

Act on Promotion of Use of Alternative Dispute Resolution

(Act No. 151 of December 1, 2004)

Chapter I General Provisions

(Purpose)

Article 1 Owing to the changes in the social and economic climate at home and abroad, alternative dispute resolution (procedures for resolution of a civil dispute between parties who seek, with the involvement of a fair third party, a resolution without using litigation; the same applies hereinafter) has become an important means of achieving prompt dispute resolution based on the specialized expertise of a third party and in accordance with the actual facts of the dispute. Bearing such in mind, the purpose of the Act on Promotion of Use of Alternative Dispute Resolution is to provide for the basic concepts of the Act and for the responsibilities of the government and other entities; and to establish a certification system and set special rules on nullification of prescription and other matters so as to make alternative dispute resolution procedures easier to utilize, thereby enabling parties to a dispute to choose the most suitable method for resolving a dispute with the aim of appropriate realization of the rights and interests of the people.

(Definitions)

Article 2 In this Act, the terms set forth in the following items have the meanings as defined in the respective items:

- (i) private dispute resolution procedures refer to alternative dispute resolution procedures by which a private business, at the request of both parties to a civil dispute for which settlement is sought, arranges settlement under a contract with the parties to the dispute, excluding alternative dispute resolution carried out by persons designated by law as dispute resolution services under the law, in accordance with a Cabinet Order;
- (ii) dispute resolution providers refer to persons who arrange settlement through private dispute resolution procedures;
- (iii) certified dispute resolution procedures refer to private dispute resolution procedures to be carried out as the services certified under Article 5; and
- (iv) certified dispute resolution business operators refer to persons who carry out the services of certified dispute resolution under Article 5.

(Basic Principles)

Article 3 (1) Alternative dispute resolution procedures must, as legal procedures for settling disputes, be executed in a fair and appropriate manner while respecting the voluntary efforts of the parties to the dispute for dispute resolution, and be aimed at achieving prompt dispute resolution based on specialized expertise and in accordance with the actual facts of the dispute.

(2) Persons involved in the alternative dispute resolution procedures must, in compliance with the basic concepts set forth in the preceding paragraph, strive to cooperate and collaborate with one another.

(Responsibilities of the Government)

Article 4 (1) The government must, with the objective of promoting the use of alternative dispute resolution, research and analyze the trends, use, and other matters of alternative dispute resolution procedures at home and abroad, provide relevant information, and take other necessary measures, thereby endeavoring to familiarize the public with alternative dispute resolution.

(2) Local public entities must, bearing in mind that the widespread use of alternative dispute resolution will contribute to improvement in social well-being, endeavor to provide information on alternative dispute resolution procedures and take other necessary measures while sharing appropriate roles with the government.

Chapter II Certified Dispute Resolution Services

Section 1 Certification of Private Dispute Resolution Services

(Certification of Private Dispute Resolution Services)

Article 5 Persons who carry out private dispute resolution services on regular basis (including organization that is not juridical person and for which a representative or an administrator is appointed) may obtain certification by the Minister of Justice for their services.

(Certification Standards)

Article 6 The Minister of Justice is to grant certification for private dispute resolution services that are carried out by a person who has applied for certification under the preceding paragraph (hereinafter referred to as the "applicant"), if the Minister recognizes the services referred to in the application as satisfying the certification standards and the applicant as having necessary knowledge and skills as well as a financial base for carrying out the services. The certification standards are that the applicant:

- (i) defines with his or her specialized expertise the scope of disputes for which settlement will be arranged;
- (ii) is capable of selecting the appropriate person as dispute resolution provider

- to arrange settlement for each individual private dispute resolution procedure with respect to the scope of disputes given under the preceding item;
- (iii) establishes a method for selecting dispute resolution providers and a method for excluding dispute resolution providers who are interested parties of a party to a dispute or have any other causes which may harm the fair execution of private dispute resolution procedures;
 - (iv) in cases where the applicant intends to carry out the services of private dispute resolution for disputes in which the applicant's substantial controllers (persons who substantially have control over the applicant's business or have a major impact on the applicant's business through ownership of shares in the applicant, financing to the applicant or any other causes, as provided for by Order of the Ministry of Justice; the same applies hereinafter in this item) or the applicant's subsidiaries (persons whose business is substantially controlled by the applicant through the ownership of shares or any other causes, as provided for by Order of the Ministry of Justice; the same applies hereinafter in this item) are involved as the parties concerned, has adopted measures to prevent the substantial controllers or the applicant from exercising undue influence on the dispute resolution providers;
 - (v) in cases where the dispute resolution provider is not qualified as an attorney (excluding cases where the dispute resolution provider who provides the dispute resolution prescribed in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act (Act No. 197 of 1950) is qualified as the judicial scrivener prescribed in paragraph (2) of the that Article), has taken measures to ensure an attorney is available for consultation when expert knowledge on the interpretation and application of laws and regulations is required in the process of providing private dispute resolution;
 - (vi) establishes an appropriate method for giving notification when executing private dispute resolution procedures;
 - (vii) establishes a standard operation process from the commencement to the termination of executing private dispute resolution procedures;
 - (viii) establishes requirements and methods of operation to be satisfied or observed by the party to a dispute making a request for execution of private dispute resolution procedures regarding the applicant;
 - (ix) establishes procedures to promptly notify, upon receiving a request made by one party to a dispute under the preceding item, the other party to the dispute of the request and to confirm whether the other party, in response, also wishes to request use of private dispute resolution;
 - (x) establishes methods for storing, returning or otherwise handling materials submitted through private dispute resolution;

- (xi) establishes a method for preserving in an appropriate manner suited to the nature of the information, the communications of the parties to a dispute or other third parties that are contained in opinions stated or materials submitted or presented through private dispute resolution procedures; the same applies to such communications as prescribed in the dispute resolution procedure records prescribed in Article 16;
- (xii) establishes requirements and modes of operation for the parties to a dispute to terminate the private dispute resolution procedures;
- (xiii) stipulates that when the dispute resolution provider considers it impossible to arrange settlement between the parties to a dispute through private dispute resolution, the dispute resolution provider promptly terminates the private dispute resolution procedures and notify the parties to the dispute to that effect;
- (xiv) establishes measures to assure the confidentiality of communications that the applicant (the officers of the applicant if it is a juridical person, or the representative or manager appointed for the applicant if it is an organization that is not a juridical person and for which a representative or an administrator is appointed), and the applicant's representatives, employees, and other staff as well as dispute resolution providers come to have knowledge of in connection with the services of private dispute resolution;
- (xv) establishes the amount of any rewards or expenses payable to the applicant (including the dispute resolution providers), such methods of calculation and payment, and other necessary matters that are not extremely unreasonable;
- (xvi) establishes a system for the handling of complaints on the applicant's private dispute resolution services.

(Reasons for Disqualification)

Article 7 Notwithstanding the provisions of the preceding Article, a person who falls under any of the following items is not eligible to obtain the certification under Article 5:

- (i) an adult ward or a person under curatorship;
- (ii) a minor who does not have legal capacity equivalent to a major in connection with the services of private dispute resolution;
- (iii) a person who was declared bankrupt and has yet to have his rights restored;
- (iv) a person who was sentenced to imprisonment without work or a severer punishment and 5 years have not yet elapsed from the date of the completion of execution of the sentence or the date when the sentence becomes no more executable;
- (v) a person who was sentenced to a fine for violating the provisions of this Act

- or the Attorney Act (Act No. 205 of 1949) and 5 years have not yet elapsed from the date of having paid the fine or having ceased to be liable to pay the fine;
- (vi) a person whose certification was rescinded in accordance with Article 23, paragraph (1) or (2) but (5) years have not yet elapsed from the date of rescission;
 - (vii) in cases where certification of a certified dispute resolution business operator that is a juridical person (or an organization that is not juridical person and for which a representative or administrator is appointed; the same applies hereinafter in item (ix); Article 8, paragraph (2), item (i); Article 13, paragraph (1), item (iii); and Article 17, paragraph (3)) was rescinded in accordance with Article 23, paragraph (1) or (2), and the person was the officer of a certified dispute resolution business (or the representative or manager appointed for an organization that is not juridical person and for which a representative or an administrator is appointed ; the same applies hereinafter in item (ix)) at a date within 60 days before the date of the rescission and 5 years have not yet elapsed since the date of rescission;
 - (viii) a person who is an organized crime group member prescribed in Article 2, item (vi) of the Act to Prevent of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991) or a person for whom 5 years have not yet elapsed from the date the person ceased to be an organized crime group member (hereinafter collectively referred to as "organized crime group member");
 - (ix) a juridical person that has as an officer or as an employee provided for by a Cabinet Order a person who falls under any of the preceding items;
 - (x) an individual who has as an employee provided for by a Cabinet Order a person who falls under any of items (i) through (viii);
 - (xi) a person who is likely to have a member of an organized crime group engage in the services of private dispute resolution or act as an assistant for the services;
 - (xii) a person whose business activities are controlled by a member of an organized crime group.

(Application for Certification)

Article 8 (1) An application for the certification under Article 5 must be made, as provided for by Order of the Ministry of Justice, by submitting an application form that states the following matters to the Minister of Justice:

- (i) the name and address of the applicant, the name of the representative of the applicant that is a juridical person (or the representative or administrator appointed for the applicant that is an organization that is not juridical

- person and for which a representative or an administrator is appointed);
- (ii) the location of the office where the services of private dispute resolution are to be carried out;
 - (iii) other matters as provided for by Order of the Ministry of Justice.
- (2) The following documents must be attached to the application form under the preceding paragraph:
- (i) documents that state the articles of incorporation and other basic conditions of the applicant that is a juridical person;
 - (ii) documents that state the contents and the method of provision of the services of private dispute resolution relating to the application;
 - (iii) business reports or business plans on the services of private dispute resolution relating to the application;
 - (iv) the applicant's inventory list, balance sheets, income and expenditure statements or profit and loss statements, and other documents to verify that the applicant has the necessary financial base for carrying out the services of private dispute resolution relating to the application, as provided for by Order of the Ministry of Justice;
 - (v) other documents as provided for by Order of the Ministry of Justice.
- (3) The applicant applying for the certification under Article 5 must pay fees to the amount calculated with due consideration to actual costs as provided for by a Cabinet Order.

(Hearing of Opinions on Certification)

- Article 9 (1) The Minister of Justice must, when disposing an application for the certification under Article 5 or making a decision on an objection to the outcome of the application, consult in advance, where the applicant is a juridical person established directly under laws or a juridical person established by a special act of establishment under special laws, with the minister who has jurisdiction over the applicant, or where the applicant was established with permission or approval, with the minister who granted the permission or approval or with the National Public Safety Commission.
- (2) The Minister of Justice must, before granting the certification under Article 5, hear the opinions of the Director-General of the National Police Agency as to whether or not the applicant falls under items (viii) through (xii) of Article 7 (limited to item (viii) where the applicant falls under item (ix) or (x)).
- (3) The Minister of Justice must, when disposing an application under paragraph (1) or making a decision on certification, hear the opinions of the certification examiners prescribed in paragraph (1) of the following Article, as provided for by Order of Ministry of Justice.

(Certification Examiners)

- Article 10 (1) Based on their specialized knowledge and experience, around 1000 certification examiners are appointed in the Ministry of Justice to offer their opinions to the Minister of Justice on applications for the certification under Article 5 and on objections to the disposition for the applications, applications for certification of the changes under Article 12, paragraph (1) and objections to the disposition for the applications, and rescission of certifications in accordance with Article 23, paragraph (2) and objections to the rescissions.
- (2) Certification examiners may attend the proceedings in which a petitioner or intervener states his opinions in accordance with the proviso of Article 25, paragraph (1) of the Administrative Complaint Review Act (Act No. 160 of 1962), as applied mutatis mutandis under Article 48 of the that Act, and may directly ask this person questions.
- (3) Certification examiners are appointed by the Minister of Justice from persons with specialized knowledge and experience in the area of private dispute resolution.
- (4) Certification examiners are to hold their office for two years and may be reappointed.
- (5) Certification examiners are to work on a part-time basis.

(Public Notice of Certification)

- Article 11 (1) When the Minister of Justice has granted the certification under Article 5, the Minister must publish the name and address of the certified dispute resolution business operator in an official gazette.
- (2) The certified dispute resolution business operator must, in order to provide correct information for those who are using or intend to use certified dispute resolution procedures, as provided for by Order of Ministry of Justice, post a clearly viewable notice of the fact that it is a certified dispute resolution business operator and matters relating to the contents of the services of certified dispute resolution and the provision method thereof as provided for by Order of Ministry of Justice, in the office where the certified dispute resolution procedures are to be carried out.
- (3) Those other than certified dispute resolution business operators must not use, in their name, letters that would induce a false belief that they are a certified dispute resolution business operator, or present an indication in connection with their services that would induce a false belief that they are a certified dispute resolution business operator.

(Certification of Changes)

- Article 12 (1) Certified dispute resolution business operators must obtain certification of changes from the Minister of Justice for any changes in the contents of the services of certified dispute resolution or the method of

provision of services thereof; provided, however, that this does not apply to minor changes as provided for by Order of the Ministry of Justice.

- (2) Those who seek to obtain certification of the changes under the preceding paragraph must, as provided for by Order of the Ministry of Justice, submit an application form that states the matters to be changed to the Minister of Justice.
- (3) The application form under the preceding paragraph must be submitted with documents attached that state the contents of the services after the change and the provision method thereof and other documents as provided for by Order of the Ministry of Justice.
- (4) The provisions of Article 6, Article 8, paragraph (3), and paragraph (1) of the preceding Article apply mutatis mutandis to the certification of changes under paragraph (1), and the provisions of Article 9, paragraphs (1) and (3) apply mutatis mutandis to cases where a disposition for the application for certification of the changes under paragraph (1) is being considered and where a decision is to be made on an objection to that disposition.

(Notification of Changes)

Article 13 (1) Certified dispute resolution business operators must, as provided for by Order of the Ministry of Justice, notify without delay the Minister of Justice of any of the following changes:

- (i) changes in the name or address;
 - (ii) minor changes as provided for by Order of the Ministry of Justice in the contents of the services of certified dispute resolution or the provision method thereof, as prescribed for in the proviso of paragraph (1) of the preceding Article;
 - (iii) changes in the articles of incorporation, or other basic conditions (except for the changes set forth in the preceding two items) where the certified dispute resolution business operator is a juridical person;
 - (iv) changes in other matters as provided for by Order of the Ministry of Justice.
- (2) Upon receiving notification of any changes set forth in item (i) of the preceding paragraph in accordance with the that paragraph, the Minister of Justice must publish the change in an official gazette.

Section 2 Services of Certified Dispute Resolution Business Operators

(Obligation of Explanation)

Article 14 Certified dispute resolution business operators must, prior to conclusion of a contract for execution of certified dispute resolution procedures, give the parties to a dispute an explanation of the following matters, as

provided for by Order of the Ministry of Justice, by providing them with documents that state these matters or electronic or magnetic records (any record which is produced by electronic, magnetic or any other means unrecognizable by natural perceptive senses and is used for information processing by a computer) that contain these matters:

- (i) matters concerning the selection of a dispute resolution provider;
- (ii) matters concerning any rewards or expenses payable by the parties to a dispute;
- (iii) standard operation process from the commencement to the termination of executing the certified dispute resolution procedures as prescribed in Article 6, item (vii);
- (iv) other matters as provided for by Order of the Ministry of Justice.

(Prohibition of the Use of Member of an Organized Crime Group)

Article 15 Certified dispute resolution business operators must not have a member of an organized crime group engage in services or act as an assistant for the services.

(Preparation and Preservation of Procedure Operation Records)

Article 16 Certified dispute resolution business operators must, as provided for by Order of the Ministry of Justice, prepare and preserve procedure operation records that describe the following matters regarding the certified dispute resolution procedure provided:

- (i) the date of conclusion of the contract with the parties to the dispute for the execution of certified dispute resolution procedures;
- (ii) the names of the parties to the dispute or their representatives;
- (iii) the name of the dispute resolution provider;
- (iv) the particulars of the certified dispute resolution procedure followed;
- (v) the results of the certified dispute resolution procedure (including reasons for the termination of the certified dispute resolution procedure and the date of termination);
- (vi) other matters as provided for by Order of the Ministry of Justice that are necessary for clarifying the contents of the certified dispute resolution procedure carried out.

(Notification of Merger)

Article 17 (1) Certified dispute resolution business operators must, as provided for by Order of the Ministry of Justice, notify the Minister of Justice prior to conducting any of the following acts:

- (i) merger by which the certified dispute resolution business operator will be extinguished (or any acts equivalent to an administrator in the case of a

- certified dispute resolution business operator that is an organization that is not juridical person and for which a representative or an administrator is appointed; the same applies hereinafter in paragraph (3));
- (ii) transfer of all or part of the business or operation of the certified dispute resolution services;
 - (iii) division of the certified dispute resolution business operator to share it with a juridical person and to succeed all or part of its management or work of certified dispute resolution services to the organization that is not juridical person;
 - (iv) abolition of the services of certified dispute resolution.
- (2) The Minister of Justice must publish any of the notifications under the preceding paragraph in an official gazette.
- (3) Those who have conducted any of the acts set forth in the items of paragraph (1) (the organization that is not juridical person that continues to exist after a merger or the juridical person that is established by a merger in relation to the act set forth in item (i) of the that paragraph) must, if that act was conducted during the period of provision of the certified dispute resolution procedure, notify within two weeks from the date on which the act was conducted the parties to the dispute of the fact that the act was conducted and that the certification has become invalid in accordance with Article 19.

(Notification of Dissolution)

- Article 18 (1) Where certified dispute resolution business operators are dissolved due to causes other than bankruptcy or merger (or any acts equivalent to a merger in the case of a certified dispute resolution business operator that is an organization that is not juridical person and for which a representative or administrator is appointed; the same applies hereinafter), the liquidator (or the representative or administrator appointed for the certified dispute resolution business operator that is an organization that is not juridical person and for which a representative or administrator is appointed ; the same applies hereinafter in the next paragraph) must notify the Minister of Justice of the dissolution within a month from the date of the dissolution.
- (2) The liquidator under the preceding paragraph must, if the certified dispute resolution business operator was dissolved during the period of provision of the certified dispute resolution procedure, notify within two weeks from the date of the dissolution the parties to the dispute of the fact that the certified resolution business was dissolved and that the certification has become invalid in accordance with the next Article.
- (3) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the notification under paragraph (1).

(Invalidation of Certification)

Article 19 The certification under Article 5 becomes invalid in the following cases:

- (i) where the certified dispute resolution business operator conducts any of the acts set forth in the items of Article 17, paragraph (1);
- (ii) where the certified dispute resolution business operator is dissolved as prescribed in paragraph (1) of the preceding Article;
- (iii) in the event of the death of the certified dispute resolution business operator.

Section 3 Reports

(Submission of Business Reports)

Article 20 Certified dispute resolution business operators must, as provided for by Order of the Ministry of Justice, prepare and submit to the Minister of Justice a business report, inventory of assets, balance sheet, and income and expenditure statements or profit and loss statements for each business year within three months after the end of the business year.

(Report and Inspection)

Article 21 (1) Where there are reasonable grounds to suspect that a certified dispute resolution business operator falls under any of the items of Article 23, paragraph (1) or (2), the Minister of Justice may, to the extent necessary to ensure appropriate operation of the services of certified dispute resolution and as provided for by Order of the Ministry of Justice, request the certified dispute resolution business operator to report necessary information on the state of operation of the services, or direct ministry officials to visit the office of the certified dispute resolution business operator, inspect the state of operation of the services or books, documents and other articles, or ask questions of the persons concerned.

(2) Officials who conduct on-site inspection in accordance with the preceding paragraph must carry identification on their person and present it when requested by relevant person.

(3) The authority to conduct on-site inspection in accordance with paragraph (1) must not be interpreted as being granted for the purpose of criminal investigation.

(Recommendation)

Article 22 (1) Where there are reasonable grounds to suspect that a certified dispute resolution business operator falls under any of the items of paragraph (2) of the next Article, the Minister of Justice may issue a recommendation

that the certified dispute resolution business operator should take necessary measures for the services of certified dispute resolution within a designated period, if the Minister considers that recommendation necessary for ensuring appropriate operation of the services.

- (2) If the certified dispute resolution business operator to which a recommendation was issued in accordance with the preceding paragraph fails to take the measures as required in the recommendation without justifiable reason, the Minister of Justice may order the certified dispute resolution business operator to take the measures as required in the recommendation.

(Rescission of Certification)

Article 23 (1) The Minister of Justice must rescind certification in the following cases:

- (i) the certified dispute resolution business operator has come to fall under any of the items of Article 7 (except for item (vi));
- (ii) the certified dispute resolution business operator has obtained the certification under Article 5 or the certification of change under Article 12, paragraph (1), by deception or other wrongful means; or
- (iii) the certified dispute resolution business operator has failed to comply with the order under paragraph (2) of the preceding Article without justifiable reason.

(2) The Minister of Justice may rescind certification in any of the following cases:

- (i) the contents of the services of certified dispute resolution and the operation method thereof no longer satisfy the standards set forth in any of the items of Article 6;
- (ii) the certified dispute resolution business operator no longer has the necessary knowledge or skills or financial base for carrying out the services of certified dispute resolution; or
- (iii) the certified dispute resolution business operator is in violation of any of the provisions of this Act.

(3) When rescinding certification in accordance with the preceding two paragraphs, the Minister of Justice may hear the opinions of the Director-General of the National Police Agency regarding whether or not the certified dispute resolution business operator falls under items (viii) through (xii) of Article 7 (limited to item (viii) where the applicant falls under item (ix) or (x)) or whether or not the certified dispute resolution business operator is in violation of Article 15.

(4) Upon rescinding certification in accordance with paragraph (1) or (2), the Minister of Justice must publish the rescission in an official gazette.

(5) Those whose certification was rescinded in accordance with paragraph (1) or (2) must, if the certification was rescinded during the period of execution of the

certified dispute resolution procedure, notify within two weeks of the date of rescission the parties to the dispute of the rescission.

- (6) The provisions of Article 9, paragraphs (1) and (3) apply mutatis mutandis to cases where certification has been rescinded in accordance with paragraph (2) and where a decision is made on an objection to the rescission.

(Due Consideration to the Nature of Private Dispute Resolution Services)

Article 24 The Minister of Justice must, when requesting a report or directing ministry officials to conduct an inspection or ask questions in accordance with Article 21, paragraph (1), or when making a recommendation or giving an order in accordance with Article 22, give due consideration to the fact that private dispute resolution procedures are based on a relationship of mutual trust between the parties to a dispute and the party carrying out the services of private dispute resolution, that the voluntary efforts of the parties to a dispute for dispute resolution should be respected, and to other elements of the nature of private dispute resolution services.

Chapter III Special Rules on the Use of Certified Dispute Resolution Procedures

(Renewal of Prescription)

Article 25 (1) Where the dispute resolution provider has terminated the certified dispute resolution procedure on the grounds that it is impossible to arrange settlement between the parties to a dispute through certified dispute resolution, if the party to the dispute that made the request for certified dispute resolution brings a suit, within one month from the date of being notified of the termination, for the demand disputed in the certified dispute resolution procedure, prescription is to be deemed renewed as if the suit had been filed on the date on which the demand was made through the certified dispute resolution procedure.

- (2) The provisions of the preceding paragraph also apply in cases where the certification under Article 5 becomes invalid in accordance with Article 19 during the period when the certified dispute resolution procedure was being carried out for a dispute, and the party to the dispute that made the request for certified dispute resolution brings a suit for the demand disputed through the certified dispute resolution procedure, within one month from the date on which the party received the notification under Article 17, paragraph (3), or Article 18, paragraph (2), or became aware of a fact that falls under any of the items of Article 19, whichever comes earlier (or the date on which the party became aware of the death of the certified dispute resolution business operator in cases where the cause of invalidation of the certification under Article 5 is

the death of the certified dispute resolution business operator).

- (3) The provisions of paragraph (1) also apply in cases where the certification under Article 5 was rescinded in accordance with Article 23, paragraph (1) or (2), during the period when the certified dispute resolution procedure was being carried out for a dispute, and the party to the dispute that made the request for certified dispute resolution brings a suit for the demand disputed through the certified dispute resolution procedure, within one month from the date on which the party received the notification under paragraph (5) of the that Article or became aware of the rescission, whichever comes earlier.

(Suspension of Litigation Proceedings)

Article 26 (1) Where a lawsuit is pending between the parties to a civil dispute which may be settled, the court in charge of the case may, upon the joint request of the parties to the dispute, make a decision that the litigation proceedings may be suspended for a period of not more than four months, in any of the following cases:

- (i) a certified dispute resolution procedure is being carried out for the dispute between the parties to the dispute; or
 - (ii) in addition to the case prescribed in the preceding item, the parties to the dispute have reached an agreement to achieve a resolution of the dispute through certified dispute resolution.
- (2) The court in charge of the case may at any time rescind the decision under the preceding paragraph.
- (3) An appeal may not be made against a decision to dismiss the request under paragraph (1) and a decision to rescind the suspension decision under paragraph (1) in accordance with the preceding paragraph.

(Special Provisions on Use of Certified Dispute Resolution Procedures Before Conciliation)

Article 27 Where a party to a dispute has brought a suit in respect of a case prescribed in Article 24-2, paragraph (1) of the Civil Conciliation Act (Act No. 222 of 1951) or a case prescribed in Article 18, paragraph (1), of the Domestic Relations Trial Act (Act No. 152 of 1947) (except for a case prescribed in Article 23 of the that Act), if the party, prior to bringing the suit, made a request for certified dispute resolution for the dispute and the certified dispute resolution procedure was terminated on the grounds that it was impossible to arrange settlement between the parties to the dispute through certified dispute resolution, the provisions of Article 24-2 of the Civil Conciliation Act or Article 18 of the Domestic Relations Trial Act do not apply. In such case, the court in charge of the case may refer the case to conciliation ex officio if the court considers it appropriate to do so.

Chapter IV Miscellaneous Provisions

(Rewards)

Article 28 Certified dispute resolution business operators (including dispute resolution providers engaged in certified dispute resolution) may receive rewards for carrying out the services of certified dispute resolution as provided under a contract concluded with the parties to the dispute or with other parties.

(Request for Cooperation)

Article 29 The Minister of Justice may make inquiries to or request cooperation from government agencies, public entities, and other parties, if the Minister considers it necessary for the enforcement of this Act.

(Opinions to the Minister of Justice)

Article 30 The Director-General of the National Police Agency may offer his opinions to the Minister of Justice when he considers it necessary to take appropriate measures against a certified dispute resolution business operator on the grounds that there is reason to suspect that the certified dispute resolution business operator falls under any of items (viii) through (xii) of Article 7 (limited to item (viii) where the applicant falls under item (ix) or (x)) or is in violation of Article 15.

(Disclosure of Information on the Services of Certified Dispute Resolution)

Article 31 In order to provide the public with information on the services of certified dispute resolution, the Minister of Justice may, as provided for by Order of the Ministry of Justice, disclose through the Internet or other means the name and address of certified dispute resolution business operators, the location of the office where the services are being carried out, and the contents of the services and the operation method thereof, as provided for by a Order of the Ministry of Justice.

Chapter V Penal Provisions

Article 32 (1) A person who has obtained the certification under Article 5 or the certification of change under Article 12, paragraph (1), by deception or other wrongful means is punished with imprisonment with work for not more than 2 years or a fine of not more than 1 million yen, or both.

(2) A person who has, in violation of Article 15, had member of an organized crime group engage in the services of certified dispute resolution or act as an assistant for the services is punished with imprisonment with work for not

more than 1 year or a fine of not more than 1 million yen, or both (cumulative imposition).

- (3) A person who falls under any of the following items is punished with a fine of not more than 1 million yen:
- (i) a person who has submitted the application form under Article 8, paragraph (1), or the documents set forth in the items of paragraph (2) of the Article or the application form under Article 12, paragraph (2), or the documents set forth in the items of paragraph (3) of the Article, containing false statements;
 - (ii) a person who has violated Article 11, paragraph (3).

Article 33 (1) Where the representative or administrator of a juridical person (or an organization that is not juridical person and for which a representative or an administrator is appointed; the same applies hereinafter in this paragraph), or an agent or employee³ of a juridical person or an individual has committed, in connection with the services of the juridical person or the individual, any of the acts of violation set forth in the paragraphs of the preceding Article, the person who has committed the act is punished and the juridical person or the individual also is punished with a fine prescribed in the relevant paragraphs.

(2) Where the provisions of the preceding paragraphs apply to an organization that is not juridical person, the representative or administrator of the organization that is not juridical person represents the organization with respect to the procedural act, and provisions relating to criminal proceedings where a juridical person stands as a defendant or suspect apply *mutatis mutandis*.

Article 34 (1) A person who falls under any of the following items is punished with a civil fine of not more than 500,000 yen:

- (i) a person who has failed to post the notice under Article 11, paragraph (2), or has posted a false notice;
- (ii) a person who has failed to make the notification under Article 13, paragraph (1), Article 17, paragraph (1), or Article 18, paragraph (1), or has made a false notification;
- (iii) a person who has, in violation of Article 16, failed to prepare procedure operation records, prepared false procedure operation records, or failed to preserve procedure operation records;
- (iv) a person who has failed to make the notification under Article 17, paragraph (3), Article 18, paragraph (2), or Article 23, paragraph (5), or has made a false notification;
- (v) a person who has, in violation of Article 20, failed to submit a business report, inventory of assets, balance sheet, or income and expenditure statements or profit and loss statements, or has submitted any of these

- documents containing false statements;
- (vi) a person who has failed to report the information under Article 21, paragraph (1), or has reported false information; or
 - (vii) a person who has violated an order under Article 22, paragraph (2).
- (2) A certified dispute resolution business operator (the representative or administrator of the certified dispute resolution business operator that is a juridical person or the representative or administrator appointed for the certified dispute resolution business operator that is an organization that is not juridical person and for which a representative or an administrator is appointed), or representative or employee of the certified dispute resolution business operator who has refused, prevented, or avoided the inspection prescribed in Article 21, paragraph (1), is punished with a civil fine of not more than 500,000 yen.

Supplementary Provisions

(Date of Enforcement)

Article 1 This Act comes into effect as from the date specified by a Cabinet Order within 30 months from the date of promulgation.

(Review)

Article 2 The government is to review the status of the enforcement of this Act when five years have passed after it has entered into force, and take necessary measures based on the results as required.

(Partial Amendment of the Comprehensive Legal Support Act)

Article 3 The Comprehensive Legal Support Act (Act No. 74 of 2004) is partially amended as follows:

In Article 7, The term "alternative dispute resolution under law" is revised as "alternative dispute resolution procedures (alternative dispute resolution procedures prescribed in Article 1 of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004); the same applies hereinafter in Article 30, paragraph (1), item (vi) and Article 32, paragraph (3));"

In Article 30, paragraph (1), item (vi) and Article 32, paragraph (3), the term "alternative dispute resolution under law" is revised as "alternative dispute resolution procedures."

(Partial Revision of the Act for Establishment of the Ministry of Justice)

Article 4 Act for Establishment of The Ministry of Justice (Act No. 93 of 1999) is partially revised as follows.

The following item is added following item (xxv) of Article 4:

(xxv)-2 Affairs relating to certification of private dispute resolution services under the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004).