

Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations

(Act No. 49 of June 2, 2006)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is, in view of the fact that the implementation of business voluntarily conducted by organizations in the private sector for public interest purposes has become important for the promotion of the public interest as a result of changes in social and economic situations in and out of the country, to establish a system for authorizing public interest corporations that are capable of implementing the relevant business in a suitable manner, to prescribe measures to ensure suitable implementation of the relevant business conducted by the public interest corporations and thereby to

contribute to the promotion of the public interest and the realization of a vibrant society.

(Definition)

Article 2 In this Act, the meanings of the terms listed in each of the following items are as prescribed respectively in those items.

- (i) public interest incorporated association: a general incorporated association that has received the authorization under Article 4;
- (ii) public interest incorporated foundation: a general incorporated foundation that has received the authorization under Article 4;
- (iii) public interest corporation: public interest incorporated associations and public interest incorporated foundations
- (iv) business for public interest purposes: business of the kind listed in each item of the appended table that relates to scholarship, art, charity or other public interests and that contributes to the promotion of interests for many and unspecified persons.

(Administrative Authority)

Article 3 The administrative authority in this Act is to be the Prime Minister or the prefectural governor, as set forth in each of the following items according to the classification of public interest corporations listed in the relevant items:

- (i) public interest corporations listed in the following: the Prime Minister
 - (a) Those having their offices within the area of more than one prefecture
 - (b) Those having articles of incorporation setting forth that they operate the business for public interest purposes within the area of more than one prefecture
 - (c) Those operating the business for public interest purposes closely related to the administration or business of the national government and designated by Cabinet Order
- (ii) public interest corporations other than those listed in the preceding item: the Governor of the prefecture where their office is located

Chapter II Authorization of Public Interest Corporations

Section 1 Authorization of Public Interest Corporations

(Public Interest Corporation Authorization)

Article 4 General incorporated associations and general incorporated foundations that operate the business for public interest purposes may be authorized by the administrative authority.

(Standards for Public Interest Corporation Authorization)

Article 5 In the event that the administrative authority approves that general incorporated associations or general incorporated foundations that have applied for the authorization under the preceding Article (hereinafter referred to as the "public interest corporation authorization") conform to the following standards, the administrative authority is to grant public interest corporation authorization for the relevant juridical person.

- (i) its principal objective is to operate the business for public interest purposes.
- (ii) it has an accounting base and technical capability necessary to operate the business for public interest purposes.
- (iii) when it operates its business, it does not provide its members, councillors, directors, auditors, employees or other concerned persons specified by Cabinet Order with any special interest.
- (iv) when it operates its business, it does not engage in any act providing any donation or other special interest to any persons who run a stock company or other business for profit purposes or any other persons specified by Cabinet Order as ones that engage in any activity to seek interest for any specific individual or entity; provided, however, that this does not apply to cases in which it engages in any act providing a public interest corporation with any donation or other special interest for the business for public interest purposes operated by the relevant public interest corporation.
- (v) it does not operate any speculative transaction, financing with high interest or other businesses specified by Cabinet Order as ones being not suitable for maintaining the social trust of a public interest corporation or any business that could be harmful to public policy.
- (vi) with respect to the business for public interest purposes operated by it, the revenue pertaining to the relevant business for public interest purposes is expected not to exceed the amount compensating the reasonable cost for its operation.
- (vii) if it operates any business other than the business for public interest purposes (hereinafter referred to as "profit-making businesses"), the operation of the profit-making businesses does not cause trouble to the operation of the business for public interest purposes.
- (viii) when it operates its business activity, the ratio of the business for public interest purposes set forth in Article 15 is expected to exceed 50/100.
- (ix) when it operates its business activity, the amount of idle property set forth in paragraph 2 of Article 16 is expected not to exceed the restriction under paragraph 1 of that Article.
- (x) with respect to each director, the total number of the relevant director and his or her spouse or relatives within the third degree of kinship (including persons having special relationships specified by Cabinet Order with the relevant director as those equivalent to these persons) who are directors does

not exceed one third of the total number of directors. The same applies to auditors.

- (xi) the total number of directors who are directors or employees of other identical organizations (excluding public interest corporations or others specified by Cabinet Order as those equivalent to them) and other persons specified by Cabinet Order as those who are dealt with in the same manner and have mutually close relationships with them does not exceed one third of the total number of directors. The same applies to auditors.
- (xii) it has an financial auditor; provided, however, that this does not apply in the event that the amount of revenue, the amount of cost and loss the amount of and the other accounts as specified by Cabinet Order of the relevant juridical person in each business year does not reach the standards specified by Cabinet Order.
- (xiii) with respect to remuneration, etc. paid to its directors, auditors and councillors (which means remuneration, bonus or other economic benefit paid as the consideration for the execution of their duties and the retirement allowance: the same applies hereinafter), it has standards for payment, as specified by Cabinet Office Order, so that the amount of payment is not unsuitably high in view of the remuneration, etc. for directors and officers of business operators in the private sector, salary of employees, accounting situation of the juridical person in question or other circumstances.
- (xiv) in case of general incorporated associations, those falling under all of the following:
 - (a) It does not attach any unreasonably discriminatory conditions for treatment, or any other unreasonable conditions, for the acquisition or loss of qualification of members in the light of the purpose of the juridical person in question.
 - (b) In the event that its articles of incorporation have provisions relating to the number of voting rights that are exercisable at the general meeting of members, matters for which voting rights are exercisable, conditions for exercising voting rights or any other provisions relating to voting rights of members, the relevant provisions fall under all of the following:
 1. It does not treat voting rights of members in an unreasonably and discriminatory manner in the light of the purpose of the juridical person in question.
 2. It does not treat voting rights of members in a different manner according to the market value of money or other properties provided by members to the juridical person in question.
 - (c) It has a council.
- (xv) it has no stock or other properties specified by Cabinet Office Order that enable it to be involved in the decision making of other organizations;

- provided, however, that this does not apply to cases specified by Cabinet Order as those in which the possession of the relevant properties would not result in substantial control of the business activities of other organizations.
- (xvi) in the event that it has specific property indispensable for operating the business for public interest purposes, its articles of incorporation specify that circumstance and necessary matters for its maintenance and restriction on disposition.
- (xvii) in the event that any remaining amount of the public interest purposes acquired property (which means the remaining amount of the public interest purposes acquired property set forth in paragraph 2 of Article 30) exists when it receives a disposition of the rescission of the public interest corporation authorization pursuant to the provisions of paragraph 1 or paragraph 2 of Article 29 or that a juridical person extinguishes as a result of a merger (excluding a case in which a juridical person that succeeds its rights and obligations is a public interest corporation), it provides in its articles of incorporation that it will donate the property equivalent to that amount to other public interest corporations having a similar purpose of business or juridical persons listed below or the national government or local governments within one month after the day of the relevant rescission of public interest corporation authorization or the day of the relevant merger.
- (a) Incorporated educational institution set forth in Article 3 of the Private Schools Act (Act No. 270 of 1949)
 - (b) Social welfare juridical person set forth in Article 22 of the Social Welfare Act (Act No. 45 of 1951)
 - (c) Corporation for offenders rehabilitation set forth in paragraph 6 of Article 2 of the Offenders Rehabilitation Services Act (Act No. 86 of 1995)
 - (d) Incorporated administrative agency set forth in paragraph 1 of Article 2 of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)
 - (e) National university corporation set forth in paragraph 1 of Article 2 of the National University Corporation Act (Act No. 112 of 2003) or Inter-University Research Institute Corporation set forth in paragraph 3 of that Article
 - (f) Local incorporated administrative agency set forth in paragraph 1 of Article 2 of the Local Independent Administrative Agency Act (Act No. 118 of 2003)
 - (g) Other juridical persons specified in Cabinet Order as juridical persons equivalent to those listed in (a) to (f)
- (xviii) it provides in its articles of incorporation that, in case of liquidation, it causes the residual assets to be attributed to any other public interest corporations having similar business purpose or any juridical person listed in

(a) to (g) in the preceding item or the national government or local governments.

(Reason for Disqualification)

Article 6 Notwithstanding the provisions of the preceding Article, public interest corporation authorization may not be granted to general incorporated associations or general incorporated foundations falling under any one of the following items.

- (i) persons falling under any of the following are among its directors, auditors and councillors:
 - (a) In the case of a public interest corporation for which its public interest corporation authorization is rescinded pursuant to the provisions of paragraph 1 or paragraph 2 of Article 29, a person who was a director executing the business of the relevant public interest corporation within one year from the day of a fact causing that rescission and for whom five years have not passed from the day of that rescission.
 - (b) A person for whom five years have not passed from a day on which the person is punished by a fine by reason of violation against the provisions of this Act, the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006: hereinafter referred to as the "General Incorporated Associations/Foundations Act") or the Act on Prevention of Unjust Acts by Organized Crime Group Members (excluding the provisions of paragraph 7 of Article 32-3 and paragraph 1 of Article 32-11 of that Act) (Act No. 77 of 1991), by reason of committing a crime under Article 204, Article 206, Article 208, paragraph 1 of Article 208-2, Article 222 or Article 247 of the Penal Code (Act No. 45 of 1907) or under Article 1, Article 2 or Article 3 of the Act on Punishment for Physical Violence and Others (Act No. 60 of 1926) or by reason of violation against the provisions of laws concerning national taxes or local taxes setting forth a crime in connection with exemption of or failure to pay national taxes or local taxes or with receipt of refund of these taxes or intention to commit the relevant acts of violation by deception or other wrongful act, from a day on which the punishment is over or the punishment becomes no longer executable.
 - (c) A person for whom five years have not passed from a day on which the person is punished by imprisonment without work, from a day on which the punishment is over or the punishment becomes no longer executable.
 - (d) A person who is a member of a crime syndicate set forth in item (vi) of Article 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members (hereinafter referred to in this item as a " member of an organized crime group ") or a person for whom five years have not passed from a day on which the person becomes no longer a member of crime

syndicate (hereinafter referred to in item (vi) as a " member of an organized crime group, etc.")

- (ii) its public interest corporation authorization has been rescinded pursuant to the provisions of paragraph 1 or paragraph 2 of Article 29, and five years have not passed from the day of that rescission.
- (iii) the content of its articles of incorporation or a written business plan violates laws and regulations or a disposition by an administrative organ based on laws and regulations.
- (iv) license or authorization, etc. (which means the license or authorization, etc. set forth in item (iii) of Article 2 of the Administrative Procedure Act (Act No. 88 of 1993): the same applies hereinafter) from an administrative organ necessary for operating its business based on laws and regulations cannot be obtained.
- (v) disposition for delinquent payment of national taxes or local taxes has been executed, or three years have not passed from a day on which the relevant disposition for delinquent payment completes.
- (vi) its business activity is controlled by a member of an organized crime group, etc.

(Application for Public Interest Corporation Authorization)

Article 7 (1) Application for the public interest corporation authorization must be filed, as provided for in Cabinet Office Order, by submitting to an administrative authority a written application setting forth matters listed in the following:

- (i) name and full name of representative person
 - (ii) area of prefecture in which the business for public interest purposes is operated (which is limited to a case in which that area is provided for in its articles of incorporation) and the place where its principal office and secondary offices are located
 - (iii) category and content of its business for public interest purposes
 - (iv) content of its Profit-Making Businesses
- (2) Documents listed in the following must be attached to the written application under the preceding paragraph:
- (i) the articles of incorporation
 - (ii) a written business plan and a written budget for revenue and expenditure
 - (iii) in the event that laws and regulations require it to obtain a license or authorization, etc. from an administrative organ for operating its business, documents that certify that it has obtained, or it is eligible to obtain, the relevant license or authorization, etc.
 - (iv) documents provided for in Cabinet Office Order that certify that it has the accounting base necessary to operate the business for public interest

- purposes in question such as inventory of assets, balance sheet or others
- (v) a document that describes the standards for payment of remuneration, etc. set forth in item (xiii) of Article 5
- (vi) beyond what is set forth in the preceding item, other documents provided for in Cabinet Office Order

(Hearing of Opinion for Public Interest Corporation Authorization)

Article 8 In the event that administrative agencies grant the public interest corporation authorization, they are to hear the opinions of persons provided for in the following items, according to the classification of reasons listed in the respective items, as to whether or not that reason exists:

- (i) reasons set forth in items (i), (ii) and (v) of Article 5 and items (iii) and (iv) of Article 6 (which is limited to cases in which laws and regulations require it to obtain the license or authorization, etc. from the administrative organ for operating its business): The administrative organ in question (hereinafter referred to as the "authorization granting administrative organ")
- (ii) in cases of reasons set forth in items (i)(d) and (vi) of Article 6: The Commissioner General of the National Police Agency in the event that the administrative authority is the Prime Minister, and the Superintendent General of the Tokyo Metropolitan Police Department or the Chief of Prefectural Police Headquarters in the event that the administrative authority is the prefectural governor (hereinafter referred to as the "commissioner general of the national police agency, etc.")
- (iii) in cases of reasons set forth in item (v) of Article 6: Commissioner of the National Tax Agency, the prefectural governor concerned or the mayor of municipality concerned (hereinafter referred to as the "commissioner of the national tax agency, etc.")

(Name)

- Article 9 (1) A general incorporated association or general incorporated foundation that has received public interest corporation authorization is deemed to have amended its articles of incorporation to amend the characters of general incorporated association or general incorporated foundation in its name into public interest incorporated association or public interest incorporated foundation, respectively.
- (2) A document certifying that public interest corporation authorization is granted must be attached to a written application for the registration of the amendment to the name pursuant to the provisions of the preceding paragraph.
 - (3) A public interest incorporated association or public interest incorporated foundation must, according to its category, use the characters of public interest incorporated association or public interest incorporated foundation in its name.

- (4) A person that is not a public interest incorporated association or public interest incorporated foundation must not use any characters that could give the misunderstanding that it is a public interest incorporated association or public interest incorporated foundation in its name or trade name.
- (5) Any person must not use any name or trade name that could be misunderstood as other public interest incorporated associations or public interest incorporated foundations with unauthorized purposes.
- (6) The provisions of paragraph 1 of Article 5 of the General Incorporated Associations/Foundations Act do not apply to public interest corporations.

(Public Notice of Public Interest Corporation Authorization)

Article 10 When an administrative authority grants public interest corporation authorization, it must publicly notify that fact as provided for in Cabinet Office Order.

(Authorization for change)

Article 11 (1) Public interest corporations must obtain authorization from the administrative authority in the event that they intend to change the following matters; provided, however, that this does not apply to minor changes provided for in Cabinet Office Order.

- (i) change of the area of prefecture in which the business for public interest purposes is operated (which is limited to a case in which that area is provided for in its articles of incorporation) or the place where its principal office and secondary offices are located (including the establishment or abolition of secondary offices)
 - (ii) change of the category and content of its business for public interest purposes
 - (iii) change of the content of its profit-making businesses
- (2) Public interest corporations that intend to obtain the authorization for change under the preceding paragraph must submit a written application, in which matters relating to the change are described, to the administrative authority as provided for in Cabinet Office Order.
 - (3) Documents provided for in Cabinet Office Order must be attached to the written application under the preceding paragraph.
 - (4) The provisions of Article 5 and Article 6 (excluding item (ii)) apply mutatis mutandis to the authorization for change set forth in the respective items in paragraph 1, the provisions of item (i) of Article 8 (those of the respective items of that Article in case of the authorization for change in question as a result of an absorption-type merger) apply mutatis mutandis to the authorization for change set forth in items (ii) and (iii) in paragraph 1, and the provisions of the preceding Article apply mutatis mutandis when the authorization for change

under paragraph 1 is granted.

- Article 12 (1) The written application under paragraph 2 of the preceding Article, which relates to the authorization for change accompanying the change of the administrative authority, must be submitted to the administrative authority after the change through the administrative authority before the change.
- (2) When the authorization for change in question is granted in the case referred to in the preceding paragraph, the administrative authority after the change must have the work transferred from the administrative authority before the change without delay as provided for in Cabinet Office Order.

(Notification of Change)

- Article 13 (1) When the following changes (excluding those as a result of a merger) arise, public interest corporations must notify the administrative authority of that fact without delay as provided for in Cabinet Office Order:
- (i) change of name or of the name of representative person
 - (ii) minor changes provided for in Cabinet Office Order under the proviso in paragraph 1 of Article 11
 - (iii) changes in the articles of incorporation (excluding those relating to the changes set forth in the respective items of paragraph 1 of Article 11 and those relating to changes set forth in the preceding two items)
 - (iv) beyond what is set forth in the preceding three items, changes in matters provided for in Cabinet Office Order
- (2) When changes set forth in item (i) of the preceding paragraph are notified pursuant to the provisions of that paragraph, the administrative authority must publicly notify that fact as provided for in Cabinet Office Order.

Section 2 Business Activities of Public Interest Corporations

Subsection 1 Implementation of Business for Public Interest Purposes

(Revenue of Business for Public Interest Purposes)

- Article 14 When public interest corporations operate their business for public interest purposes, they must not obtain revenue that exceeds the amount compensating the reasonable cost required for the operation of the relevant business for public interest purposes.

(Ratio of Business for Public Interest Purposes)

- Article 15 Public interest corporations must operate their business for public interest purposes so that the ratio of the business for public interest purposes (which means the ratio of the amount set forth in item (i) against the total of the amounts set forth in items (i) through (iii)) in each business year will be

50/100 or more.

- (i) amount that is calculated, as provided for in Cabinet Office Order, as the amount of cost pertaining to the implementation of the business for public interest purposes
- (ii) amount that is calculated, as provided for in Cabinet Office Order, as the amount of cost pertaining to the implementation of the Profit-Making Businesses.
- (iii) amount that is calculated, as provided for in Cabinet Office Order, as the amount of ordinary expense necessary for the operation of the public interest corporation in question

(Restriction on Possession of Idle Property Amount)

Article 16 (1) The amount of idle property of a public interest corporation at the last day of each business year must not exceed the amount that is calculated, as provided for in Cabinet Office Order, as the amount necessary to operate continuously in the following business year the business for public interest purposes of the same content and scale as the business for public interest purposes operated by the public interest corporation in the business year in question on the basis of the amount of cost required for the operation of the business for public interest purposes in the business year in question (including the amount of items provided for in Cabinet Office Order as those equivalent to the amount of cost in question according to the circumstances of asset owned by them and type of their business activity).

(2) The "amount of idle property" prescribed in the preceding paragraph means the total amount of value provided for in Cabinet Office Order as the property, in view of the circumstances of use or management of property by public interest corporations or of the nature of the relevant property, that are not currently used for the business for public interest purposes or the Profit-Making Businesses necessary to operate the business for public interest purposes or other businesses or activities and that are not expected to be used for these businesses or activities in the future.

(Prohibited Acts on Solicitation of Donations)

Article 17 Directors or auditors or agents, employees or other workers of public interest corporations must not engage in the following acts in connection with the solicitation of donations.

- (i) to solicit or demand to donate continuously to persons who were solicited or demanded and declared their intention not to donate
- (ii) to solicit or demand to donate with coarse or violent speech or behavior or in an offending manner
- (iii) to engage in acts that could cause the usage of donated property to be

misunderstood

- (iv) to engage in any act, beyond what is set forth in the preceding three items, that could prejudice the interest of persons who were solicited or demanded to donate or of donators

Subsection 2 Property for Business for Public Interest Purposes

Article 18 Public interest corporations must use or dispose of the following property (hereinafter referred to as the "property for business for public interest purposes") to operate the business for public interest purposes; provided, however, that this does not apply in case of justifiable events provided for in Cabinet Office Order.

- (i) property donated on and after the day on which public interest corporation authorization was granted (excluding those that the donator designated to use for a purpose other than the business for public interest purposes)
- (ii) subsidy or other properties delivered on and after the day on which public interest corporation authorization was granted (excluding those that persons who delivered properties designated to use for a purpose other than the business for public interest purposes)
- (iii) property obtained as the consideration of an activity pertaining to the business for public interest purposes engaged in on and after the day on which public interest corporation authorization was granted
- (iv) property equivalent to the amount that is obtained by multiplying a rate provided for in Cabinet Office Order by the revenue arising from the profit-making businesses engaged in on and after the day on which public interest corporation authorization was granted
- (v) property obtained by disbursing property set forth in each of the preceding items
- (vi) property set forth in item (xvi) of Article 5 (excluding those set forth in each of the preceding items)
- (vii) property that was obtained prior to the day on which public interest corporation authorization was granted and that was announced, on and after that day, to be used for the business for public interest purposes in a way provided for in Cabinet Office Order
- (viii) properties, beyond what is set forth in each of the preceding items, provided for in Cabinet Office Order as those that were obtained by the relevant public interest corporation as the result of the operation of the business for public interest purposes or as those possessed by the relevant public interest corporation for the operation of the business for public interest purposes

Subsection 3 Special Provisions for Accounting of Public Interest Corporations

(Separate Accounting of Profit-Making Businesses)

Article 19 Accounting for the profit-making businesses must be separated from the accounting for the business for public interest purposes and must be settled as a special account by the respective profit-making businesses.

(Remuneration)

Article 20 (1) Public interest corporations must pay the remuneration, etc. to their directors, auditors and councillors in accordance with the standards for payment of the remuneration, etc. set forth in item (xiii) of Article 5.

(2) Public interest corporations must publicly announce the standards for payment of the remuneration, etc. under the preceding paragraph. The same applies when they have changed it.

(Keeping and Inspection of Inventory of Assets)

Article 21 (1) Public interest corporations must prepare a written business plan and a written budget for revenue and expenditure for each business year and other documents provided for in Cabinet Office Order no later than the day preceding the commencement of the business year (with respect to a business year which includes the day on which Public Interest Corporation Authorization was granted, without delay after the grant of that public interest corporation authorization) as provided for in Cabinet Office Order and must keep the relevant documents at their principal office and their copies at their secondary offices until the last day of the business year in question.

(2) Public interest corporations must prepare the following documents within three months after the end of each business year (with respect to a business year which includes the day on which public interest corporation authorization was granted, without delay after the grant of that public interest corporation authorization) as provided for in Cabinet Office Order and must keep the relevant documents for five years at their principal office and their copies for three years at their secondary offices:

(i) an inventory of assets

(ii) a name list of officers (which means a name list in which the names and addresses of directors, auditors and councillors are described: the same applies hereinafter)

(iii) a document that describes the standards for payment of the remuneration, etc. set forth in item (xiii) of Article 5

(iv) beyond what is set forth in the preceding three items, other documents provided for in Cabinet Office Order

- (3) A document set forth in paragraph 1 and documents listed in each item of the preceding paragraph may be prepared by an electronic or magnetic record (which means a record that is prepared in electronic format, magnetic format or other methods which cannot be recognized by human sense and that is provided for in Cabinet Office Order as one made available for use in information processing by an electronic computer: the same applies hereinafter).
- (4) Any person may, at any time during the business hours of public interest corporations, make the following demands with regard to the document set forth in paragraph 1, documents listed in each item of paragraph 2, the articles of incorporation, a name list of members and financial statements, etc. set forth in paragraph 1 of Article 129 of the General Incorporated Associations/Foundations Act (including as applied mutatis mutandis pursuant to Article 199 of the General Incorporated Associations/Foundations Act)(hereinafter referred to as the "inventory of assets, etc."). In this case, the public interest corporations in question must not refuse that demand without reasonable reasons.
- (i) in the event that the Inventory of Property, etc. is prepared in writing, a demand to inspect the relevant document or a copy of the relevant document
 - (ii) in the event that the inventory of assets, etc. is prepared by electronic or magnetic record, a demand to inspect a display, in a method provided for in Cabinet Office Order, of matters recorded in the relevant electronic or magnetic record
- (5) Notwithstanding the provisions of the preceding paragraph, in the event that a demand under that paragraph is made with regard to a name list of officers or a name list of members by persons other than members or councillors of the public interest corporations, the relevant public interest corporations may permit the inspection under that paragraph while excluding the part of the description or the record pertaining to the addresses of individuals in the matters described or recorded in the relevant name lists.
- (6) In the event that the inventory of assets, etc. is prepared by electronic or magnetic record and that the provisions of paragraphs 1 and 2 apply to public interest corporations that take measures provided for in Cabinet Office Order as those that enable the public interest corporations to respond to the demand set forth in item (ii) of paragraph 4 at their subordinate offices, "at their principal office and their copies at their secondary offices" in paragraph 1 is deemed to be replaced with "at their principal office", and "at their principal office and their copies for three years at their secondary offices" in paragraph 2 is deemed to be replaced with "at their principal office".

(Submission and Publication of Inventory of Assets)

Article 22 (1) Public interest corporations must submit the inventory of assets, etc. (excluding the articles of incorporation) to the administrative authority within three months after the end of each business year (with respect to documents set forth in paragraph 1 of the preceding Article, no later than the day preceding the commencement of each business year) as provided for in Cabinet Office Order.

(2) In the event that a demand is made to inspect or copy the inventory of assets, etc. submitted by public interest corporations, the administrative authority must permit the relevant inspection or copying as provided for in Cabinet Office Order.

(3) Notwithstanding the provisions of the preceding paragraph, in the event that a demand under that paragraph is made with regard to a name list of officers or a name list of members, the administrative authority is to permit the relevant inspection or copying while excluding the part of the description pertaining to the addresses of individuals in the matters described in the relevant name lists.

(Authority of Financial Auditors)

Article 23 Financial auditors of public interest corporations audit, in addition to those set forth in paragraph 1 of Article 107 of the General Incorporated Associations/Foundations Act (including the cases where it is applied mutatis mutandis pursuant to Article 197 of the General Incorporated Associations/Foundations Act), the inventory of assets, etc. and other documents provided for in Cabinet Office Order. In this case, accounting auditors must describe or record the result of that audit in an accounting audit report at the same time.

Subsection 4 Merger, etc.

(Notification of Merger)

Article 24 (1) In the event that a public interest corporation intends to engage in the following acts, it must notify the administrative authority of that fact in advance as provided for in Cabinet Office Order.

(i) merger (excluding cases where they apply for the authorization for change under paragraph 1 of Article 11 or for the approval under paragraph 1 of the following Article in connection with the merger in question)

(ii) transfer of business in whole or in part (excluding cases where they apply for the authorization for change under paragraph 1 of Article 11 in connection with the transfer of business in question)

(iii) total abolition of the business for public interest purposes

(2) When the notification under the provisions of the preceding paragraph is

made, the administrative authority must publicly notify that fact as provided for in Cabinet Office Order.

(Approval of Succession of Status by Merger)

- Article 25 (1) When a public interest corporation concludes a consolidation-type merger agreement in which the public interest corporation becomes the juridical person that ceases to exist as a result of the merger, the relevant public interest corporation (in the event that two or more those public interest corporations are involved, one of them) may apply for approval from the administrative authority with respect to a fact that a juridical person newly established as a result of the relevant consolidation-type merger (hereinafter referred to in this Article as the "newly established juridical person") succeeds the status of the public interest corporation that ceases to exist as the result of the relevant consolidation-type merger.
- (2) The administrative authority is to grant the approval under the preceding paragraph in the event that it considers that the newly established juridical person conforms to the following requirements:
- (i) it conforms to the standards listed in each of the items of Article 5.
 - (ii) it does not fall under any one of the items of Article 6.
- (3) In the event that the approval under paragraph 1 is granted, the newly established juridical person, on the day of formation, succeeds the status of the public interest corporation that ceases to exist as the result of the relevant consolidation-type merger.
- (4) The provisions of Articles 7, 8, 10 and 12 apply mutatis mutandis to the approval under paragraph 1. In this case, "matters listed in the following" under paragraph 1 of Article 7 is deemed to be replaced with "matters listed in the following (matters pertaining to the public interest corporation that ceases to exist as a result of the consolidation-type merger and a juridical person newly established as a result of the consolidation-type merger (hereinafter referred to in this Article as the "newly established juridical person") with respect to the matter set forth in item (i), and the matter pertaining to the newly established juridical person, with respect to the matter set forth in items (ii) to (iv))", "its articles of incorporation" in item (ii) of that paragraph with "a draft of its articles of incorporation", "Documents listed in the following" in paragraph 2 of that Article with "Documents listed in the following (documents pertaining to the newly established juridical person, with respect to the draft of the articles of incorporation under item (i) and to the documents listed in items (ii) to (v))", "The articles of incorporation" in item (i) of that paragraph with "The consolidation-type merger agreement and the draft of the articles of incorporation", "paragraph 2 of the preceding Article" under paragraph 1 of Article 12 with "paragraph 1 of Article 7 as applied mutatis mutandis pursuant

to paragraph 4 of Article 25" respectively.

- (5) With respect to the application of the provisions of Article 18 and paragraph 2 of Article 30 concerning the newly established juridical person that succeeds the status of the public interest corporation that ceases to exist as a result of the merger upon obtaining the approval under paragraph 1, "the day on which public interest corporation authorization was granted" in the provisions under items (i) to (iv) of Article 18 is deemed to be replaced with "the day of its formation", "each of the preceding items" under item (v) of that Article with "each of the preceding items and item (vii)", "property that was obtained prior to the day on which public interest corporation authorization was granted and that was announced, on and after that day, to be used for the business for public interest purposes in a way provided for in Cabinet Office Order" under item (vii) of that Article with "property that was succeeded from the public interest corporation that ceases to exist as a result of the merger at the time of its formation and that was the property for business for public interest purposes of the public interest corporation that ceases to exist", "acquired by", "in case of the property listed in item (vi) of Article 18" and "those" under item (i) of paragraph 2 of Article 30 with "succeeded or acquired as a result of the merger by", "in case of the property listed in item (vii) of Article 18 applied by replacement pursuant to the provisions of paragraph 5 of Article 25, by the public interest corporation that ceases to exist as a result of the merger" and "those (excluding ones for which the relevant public interest corporation has announced, on and after that day, to be used for the business for public interest purposes as provided for in Cabinet Office Order under item (vii) of Article 18)" respectively, "the day on which public interest corporation authorization was granted" under item (ii) of that paragraph with "the day of its formation", "the day on which public interest corporation authorization was granted" and "payments provided for in Cabinet Office Order" under item (iii) of that paragraph with "the day of its formation" and "payments provided for in Cabinet Office Order and the property other than the property for business for public interest purposes that the public interest corporation that ceases to exist as a result of the merger consumed or transferred on and after the day on which public interest corporation authorization was granted for the operation of its business for public interest purposes and the payments of taxes and public charges or other payments incurred by the relevant public interest corporation on and after that day in connection with the operation of its business for public interest purposes" respectively.

(Notification of Dissolution)

- Article 26 (1) In the event that a public interest corporation has dissolved by reasons other than merger, its liquidator (or a bankruptcy trustee in the event

that the dissolution is caused by the order commencing bankruptcy proceedings) must notify the administrative authority of that fact within one month after the date of that dissolution.

- (2) When the period under paragraph 1 of Article 233 of the General Incorporated Associations/Foundations Act has passed, the liquidator must notify the administrative authority without delay of the prospect for the delivery of the residual assets. The same applies in the event that any change arises in that prospect.
- (3) When the liquidation has completed, the liquidator must notify the administrative authority of that fact without delay.
- (4) When the notification pursuant to the provisions of paragraph 1 or the preceding paragraph is made, the administrative authority must publicly notify that fact as provided for in Cabinet Office Order.

Section 3 Supervision of Public Interest Corporations

(Report and Inspection)

Article 27 (1) To the extent necessary for ensuring suitable operation of business by public interest corporations, the administrative authority may, as provided for in Cabinet Office Order, require the public interest corporations reports necessary for the circumstances of their operational organization and business activity or cause its employees to enter the office of the relevant public interest corporations, to inspect the circumstances of their operational organization and business activity or books, documents or other items or to question their concerned persons.

- (2) Employees who implement the on-site inspection pursuant to the provisions of the preceding paragraph must carry a certificate showing their status and produce it when requested by person concerned.
- (3) The authority for the on-site inspection pursuant to the provisions of paragraph 1 must not be considered as having been granted for the investigation of a crime.

(Recommendation, Order)

Article 28 (1) In the event that the administrative authority has reasonable ground sufficient to believe that public interest corporations could fall under any one of the respective items of paragraph 2 of the following Article, it may issue a recommendation to them by setting a time limit that they should take necessary measures.

- (2) When an administrative authority issues a recommendation pursuant to the preceding paragraph, it must publicly announce the content of the relevant recommendation as provided for in Cabinet Office Order.

- (3) When a public interest corporation to which the recommendation under paragraph 1 is issued fails to take measures pertaining to that recommendation without reasonable grounds, the administrative authority may order the relevant public interest corporation to take measures pertaining to that recommendation.
- (4) When an administrative authority issues an order pursuant to the provisions of preceding paragraph, it must publicly notify that fact as provided for in Cabinet Office Order.
- (5) In the event that the administrative authority intends to issue the recommendation pursuant to the provisions of paragraph 1 or the order pursuant to the provisions of paragraph 3, it may hear the opinion of persons provided for in the respective items, according to the classification of reasons listed in the following items, as to whether or not the relevant reason exists:
 - (i) reasons set forth in items (i), (ii) or (v) of Article 5, items (iii) or (iv) of Article 6 or item (iii) of paragraph 2 of the following Article (which is limited to cases in which laws and regulations require them to obtain the license or authorization, etc. from the authorization granting administrative organ for operating its business): Authorization Granting Administrative Organ
 - (ii) in cases of reasons set forth in items (i)(d) and (vi) of Article 6: Commissioner General of the National Police Agency, etc.
 - (iii) in cases of reasons set forth in item (v) of Article 6: Commissioner of the National Tax Agency, etc.

(Rescission of Public Interest Corporation Authorization)

Article 29 (1) In the event that public interest corporations fall under any of the following items, the administrative authority must cancel their public interest corporation authorization:

- (i) in the event that they fall under any of the items (excluding item (ii)) of Article 6
 - (ii) in the event that they obtain the public interest corporation authorization, the authorization for change under paragraph 1 of Article 11 or the approval under paragraph 1 of Article 25 by deception or other wrongful means
 - (iii) in the event that they fail to comply with the order pursuant to the provisions of paragraph 3 of the preceding Article without reasonable grounds
 - (iv) in the event that they apply for the rescission of the public interest corporation authorization
- (2) In the event that public interest corporations fall under any of the following items, the administrative authority may cancel their public interest corporation authorization:
- (i) in the event that they no longer conform to any of the standards listed in

- each of the items of Article 5
- (ii) in the event that they fail to comply with the provisions of the preceding section
 - (iii) in addition to the preceding two items, in the event that they violate laws and regulations or the disposition by the administrative organ based on the laws and regulations
- (3) The provisions of paragraph 5 of the preceding Article apply mutatis mutandis to the rescission of the public interest corporation authorization pursuant to the provisions of the preceding two paragraphs.
 - (4) When an administrative authority cancels a public interest corporation authorization pursuant to the provisions of paragraph 1 or 2, it must publicly notify that fact as provided for in Cabinet Office Order.
 - (5) A public interest corporation that received a disposition of the rescission of its public interest corporation authorization pursuant to the provisions of paragraph 1 or 2 is considered to have amended its articles of incorporation to amend the characters in its name of public interest incorporated association or public interest incorporated foundation into general incorporated association or general incorporated foundation, respectively.
 - (6) When an administrative authority rescinds a public interest corporation authorization for a public interest corporation pursuant to the provisions of paragraph 1 or 2, the relevant public interest corporation must commission, without delay, to the registry office with jurisdiction that governs the place where its principal office and secondary offices are located to register the change of its name.
 - (7) Documents that certify that a disposition pertaining to an event causing that register was rendered must be attached to a written commission for registration of change of name pursuant to the provisions of the preceding paragraph.

(Donation as a Result of Rescission of Public Interest Corporation Authorization)

Article 30 (1) In the event that the administrative authority cancels the public interest corporation authorization pursuant to the provisions of paragraph 1 or 2 of the preceding Article or a public interest corporation ceases to exist as a result of a merger (excluding a case in which a juridical person that succeeds its rights and obligations is a public interest corporation) and that a written agreement pertaining to the donation of the property, the amount of which is equivalent to the remaining amount of the public interest purposes acquired property, is not concluded within one month after the day of the relevant rescission of the public interest corporation authorization or the relevant merger in accordance with the provisions of its articles of incorporation set

forth in item (xvii) of Article 5, it is considered that a written agreement is concluded to the effect that the national government, in case the Prime Minister is the administrative authority, or the prefecture, in case the prefectural governor is the administrative authority, receives the donation, as provided for in the articles of incorporation set forth in that item, of the money, the amount of which is equivalent to the remaining amount of the relevant public interest purposes acquired property, from the juridical person whose public interest corporation authorization was rescinded or the juridical person that succeeds the rights and obligations of the public interest corporation that ceases to exist as a result of the merger (which is referred to as the "authorization rescission juridical person, etc." in paragraph 4). In the event that a written agreement is concluded, within one month after the day of the relevant rescission of the public interest corporation authorization or the relevant merger, concerning the donation provided for in the articles of incorporation set forth in that item in respect of the property, the amount of which is equivalent to a part of the remaining amount of the public interest purposes acquired property, the foregoing also applies to a remaining part.

- (2) The "remaining amount of the public interest purposes acquired property" prescribed in the preceding paragraph means the amount that is obtained by deducting the amount listed in item (iii) from the total amount of the value of remaining property which is obtained by excluding the property listed in item (i) from the property listed in item (i).
- (i) any and all property for business for public interest purposes acquired by the public interest corporation in question (excluding those acquired before the day on which public interest corporation authorization was granted, in case of the property listed in item (vi) of Article 18)
 - (ii) property for business for public interest purposes that is consumed or transferred by the public interest corporation in question for the purpose of operating the business for public interest purposes on and after the day on which public interest corporation authorization was granted
 - (iii) the total amount of the property other than the property for business for public interest purposes that is consumed or transferred by the public interest corporation in question for the purpose of operating the business for public interest purposes on and after the day on which public interest corporation authorization was granted and the payment, made on and after that day and borne by the public interest corporation, of taxes and public charges as a result of the operation of the business for public interest purposes or other payments provided for in Cabinet Office Order.
- (3) Details for the calculation of the amount prescribed in the preceding paragraph and other matters necessary for calculation of the remaining amount of the public interest purposes acquired property are provided for in

Cabinet Office Order.

- (4) In the case of paragraph 1, the administrative authority must notify the authorization rescission juridical person, etc. of the amount of the remaining amount of the public interest purposes acquired property calculated pursuant to the provisions of the preceding two paragraphs and of a fact that an agreement is concluded pursuant to the provisions of paragraph 1 between the authorization rescission juridical person, etc. in question and the national government or the prefecture pertaining to the donation of money, the amount of which is equivalent to the relevant remaining amount of the public interest purposes acquired property or part thereof.
- (5) Public interest corporations may not amend the provisions of the articles of incorporation set forth in item (xvii) of Article 5.

(Opinion to Administrative Authority)

Article 31 Persons listed in each of the following items may state their opinion to the administrative authority in the event that they consider that the administrative authority needs to take appropriate measure regarding public interest corporations for reasonable ground sufficient to suspect that public interest corporations are involved in circumstances provided for in the respective items in question:

- (i) authorization granting administrative organs: Circumstances in which they do not conform to the standards listed in items (i), (ii) or (v) of Article 5, or circumstances that fall under items (iii) or (iv) of Article 6 or item (iii) of paragraph 2 of Article 29 (which is limited to cases in which laws and regulations require them to obtain the license or authorization, etc. from the authorization granting administrative organ for operating their business)
- (ii) commissioner general of the national police agency, etc.: Circumstances that fall under items (i) (d) or (vi) of Article 6
- (iii) commissioner of the national tax agency, etc.: Circumstances that fall under items (v) of Article 6

Chapter III Public Interest Corporation Commission and Council

Organization Established in Prefectures

Section 1 Public Interest Corporation Commission

Subsection 1 Establishment and Organization

(Establishment and Authority)

- Article 32 (1) Public Interest Corporation Commission (hereinafter referred to as the "commission") is established in Cabinet Office.
- (2) The commission deals with the matters that are caused to belong to its authority by this Act.

(Exercise of Authority)

Article 33 Commissioners exercises their authority independently.

(Organization)

Article 34 (1) The commission is organized by seven commissioners.

(2) Commissioners are to be on part-time basis; provided, however, that four of them may be on full-time basis.

(Appointment of Commissioner)

Article 35 (1) Commissioners are appointed by the Prime Minister upon obtaining the consent of both houses of the Diet from among persons who are of noble character, who can fairly judge matters belonging to the authority of the commission and have excellent knowledge and experience for laws, accounting or activity pertaining to public interest corporations.

(2) In the event that the term of office of a commissioner expires or a vacancy arises and that the consent of both houses of the Diet cannot be obtained because the Diet is closed or the House of Representatives is dissolved, the Prime Minister may appoint a commissioner, notwithstanding the provisions of the preceding paragraph, from among persons who are qualified as provided for in that paragraph.

(3) In the case referred to in the preceding paragraph, an ex-post approval of both houses of the Diet must be obtained at the first Diet following the appointment. In this case, in the event that the ex-post approval of both houses of the Diet cannot be obtained, the Prime Minister must dismiss the commissioner immediately.

(Term of Office of Commissioners)

Article 36 (1) Term of office of commissioners is three years; provided, however, that the term of office of commissioners who are appointed to fill a vacancy is the remaining term of office of their predecessors.

(2) Commissioners may be reappointed.

(3) When the terms of office of commissioners expire, that commissioners are to perform their duty continuously until their successors are appointed.

(Guarantee of Status of Commissioners)

Article 37 Commissioners are not dismissed against their will while in office unless they are considered by the commission that they cannot execute their duty due to their mental or physical trouble or that they commit a violation of duty in the course of duties or other delinquency which is not suitable for a commissioner.

(Dismissal of Commissioners)

Article 38 In the event that a commissioner falls under the cases set forth in the preceding Article, the Prime Minister must dismiss the commissioner.

(Discipline of Commissioners)

Article 39 (1) Commissioners must not divulge any secrecy which becomes known to them in the course of duties. The same applies after their retirement.
(2) During the term of office, commissioners must not be an officer of a political party or other political bodies nor engage in political movements actively.
(3) While in office, commissioners on full-time basis must not engage in other duties with remuneration, run business for profit purposes or operate other businesses seeking for monetary interest unless they are permitted by the Prime Minister.

(Salary of Commissioners)

Article 40 Salary of commissioners is provided for in a separate Act.

(Chair)

Article 41 (1) The commission has a chair, who is decided by a mutual election by commissioners.
(2) The chair presides over the affairs of, and represent the commission.
(3) In the event that the chair is not available, a commissioner who is designated by the chair in advance performs its duty on its behalf.

(Secretariat)

Article 42 (1) The secretariat is established in the commission for the purpose of dealing with the office work of the commission.
(2) The secretariat has a secretary-general and necessary staffs.
(3) The secretary-general controls the matters of the secretariat by following instructions of the chair.

Subsection 2 Consultation

(Consultation with Commission)

Article 43 (1) In case of the following, the Prime Minister must consult with the commission by attaching the opinion of the authorization granting administrative organ (excluding the opinion pertaining to the existence of circumstances falling under items (iii) and (iv) of Article 6) pursuant to the provisions of Article 8 or paragraph 5 of Article 28 (including as applied mutatis mutandis pursuant to paragraph 3 of Article 29); provided, however,

that this does not apply to the cases in which the commission considers that the consultation is not necessary.

- (i) in the event that the application for the public interest corporation authorization, the application for the authorization for change under paragraph 1 of Article 11 or the application for the approval under paragraph 1 of Article 25 is appropriate (excluding the cases where the a juridical person that applied falls under any of the respective items of Article 6 or where these applications are rejected pursuant to the provisions of Article 7 of the Administrative Procedure Act)
- (ii) in the event that the recommendation under paragraph 1 of Article 28, the order pursuant to the provisions of paragraph 3 of that Article or the rescission of the public interest corporation authorization pursuant to the provisions of paragraph 1 or 2 of Article 29 (hereinafter referred to as the "supervising disposition, etc.") is issued (excluding the cases listed below).
 - (a) In the event that public interest corporations that are the subject of the supervising disposition, etc. fall under either of items (i) or (iv) of paragraph 1 of Article 29
 - (b) In the event that the supervising disposition, etc. is rendered by reason of failure to notify pursuant to the provisions of paragraph 1 of Article 13 or paragraph 1 of Article 24 or failure to submit the inventory of assets, etc. pursuant to the provisions of paragraph 1 of Article 22
 - (c) In the event that the supervising disposition, etc. is rendered on the basis of the recommendation under paragraph 1 of Article 46
- (2) In case of the following, the Prime Minister must consult with the commission; provided, however, that this does not apply to the cases that the commission considers that the consultation is not necessary:
 - (i) in the event that the establishment, revision or abolishment of a Cabinet Order under items (iii) through (v), items (x) and (xi), proviso of item (xii), proviso of item (xv) and item (xvii) (e) of Article 5, proviso of paragraphs 1 and 3 of Article 43 as deemed to be replaced with and applied mutatis mutandis pursuant to Article 51 and the appended table 23 is planned, or that a Cabinet Office Order under items (xiii) and (xv) of Article 5, paragraph 1 and items (iv) and (vi) of paragraph 2 of Article 7, paragraphs 2 and 3 of Article 11, paragraph 1 of Article 13 (excluding item (ii)), respective items of Article 15, Article 16, proviso and items (iv), (vii) and (viii) of Article 18, paragraphs 1 and 2 of Article 21, Article 23, paragraph 1 of Article 24, paragraph 1 of Article 27, item (iii) of paragraph 2 (including cases as deemed to be replaced with the provisions of paragraph 5 of Article 25) and paragraph 3 of Article 30, paragraph 1 of the following Article and paragraph 2 of Article 46 is established, revised or abolished.
 - (ii) in the event that instructions pursuant to the provisions of Article 60 are

issued

- (3) In the event that the Prime Minister renders a decision on the filing of an objection on the basis of the Administrative Complaint Review Act (Act No. 160 of 1962) with regard to the disposition set forth in item (i) of paragraph 1, the order pursuant to the provisions of paragraph 3 of Article 28 or the rescission of the public interest corporation authorization pursuant to the provisions of items (ii) or (iii) of paragraph 1 or paragraph 2 of Article 29, it must consult with the commission, except for the cases listed in the following; provided, however, that this does not apply to the cases in which the commission considers that the consultation is not necessary:
- (i) the petition is dismissed as it is illegal.
 - (ii) a general incorporated associations or a general incorporated foundations or public interest corporation that makes a petition falls under any of the items of Article 6.
 - (iii) the petition relates to the supervising disposition, etc. due to the reason set forth in items (ii) (a) or (b) of paragraph 1.

(Public Announcement of Report)

- Article 44 (1) When the commission reports with respect to a consultation, it must publicly announce the content as provided for in Cabinet Office Order.
- (2) When the Commission reports under the preceding paragraph, it may request the Prime Minister to report measures that are taken on the basis of the report in question.

(Sending by Prime Minister)

- Article 45 (1) The Prime Minister must send a copy of documents pertaining to the notification pursuant to the provisions of paragraph 1 of Article 13, paragraph 1 of Article 24 or paragraphs 1 through 3 of Article 26, and a copy of the inventory of assets, etc. submitted pursuant to the provisions of paragraph 1 of Article 22, to the Commission.
- (2) The Prime Minister must notify the commission of the opinion stated by the authorization granting administrative organ pursuant to the provisions of Article 31 (excluding the opinion pertaining to circumstances in which public interest corporations fall under items (iii) or (iv) of Article 6).
- (3) When the Prime Minister takes the measures listed in the following without consulting with the commission, the Prime Minister must notify the commission of that circumstance:
- (i) application for the public Interest corporation authorization, application for the authorization for change under paragraph 1 of Article 11 or disposition of the application for the approval under paragraph 1 of Article 25 (excluding the refusal pursuant to the provisions of Article 7 of the Administrative

Procedure Act)

- (ii) supervising disposition, etc. (excluding the supervising disposition, etc. based on the recommendation under paragraph 1 of the following Article)
- (iii) planning for the establishment, revision or abolishment of a Cabinet Order under item (i) of paragraph 2 of Article 43 or the establishment, revision or abolishment of a Cabinet Office Order under that item
- (iv) decision on the petition set forth in paragraph 3 of Article 43 (excluding the decision of dismissal by reason of a fact that the filing of objection is illegal)
- (v) instruction pursuant to the provisions of Article 60

(Recommendation by Commission)

Article 46 (1) In the case of paragraph 1 or 2 of the preceding Article, or in the event that the commission collects, inspects or questions about report pursuant to the provisions of paragraph 1 of Article 27 based on the provisions of paragraph 1 of Article 59, the commission may examine whether or not public interest corporations fall under any of items (ii) or (iii) of paragraph 1 of Article 29 or respective items of paragraph 2 and, in the event that it deems necessary, may recommend the Prime Minister to take measures of the recommendation under paragraph 1 of Article 28, the order pursuant to the provisions of paragraph 3 of that Article or the rescission of the public interest corporation authorization pursuant to the provisions of paragraph 1 or 2 of Article 29 or others.

- (2) When the commission recommends under the preceding paragraph, it must publicly announce the content of the relevant recommendation as provided for in Cabinet Office Order.
- (3) When the commission recommends under paragraph 1, it may request the Prime Minister to report measures that are taken on the basis the relevant recommendation.

Subsection 3 Miscellaneous Provisions

(Submission of Material and Other Cooperation)

Article 47 If the commission deems it necessary for processing its affairs, it may request chiefs of relevant administrative organs, chiefs of concerned local governments or other concerned persons for submission of material, statement of opinion, explanation or other necessary cooperation.

(Public Announcement of Status of Processing of Affairs)

Article 48 Each year, the commission must publicly announce the status of processing of affairs.

(Delegation to Cabinet Order)

Article 49 In addition to those set forth in this section, matters necessary for the commission are provided for in Cabinet Order.

Section 2 Council Organizations Established in Prefectures

(Establishment and Authority)

Article 50 (1) A council or other council organizations (hereinafter simply referred to as the "council organization") is established in prefectures for the purpose of dealing with the matters that are caused to belong to its authority by this Act.

(2) Matters necessary for the organization and management of the council organization are provided for in the Prefectural Ordinance in accordance with the standards provided for in Cabinet Order.

(Consultation with Council Organization)

Article 51 The provisions of Article 43 (excluding paragraph 2) apply mutatis mutandis to prefectural governors. In this case, the term "the Commission by attaching" in paragraph 1 of that Article is deemed to be replaced with "the council organization set forth in paragraph 1 of Article 50 (hereinafter simply referred to in this Article as the "council organization") by attaching", the term "the commission" in the proviso of that paragraph with "the council organization, in accordance with the standards provided for in Cabinet Order,", the term "paragraph 1 of Article 46" in item (ii) (c) of that paragraph with "paragraph 1 of Article 46 as applied mutatis mutandis pursuant to Article 54", the term "with the commission" in paragraph 3 of that Article with "with the council organization" and the term "the commission" in the proviso of that paragraph with "the council organization, in accordance with the standards provided for in Cabinet Order,".

(Public Announcement of Report)

Article 52 The provisions of Article 44 apply mutatis mutandis to the council organization. In this case, the term "the Prime Minister" in paragraph 2 of that Article is deemed to be replaced with "the prefectural governor".

(Notice by Prefectural Governor)

Article 53 (1) In the event that the instruction pursuant to the provisions of Article 60 is given to the prefectural governor, it must notify the council organization of that fact.

(2) The provisions of Article 45 (excluding items (iii) and (v) of paragraph 3)

apply mutatis mutandis to the prefectural governor. In this case, the term "the commission" in paragraph 1 of that Article is deemed to be replaced with "the council organization set forth in paragraph 1 of Article 50 (hereinafter simply referred to in this Article as the "council organization")", the term "the commission" in paragraphs 2 and 3 of that Article with "the council organization", the term "paragraph 1 of the following Article" in item (ii) of paragraph 3 with "paragraph 1 of the following Article as applied mutatis mutandis pursuant to Article 54", the term "paragraph 3 of Article 43" in item (iv) of that paragraph with "paragraph 3 of Article 43 as applied mutatis mutandis pursuant to Article 51".

(Recommendation by Council Organization)

Article 54 The provisions of Article 46 apply mutatis mutandis to the council organization. In this case, the term "paragraph 1 or 2 of the preceding Article" and "paragraph 1 of Article 59" in paragraph 1 of that Article is deemed to be replaced with "paragraph 1 or 2 of the preceding Article as applied mutatis mutandis pursuant to paragraph 2 of Article 53" and "paragraph 2 of Article 59" respectively and the term "the Prime Minister" in that paragraph and paragraph 3 of that Article with "the prefectural governor".

(Submission of Material and Other Cooperation)

Article 55 The provisions of Article 47 apply mutatis mutandis to the council organization.

Chapter IV Miscellaneous Provisions

(Request for Cooperation)

Article 56 In the event that the administrative authority deems it necessary for the implementation of this Act, it may inquire the government agencies, public bodies and other persons or request them to cooperate.

(Provision of Information)

Article 57 The Prime Minister and the prefectural governor is to research and analyze the situation of activity by public interest corporations, measures taken by the administrative authority regarding public interest corporations and other matters, prepare necessary statistics and other materials, make efforts to maintain the database concerning public interest corporations and take necessary measures so that information can be provided to the citizen promptly by using the Internet and other advanced information and communications networks.

(Measures on Taxation)

Article 58 In view of the important role played by activities pertaining to the business for public interest purposes operated by public interest corporations, and for the purpose of ensuring the security of appropriate taxes while facilitating their activities, measures necessary for income tax, corporate income tax, inheritance tax and local tax as well as other necessary measures for taxation are to be taken in connection with the imposition of income tax on public interest corporations as well as individuals and juridical persons that make donation.

(Delegation of Authority)

Article 59 (1) The Prime Minister delegates its authority pursuant to the provisions of paragraph 1 of Article 27 (excluding the authority relating to the research on whether or not a public interest corporation falls under general incorporated associations or general incorporated foundations listed in respective items of Article 6: the same applies in the following paragraph) to the commission.

(2) In the event that the administrative authority is the prefectural governor, the term "the administrative authority" and the term "its employees" in paragraph 1 of Article 27 are deemed to be replaced with "the council organization set forth in paragraph 1 of Article 50" and "employees taking charge of general affairs" respectively.

(Instruction to Prefectural Governors)

Article 60 In the event that the Prime Minister deems specifically necessary to ensure the balance among regions in connection with the implementation of affairs pursuant to the provisions of this Act and orders based on it, it may give instructions to the prefectural governor to implement the recommendation under paragraph 1 of Article 28, the order pursuant to the provisions of paragraph 3 of that Article or the rescission of the Public Interest Corporation Authorization pursuant to the provisions of paragraph 2 of Article 29 or other measures.

(Delegation to Cabinet Order)

Article 61 In addition to those provided for in this Act, matters necessary for the implementation of this Act are provided for in Cabinet Order.

Chapter V Penal Provisions

Article 62 Any person who falls under any of the following is punished by imprisonment with work of shorter than six months or fine less than five

hundred thousand yen:

- (i) persons who obtain the public interest corporation authorization, the authorization for change under paragraph 1 of Article 11 or the approval under paragraph 1 of Article 25 by deception or other wrongful means
- (ii) persons who effect, without obtaining the authorization for change under paragraph 1 of Article 11, changes listed in items (i) or (ii) of that paragraph (which is limited to the change that causes the administrative authority to changes as the result)
- (iii) persons who effect, without obtaining the authorization for change under paragraph 1 of Article 11, changes listed in items (ii) or (iii) of that paragraph (which is limited to the change that causes them to fall under item (i) of paragraph 2 of Article 29 as the result)

Article 63 Any person who falls under any of the following is punished by fine less than five hundred thousand yen:

- (i) persons who use characters that could be misunderstood that they are public interest incorporated associations or public interest incorporated foundations in their name or trade name in violation of the provisions of paragraph 4 of Article 9
- (ii) persons who use name or trade name that could be misunderstood as other public interest incorporated associations or public interest incorporated foundations in violation of the provisions of paragraph 5 of Article 9

Article 64 Any person who falls under any of the following is punished by fine less than three hundred thousand yen:

- (i) persons who make false entry into a written application under paragraph 1 of Article 7 (including the cases where it is applied mutatis mutandis pursuant to paragraph 4 of Article 25) or into documents listed in each of the items of paragraph 2 of Article 7 (including as applied mutatis mutandis pursuant to paragraph 4 of Article 25) and submit them
- (ii) persons who make false entry into a written application under paragraph 2 of Article 11 or into documents under paragraph 3 of that Article and submit them
- (iii) persons who, in violation of the provisions of paragraph 1 or 2 of Article 21, fail to keep documents or electronic or magnetic records, or fail to enter or record matters to be entered or recorded in them or enter or record falsely

Article 65 (1) When a representative person or a manager of a juridical person (including organizations without legal personality and have a representative person or a manager: the same applies in this paragraph hereinafter) or agents, employees or other workers of a juridical person or an individual commits acts

of violation under the preceding three Articles in connection with the business of the relevant juridical person or an individual, the punishment of fine under the respective Articles in question is imposed on not only the person who commits those acts but also the juridical person or individual.

- (2) In the event that the provisions of the preceding paragraph apply to organizations without legal personality, their representative person or manager represents the organizations which are not juridical persons in procedural act, and the provisions of law concerning criminal procedure in which a juridical person is a defendant or an suspect apply mutatis mutandis.

Article 66 In the event that any of the following is a case, directors, auditors or liquidators of public interest corporations are punished by civil fine of less than five hundred thousand yen:

- (i) in the event that they fail to notify pursuant to the provisions of paragraph 1 of Article 13, paragraph 1 of Article 24, or paragraph 1 or 2 of Article 26, or notify falsely
- (ii) in the event that they fail to submit the inventory of assets, etc., or submit it with false entries, in violation of the provisions of paragraph 1 of Article 22
- (iii) in the event that they fail to report under paragraph 1 of Article 27 (including the cases where the relevant provisions are deemed to be replaced with the provisions of paragraph 2 of Article 59: the same applies in this item hereinafter) or report falsely, or refuse, interfere or avoid the inspection pursuant to the provisions of paragraph 1 of Article 27, or fail to answer or answer fraudulently to the question pursuant to the provisions of that paragraph

Supplementary Provisions

(Effective Date)

- (1) This Act comes into force on and after the effective date of the General Incorporated Associations/Foundations Act; provided, however, that provisions listed in following respective items come into force on and after the date provided for in the respective items in question:
- (i) a part relating to the obtaining the consent of both houses of the Diet in paragraph 1 of Article 35: the date of promulgation
 - (ii) the provisions of Chapter III (excluding paragraph 1 of Article 35 (which is limited to the part relating to the obtaining the consent of both houses of the Diet), paragraph 1, items (ii) of paragraph 2 and paragraph 3 of Article 43, paragraphs 1 and 2 and items (i), (ii), (iv) and (v) of paragraph 3 of Article 45, Article 46, Article 48 and Article 51 through Article 54) and of the following

paragraph: the day specified by Cabinet Order within a period not exceeding a year and a half from the date of promulgation

(Appointment of Initial Commissioners)

(2) In the event that the consent of both houses of the Diet cannot be obtained because the Diet is closed or the House of Representatives is dissolved, the provisions of paragraphs 2 and 3 of Article 35 apply mutatis mutandis to the appointment of the commissioners of the Commission who are appointed for the first time after the implementation of the provisions listed in item (ii) of the preceding paragraph.

(Review)

(3) In the event that the national government examines, at a suitable timing after the implementation of this Act, the situation in which this Act is implemented and deems necessary, it is to review the provisions of this Act and take necessary measures on the basis of the result

Appended Table (relating to Article 2)

- (i) business to promote academism and science and technology
- (ii) business to promote culture and art
- (iii) business to support persons with disability or needy persons or victims of accident, disaster or crime
- (iv) business to promote welfare of elderly persons
- (v) business to support persons having will to work for seeking the opportunity of employment
- (vi) business to enhance public health
- (vii) business to seek sound nurturing of children and youths
- (viii) business to enhance welfare of workers
- (ix) business to contribute to sound development of mind and body of the citizen or to cultivate abundant human nature through education and sports, etc.
- (x) business to prevent crimes or to maintain security
- (xi) business to prevent accident or disaster
- (xii) business to prevent and eliminate unreasonable discrimination and prejudice by reason of race, gender or others
- (xiii) business to pay respect or protect the freedom of ideology and conscience, the freedom of religion or of expression
- (xiv) business to promote the creation of gender-equal society or other better society
- (xv) business to promote international mutual understanding and for economic cooperation to overseas developing regions

- (xvi) business to preserve global environment or protect and maintain natural environment
- (xvii) business to utilize, maintain or preserve the national land
- (xviii) business to contribute to sound operation of the national politics
- (xix) business to develop sound local community
- (xx) business to secure and promote fair and free opportunity for economic activity and to stabilize and enhance the lives of the citizenry by way of activating the economy
- (xxi) business to secure stable supply of goods and energy indispensable for the lives of the citizenry
- (xxii) business to protect and promote the interest of general consumers
- (xxiii) beyond what is set forth in each of the preceding items, business provided for in Cabinet Order as one relating to the public interest