurant or any other place accessible by the public at night during business hours thereof, or if the disposition is to be made as provided in Article 124 (On-Site Inspection, Search or Seizure at the Scene of Offense).

- (2) An on-site inspection, search, seizure or seizure with an order to produce a copy of a record that starts before sunset may, when it is considered necessary, continue after sunset.

(Prohibition on Entering or Leaving during Disposition)

Article 138 A customs official, while conducting a questioning, inspection, retention, on-site inspection, search, seizure or seizure with an order to produce a copy of a record, or requests for disclosure as provided for in this Section, may prohibit any person from entering or leaving, without permission, the place subject to the disposition during the disposition.

(Disposition in the Case of Suspension of Execution)

Article 139 When it is necessary in suspending execution of a permit for on-site inspection, search, seizure or seizure with an order to produce a copy of a record, the place subject to execution may be closed, or have a guard in place until the execution is completed.

(Issuance of Search Certificate)

Article 140 In the case of a search, when there is not any object of evidence or object to be seized, a certificate to that effect must be delivered upon request by a person subject to the search.

(Preparation of Written Evidence)

Article 141 (1) A customs official, when a questioning pursuant to the provisions of this Section is conducted, must prepare a written evidence of the questioning, and have the person questioned to inspect it, or read it out to that person, ask the person whether it contains any errors, and when the person requests for any addition, removal or alteration to the written evidence, the customs official must include the person's statement in that record, and have the record signed and sealed by the official and the person questioned; provided, however, that when the person questioned fails to, or is unable to sign and seal the written evidence, it is sufficient to append a note to that effect

(2) When conducting an inspection or retention pursuant to the provisions of this Section, a customs official must prepare a written evidence thereof, and sign and seal it.

(3) When conducting an on-site inspection, search, seizure or seizure with an order to produce a copy of a record pursuant to the provisions of this Section, a customs official must prepare a written evidence thereof, and present the written evidence to, and have the record signed and sealed by the official and a witness; provided, however, that when the witness fails to, or is unable to sign and seal the written evidence, it is sufficient to append a note to that effect.

(Execution of Official Duties Outside Jurisdictional District)

Article 142 A customs official, when it is necessary for investigating a criminal case, may perform its duties outside the jurisdictional district of the customs to which the customs official belongs.

(Notice by Public Employees Other Than Customs Officials)

Article 143 If a public employee other than a customs official has discovered or is investigating a suspected criminal case, they must notify customs of this immediately.

Section 2 Disposition of Criminal Cases

(Accusations in Criminal Cases Related to Customs Duties on Cargo to Which the Self-Assessment System Applies)

Article 144 A customs official must immediately file an accusation with the public prosecutor if the customs official considers that a crime has been committed, based on the investigation of a criminal case involving customs duties for cargo to which the self-assessment system applies (this is limited to a case concerning an offense as referred to in Article 110, paragraph (1) (Offense of Evading Customs Duties) (this is limited to an offense by a person that has evaded customs duties as provided in item (i) of that paragraph; this includes an offense by a person that began to commit the offense in question

but did not accomplish it, which paragraph (3) of that Article establishes is to be governed by paragraph (1) of that Article); a case concerning an offense as referred to in Article 111, paragraph (1), item (ii) (Offense of Exporting or Importing Cargo without Permission) is included if the deception or other wrongful act provided for in Article 110, paragraph (1), item (i) (limited to an act by person that has evaded customs duties, as provided in that item) constitutes an offense as referred to in Article 111, paragraph (1), item (ii); referred to as a "criminal case involving customs duties based on the self-assessment system" in the following Article).

(Reporting or Accusation by Customs Official)

Article 145 A customs official, upon completion of the investigation of a criminal case (excluding a criminal case involving customs duties based on the self-assessment system; the same applies hereinafter), must report the result of the investigation to the Director General of Customs; provided, however, that the official must immediately file an accusation with the public prosecutor if the situation falls under one of the following items:

- (i) if the residence of the suspected violator is unknown;
- (ii) if the suspected violator is likely to escape;
- (iii) if it is likely that a person will conceal or destroy an object that is found to constitute evidence.

(Disposition of Administrative Notification by the Director General of Customs)

Article 146 (1) If the Director General of Customs has become convinced, during the investigation of a criminal case, that a violation has occurred, the Director General must make clear the grounds for this and issue a notification, in writing, indicating that the person in question is required to deliver to customs an amount of money equivalent to a fine, objects subject to confiscation, an amount of money equivalent to a surcharge, and the expenses required to deliver documents and to transport and store objects subject to seizure or seizure with an order to produce a copy of a record. In such a case, the Director General may issue a notice indicating that, with respect to an object subject to confiscation, the person in question is required only to file a request to deliver it.

(2) Notwithstanding the provisions of the preceding paragraph, in a case as referred to in that paragraph, the Director General of Customs must immediately file an accusation with a public prosecutor on finding that one of the following applies:

- (i) if the circumstances warrant that imprisonment with work be imposed;
- (ii) if the violator does not have the financial resources to render the performance indicated in the notice.

- (3) When there is any miscalculation, clerical error or other similar clear errors with respect to the notice as referred to in paragraph (1), the Director General Customs may, by its own authority, correct the notice before the violator renders the performance indicated in the notice, or before an accusation is filed as provided in the preceding paragraph or the following Article.
- (4) When a notice is issued pursuant to paragraph (1), the statute of limitations for prosecution is suspended, and resumes once twenty days has passed counting from the day following the day on which the violator is so notified.
- (5) If a violator renders the performance indicated in a notice as referred to in paragraph (1) (or that indicated in the corrected notice, if there has been a correction as under paragraph (3); the same applies in the following paragraph and paragraph (1) of the following Article), prosecution is not instituted in that case.
- (6) If a violator has rendered the performance indicated in a notification as referred to in the second sentence of paragraph (1) and has possession of an object subject to confiscation, the offender bears the obligation to store the object until public auction or any other such necessary disposition takes place; provided, however, that the violator is not entitled to claim any expenses required to store it.

(Non-Performance under a Disposition of Administrative Notification and Accusation)

Article 147 (1) If a violator has been issued a notification as referred to in paragraph (1) of the preceding Article (or a correction as provided in paragraph (3) of that Article, if applicable; hereinafter referred to as "notification or correction" in this Article), but fails to render the performance indicated in the notification within the twenty-day period that starts to run on the day after that on which the violator was issued the notification or correction, the Director General of Customs must file an accusation with the public prosecutor; provided, however, that this does not apply if the violator renders performance before the accusation is filed, even if it is after that period has passed.

- (2) The preceding paragraph also applies if a notification or correction cannot be issued because the violator's residence is unknown, because the violator refuses to receive a document concerning the notification or correction, or due to any other such reason.

(Succession to Public Prosecutor)

Article 148 (1) A criminal case is not to be subject to criminal proceedings until an accusation is filed by a customs official as provided in the proviso to Article 145 (Reporting or Accusation by Customs Official), or until an accusation is

filed by the Director General of Customs as provided in Article 146, paragraph (2) (Disposition of Administrative Notification by the Director General of Customs) or the preceding Article.

- (2) The relevant person must file an accusation under Article 144 (Accusations in Criminal Cases Related to Customs Duties on Cargo to Which the Self-Assessment System Applies) or an accusation as referred to in the preceding paragraph in writing and attach thereto the written evidence provided for in the paragraphs of Article 141 (Preparation of Written Evidence), and if there is a retained object, seized object, or object seized with an order to produce a copy of a record, this must be transferred to the public prosecutor together with an inventory for retention, an inventory for seizure or an inventory for seizure with an order to produce a copy of a record.
- (3) If a retained object, seized object, or object seized with an order to produce a copy of a record as referred to in the preceding paragraph is subject to storage under paragraph (1) of Article 133 (Handling of Retained Objects), it must be transferred to the prosecutor using a certificate of storage as referred to in that paragraph, and the person who was made to store that object must be notified of this.
- (4) If a retained object, seized object, or object seized with an order to produce a copy of a record has been transferred pursuant to either of the preceding two paragraphs, the object is deemed to have been seized by a public prosecutor pursuant to the Code of Criminal Procedure.
- (5) It is not permissible to retract an accusation as referred to in paragraph (1).

(Notice if not Convinced about Criminal Offense)

Article 149 Upon investigating a criminal case and failing to become convinced that a criminal offense has been committed, the Director General of Customs must notify the person suspected of having committed the criminal offense of this. In such a case, the Director General must order that any retention, seizure or seizure with an order to produce a copy of a record of objects, be lifted.