

Secondhand Goods Business Act

(Act No. 108 of May 28, 1949)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to prevent theft and other crimes and contribute to the prompt recovery of losses, by imposing necessary regulations etc. on operations relating to the secondhand goods business, in order to prevent the sale and purchase of stolen property etc. and to ensure that it is found promptly.

(Definitions)

Article 2 (1) In this Act, the term "secondhand goods" means goods that have been used in the past (including collectible works of art, gift certificates, passenger tickets, postage stamps, and other similar vouchers and other items specified by Cabinet Order, but excluding large machinery (meaning ships, aircraft, machine tools, and other similar objects) specified by Cabinet Order; the same applies hereinafter), or, goods that have been purchased, consigned, or traded for use but are no longer used, or goods as described above that have been maintained to some degree.

(2) In this Act, the term "secondhand goods business" means the businesses listed as follows:

(i) a business that sells, purchases or exchanges secondhand goods, or sells,

- purchases or exchanges secondhand goods on consignment, excluding businesses engaged solely in selling secondhand goods or in purchasing secondhand goods from counterparties to which the goods were sold;
- (ii) a business that manages a secondhand goods market (meaning a market for selling and purchasing, or exchanging, secondhand goods among secondhand goods dealers; the same applies hereinafter); and
 - (iii) a business that brokers the selling and purchasing of secondhand goods by means of auctions (limited to auction methods using electronic data processing systems specified by Cabinet Order and other methods specified by Cabinet Order) (excluding business set forth in the preceding item; hereinafter referred to as "secondhand goods auction brokerage").
- (3) The term "secondhand goods dealer" as used in this Act, means a person who, after receiving a permit under the provisions of the following Article, operates a business engaging in the activities set forth in item (i) of the preceding paragraph.
- (4) The term "secondhand goods market owner" as used in this Act means a person who, after receiving a permit under the provisions of the following Article, operates the type of business set forth in paragraph (2), item (ii).
- (5) The term "secondhand goods auction broker" as used in this Act means a person who operates a secondhand goods auction brokerage.

Chapter II Permits to Operate Secondhand Goods Businesses

Section 1 Secondhand Goods Dealers and Secondhand Goods Market Owners

(Permits)

Article 3 A person who intends to operate a business set forth in paragraph (2), item (i) or (ii) of the preceding Article must receive a permit from a Prefectural Public Safety Commission (hereinafter referred to as "Public Safety Commission").

(Criteria for Permit)

Article 4 A Public Safety Commission must not grant a permit to a person who intends to receive a permit under the provisions of the preceding Article if the person falls under any of the following items:

- (i) a person who has not had their rights restored after receiving an order commencing bankruptcy proceedings;
- (ii) a person who has been sentenced to imprisonment without work or a heavier punishment, or who has been sentenced to a fine for the crime prescribed in Article 31 or the crime prescribed in Article 235, Article 247, Article 254, or Article 256, paragraph (2) of the Penal Code (Act No. 45 of

- 1907), for whom five years have not passed since the day that the execution of the sentence was completed or the person ceased to be subject to its enforcement;
- (iii) a person for whom there are sufficient reasonable grounds to believe that the person is likely to engage concertedly or habitually in violent unlawful conduct or other unlawful conduct constituting crimes provided for by National Public Safety Commission Rules;
 - (iv) a person who has received an order under the provisions of Article 12 or Article 12-6 of the Act on Prevention of Unlawful Acts by Organized Crime Group Members (Act No. 77 of 1991) or an instruction under the provisions of Article 12-4, paragraph (2) of the same Act, for which three years have not passed from the date they received the order or instruction;
 - (v) a person who has no fixed place of residence;
 - (vi) a person whose secondhand goods business permit has been cancelled under the provisions of Article 24, paragraph (1), and for whom five years have not passed from the date of the cancellation (for a corporation, this includes the relevant corporation who held office as an executive officer within 60 days prior to the day on which a public notice of the date and place of the hearing relating to the cancellation was publicly given, and for whom five years have not passed from the date of the cancellation);
 - (vii) a person who has returned the permit under the provisions of Article 8, paragraph (1), item (i) during the period starting from the day on which public notice of the date and place of the hearing relating to the cancellation of the permit under the provisions of Article 24, paragraph (1) was given, to the day on which the permit is cancelled or the day on which a decision to not cancel the permit is made (excluding persons for whom there are reasonable grounds for discontinuing the secondhand goods business) and for whom five years have not passed from the date of the return;
 - (viii) a person specified by the National Public Safety Commission Rules as a person who is unable to properly conduct the business of a secondhand goods dealer or a secondhand goods market owner due to a mental or physical disorder;
 - (ix) a minor who does not have the same capacity as a person who has reached the age of majority with regards to the business; provided, however, that this does not apply to cases in which the person is an heir of a secondhand goods dealer or a secondhand goods market owner, whose statutory agent does not fall under any of the preceding items or item (xi);
 - (x) a person for whom there are reasonable grounds for not being permitted to appoint a manager listed Article 13, paragraph (1) for each place of business (or in the case of a person who does not have a place of business, domicile or residence of the person; the same applies hereinafter) or a secondhand goods

- market; or
- (xi) a corporation where any of its officers falls under any of the items (i) through (viii).

(Application Procedures and Issuance of Permit)

Article 5 (1) A person who intends to receive a permit under the provisions of Article 3 must submit a written application for permission stating the following particulars to the Public Safety Commission that has jurisdiction over the location of the principal place of business of the person or the secondhand goods market. In this case, documents specified by the National Public Safety Commission Rules must be attached to the written permit application.

- (i) name and domicile or residence, and in the case of a corporation, the name of its representative;
- (ii) the name and location of the principal place of business or the secondhand goods market, or other place of business or secondhand goods market;
- (iii) the category specified by the National Public Safety Commission Rules relating to the secondhand goods to be handled at each place of business or secondhand goods market;
- (iv) the name and address of the manager designated in Article 13, paragraph (1);
- (v) for a person who intends to operate the type of business set forth in Article 2, paragraph (2), item (i), whether the person intends to engage in peddling (including setting up a temporary store (meaning a store temporarily established at a place other than the place of business, which can be easily relocated; the same applies hereinafter); the same applies hereinafter);
- (vi) for a person who intends to operate the type of business set forth in Article 2, paragraph (2), item (i), whether the person, as their method of business, will make information relating to the secondhand goods handled available for public inspection using an automated public transmission by connecting an electronic telecommunications line (meaning an automated transmission sent in response to a request from the public for the purpose of direct receipt by the public, excluding transmissions that fall under the category of broadcasting or cable broadcasting; the same applies hereinafter), and receive offers to transact by a means of communication specified by the National Public Safety Commission Rules; and the letters, numbers, symbols, or other signs used for identifying the source of the automated public transmission of information relating to secondhand goods; and
- (vii) in the case of a corporation, the names and addresses of its officers.
- (2) When the Public Safety Commission grants a permit under the provisions of Article 3, it must issue a written permit.

- (3) When a permit is not granted under the provisions of Article 3, the Public Safety Commission must notify the applicant to that effect in writing, stating reasons.
- (4) If an issued permit is lost or destroyed, the person who received the permit must promptly notify the Public Safety Commission with jurisdiction over the location of the person's principal place of business or secondhand goods market to that effect, and receive a reissued permit.

(Cancellation of Permits)

Article 6 (1) The Public Safety Commission may cancel the permit granted to a person who has received a permit under the provisions of Article 3 if any of the following facts are found to apply to the person:

- (i) the person received the permit by deception or other wrongful means;
 - (ii) the person falls under any of the descriptions set forth in the items of Article 4 (excluding item (x)); or
 - (iii) the person has not commenced the business within six months of receiving the permit, or has continuously suspended the business for six months or longer and is not currently operating the business.
- (2) The Public Safety Commission may, if the location of the place of business or secondhand goods market of a person who has received a permit under the provisions of Article 3 cannot be ascertained, or if the whereabouts of the person (or in the case of a corporation, the whereabouts of its officers) cannot be ascertained, give public notice of that fact under the provisions of the National Public Safety Commission Rules, and may cancel the permit when no request is received from the person within thirty days after the date of the public notice.
 - (3) The provisions of Chapter III of the Administrative Procedure Act (Act No. 88 of 1993) do not apply to dispositions under the provisions of the preceding paragraph.

(Notification of Changes)

Article 7 (1) A secondhand goods dealer or secondhand goods market owner who intends to make changes to any of the particulars set forth in Article 5, paragraph (1), item (ii), must submit, a written notification stating the particulars specified by the National Public Safety Commission Rules, in advance, to the Public Safety Commission with jurisdiction over the location of the principal place of business or the secondhand goods market (or in the case of a change in the location of the principal place of business or the secondhand goods market beyond the jurisdictional district of the Public Safety Commission, the Public Safety Commission with jurisdiction over the location of the principal place of business or the secondhand goods market after the

change).

- (2) A secondhand goods dealer or secondhand goods market owner must submit a written notification to the Public Safety Commission with jurisdiction over the location of the secondhand goods dealer's principal place of business or the secondhand goods market, stating the particulars specified by the National Public Safety Commission Rules, when a change has been made to any of the particulars set forth in each the items of Article 5, paragraph (1) (excluding item (ii))
- (3) A secondhand goods dealer or a secondhand goods market owner who has a place of business or a secondhand goods market within the jurisdictional district of a Public Safety Commission other than the Public Safety Commission prescribed in the preceding two paragraphs may submit a written notification under the preceding two paragraphs via the Public Safety Commission.
- (4) A written notification submitted under the provisions of paragraph (1) or (2) must be accompanied by documents specified by the National Public Safety Commission Rules.
- (5) When a written notification is submitted pursuant to the provisions of paragraph (1) or (2), any matters described in the notification that fall under the particulars to be described in the permit must be rewritten.

(Return of Written Permit)

Article 8 (1) If any of the following events arises, a person to whom a permit has been issued must return the permit (or in the case of item (iii), the found or restored permit) without delay to the Public Safety Commission with jurisdiction over the location of the principal place of business or the secondhand goods market of the person:

- (i) the person has abolished the secondhand goods business;
 - (ii) the permission under the provisions of Article 3 has been cancelled; or
 - (iii) the person has discovered or recovered the lost permit after having received a reissued permit.
- (2) When the permit is returned under the provisions of item (i) of the preceding paragraph, the permission under the provisions of Article 3 will cease to be valid.
 - (3) When a person to whom a permit has been issued falls under any of the following items, the person prescribed under each of the following items must return the permit without delay to the Public Safety Commission with jurisdiction over the location of the principal place of business or the secondhand goods market of the person:
 - (i) when the person has died: A relative cohabiting with the deceased, or the statutory agent of the deceased; or

- (ii) when the corporation has ceased to exist as a result of a merger: A representative of a corporation surviving the merger or incorporated as a result of the merger.

(Public Inspection)

Article 8-2 (1) The Public Safety Commission is to provide the following particulars regarding secondhand goods dealers that use the method prescribed in Article 5, paragraph (1), item (vi), for public inspection, by automated public transmission conducted by connecting to an electric telecommunications line:

- (i) the secondhand dealers' names;
 - (ii) the letters, numbers, symbols and other signs prescribed in Article 5, paragraph (1), item (vi); and
 - (iii) the secondhand dealers' permit numbers.
- (2) In the event of a change in any of the particulars set forth in the items of the preceding paragraph, the Public Safety Commission is to correct the relevant particulars without delay.

(Prohibition on Name Lending)

Article 9 A secondhand goods dealer or secondhand goods market owner must not allow any other person to operate a secondhand goods business using its name.

(Notification of Auction)

Article 10 (1) When a secondhand goods dealer intends to conduct an auction at a place other than the secondhand goods market operated by a secondhand goods market owner, the secondhand goods dealer must notify the Public Safety Commission with jurisdiction over the relevant place, of the time and place of the auction, in advance.

- (2) A secondhand goods dealer who does not have a place of business within the jurisdictional district of the Public Safety Commission prescribed in the preceding paragraph may file a notification under the provisions of the same paragraph via the Public Safety Commission with jurisdiction over the location of the place of business.
- (3) When a secondhand dealer who intends to conduct an auction in paragraph (1) by making particulars relating to the secondhand goods to be sold available for public inspection through an automated public transmission by connecting to an electric telecommunications line, and by using a method of receiving offers for purchase of the secondhand goods through a communication means specified by the National Public Safety Commission Rules, the secondhand goods dealer must, notwithstanding the provisions of the same paragraph, notify the Public Safety Commission with jurisdiction over the location of the

place of business that handles the secondhand goods, in advance, concerning the letters, numbers, symbols, or other signs used to identify the source of the automated public transmission relating to the particulars of the secondhand goods, the period during which the auction is to be conducted, and other particulars specified by the National Public Safety Commission Rules.

- (4) The provisions of the preceding three paragraphs do not apply to cases where a person intends to conduct transactions through brokering conducted by a secondhand goods auction broker.

Section 2 Secondhand Goods Auction Brokers

(Notification)

Article 10-2 (1) A secondhand goods auction broker must submit, to the Public Safety Commission with jurisdiction over the location of the office serving as the base of business operations (or in the case of a person who does not have a place of business, domicile or residence of the person; the same applies hereinafter), a written notification stating the following particulars within two weeks from the date of commencement of the business. In this case, the written notification must be accompanied by documents specified by the National Public Safety Commission Rules.

(i) the name and domicile or residence, and in the case of a corporation, the name of its representative;

(ii) the name and location of offices such as the office serving as the base of business operations;

(iii) in the case of a corporation, the names and addresses of its officers; and

(iv) the method of auction prescribed in Article 2, paragraph (2), item (iii) and other particulars concerning the method of conducting business, which are specified by the National Public Safety Commission Rules.

- (2) If the secondhand goods auction brokerage has been abolished or the information set forth in any of the items of the preceding paragraph has changed, the person who submitted a written notification referred to in the same paragraph must submit to the Public Safety Commission (if the office serving as the base of business operations has been relocated outside the jurisdictional district of the Public Safety Commission, the Public Safety Commission with jurisdiction over the location of the office serving as the base of business operations after the relocation) a written notification stating the particulars prescribed in the National Public Safety Commission Rules. In this case, the written notification must be accompanied by documents specified by the National Public Safety Commission Rules.

Chapter III Particulars to Be Observed by Secondhand Goods Dealers and

Secondhand Goods Market Owners

(Carrying a Permit)

Article 11 (1) A secondhand goods dealer must carry a permit when peddling or carrying out an auction.

(2) A secondhand goods dealer must, when they have a worker such as an agent, employee (hereinafter referred to collectively as "agent") engage in peddling, have the agent carry a peddler's employee card with them, in the form prescribed in the National Public Safety Commission Rules.

(3) When peddling, a secondhand goods dealer or its agent, etc. must present a permit or a peddler's employee card prescribed in the preceding paragraph upon the request of the counterparty to the transaction.

(Posting of Signs)

Article 12 (1) A secondhand goods dealer or a secondhand goods market owner must post a sign in the form prescribed by the National Public Safety Commission Rules in a place easily visible to the public at each of their places of business, temporary stores, or secondhand goods markets.

(2) A secondhand goods dealer who intends conduct transactions using the method prescribed in Article 5, paragraph (1), item (vi), must make its name, the name of the Public Safety Commission that granted permission, and the secondhand goods dealer's permit number, as well as the particulars concerning the secondhand goods the secondhand goods dealer handles, available for public inspection through an automated public transmission by connecting to an electric telecommunications line.

(Manager)

Article 13 (1) A secondhand goods dealer or a secondhand goods market owner must appoint one manager for each place of business or secondhand goods market as the responsible person in charge of properly conducting the business relating to the place of business or the secondhand goods market.

(2) A person who falls under any of the following items may not become a manager:

(i) a minor;

(ii) a person who falls under any of items (i) through (vii) of Article 4; or

(iii) a person specified by the National Public Safety Commission Rules as a person who is unable to properly conduct the duties of a manager due to a mental or physical disorder.

(3) A secondhand goods dealer or a secondhand goods market owner must endeavor to have a manager acquire the knowledge, skills, or experience specified by the National Public Safety Commission Rules as necessary for

- determining whether the secondhand goods the person handles are illicit goods.
- (4) If a manager has violated any provisions listed laws and regulations relating to the manager's duties, the Public Safety Commission may recommend the secondhand goods dealer or the secondhand goods market owner to dismiss the manager if it finds that person unfit to act as a manager due to the circumstances.

(Restrictions on Business)

- Article 14 (1) A secondhand goods dealer must not receive secondhand goods from a person other than a secondhand goods dealer at any place other than the place of business, or the domicile or residence of the counterparty to the transaction, for purchase or exchange, or on consignment for sale or exchange; provided, however, that this does not apply to cases in which the secondhand goods business is being operated at a temporary store, if the dates, times, and location of the secondhand goods business are reported in advance to the Public Safety Commission with jurisdiction over that location.
- (2) A secondhand goods dealer that does not have a place of business within the jurisdictional district of the Public Safety Commission prescribed in the proviso of the preceding paragraph may file a notification under the provisions of the same proviso via the Public Safety Commission with jurisdiction over the location of its place of business.
- (3) In a secondhand goods market, selling, purchasing or exchanging secondhand goods, or accepting secondhand goods on consignment for sale or exchange, is prohibited, except between secondhand goods dealers.

(Confirmation and Reporting)

- Article 15 (1) When a secondhand goods dealer intends to purchase or exchange secondhand goods, or accept secondhand goods on consignment for sale or exchange, the secondhand goods dealer must take one of measures set forth in the in each of the following items in order to confirm the identity of the counterparty:
- (i) confirm the address, name, occupation, and age of the counterparty;
 - (ii) receive a document stating the counterparty's address, name, occupation, and age (limited to a document signed by the counterparty) from the counterparty;
 - (iii) receive a record of its address, name, occupation, and age by electronic or magnetic means (meaning methods that cannot be recognized by human perception, such as electronic methods, magnetic methods; the same applies hereinafter) from the counterparty, which has been electronically signed by the counterparty with respect to the information (limited to an electronic signature prescribed in Article 2, paragraph (1) of the Act on Electronic

Signatures and Certification Business (Act No. 102 of 2000) that is verified as prescribed in Article 2, paragraph (2) of the same Act by a person certified under Article 4, paragraph (1) or Article 15, paragraph (1) of the same Act);
or

(iv) beyond the matters set forth in the preceding three items, measures specified as equivalent by the National Public Safety Commission Rules.

(2) Notwithstanding the provisions set forth in the preceding paragraph, the measures prescribed in the same paragraph are not required to be taken in the following cases:

(i) when transactions in which the total amount of consideration is less than the amount specified by the National Public Safety Commission Rules (excluding transactions that relate to secondhand goods specified by the National Public Safety Commission Rules as transactions for which it is particularly necessary to take the measures prescribed in the preceding paragraph); or

(ii) when secondhand goods are purchased from the counterparty to which the goods were sold.

(3) When a secondhand goods dealer who intends to purchase or exchange secondhand goods, or accept secondhand goods on consignment for sale or exchange, suspects that the secondhand goods may be illicit, the secondhand goods dealer must immediately report that fact to a police officer.

(Register Entries)

Article 16 When a secondhand goods dealer receives or delivers secondhand goods for sale, purchase or exchange, or receives secondhand goods on consignment to sell, purchase or exchange, the secondhand goods dealer must enter, for each individual transaction, the following particulars in a register or equivalent document (hereinafter referred to collectively as "register") specified by the National Public Safety Commission Rules, or record them by electronic or magnetic means; provided, however, that this does not apply to items set forth in paragraph (2) of the preceding Article, or cases where the delivered secondhand goods are specified by National Public Safety Commission Rules as secondhand goods for which no entry or record is required.

(i) the date of the transaction;

(ii) the items and quantities of the secondhand goods;

(iii) the characteristics of the secondhand goods;

(iv) the address, name, occupation, and age of the counterparty (excluding other parties to which secondhand goods specified by the National Public Safety Commission Rules have been delivered); and

(v) the category of the measures taken under the provisions of paragraph (1) of the preceding Article (or in the case of the measures set forth in items (i) and

(iv) of the same paragraph, the category and method).

Article 17 With regard to secondhand goods to be purchased, sold, or exchanged in a secondhand goods market, a secondhand goods market owner must, for each transaction, enter in the register or record by electronic or magnetic means, the particulars prescribed in items (i) through (iii) of the preceding Article, and, the addresses and names of the parties to the transaction.

Article 18 (1) A secondhand goods dealer or a secondhand goods market owner must keep the register, prescribed in the preceding two Articles at the place of business or the secondhand goods market for three years from the date of the last entry, or store the records in electronic or magnetic means prescribed in the preceding two Articles for three years from the date of the recording so that it can be immediately indicated in writing at the place of business or the secondhand goods market.

(2) When a register, or the electronic or magnetic records prescribed in the preceding two Articles, are damaged, lost, or destroyed, a secondhand goods dealer or a secondhand goods market owner must immediately notify the chief of the police station with jurisdiction over the location of the place of business or secondhand goods market.

(Report of Stolen Property)

Article 19 (1) When the Superintendent General, the Chief of Prefectural Police Headquarters, or the Chief of a Police Station (hereinafter referred to collectively as the "Chief of Prefectural Police Headquarters, etc.") finds it necessary to do so, they may issue in writing to a secondhand goods dealer or a secondhand goods market owner, a report of stolen property or property acquired through other acts that constitute property crimes (hereinafter referred to collectively as "stolen property, etc.").

(2) When a secondhand goods dealer or a secondhand goods market owner receives a stolen property report issued under the provisions of the preceding paragraph, they must record the date on which the report arrived on the document relating to the stolen property report and store it for six months from the date of arrival; provided, however, that the date of arrival need not be written on a report using an electronic data processing system prescribed in Article 6, paragraph (1) of the Act on the Promotion of Administrative Affairs through the Use of Information and Communications Technology (Act No. 151 of 2002) under the provisions of Article 7, paragraph (1) of that Act.

(3) If a secondhand goods dealer is in possession of the relevant secondhand goods on the day the dealer receives a stolen property report, or receives secondhand goods corresponding to a stolen property report within the period

prescribed in the preceding paragraph, the secondhand goods dealer must immediately notify a police officer to that effect.

- (4) When secondhand goods corresponding to a stolen property report appear on the secondhand goods market for trading within the period prescribed in paragraph (2), the secondhand goods market owner must immediately notify a police officer to that effect.
- (5) The provisions of Article 7, paragraph (3) of the Act on the Promotion of Administrative Affairs through the Use of Information and Communications Technology do not apply in relation to a stolen property report issued using an electronic data processing system prescribed in Article 6, paragraph (1) of the same Act.

(Limitations on Rescission of Acts Performed in Relation to Secondhand Goods Business)

Article 19-2 Acts committed by a secondhand goods dealer (limited to individuals, excluding minors) in relation to the secondhand goods business may not be rescinded due to limitations on capacity.

(Recovery of Stolen or Lost Property)

Article 20 If stolen or lost property is found among secondhand goods (excluding negotiable instruments payable to order, registered negotiable instruments payable to holder (meaning registered negotiable instruments payable to holder as prescribed in Article 520-13 of the Civil Code (Act No. 89 of 1896)), and bearer instruments) purchased or exchanged by a secondhand goods dealer, the victim, or the owner of the lost property may demand that the secondhand goods dealer return the stolen or lost property without compensation, even if the secondhand goods dealer acquired the stolen or lost property in question in good faith on the public market or from a business handling the same kind of goods; provided, however, that this does not apply after one year has passed from the time of the theft or loss.

(Injunctions)

Article 21 If there are sufficient reasonable grounds to suspect that secondhand goods purchased or exchanged, or held on consignment for sale or exchange by a secondhand goods dealer are stolen property, etc., the Chief of Prefectural Police Headquarters, etc. may order the secondhand goods dealer to retain the relevant secondhand goods for a period not exceeding thirty days.

Chapter III-2 Particulars to be Observed by Secondhand Goods Auction Brokers

(Confirmation of Counterparty's Identity)

Article 21-2 When a secondhand goods auction broker intends to receive a request for brokering from a person who intends to sell secondhand goods, the secondhand goods auction broker must endeavor to take measures to confirm the counterparty's identity.

(Reporting)

Article 21-3 If a secondhand goods auction broker suspects that secondhand goods that the counterparty to the brokering intends to sell is stolen property, etc., the secondhand goods auction broker must immediately report that fact to a police officer.

(Records)

Article 21-4 A secondhand goods auction broker who has arranged brokering for a person who intends to purchase or sell secondhand goods, must endeavor to prepare and keep records in writing or by electronic or magnetic means in accordance with National Public Safety Commission Rules.

(Certification)

Article 21-5 (1) A secondhand goods auction broker may receive Public Safety Commission certification to the effect that the broker's method of conducting business conforms to the standards for methods that contribute to the prevention and prompt detection of the sale and purchase of stolen property, etc., as specified by the National Public Safety Commission.

(2) A secondhand goods auction broker who has received the certification prescribed in the preceding paragraph may display the fact that they have received the certification prescribed in that paragraph, under the provisions of National Public Safety Commission Rules.

(3) It is prohibited for any person to display the fact prescribed in that paragraph or display any fact confusingly similar to that fact, except in the case in the preceding paragraph.

(4) In addition to the matters prescribed in the preceding three paragraphs, application procedures, cancellation of certifications and other necessary particulars in connection with the certifications in paragraph (1) are prescribed by the National Public Safety Commission Rules.

Article 21-6 (1) A person who operates a secondhand goods auction brokerage in a foreign country (limited to brokerages in which a person in Japan is the counterparty to the brokering) may receive Public Safety Commission certification to the effect that their method of conducting business conforms to the standards prescribed in paragraph (1) of the preceding Article, as specified

by the National Public Safety Commission Rules.

- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to persons who have received the certification prescribed in the preceding paragraph, and the provisions of paragraph (4) of the same Article apply mutatis mutandis to the certifications prescribed in the preceding paragraph.

(Suspension of Auctions)

Article 21-7 If there is sufficient reasonable grounds to suspect that secondhand goods that a broker's counterparty intends to sell through brokering are stolen property, etc., a Chief of Prefectural Police Headquarters, etc. may order the secondhand goods auction broker to suspend the auction of the relevant secondhand goods.

Chapter IV Monitoring

(Entry and Investigation)

Article 22 (1) When a police official finds it necessary to do so, they may enter a secondhand goods dealer's place of business or temporary store, the place where secondhand goods are kept, a secondhand goods market, or a place of an auction prescribed in Article 10, paragraph (1) (except in cases prescribed in paragraphs (3) and (4) of the same Article) during business hours, inspect secondhand goods and registers (including documents prescribed in Article 18, paragraph (1) in which the records prescribed in the same paragraph are recorded; the same applies in Article 35, item (iii)), and question relevant persons.

(2) In cases referred to in the preceding paragraph, the police official must carry an identification card and present it to the relevant persons.

(3) When a Chief of Prefectural Police Headquarters, etc. finds it necessary to do so, they may ask a secondhand goods dealer, secondhand goods market owner, or secondhand goods auction broker to make the necessary report on the stolen property, etc.

(4) The provisions of the preceding paragraph apply mutatis mutandis to a person who has received the certification prescribed in Article 21-6, paragraph (1).

(Instructions)

Article 23 (1) If a secondhand goods dealer or a secondhand goods market owner, or their agent, etc., has violated the provisions of this Act, orders based on this Act, or other laws and regulations with regard to the secondhand goods business, and it is recognized that preventing the sale or purchase of the stolen

property, etc., or promptly finding the stolen property, etc. is likely to be significantly hindered, the Public Safety Commission with jurisdiction over the location of the principal place of business of the secondhand goods dealer or the secondhand goods market owner, or the location of the secondhand goods market, may instruct the secondhand goods dealer or the secondhand goods market owner to take necessary measures to ensure the proper conduct of the business.

- (2) If a secondhand goods dealer or secondhand goods market owner, having the principal place of business or secondhand goods market in the jurisdictional district of another Public Safety Commission and conducting secondhand goods business in the jurisdictional district of a Public Safety Commission, or their agent, etc., has violated any of the provisions of this Act, orders based on this Act, or other laws and regulations, with regard to its secondhand goods business in the jurisdictional district of the Public Safety Commission, and it is recognized that the prevention of the sale or purchase of stolen property, etc., or the prompt detection of stolen property, etc. is likely to be significantly hindered, then the Public Safety Commission may instruct the secondhand goods dealer or the secondhand goods market owner to take necessary measures to ensure the proper conduct of its business.

(Suspension of Business)

Article 24 (1) If a secondhand goods dealer or a secondhand goods market owner, or their agent, etc. have violated any of the provisions of this Act, orders based on this Act, or other laws and regulations with regard to the secondhand goods business, and it is recognized that prevention of the sale or purchase of stolen property, etc., or the prompt detection of stolen property, etc. is likely to be significantly hindered, or if a secondhand goods dealer or a secondhand goods market owner has violated any disposition issued based on this Act (including instructions under the provisions of the preceding Article), then the Public Safety Commission with jurisdiction over the location of the principal place of business of the secondhand goods dealer or the secondhand goods market owner, or the location of the secondhand goods market, may cancel the secondhand goods dealer or secondhand goods market owner's permit to engage in the secondhand goods business, or order the secondhand goods dealer or the secondhand goods market owner to suspend the secondhand goods business, either in whole or in part, for a specified period of time not exceeding six months.

- (2) If a secondhand goods dealer or a secondhand goods market owner, or their agent, etc., that has their principal place of business or secondhand goods market in the jurisdiction of another Public Safety Commission and conducts secondhand goods business in the jurisdiction of a Public Safety Commission,

has violated any of the provisions of this Act, orders based on this Act, or other laws and regulations, with regard to its secondhand goods business in the jurisdiction of the Public Safety Commission, and it is recognized that preventing the sale or purchase of stolen property, etc., or promptly finding the stolen property, etc. is likely to be significantly hindered, or if a secondhand goods dealer or a secondhand goods market owner has violated a disposition under this Act (including instructions under the provisions of the preceding Article), then the Public Safety Commission may order the secondhand goods dealer or the secondhand goods market owner to suspend their secondhand goods business, either in whole or in part, for a specified period of time not exceeding six months.

(Special Provisions for Hearings)

Article 25 (1) When a Public Safety Commission intends to order the suspension of business of a secondhand goods dealer or a secondhand goods market owner under the provisions of the preceding Article, the Public Safety Commission must conduct a hearing, notwithstanding the classification of procedures for hearing statements of opinions under the provisions of Article 13, paragraph (1) of the Administrative Procedure Act.

(2) In conducting a hearing relating to a disposition under the provisions of the preceding Article, a notice under the provisions of Article 15, paragraph (1) of the Administrative Procedure Act must be given at least one week prior to the date of the hearing, and public notice must be given regarding the date and location of the hearing.

(3) The proceedings on the date of the hearing relating to the disposition under the provisions of the preceding Article must be held in public.

Chapter V Miscellaneous Provisions

(Provision of Information)

Article 26 In order to contribute to the prevention of the sale or purchase of stolen property, etc., the Public Safety Commission may provide information on stolen property, etc. to persons that request the provision of the information and are specified by the National Public Safety Commission Rules.

(Reports to the National Public Safety Commission)

Article 27 (1) If any event falling under any of the following items arises, the Public Safety Commission must report to the National Public Safety Commission the particulars specified by the National Public Safety Commission Rules. In this case, the National Public Safety Commission is to notify the respective Public Safety Commissions of the reported particulars.

- (i) when the Public Safety Commission has granted a permit under the provisions of Article 3, reissued a permit under the provisions of Article 5, paragraph (4), or cancelled a permit under the provisions of Article 6, paragraph (1) or (2);
 - (ii) when the Public Safety Commission has received the submission of a written notification under the provisions of Article 7, paragraph (1) or (2), the return of a permit under the provisions of Article 8, paragraph (1) or (3), or a notification under the provisions of Article 10, paragraph (1) or (3) or Article 14, paragraph (1), proviso; or
 - (iii) when the Public Safety Commission has issued a disposition under the provisions of Article 23 or Article 24.
- (2) A Public Safety Commission must notify the Public Safety Commission with jurisdiction over the location of the principal place of business or the secondhand goods market of a secondhand goods dealer or a secondhand goods market owner, of the matters specified by the National Public Safety Commission Rules, if it finds that a secondhand goods dealer or a secondhand goods market owner, or their agent has committed a violation that constitutes grounds for a disposition prescribed in item (iii) of the preceding paragraph, or that a secondhand goods dealer or a secondhand goods market owner has violated a disposition prescribed in that item.

(Delegation of Authority)

Article 28 Affairs that fall under the authority of the Hokkaido Public Safety Commission under the provisions of this Act or a Cabinet Order based on this Act may be executed by the District Public Safety Commission under the provisions of the Cabinet Order.

(Transitional Measures)

Article 29 If a Cabinet Order or a Rule of the National Public Safety Commission is enacted, revised, or abolished under the provisions of this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be prescribed by the Cabinet Order or the National Public Safety Commission Rules to the extent considered reasonably necessary for the enactment, revision or abolition.

(Delegation to the National Public Safety Commission Rules)

Article 30 Beyond those prescribed in this Act, procedures for the implementation of this Act and other matters necessary for the enforcement of this Act are prescribed by the National Public Safety Commission Rules.

Chapter VI Penal Provisions

Article 31 A person who falls under any of the following items will be punished by imprisonment for not more than three years or a fine of not more than one million yen:

- (i) a person who has operated a business set forth in Article 2, paragraph (2), item (i) or (ii), without receiving a permit in violation of the provisions of Article 3;
- (ii) a person who has received a permit under the provisions of Article 3 by deception or other wrongful means;
- (iii) a person who has violated the provisions of Article 9; or
- (iv) a person who has violated an order of the Public Safety Commission under the provisions of Article 24.

Article 32 A person who has violated the provisions of Article 14, paragraph (1) will be punished by imprisonment for not more than one year or a fine of not more than five hundred thousand yen.

Article 33 A person who falls under any of the following items will be punished by imprisonment for not more than six months or a fine of not more than three hundred thousand yen:

- (i) a person who has violated the provisions of Article 14, paragraph (3), Article 15, paragraph (1), Article 18, paragraph (1), or Article 19, paragraph (3) or (4);
- (ii) a person who has failed to make necessary statements or records by electronic or magnetic means, or has made false statements or records by electronic or magnetic means, in violation of the provisions of Article 16 or Article 17;
- (iii) a person who has failed to make a notification or has made a false notification in violation of the provisions of Article 18, paragraph (2);
- (iv) a person who has failed to write the date of arrival or who wrote a false date on the document relating to stolen property report, or failed to preserve the document, in violation of the provisions of Article 19, paragraph (2); or
- (v) a person who has violated an order of the Chief of Prefectural Police Headquarters, etc. under the provisions of Article 21 or Article 21-7.

Article 34 A person who falls under any of the following items will be punished by a fine of not more than two hundred thousand yen:

- (i) a person who has submitted a written permit application under Article 5, paragraph (1) or any documents attached to a written application, containing false statements;
- (ii) a person who has failed to submit a notification or has submitted a false

- notification, in violation of the provisions of Article 10, paragraph (1) or (3);
- (iii) a person who has failed to submit a written notification or attached documents, in violation of the provisions of Article 10-2, paragraph (1), or has submitted a written notification or attached documents under that paragraph that contain false statements; or
- (iv) a person who has violated the provisions of Article 21-5, paragraph (3).

Article 35 A person who falls under any of the following items will be punished by a fine of not more than one hundred thousand yen:

- (i) a person who has failed to submit a written notification or attached documents, in violation of the provisions of Article 7, paragraph (1), (2) or (4), or Article 10-2, paragraph (2), or has submitted a written notification or attached documents under Article 7, paragraph (1), (2) or (4), or Article 10-2, paragraph (2) that contain false statements;
- (ii) a person who has violated the provisions of Article 8, paragraph (1), Article 11, paragraph (1) or (2), or Article 12;
- (iii) a person who has refused, interfered with, or evaded an entry or the inspection of a register under the provisions of Article 22, paragraph (1); or
- (iv) a person who has failed to make a report under the provisions of Article 22, paragraph (3) or has made a false report.

Article 36 A person who has committed a crime under Articles 31 through 33 may be penalized by both imprisonment and a fine under each of these Articles, depending on the circumstances.

Article 37 A person who has violated the provisions of Article 19, paragraph (3) or (4) by negligence will be punished by penal detention or a petty fine.

Article 38 If a representative of a corporation, or an agent of a corporation or individual has committed a violation under Articles 31 through 35 in connection with the business or property of the corporation or individual, in addition to the offender being subject to punishment, the corporation or individual is subject to the fine referred to in the relevant Article.

Article 39 A person who has violated the provisions of Article 8, paragraph (3) will be punished by a civil fine of not more than five hundred thousand yen.