

Act on Deposit Transactions

(Act No. 62 of May 23, 1986)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to protect the interests of depositors related to a deposit transaction, by establishing regulations concerning the prevention of damages which the depositors may suffer from a deposit transaction, and establishing measures such as in principle prohibiting deposit transactions involving sales.

(Definitions)

Article 2 (1) The term "deposit transaction" as used in this Act means the following transactions:

- (i) a transaction in which one party promises the other party that it will accept deposits for goods for a period not shorter than the period set forth by Cabinet Office Order (excluding cases that fall under the acceptance of a trust; including cases in which money or other alternative goods will be delivered in lieu of the return of deposited goods) and that it will give the other party economic benefits with regard to the deposits, or promises the other party that it will accept deposits for goods (excluding cases that fall under the acceptance of a trust) and that it will purchase the goods at a

- certain fixed price (including a price that will be determined according to a specified method) after the passage of a period not shorter than the period set forth by Cabinet Office Order, and in response the other party promises to make deposits for the goods; and
- (ii) an agreement under which one party promises the other party that it will manage the following rights (hereinafter referred to as "specified rights") for a period not shorter than the period set forth by the Cabinet Office Order referred to in the previous item (excluding cases in which the specified rights are managed through a trust; including cases in which money or other alternative goods will be delivered in lieu of the specified rights after the passage of period) and that it will give economic benefits with regard to the management, or promises the other party that it will manage the specified rights (excluding cases in which the specified rights are managed through a trust) and purchase the specified rights at a certain fixed price (including a price that will be determined according to a specified method) after the passage of a period not shorter than the period set forth by Cabinet Office Order, and in response the other party promises to allow it to manage the specified rights.
- (a) facility use rights specified by Cabinet Order;
- (b) goods use rights, claims for delivery, and any other rights similar thereto.
- (2) The term "depository service provider" as used in this Act means a person engaged in the acceptance of deposits for goods, or in the management of specified rights, under deposit transactions (including the sale of the relevant goods or specified rights that is used as the target of the deposit transaction) in the course of trade (excluding a person specified by Cabinet Order as a person to whom the provisions of other Acts that ensure the fairness of a transaction and prevention of damages that depositors may suffer from deposit transaction agreements apply).
- (3) The term "solicitor" as used in this Act means a person who is made by a depository service provider to solicit a deposit transaction (including solicitation related to the sale of goods or specified rights in order to use them as the target of the deposit transaction; the same applies hereinafter).
- (4) The term "depositor" as used in this Act means a person who concludes an agreement related to a deposit transaction (hereinafter referred to as "deposit transaction agreement") with a depository service provider.

Chapter II Deposit Transactions

Section 1 Provisions Concerning Deposit Transactions

(Delivery of Documents)

Article 3 (1) When a depository service provider intends to conclude a deposit

transaction agreement, the depository service provider must deliver a written document containing the following matters to the customer, pursuant to the provisions of Cabinet Office Order, by the time that the deposit transaction agreement is concluded:

- (i) the matters related to the details and performance of the deposit transaction agreement that are specified by Cabinet Office Order; and
 - (ii) the matters concerning the status of the services and property of the depository service provider that are specified by Cabinet Office Order.
- (2) When a depository service provider concludes or renews a deposit transaction agreement, pursuant to the provisions of Cabinet Office Order, the deposit service provider must provide a written document containing the following matters to the client with regard to the details and performance of the deposit transaction agreement without delay:
- (i) the type, number, and price of the goods, or the details and market value of the specified rights;
 - (ii) the period for which the deposit service provider will accept deposits for the goods, or the period for which they will manage the specified rights;
 - (iii) the details of the economic benefits to be delivered, and the timing and method of the delivery (for agreements under which the goods or the specified rights will be purchased, the purchase price or the method used for the calculation thereof);
 - (iv) when a depository service provider collects fees from a depositor, the rate or amount of the fees, and the timing and method of collection thereof;
 - (v) matters related to the cancellation of the agreement (including matters related to the provisions of Article 7, paragraphs (1) through (4), Article 8, paragraphs (1) and (2), and Article 17, paragraphs (1) through (4));
 - (vi) when there are particulars for liquidated damages (including penalties for breach of contract), the details thereof;
 - (vii) whether or not there are any measures to secure the return of the goods to the depositor or to allow the depositor to acquire the specified rights (including measures to secure the delivery of money or other alternative goods to the depositor, in lieu of the return thereof or the acquisition thereby), and if there are, the details thereof; and
 - (viii) beyond what is set forth in the preceding items, the matters specified by Cabinet Office Order.
- (3) In lieu of delivering a document referred to in the preceding two paragraphs, a depository service provider may provide the information that is required to be given in the document by electronic or magnetic means (meaning by using an electronic data processing system or employing other information and communications technology in the means that Cabinet Office Order prescribes; the same applies hereinafter) with the approval of the customer or depositor

and pursuant to the provisions of Cabinet Order. In this case, the depository service provider is deemed to have delivered the document.

(4) Regarding the provision of information that is to be described in documents under paragraph (2) as specified in the first sentence of the preceding paragraph through electronic or magnetic means (other than the means specified by Cabinet Office Order), the information is deemed to have reached the depositor when it is recorded in a file stored on the computer used by the depositor.

(Prohibition of Unjust Solicitation)

Article 4 (1) When a depository service provider or a solicitor (hereinafter referred to as "a depository service provider or a solicitor") solicits the conclusion or renewal of a deposit transaction agreement, or with the intention of preventing the cancellation of a deposit transaction agreement, the depository service provider must not intentionally fail to tell a fact, nor provide a false statement, in relation to the matters specified by Cabinet Order as important particulars that may have an impact on the customers' decision concerning the deposit transaction agreement or concerning the purchase of the good or specified rights.

(2) A depository service provider or a solicitor must not use intimidation to overwhelm a person when soliciting the conclusion or renewal of a deposit transaction agreement, or with the intention of preventing the cancellation of a deposit transaction agreement.

Article 5 A depository service provider or a solicitor must not engage in any of the following acts:

- (i) refusing to perform or unreasonably delaying performance of the obligations under a deposit transaction agreement or the obligations that occur through the cancellation of a deposit transaction agreement, in whole or in part;
- (ii) beyond what is set forth in the preceding item, acts in relation to deposit transaction agreements that are specified by Cabinet Office Order as acts that result in insufficient protection of customers or depositors.

(Inspection of Documents)

Article 6 (1) Pursuant to the provisions of Cabinet Office Order, a depository service provider must retain documents specifying the status of its services and property at each place of business where services related to deposit transaction are conducted.

(2) Pursuant to the provisions of Cabinet Office Order, a depository service provider must prepare and keep books and documents related to deposit transaction agreements concluded or renewed with each depositor.

- (3) A depositor may make a request to the depository service provider for the inspection or copying of the documents set forth in paragraph (1) or the books and documents set forth in the preceding paragraph (limited to those related to deposit transaction agreements concluded or renewed by the relevant depositor), pursuant to the provisions of a Cabinet Office Order; in this case, the depository service provider may not refuse the request unless it is clear that the purpose thereof is to harm the operation of the services of the depository service provider.

Section 2 Cancellation of Deposit Transaction Agreements

(Cancellation of Deposit Transaction Agreements)

- Article 7 (1) Until 14 days have elapsed from the day on which a depositor received the documents set forth in Article 3, paragraph (2) (if the depositor did not cancel the deposit transaction agreement under the provisions of this paragraph within the period because the depositor was under the misconception that the information about canceling a deposit transaction agreement under the provisions of this paragraph that the depository service provider had misrepresented to the depositor was true, or because the depository service provider used intimidation and caused the depositor to be overwhelmed, until 14 days have elapsed from the day on which the depositor receives a document delivered by the depository service provider, pursuant to the provisions of Cabinet Office Order, stating that the deposit transaction agreement can be cancelled under the provisions of this paragraph), the depositor may cancel a deposit transaction agreement through documents or electronic or magnetic records (meaning records used in computerized information processing which are created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses; the same applies hereinafter).
- (2) The cancellation of the deposit transaction agreement referred to in the provisions of the preceding paragraph becomes effective at the time when the depositor issues a notification in writing or in electronic or magnetic records stating that the depository service provider will cancel the deposit transaction agreement.
- (3) When a deposit transaction agreement has been cancelled under the provisions of paragraph (1), the depository service provider may not claim damages or demand payment of a penalty related to the cancellation of the deposit transaction agreement.
- (4) When a deposit transaction agreement referred to in paragraph (1) is cancelled, under the relevant deposit transaction agreement, the depository service provider bears the costs required for the return of the commodities, or

the costs required to administer affairs when ending the management of specified rights.

- (5) Any special agreement that is contrary to the provisions of the preceding paragraphs and is against the depositor's interest is void.

(Restriction on the Cancellation of a Deposit Transaction Agreement and the Amount of Compensation for Damages)

Article 8 (1) After 14 days have elapsed from the day on which a depositor received the documents set forth in Article 3, paragraph (2) (if the depositor did not cancel the deposit transaction agreement under the provisions of the same paragraph within the period because the depositor was under the misconception that the information about canceling a deposit transaction agreement under the provisions of this paragraph that the depository service provider had misrepresented to the depositor was true, or because the depository service provider used intimidation and caused the depositor to be overwhelmed, pursuant to the provisions of Cabinet Office Order, until 14 days have elapsed from the day on which the depositor receives a document delivered by the depository service provider stating that the deposit transaction agreement can be cancelled under the provisions of this paragraph), the depositor may cancel the deposit transaction agreement from then on.

(2) If a deposit transaction agreement is cancelled under the provisions of the preceding paragraph, the deposit service provider may not request the depositor to pay an amount of money exceeding the equivalent of an amount calculated at the statutory interest rate corresponding to the market value of the goods or specified rights at the time when the deposit transaction agreement was concluded, even if there is any agreement on particulars for liquidated damages or provisions on penalties for breach of contract. In this case, the market value of the goods or specified rights stated in the document set forth in Article 3, paragraph (2) is estimated to be the market value of the goods or specified rights at the time when the deposit transaction agreement was concluded.

(3) Any special agreement that is contrary to the provisions of the preceding two paragraphs and is against the depositor's interest is void.

Chapter III Prohibition of Deposit Transactions Involving Sales

Section 1 Prohibition of Solicitation

(Prohibition of Solicitation)

Article 9 (1) Regarding each type of relevant good or specified right, a depository service provider may not solicit (meaning to solicit, advertise, or perform any similar act specified by Cabinet Office Order; the same applies hereinafter) the

conclusion of a sales contract related to goods or specified rights that the depository service provider or a closely related person (meaning a person selling goods or specified rights covered by a deposit transaction agreement or any other person specified by Cabinet Order as being closely related to a depository service provider; the same applies hereinafter) intends to sell (limited to sales contracts that make the relevant goods or specified rights the subject of a deposit transaction agreement; the same applies hereinafter), or the conclusion or renewal of a deposit transaction agreement covering the goods or specified rights through the conclusion of the sales contract by the depository service provider or a closely related party, unless the depository service provider has received confirmation from the Prime Minister in advance that the conclusion or renewal of the relevant deposit transaction agreement is not likely to cause undue harm to customers' economic benefits. The same applies to solicitations related to the conclusion or renewal of deposit transaction agreements covering goods or specified rights already sold by a depository service provider or a closely related party.

- (2) Unless it is renewed every year, the confirmation referred to in the preceding paragraph ceases to be effective upon the expiration of the period.
- (3) If an application has been submitted for renewal referred to in the preceding paragraph, and no disposition has been made on the application by the day on which the period referred to in the paragraph (hereinafter referred to as the "effective period of the confirmation") expires, the previous confirmation remains in effect until the disposition is made, even after the effective period of the confirmation has expired.
- (4) If a confirmation is renewed as in the case referred to in the preceding paragraph, the effective period of said confirmation is to be calculated from the day following the date on which the effective period for the prior confirmation expires.
- (5) When effecting a confirmation referred to in paragraph (1) or its renewal, the Prime Minister may attach conditions necessary to prevent customers' economic benefits from being infringed. In this case, the conditions must not impose unreasonable obligations on the person who obtains the confirmation or its renewal.

(Application for Confirmation)

Article 10 (1) When seeking a confirmation referred to in paragraph (1) of the preceding Article (including renewals of confirmations under paragraph (2) of the Article; the same applies hereinafter), a depository service provider must submit a written application containing the following matters to the Prime Minister:

- (i) the trade name or name;

- (ii) the name and location of the head office, branch offices, and other business offices;
 - (iii) if the applicant is a corporation, the names and addresses of its officers (meaning members conducting services, directors, executive officers, or persons equivalent to these; the same applies hereinafter);
 - (iv) the types of goods or specified rights related to the solicitation covered by the confirmation;
 - (v) the matters listed in paragraph (1), items (i) through (iv) of the next Article; and
 - (vi) other matters specified by Cabinet Office Order.
- (2) The following documents must accompany the written application referred to in the preceding paragraph:
- (i) if the applicant is a corporation, the articles of incorporation and the corporation's certificate of registered information (including anything equivalent to these);
 - (ii) a balance sheet;
 - (iii) a profit and loss statement; and
 - (iv) any other document specified by Cabinet Office Order.
- (3) In the case referred to in the preceding paragraph, when articles of incorporation, a balance sheet, or a profit and loss statement is prepared in the form of electronic or magnetic records, a recording medium containing the electronic or magnetic records may be attached in lieu of documents.

(Examination of Confirmation)

- Article 11 (1) When an application for approval under Article 9, paragraph (1) is made, the Prime Minister is to examine the following matters, and must not effect the confirmation in the same paragraph unless all of the matters are deemed appropriate:
- (i) the prices of the goods or specified rights related to a sales contract (if an application for confirmation set forth in the second sentence of Article 9, paragraph (1) has been filed, a sales contract that has already been concluded) that the applicant (meaning a depository service provider performing solicitations related to the application; the same applies hereinafter in this paragraph) or a closely related person intends to conclude;
 - (ii) for each deposit transaction agreement that the depository service provider intends to conclude or renew, the period for which the depository service provider will accept deposits for goods or the period for which they will manage specified rights, and, for each relevant deposit transaction agreement, the amount (if the economic benefits provided are not money, the value of the relevant property) and details of economic benefits provided to customers;

- (iii) the prospective amount of the total economic benefits provided to customers through all deposit transaction agreements that the applicant intends to conclude or renew within the period of validity for the confirmation under Article 9, paragraph (1);
 - (iv) information prescribed by Cabinet Office Order concerning the management system of goods deposits based on deposit transaction agreements under item (ii) and managed specified rights;
 - (v) the financial basis for the applicant performing the obligations related to the return of goods deposits or managed specified rights or payment of money in lieu of them, the purchase of the goods or specified rights, and the payment of economic benefits provided to customers based on deposit transaction agreements under item (ii); and
 - (vi) beyond what is provided for in the preceding items, other matters provided by Cabinet Office Order.
- (2) When seeking to effect a confirmation under Article 9, paragraph (1), the Prime Minister is to hear the opinion of the Consumer Commission in advance.

(Confirmation of Changes)

- Article 12 (1) When a depository service provider that has received confirmation under Article 9, paragraph (1) seeks to change any of the matters in Article 10, paragraph (1), items (i) through (v), the change must be confirmed by the Prime Minister; provided, however, that this does not apply to minor changes specified by Cabinet Office Order.
- (2) A depository service provider that seeks to apply for confirmation for a change in matters under the preceding paragraph must submit an application form that states the matters to be changed to the Prime Minister.
- (3) The provisions of Article 10, paragraphs (2) and (3) and the preceding paragraph apply mutatis mutandis to the confirmation of changes in paragraph (1). In this case, the phrase "the following matters" in paragraph (1) of the Article is deemed to be replaced with "the following matters (for matters that the deposit service provider intends to change, the matters after the change)".
- (4) Regarding the documents set forth in the items in Article 10, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, if there are no changes to the details of the relevant documents already submitted to the Prime Minister, their attachment may be omitted.
- (5) When a depository service provider that has received confirmation under Article 9, paragraph (1) makes minor changes provided for by Cabinet Office Order under the proviso in paragraph (1), the depository service provider must notify the Prime Minister to that effect without delay.

(Revocation of Confirmation)

Article 13 When a person who obtained the confirmation under Article 9, paragraph (1) (if the person has received confirmation of a change under paragraph (1) of the preceding Article, the changed confirmation; the same applies hereinafter) falls under any of the following items, the Prime Minister may revoke the confirmation:

- (i) when it is discovered that the confirmation under Article 9, paragraph (1) was obtained through deception or other wrongful means;
- (ii) when the conditions imposed on the confirmation under Article 9, paragraph (1) are violated pursuant to the provisions of Article 9, paragraph (5).
- (iii) when it is deemed likely that there will be undue harm to customers' economic benefits due to the financial fundamentals under Article 11, paragraph (1), item (v) being insufficient; and
- (iv) when the depository service provider violates this Act or any order based on this Act.

Section 2 Prohibition of Conclusions of Agreements

(Prohibition of Conclusions of Agreements)

Article 14 (1) A depository service provider must not conclude a sales contract in which the depository service provider constitutes the seller of a good or specified right of a type for which the depository service provider has not obtained confirmation under Article 9, paragraph (1) or confirmation under the following paragraph, or conclude or renew a deposit transaction agreement in which the depository service provider or a closely related person intends to sell the good or specified right. The same applies to the conclusion or renewal of a deposit transaction agreement covering a good or specified right that was already sold by a depository service provider or a closely related person.

(2) A depository service provider that has received confirmation under Article 9, paragraph (1) must obtain confirmation from the Prime Minister regarding the following matters in advance within the period of validity of the confirmation when it seeks to conclude a sales contract related to a good or specified right of a type for which confirmation has been obtained under the Article, or when it seeks to conclude or renew a deposit transaction agreement in which the depository service provider or a closely related person seeks to sell the good or specified right, or when it seeks to conclude or renew a deposit transaction agreement covering a good or specified right that was already sold by a depository service provider or a closely related person and for which confirmation has been obtained under the Article.

- (i) the details of the relevant sales contract or deposit transaction agreement comply with the details of the sales contract or deposit transaction

- agreement for which confirmation was obtained under Article 9, paragraph (1) (limited to matters provided for in Article 11, paragraph (1), items (i) through (iii));
- (ii) the conclusion of the relevant sales contract or conclusion or renewal of the relevant deposit transaction agreement does not unjustifiably harm the economic benefits of the customer, in light of the knowledge, experience, and status of property of the customer and purpose of concluding the sales contract or concluding or renewing the deposit transaction agreement;
- (3) If a sales contract is concluded without obtaining confirmation under Article 9, paragraph (1) and confirmation provided for in the preceding paragraph, or if a deposit transaction agreement is concluded or renewed without the confirmation, it is not effective.
- (4) When seeking to effect a confirmation under paragraph (2), the Prime Minister is to hear the opinion of the Consumer Commission in advance.

(Application Mutatis Mutandis of Provisions Related to Applications for Confirmation)

- Article 15 (1) The provisions of Article 10 apply mutatis mutandis to confirmation under paragraph (2) of the preceding paragraph. In this case, "solicitations" in Article 10, paragraph (1), item (iv) is deemed to be replaced with "sales contract or deposit transaction agreement", and "item (iv)" in item (v) of the same paragraph is deemed to be replaced with "item (iii)".
- (2) Regarding the documents set forth in the items in Article 10, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, if there are no changes to the details of the relevant documents already submitted to the Prime Minister, their attachment may be omitted.

(Voidance of Confirmation)

- Article 16 (1) When a sales contract or deposit transaction agreement that was confirmed under Article 14, paragraph (2) falls under any of the following items, the Prime Minister may void the confirmation.
- (i) when it is discovered that the confirmation under Article 14, paragraph (2) was obtained through deception or other wrongful means; and
- (ii) when there was a violation of this Act or any order based on this Act.
- (2) If confirmation under Article 9, paragraph (1) was voided pursuant to the provisions of Article 13 and confirmation under Article 14, paragraph (2) for the conclusion of a sales contract related to the confirmation or the conclusion or renewal of a deposit transaction agreement has been obtained, the confirmation under the paragraph is deemed to be voided.

Section 3 Special Provisions on Cancellations Concerning Deposit

Transactions Involving Sales

- Article 17 (1) If a depositor cancels a deposit transaction agreement pursuant to the provisions of Article 7, paragraph (1), the currently valid sales contract related to the goods or specified rights covered by the relevant deposit transaction agreement (limited to those for which confirmation was obtained under Article 14, paragraph (2) and were concluded on or after the day the confirmation under the paragraph was received; the same applies hereinafter in this Article) is deemed to be cancelled when the depositor performs the cancellation; provided, however, that this does not apply if the depositor manifests a contrary intention in that document.
- (2) If a sales contract is deemed to be cancelled pursuant to the provisions of the main clause of the preceding paragraph, the depository service provider or a closely related person may not claim damages or demand payment of a penalty related to the revocation of the sales contract.
- (3) When a sales contract is deemed to be cancelled pursuant to the provisions of the main clause of paragraph (1), if the delivery of goods or the transfer of specified rights related to the sales contract has already been carried out, the depository service provider or closely related person who sold the goods or specified rights bears the cost required to return them.
- (4) If a sales contract is deemed to be cancelled pursuant to the provisions of the main clause of paragraph (1), even if the goods delivered based on the sales contract have already been used or the rights have already been exercised, neither the depository service provider nor any closely related person may demand that the depositor pay money equivalent to any profits earned through the use of the goods or through the exercise of the rights or any other monetary payments.
- (5) Any special provisions that run counter to the provisions of the preceding items and are disadvantageous to the depositor are invalid.

Chapter IV Measures Regarding Violations

(Reports and On-Site Inspections)

Article 18 (1) When the Prime Minister finds it necessary for the enforcement of this Act, pursuant to the provisions of Cabinet Order, the Prime Minister may have a depository service provider or a closely related person submit a report concerning services related to the relevant deposit transaction, the goods covered by the deposit transaction, or services related to the sale of specified rights, or order them to submit books, documents, or other items, or may have their personnel enter the place of business of a deposit service provider or a closely related person or any other location where services related to the

relevant deposit transaction or services related to the sale of the goods or specified rights are conducted in order to inspect books, documents, and other items.

- (2) The personnel who conducts an on-site inspection pursuant to the provisions of the preceding paragraph must carry an identification card showing their status and present it to the relevant persons.
- (3) The authority to conduct an on-site inspection under the provisions of paragraph (1) must not be construed as having been granted for criminal investigation.

(Suspension of Deposit Transactions)

Article 19 (1) When the Prime Minister finds that a depository service provider engages in any of the following acts and is likely to continue to engage in that act, or that a solicitor engages in any act in violation of the provisions of Article 4 or Article 5 or any act listed in item (ii) and is likely to continue to engage in that act, the Prime Minister may order the depository service provider to suspend solicitation for concluding or renewing deposit transaction agreements or to suspend its use of a solicitor to conduct such solicitation, may order the deposit service provider to suspend its services related to deposit transaction agreement in whole or in part, or order the deposit service provider to take any other necessary measures to protect the interests of its customers or depositors, for a set period not exceeding two years:

- (i) an act in violation of the provisions of Article 3, paragraph (1) or (2), or Articles 4 through 6;
 - (ii) an act of soliciting without obtaining confirmation under Article 9, paragraph (1), in violation of the provisions of the paragraph; and
 - (iii) an act of concluding a sales contract or concluding or renewing a deposit transaction agreement without obtaining confirmation under Article 9, paragraph (1) or confirmation under Article 14, paragraph (2), in violation of the provisions of Article 14, paragraph (1);
- (2) When the Prime Minister issues the order set forth in the preceding paragraph, the Prime Minister must make the order known to the public.

(Prohibition of Services)

Article 20 (1) If the depository service provider ordered by the Prime Minister to suspend deposit transactions pursuant to the provisions of paragraph (1) of the preceding Article is an individual, the Prime Minister may also prohibit the individual from becoming an officer (meaning a member conducting services, a director, executive officer, representative, manager, or a person equivalent or superior to a those, including a person conducting services to the corporation, a director, executive officer, representative, manage, or a person who has

controlling power, regardless of the name of the person's position, such as consultant or adviser; the same applies hereinafter) in charge of the businesses that are subject to the suspension at the corporation (including an association or a foundation without legal personality that designates a representative or a manager; the same applies hereinafter) that is in the services related to deposit transactions, for the period equal to the period of the suspension.

(2) If the Prime Minister orders a depository service provider to suspend deposit transactions pursuant to the provisions of paragraph (1) of the preceding Article, when the person specified in any of the following items in accordance with the category of cases set forth in those items falls under a person specified by Cabinet Office Order as a person whose services related to deposit transactions should be restricted to secure the effectiveness of the order, taking into consideration the fact constituting the grounds for the order and the degree of the responsibility that the person had over the fact, the Prime Minister may prohibit the person from starting services related to deposit transactions that are subject to the suspension for a period equal to the period of the suspension (including becoming an officer in charge of the business activities of a corporation that operates the business activities):

(i) if the depository service provider is a corporation: an officer thereof (including a person who was an officer thereof within one year before the date of the order; the same applies in the following Article), a person who supervises the business, or any other employee specified by Cabinet Order (including a person who was an employee specified by the Cabinet Order within one year before the date of the order; referred to as "employee" in the following item and the Article); and

(ii) if the depository service provider is an individual: an employee thereof.

(3) When the Prime Minister issues the order set forth in the preceding two paragraphs, the Prime Minister must make the order known to the public.

(Suspension of Services by Specified Associated Corporations)

Article 21 (1) When the Prime Minister finds that a depository service provider ordered to suspend deposit transactions pursuant to the provisions of Article 19, paragraph (1) is an individual and that a specified associated corporation (meaning a corporation whose business management is substantially controlled by a depository service provider or an officer or employee thereof, and other corporations specified by Cabinet Order; the same applies hereinafter in this paragraph and the following item) thereof is conducting services equal to the services related to deposit transactions in the scope subject to the suspension, the Prime Minister may order the depository service provider to suspend all equal services conducted by the specified associated corporation for the period equal to the period of the suspension.

- (2) If the Prime Minister prohibited an officer or employee from conducting services related to deposit transactions pursuant to the provisions of paragraph (2) of the preceding Article and finds that the officer or employee is conducting the services equivalent to deposit transactions in the scope subject to the prohibition, the Prime Minister may order the person to suspend the equivalent services conducted by the specified associated corporation for the period equal to the period of the prohibition.
- (3) If the Prime Minister prohibited an officer or employee from conducting services related to deposit transactions pursuant to the provisions of paragraph (2) of the preceding Article and finds that the person is personally conducting services equal to deposit transactions in the scope subject to the prohibition, as a depository service provider, the Prime Minister may order the person to suspend the equivalent services conducted as a depository service provider for the period equal to the period of the prohibition.
- (4) When the Prime Minister issues the order set forth in the preceding three paragraphs, the Prime Minister must make the order known to the public.

(Documents to Be Served)

Article 22 The order set forth in the provisions of this Act is issued by serving the documents specified by Cabinet Office Order.

(Application Mutatis Mutandis of the Code of Civil Procedure Concerning Service of Documents)

Article 23 The provisions of Articles 99, 101, 103, 105, and 106, Article 107, paragraph (1) (limited to the portion related to item (i); the same applies in paragraph (1), item (ii) of the following Article) and paragraph (3), and Articles 108 and 109 of the Code of Civil Procedure (Act No. 109 of 1996) apply mutatis mutandis to the service set forth in the preceding Article. In this case, the "court execution officer" in Article 99, paragraph (1) of the Act and "court clerks" in Article 107, paragraph (1) of the Act are to be replaced by "personnel of the Consumer Affairs Agency", the "Rules of the Supreme Court" are to be replaced by "Cabinet Office Order", and the "presiding judge" in Article 108 of the Act and the "court" in Article 109 of the Act are to be replaced by the "Prime Minister".

(Service by Publication)

Article 24 (1) The Prime Minister may serve by publication in the following cases:

- (i) when the domicile or residence of the person to be served or the place where the service is to be made is unknown;
- (ii) when the service cannot be made pursuant to the provisions of Article 107,

- paragraph (1) of the Code of Civil Procedure as applied mutatis mutandis pursuant to the preceding Article following the deemed replacement of terms;
- (iii) for service that should be made in a foreign country, if the provisions of Article 108 of the Code of Civil Procedure as applied mutatis mutandis pursuant to the preceding Article following the deemed replacement of terms cannot be applied, or if it is recognized that service cannot be made based on the provisions; and
- (iv) if, after six months have elapsed since the date on which a competent foreign government agency was commissioned to make service pursuant to the provisions of Article 108 of the Code of Civil Procedure as applied mutatis mutandis pursuant to the preceding Article following the deemed replacement of terms, documents certifying that service was made are not received.
- (2) Service by publication is made by posting on the notice board of the Consumer Affairs Agency to the effect that the documents to be served can be delivered at any time to the person to be served.
- (3) Service by publication becomes effective once two weeks have elapsed since the date on which the posting under the preceding paragraph was commenced.
- (4) In the case of service by publication for service that is to be effected in a foreign country, the period set forth in the preceding paragraph is six weeks.

(Use of Electronic Data Processing Systems)

Article 25 When, pursuant to Article 7, paragraph (1) of the Act on the Advancement of Government Administration Processes That Use Information and Communications Technology (Act No. 151 of 2002), personnel of the Consumer Affairs Agency use an electronic data processing system prescribed in Article 6, paragraph (1) of the Act for administrating affairs related to a disposition notice, etc. prescribed in Article 3, item (ix) of that Act for which a document under Article 22 of this Act is to be served, the personnel must use that electronic data processing system to record the matters of the service under Article 109 of the Code of Civil Procedure as applied mutatis mutandis pursuant to Article 23, in a file that is stored on a computer (including an input or output device) used by the Agency, instead of preparing and submitting a document that states those matters.

Chapter V Miscellaneous Provisions

(Provision of Information to Foreign Enforcement Authorities)

Article 26 (1) The Prime Minister may provide the foreign authority enforcing foreign laws and regulations equivalent to this Act (hereinafter referred to as the "foreign enforcement authority" in the following paragraph and paragraph

- (3)) with information that the Prime Minister finds will assist the authority in fulfilling the duties (limited to those equivalent to the Agency's duties prescribed in this Act; the same applies in the following paragraph).
- (2) With regard to the provision of information under the provisions of the preceding paragraph, appropriate action must be taken so that the relevant information is neither used for purposes other than for the enforcement of duties of the relevant foreign enforcement authorities nor used for a foreign criminal case investigation (limited to those conducted after the subject criminal facts have been specified) or adjudication (hereinafter referred to as an "investigation etc.") without the consent referred to in the following paragraph.
- (3) When having received a request from the foreign enforcement authority, the Prime Minister may consent to the information it provided pursuant to paragraph (1) in a foreign criminal case investigation or adjudication being used in connection with the request, except cases falling under one of the following items:
- (i) when a crime subject to the investigation, etc. of the criminal case related to the request is a political crime, or when the request is deemed to have been made for the purpose of conducting the investigation, etc. of a political crime;
 - (ii) when an act related to the crime subject to the investigation, etc. of the criminal case related to the request is deemed to have been conducted in Japan, and the act is not considered as a crime under Japanese laws and regulations; or
 - (iii) when there is no guarantee by the requesting country to respond to the same type of request made by Japan.
- (4) When giving consent as set forth in the preceding paragraph, the Prime Minister must receive confirmation from the Minister of Justice that the request does not fall under items (i) or (ii) of the same paragraph and from the Minister of Foreign Affairs that the request does not fall under item (iii) of the same paragraph.

(Exclusion from Application)

Article 27 The provisions of the preceding three Chapters do not apply to deposit transaction agreements that a depositor concludes for business purposes or as a business.

(Consultation with the Consumer Commission)

Article 28 When the Prime Minister intends to plan the enactment, amendment, or abolition of the Cabinet Order set forth in Article 2, paragraph (1), item (ii), sub-item (a) or paragraph (2), Article 3, paragraph (3), or Article 4, paragraph (1), the Prime Minister must consult with the Consumer Commission.

(Transitional Measures)

Article 29 When an order is enacted, amended, or abolished pursuant to the provisions of this Act, the necessary transitional measures (including transitional measures concerning penal provisions) may be specified in the order, to the extent reasonably necessary for the enactment, amendment, or abolition of the order.

(Provision of Materials to the Prime Minister)

Article 30 When the Prime Minister finds it necessary to achieve the purpose of this Act, the Prime Minister may request the head of a relevant administrative organ to provide materials, explanations, and seek their cooperation.

(Delegation of Authority)

Article 31 (1) The Prime Minister delegates the authority under this Act to the Secretary-General of the Consumer Affairs Agency (excluding the authority specified by Cabinet Order).

(2) The Secretary-General of the Consumer Affairs Agency may delegate part of the authority as delegated under the provisions of the preceding paragraph to the Director of a Regional Bureau of Economy, Trade and Industry.

Chapter VI Penal Provisions

Article 32 If any of the following items applies, the person who has committed the violation is subject to imprisonment for not more than five years, a fine of not more than five million yen, or both:

- (i) when the person has solicited without obtaining confirmation under Article 9, paragraph (1), in violation of the paragraph;
- (ii) when the person has concluded a sales contract or concluded or renewed a deposit transaction agreement without obtaining confirmation under Article 9, paragraph (1) or confirmation under Article 14, paragraph (2), in violation of the provisions of Article 14, paragraph (1); or
- (iii) when the confirmation under Article 9, paragraph (1) or Article 14, paragraph (2) was obtained through deception or other wrongful means;

Article 33 If any of the following items applies, the person who has committed the violation is subject to imprisonment for not more than three years, a fine of not more than three million yen, or both:

- (i) when a person has violated the provisions of Article 4, paragraph (1) or (2);
or
- (ii) when a person has violated an order issued under the provisions of Article 9,

paragraph (1), Article 20, paragraph (1) or (2), or Article 21, paragraphs (1) through (3).

Article 34 If any of the following items applies, the person who has committed the violation is subject to imprisonment for not more than one year, a fine of not more than three million yen, or both:

- (i) when a person submits the written application referred to in Article 10, paragraph (1) (including as applied *mutatis mutandis* pursuant to Article 15, paragraph (1)) or documents that are required to be attached thereto pursuant to the provisions of Article 10, paragraph (2) or (3) (including cases where these provisions are applied *mutatis mutandis* pursuant to Article 15, paragraph (1)) or a recording medium containing electronic or magnetic records including a false statement or false record; or
- (ii) when a person submits the written application referred to in Article 12, paragraph (2) or documents that are required to be attached thereto pursuant to the provisions of Article 10, paragraph (2) or (3) as applied *mutatis mutandis* pursuant to paragraph (3) of the Article or a recording medium containing electronic or magnetic records including a false statement or false record;

Article 35 If any of the following items applies, the person who has committed the violation is subject to imprisonment for not more than six months, a fine of not more than one million yen, or both:

- (i) when a person, in violation of the provisions of Article 3, paragraph (1) or (2), has failed to deliver a document or has delivered a document not containing the matters prescribed in these provisions or a document containing a false statement; or
- (ii) when a person has failed to submit a report or items pursuant to the provisions of Article 18, paragraph (1) or has submitted a false report or false items, or gives a false answer, or refuses, disturbs, or challenges the inspection pursuant to the provisions of the paragraph.

Article 36 If any of the following items applies, the person who has committed the violation is subject to a fine of not more than one million yen:

- (i) when a person, in violation of the provisions of Article 6, paragraph (1), fails to keep documents or keeps documents containing a false statement;
- (ii) when a person, in violation of the provisions of Article 6, paragraph (2), has failed to prepare or preserve books and documents or has prepared false books and documents; or
- (iii) when a person, in violation of Article 6, paragraph (iii), has refused a request for the inspection or copy of books and documents;

Article 37 When a person has, in violation of the provisions of Article 12, paragraph (5), has failed to submit a notification or has submitted a false notification, the person who has committed the violation is subject to a fine of not more than 300,000 yen.

Article 38 (1) When the representative or an administrator of a corporation, or an agent, employee, or other worker of a corporation or individual commits any of the violations set forth in the following items with regard to the services of the corporation or individual, , the individual offender is punished, and also the corporation is punished by the fine prescribed in the relevant items, and the individual is punished by the fine prescribed in the relevant Articles:

(i) Article 32: a fine of not more than 500 million yen;

(ii) Article 33, item (ii): a fine of not more than 300 million yen;

(iii) Article 33, item (i): a fine of not more than 100 million yen;

(iv) Article 34, item (ii) through the preceding Article: a fine of not more than 300 million yen; the fine prescribed in the respective Articles.

(2) The period of prescription for a fine imposed on a corporation or individual pursuant to the provisions of the preceding paragraph for a violation pursuant to Article 32 is the same as that for the offense referred to in that Article.

(3) Where the provisions of paragraph (1) apply to an association or foundation without legal personality, the representative person or administrator thereof represents the association or foundation without legal personality with respect to its procedural acts, and the provisions concerning criminal proceedings applicable for the case where a corporation stands as the accused or suspect apply mutatis mutandis.

Supplementary Provisions

(Effective Date)

(1) This Act comes into effect on the day specified by Cabinet Order within a period not exceeding six months from the date of its promulgation.

(Transitional Measures)

(2) The provisions of Article 3, paragraph (2), Article 8, and Article 9 do not apply to deposit transaction agreements that were concluded prior to the enforcement of this Act.

Supplementary Provisions [Act No. 160 of December 22, 1999 Extract] [Extract]

(Effective Date)

Article 1 (1) This Act (except Article 2 and Article 3) comes into effect on January 6, 2001.

provided, however, that the provisions set forth in the following items come into effect as of the day specified respectively therein:

- (i) the provisions of Article 995 (limited to parts related to provisions to revise the Supplementary Provisions to the Act on Partially Amending the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors), Article 1305, Article 1306, Article 1324, paragraph (2), Article 1326, paragraph (2), and Article 1344: the day of promulgation.

Supplementary Provisions [Act No. 49 of June 5, 1999 Extract] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the date on which the Act for the Establishment of the Consumer Affairs Agency and the Consumer Commission (Act No. 48 of 2009) comes into effect; provided, however, that the provisions set forth in the following items come into effect on the dates set forth respectively in those items.

- (i) the provisions of Article 9 of the Supplementary Provisions: the date of promulgation of this Act

(Transitional Measures for Dispositions)

Article 4 (1) Any license, permission, authorization, approval, designation, or other dispositions given, or notification made, or other act taken prior to the enforcement of this Act, pursuant to the provisions of the respective Acts prior to amendment by this Act (including orders pursuant thereto; hereinafter referred to as the "former laws and regulations"), is deemed to be a license, permission, authorization, approval, designation, or other disposition given, or notification made, or other act taken pursuant to the corresponding provisions of the respective Acts amended by this Act (including orders pursuant thereto; hereinafter referred to as the "new laws and regulations"), except as otherwise specified in laws and regulations.

(2) Except as otherwise specified by laws and regulations, the filing of an application for licensing, the filing of a notification, or any comparable action that has been undertaken pursuant to former laws and regulations at the time this Act comes into effect, is deemed to constitute the filing of an application for licensing, the filing of a notification, or a comparable action that has been undertaken pursuant to the corresponding provisions of new laws and regulations.

(3) With respect to the matters for which reports, notification, submission, or

other procedures must be made prior to the enforcement of this Act, pursuant to the provisions of the former laws and regulations, for which such procedures have not yet been taken prior to the enforcement date of this Act, the provisions of the new laws and regulations apply after the enforcement of this Act, deeming that the procedures have not yet been taken pursuant to the corresponding provisions of the new laws and regulations, except as otherwise specified in laws and orders.

(Transitional Measures Concerning the Effect of Orders)

Article 5 A Cabinet Office Order set forth in Article 7, paragraph (3) of the Act for Establishment of the Cabinet Office or a Ministerial Order set forth in Article 12, paragraph (1) of the National Government Organization Act issued pursuant to the provisions of the former laws and regulations is to remain in force as the corresponding Cabinet Office Order set forth in Article 7, paragraph (3) of the Act for Establishment of the Cabinet Office or the corresponding Ministerial Order set forth in Article 12, paragraph (1) of the National Government Organization Act issued pursuant to the corresponding provisions of the new laws and regulations, except as otherwise specified in laws and orders.

(Transitional Measures Concerning the Application of Penal Provisions)

Article 8 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engaged in prior to the enforcement of this Act and conduct in which a person engages after the enforcement of this Act, which continues to be governed by prior laws, pursuant to the provisions of the Supplementary Provisions of this Act.

(Provisions Governed by Cabinet Order)

Article 9 In addition to what is provided for in Article 2 through the preceding Article of the Supplementary Provisions, any transitional measures necessary for the enforcement of this Act (including transitional measures concerning penal provisions) are specified by Cabinet Order.

Supplementary Provisions [Act No. 72 of June 16, 2021 Extract] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding one year from the date of promulgation; provided, however, that the provisions listed in the following items come into effect from the date specified respectively in those items:

(i) the amended provisions of Article 64, paragraph (2) of the Act on Specified

- Commercial Transactions in Article 1 (limited to the portion where ", Article 13, paragraph (2)" is added under "Article 6, paragraph (4)"), and the provisions of paragraph (1) of the next Article, and Article 3, paragraph (1) and Article 5 of the Supplementary Provisions: the day of promulgation;
- (ii) Omitted;
 - (iii) the amended provisions listed in the following, and paragraphs (3), (4), (9), (11), (13), (15), and (16) of the next Article and Article 3, paragraph (3) of the Supplementary Provisions: the date specified by Cabinet Order within a period not exceeding two years from the date of its promulgation.
 - (a) Omitted;
 - (b) provisions adding two paragraphs to Article 3 of the Act on Deposit Transaction Agreements for Specified Commodities.

(Transitional Measures upon Partial Amendment of the Act on Deposit Transaction Agreements for Specified Commodities)

- Article 3 (1) The Prime Minister may consult with the Consumer Commission for the purpose of planning the enactment of Cabinet Order set forth in Article 3, paragraph (3) of the Act on Deposit Transactions as amended by the provisions of Article 2 (limited to amended provisions set forth in Article 1, item (iii), sub-item (b) of the Supplementary Provisions) (hereinafter referred to as "Amended Act on Deposits" in this paragraph and paragraph (3)) in accordance with the provisions of Article 28 of the Amended Act on Deposits even prior to the date on which item (iii) is enforced.
- (2) The provisions of Article 3, paragraph (2) of the Act on Deposit Transactions as amended by the provisions of Article 2 (excluding the amended provisions set forth in Article 1, item (iii), sub-item (b) of the Supplementary Provisions; the same applies hereinafter in this paragraph) (hereinafter referred to as "New Act on Deposits" in this Article) apply to deposit transaction agreements prescribed in Article 2, paragraph (4) of the New Act on Deposits that are concluded or renewed on or before the enforcement date, and the prior laws continue to govern deposit transaction agreements pursuant to the provisions of Article 2, paragraph (1) of the Act on the Deposit Transaction Agreements of Specified Commodities prior to the amendment by the provisions of Article 2 (hereinafter referred to as the "former Act on Deposits") that are concluded or renewed before the enforcement date concerning specified commodities pursuant to the provisions of item (i) of the same paragraph or facility use rights pursuant to the provisions of item (ii) of the same paragraph.
 - (3) The provisions of Article 3, paragraphs (3) and (4) of the Amended Act on Deposits apply to deposit transaction agreements pursuant to the provisions of Article 2, paragraph (4) of the Amended Act on Deposits that are concluded or renewed on or after the enforcement date specified in item (iii).

- (4) The provisions of Article 4, paragraph (2) of the New Act on Deposits apply to acts prescribed in the same paragraph that occur on or after the enforcement date, and the prior laws continue to govern acts prescribed in Article 5, item (i) of the former Act on Deposits that occur before the enforcement date.
- (5) The provisions of Article 7 of the New Act on Deposits apply to deposit transaction agreements under Article 2, paragraph (4) of the New Act on Deposits that are concluded or renewed on or after the enforcement date, and the prior laws continue to govern deposit transaction agreements under Article 2, paragraph (1) of the former Act on Deposits that are concluded or renewed before the enforcement date.
- (6) The provisions of Article 19, paragraph (1), Article 20, paragraphs (1) and (2), and Article 21, paragraphs (1) through (3) of the New Act on Deposits apply to acts prescribed in the items in Article 19, paragraph (1) of the New Act on Deposits that are conducted by a depository service provider prescribed in Article 2, paragraph (2) of the New Act on Deposits on or after the enforcement date and acts conducted by a solicitor prescribed in Article 2, paragraph (3) of the New Act on Deposits on or after the enforcement date that are in violation of the provisions of Article 4 or 5 of the New Act on Deposits or prescribed in Article 19, paragraph (1), item (ii) of the New Act on Deposits, and the prior laws continue to govern acts conducted by a depository service provider prescribed in Article 2, paragraph (2) of the former Act on Deposits before the enforcement date that are in violation of the provisions of Articles 3 to 5 of the former Act on Deposits and acts conducted by a solicitor prescribed in Article 2, paragraph (3) of the former Act on Deposits before the enforcement date that are in violation of the provisions of Article 4, paragraph (1) or Article 5 of the former Act on Deposits.
- (7) With regard to the application of the provisions of Article 28 of the New Act on Deposits, the term "paragraph (2), Article 3, paragraph (3)" in the same paragraph is deemed to be replaced with "paragraph (2)" during the period between the effective date and the enforcement date prescribed in item (iii),

(Transitional Measures Concerning Penal Provisions)

Article 4 With regard to the application of the penal provisions regarding conduct engaged in after the day of enforcement where the provisions then in force are to remain applicable pursuant to the provisions of the preceding two Articles, the provisions then in force remain applicable.

(Delegation to Cabinet Order)

Article 5 Beyond what is provided for in the preceding three Articles, any necessary transitional measures for the enforcement of this Act are specified by Cabinet Order.

(Reviews)

Article 6 (1) When two years have passed since the enforcement of the provisions set forth in Article 1, item (iii) of the Supplementary Provisions, the government reviews the status of enforcement of the provisions after amendment pursuant to the amended provisions set forth in (a) and (b) of the same item, and if it finds it to be necessary, it is to take any necessary measures based on the results of its review.

(2) In addition to what is set forth in the preceding paragraph, when five years have passed since the enforcement of this Act, the government is to review the status of enforcement of the provisions after amendment pursuant to this Act, and if it finds it to be necessary, take any necessary measures based on the results of its review.

Supplementary Provisions [Act No. 48 of May 25, 2022 Extract] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding four years from the date of its promulgation; provided, however, that the provisions listed in the following items come into effect as of the day provided for respectively in those items:

(i) the provisions of Article 3, the amended provisions of Article 52, paragraph (2) of the Commercial Registration Act (Act No. 125 of 1963) in Article 60 of the Supplementary Provisions, and the provisions of Article 125 of the Supplementary Provisions: the day of promulgation.

(Delegation to Cabinet Order)

Article 125 Beyond what is provided for in these Supplementary Provisions, any transitional measure necessary for the enforcement of this Act is specified by Cabinet Order.

Supplementary Provisions [Act No. 68 of June 17, 2022 Extract] [Extract]

(Effective Date)

(1) This Act comes into effect as from the date of enforcement of the Act for Partially Amending the Penal Code, etc.; provided, however, that the provisions listed in the following items come into effect as of the day provided for respectively in those items:

(i) the provisions of Article 509: the date of promulgation.