

Oil Stockpiling Act

(Act No. 96 of December 27, 1975)

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to ensure a stable supply of oil by taking measures to stockpile and appropriately distribute such oil in the situation of a shortage in Japan and thereby contribute to the stability of lives of the citizenry and the smooth operation of the national economy.

(Definition)

Article 2 (1) The term "Oil" as used in this Act means crude oil, Designated Oil Products, and Oil Gas.

(2) The term "Designated Oil Products" as used in this Act mean gasoline, kerosene, light oil, and other hydrocarbon-based oils designated in the Ordinance of the Ministry of Economy, Trade and Industry.

(3) The term "Oil Gas" as used in this Act means propane, butane, and other hydrocarbon-based gas (including liquefied gas) designated in the Ordinance of the Ministry of Economy, Trade and Industry.

(4) The term "Specified Facilities" as used in this Act mean Oil distillation facilities (only those that have a processing capacity of more than 150 kiloliters per day calculated on the basis of criteria determined in the Ordinance of the Ministry of Economy, Trade and Industry) and other facilities provided for oil processing and designated in the Ordinance of the Ministry of Economy, Trade and Industry.

(5) The term "Oil Refinery" as used in this Act means an business that manufactures Designated Oil Products using Specified Facilities (excluding by-products of Designated Oil Products technically produced in the manufacturing process of non-Designated Oil Products), and "Oil Refiner" means any individual or juridical person operating a Oil Refinery.

(6) The term "Oil Distribution Business" as used in this Act means a business that sells Oil (excluding those whose scale of operation, calculated on the basis of criteria determined by the Ministry of Economy, Trade and Industry (with respect to those who engage in the distribution of gasoline as designated in paragraph (4), Article 2 of the Act Concerning the Maintenance of Quality of Gasoline, etc (Act No. 88, 1976), the scale of distribution of oil other than the distribution of gasoline. The same shall apply hereinafter), is one determined in the Ordinance of the Ministry of Economy, Trade and Industry or less, and

"Oil Distributor" means any business or company engaged in the distribution of oil (excluding the Independent Administrative Institute, Japan Oil, Gas and Metals National Corporation (hereinafter referred to as the "Corporation")).

(7) The term "Specified Oil Distributor" as used in this Act means those Oil Distributors (excluding Oil Refiner) whose annual sales of oil are the figure determined in the Ordinance of the Ministry of Economy, Trade and Industry or more and who have a close relationship as determined in the Ordinance of the Ministry of Economy, Trade and Industry with any Oil Refiner.

(8) The term, "Oil Import Business" as used in this Act means a business that imports oil (excluding Oil Gas), and "Oil Importer" means any individual or juridical person that is registered to import oil in accordance with the provisions of Article 13.

(9) The term, "Oil Gas Import Business" as used in this Act means a business that imports Oil Gas, and "Oil Gas Importer" means any individual or juridical person engaged in the import of Oil Gas (excluding the Corporation).

(10) The term "Government-Stockpiled Oil" as used in this Act means government-owned Oil (limited to oil over which the Minister of Economy, Trade and Industry holds jurisdiction) reserved in preparation for any shortage in the supply of oil to Japan.

(Government measures)

Article 3 In view of the fact that the stockpiling of oil in preparation for a shortage in the supply of oil to Japan (hereinafter simply referred to as "Stockpiling") is indispensable to the stability of lives of the citizenry and the smooth operation of the national economy in the event of an actual shortage, the government shall take measures for the facilitation of oil stockpiling under this Act considering the maintenance of a security system for oil storage facilities and strive to deepen national understanding for the necessity to secure a stockpile of oil.

Chapter II Oil Stockpiling

Section 1 Oil Stockpiling Target

(Oil Stockpiling Target)

Article 4 (1) Every fiscal year, the Minister of Economy, Trade and Industry shall consult the Advisory Committee on Energy and Natural Resources and set a target for the stockpiling of oil (hereinafter referred to as the "Oil Stockpiling Target") for five years from the current year onward as provided in the Ordinance of the Ministry of Economy, Trade and Industry.

(2) Matters to be determined as the Oil Stockpiling Target with respect to oil (excluding Oil Gas) and Oil Gas shall be as follows respectively:

- (i) Matters relating to the stockpiling volume;
 - (ii) Matters relating to the storage facilities to be newly established;
- (3) The Minister of Economy, Trade and Industry shall, if deemed particularly necessary to cope with an extreme change in the oil supply-demand situation or other economic situations, consult the Advisory Committee on Energy and Natural Resources and modify such Oil Stockpiling Target accordingly.
- (4) In the event the Minister of Economy, Trade and Industry sets the Oil Stockpiling Target or modifies it, the Minister of Economy, Trade and Industry shall without delay give public notice thereof.

Section 2 Stockpiling of Oil Other Than Oil Gas

(Standard Stockpiles)

Article 5 (1) The Oil Refiner (means Oil Refiner, Specified Oil Distributor or Oil Importer designated in the Ordinance of the Ministry of Economy, Trade and Industry. The same shall apply hereinafter) shall, every month and pursuant to the provisions of an Ordinance of the Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry of the standard stockpiles (mean the volume of oil calculated based on the criteria set forth in the Ordinance of Ministry of Economy, Trade and Industry on the basis of production volume of the Designated Oil Products or the volume of sales or imports of oil (excluding Oil Gas. Hereinafter the same shall apply in this Section) for the period of twelve months immediately preceding the Notification Month in which notification was made by the Oil Refiners as the volume to be always held by them in the month after next of the Notification Month) for the month (hereinafter referred to as the "Notification Month" in this paragraph) and other matters provided in the Ordinance of Ministry of Economy, Trade and Industry.

(2) The Ordinance of the Ministry of Economy, Trade and Industry pertaining to the computation of the standard stockpiles set forth in the preceding paragraph shall be determined so that the ratio of the total volume of the standard stockpiles to be computed as the oil consumption of Japan during the twelve months immediately preceding the Notification Month computed pursuant to: the provisions of the Ordinance of Ministry of Economy, Trade and Industry falls within the range of approximately 70/365 to 90/365.

Article 6 (1) The Oil Refiner, shall always have oil in such volume as is equal to or greater than the standard stockpiles (in the event of any modification thereof pursuant to the provisions of paragraph (1) or (3) of the following Article or paragraph (1) of Article 8, such modified standard stockpiles shall apply during such period as set forth in the aforesaid paragraphs. Hereinafter

the same in Article 9) as provided in the Ordinance of the Ministry of Economy, Trade and Industry.

- (2) In the case referred to in the preceding paragraph, the Oil Refiner, may substitute crude oil for the Designated Oil Products in such cases as specified in the Ordinance of the Ministry of Economy, Trade and Industry. In this case, the method of conversion of the volume of crude oil into the volume of the Designated Oil Products shall be provided in the Ordinance of the Ministry of Economy, Trade and Industry.

Article 7 (1) The Minister of Economy, Trade and Industry may, if offered by the Oil Refiner, who has difficulty maintaining oil in a volume equivalent to the standard stockpiles in accordance with the provisions of the Ordinance of the Ministry of Economy, Trade and Industry set forth in paragraph (1) of the preceding Article due to disasters or other unavoidable circumstances, reduce such standard stockpiles within a set period of time.

- (2) The Minister of Economy, Trade and Industry shall, in the event the standard stockpiles have been reduced pursuant to the provisions of the preceding paragraph, notify such Oil Refiner, thereof.
- (3) In the situation a shortage in the oil supply to Japan occurs or a risk of occur, the Minister of Economy, Trade and Industry may reduce such standard stockpiles within a set period of time if deemed particularly necessary to ensure a stable oil supply.
- (4) The Minister of Economy, Trade and Industry shall, in the event the standard stockpiles have been reduced pursuant to the provisions of the preceding paragraph, give public notice thereof.

Article 8 (1) The Oil Refiner, may, if and only if other Oil Refiners, increase their standard stockpiles, reduce its own standard stockpiles by the volume equivalent to the volume of such increase with the approval of the Minister of Economy, Trade and Industry pursuant to the provisions of the Ordinance of the Ministry of Economy, Trade and Industry.

- (2) Two or more of the Oil Refiners, who maintain such business relationships with each other as provided in the Ordinance of the Ministry of Economy, Trade and Industry may offer the Minister of Economy, Trade and Industry thereof and obtain the confirmation of the Minister accordingly.

(Recommendation and Order)

Article 9 (1) In the event the volume of oil held by the Oil Refiner (means the volume of oil held by the Oil Refiner, in compliance with the provisions of the Ordinance of the Ministry of Economy, Trade and Industry as provided in paragraph (1) of Article 6; provided, however, that, in the event such Oil

Refiner, holds crude oil in lieu of the Designated Oil Products pursuant the provisions of paragraph (2) of the said Article, such volume of oil means the volume of oil after the conversion of the volume of such crude oil into the volume of the Designated Oil Products in such a method as provided in the Ordinance of the Ministry of Economy, Trade and Industry set forth in the said paragraph. Hereinafter the same shall apply in this Article) is less than the standard stockpiles and if the Minister of Economy, Trade and Industry determines that there is no justifiable reason for such shortage, the Minister of Economy, Trade and Industry may recommend that such Oil Refiner, have oil complying with the provisions of paragraph (1) of Article 6 within a set period of time; provided, however, that this shall not apply to the case where such Oil Refiner, obtains confirmation as set forth in paragraph (2) of the preceding Article, and the total volume of Oil held by such Oil Refiner, and other Oil Refiners, who also obtain such confirmation together with such Oil Refiner, is equal to or more than the total volume of their standard stockpiles.

- (2) In the case provided for in the main clause of the preceding paragraph, if the Minister of Economy, Trade and Industry determines that the extent to which or the period of time during which the volume of oil held by the Oil Refiner, falls short of the standard stockpiles meets the criterion set forth in the Ordinance of the Ministry of Economy, Trade and Industry, the Minister of Economy, Trade and Industry may order, within a set period of time, such Oil Refiner, to have and maintain oil complying with the provisions of paragraph (1) of Article 6.
- (3) The proviso of paragraph (1) hereof shall apply mutatis mutandis to the case set forth in the preceding paragraph.

Section 3 Stockpiling of Oil Gas

(Standard Stockpiles)

Article 10 (1) The Oil Gas Importer (limited to those specified by the Ordinance of the Ministry of Economy, Trade and Industry. Hereinafter the same shall apply in this paragraph (5) of Article 28 and Article 29 of this Section) shall, every month and pursuant to the provisions of the Ordinance of Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry of the standard stockpiles (mean the volume of Oil Gas calculated on the basis of the criteria set forth in the Ordinance of the Ministry of Economy, Trade and Industry on the basis of the import volume of the Oil Gas for the period of twelve months immediately preceding the Notification Month in which notification was made by the Oil Gas Importer as the volume to be held by it in the month after next of the Notification Month) for the month (hereinafter referred to as the "Notification Month" in this paragraph) and

other matters provided in the Ordinance of Ministry of Economy, Trade and Industry.

- (2) The Ordinance of the Ministry of Economy, Trade and Industry pertaining to the calculation of the standard stockpiles set forth in the preceding paragraph shall be determined so that the ratio of the total volume of the standard stockpiles to be computed as the import volume of Oil Gas for Japan during such twelve months immediately preceding the Notification Month computed in accordance with the provisions of the Ordinance of Ministry of Economy, Trade and Industry falls within the range of approximately 10/365 to 50/365.

Article 11 (1) The Oil Gas Importer shall always have Oil Gas in such volume as is equal to or more than the standard stockpiles (in the event of any modification thereof pursuant to the provisions of paragraph (1) or (3) of Article 7 or paragraph (1) of Article 8 applied mutatis mutandis in the following paragraph, such modified standard stockpiles shall apply during such period as set forth in the aforesaid paragraphs. Hereinafter the same in the following Article) pursuant to the provision of the Ordinance of Ministry of Economy, Trade and Industry.

- (2) The provisions of Article 7 and paragraph (1) of Article 8 shall apply mutatis mutandis to the standard stockpiles, and the provisions of paragraph (2) of Article 8 shall apply mutatis mutandis to the Oil Gas Importer. In this case, "Oil" in paragraphs (1) and (3) of Article 7 shall be read as "Oil Gas," and "Oil Refiner" in paragraphs (1) and (2) of Article 7 and paragraph (1) of Article 8 as "Oil Gas Importer".

(Recommendation and Order)

Article 12 (1) In the event the volume of Oil Gas held by the Oil Gas Importer (means the volume of Oil Gas held by the Oil Gas Importer in compliance with the provisions of the Ordinance of the Ministry of Economy, Trade and Industry as provided in paragraph (1) of the preceding Article. Hereinafter the same in this Article) is less than the standard stockpiles and if the Minister of Economy, Trade and Industry determines that there is no good reason for such shortage, the Minister of Economy, Trade and Industry may recommend such Oil Gas Importer to have and maintain Oil Gas in accordance with the provisions of the said paragraph within a set period of time, except in the case where such Oil Gas Importer obtains the approval as set forth in paragraph (2) of Article 8 applied mutatis mutandis in paragraph (2) of the preceding Article, and the total volume of Oil Gas held by such Oil Gas Importer and other Oil Gas Importers who also obtain such approval together with such Oil Gas Importer is equal to or more than the total volume of their standard stockpiles.

- (2) In the case provided for in the main clause of the preceding paragraph, if the

Minister of Economy, Trade and Industry determines that the extent to which or the period of time during which the volume of Oil Gas held by the Oil Gas Importer falls short of the standard stockpiles meets the criteria set forth in the Ordinance of the Ministry of Economy, Trade and Industry, the Minister of Economy, Trade and Industry may order, setting a period of time, such Oil Gas Importer to have and hold Oil Gas as required in the provisions of paragraph (1) of the preceding Article.

(3) The proviso of paragraph (1) hereof shall apply mutatis mutandis to the case set forth in the preceding paragraph.

Chapter III Registration of Oil Import Business

Section 1 Registration of Oil Import Business

(Registration)

Article 13 Any individual or company intending to engage in the business of importing oil (excluding Oil Refiner or Specified Oil Distributor and the Organization) must register with the Minister of Economy, Trade and Industry.

(Application for Registration)

Article 14 (1) Any person who intends to register as set forth in the preceding Article shall submit an application form stating the following matters to the Minister of Economy, Trade and Industry as required in the Ordinance of the Ministry of Economy, Trade and Industry:

(i) Trade name, name or full name and address;

(ii) the case of a juridical person, full name and address of each of its officers (means managing partners, directors, executive officers or any person who is qualified as being similar to the above. Hereinafter the same in this Section);

(iii) Location of its principal office;

(iv) Storage capability and location of the storage facilities by the type of oil (excluding Oil Gas. Hereinafter the same in this Chapter);

(v) Proposed business commencement date and estimated import volume of oil by type for the month that includes such date;

(2) The application form set forth in the preceding paragraph must be accompanied by an instrument pledging not to fall under any one of items in paragraph (1) of Article 16 and other documents as required in the Ordinance of the Ministry of Economy, Trade and Industry.

(Registration and Notice)

Article 15 (1) If such an application for registration is filed, the Minister of Economy, Trade and Industry shall, except where such application is rejected pursuant to the provisions set forth in paragraph (1) of the following Article,

record such matters as set forth in each of the items in paragraph (1) of the preceding Article, the date of registration and registration number in the register of Oil Importers.

- (2) The Minister of Economy, Trade and Industry shall, if such registration is completed pursuant to the provisions of the preceding paragraph, without delay notify the relevant applicant accordingly.

(Rejection of Registration)

Article 16 (1) In the event any individual or company filing such application form as set forth in paragraph (1) of Article 14 falls under any one of the following or such application form or any of attached documents set forth in paragraph (2) of the said Article contains any false government with respect to any material matter or omits any government relating to any material fact, the Minister of Economy, Trade and Industry must reject such registration.

- (i) Any individual or juridical person unable to use such facilities as deemed necessary for the storing of oil under its title;
 - (ii) Any individual or juridical person under sentence pursuant to the provisions of this Act and two years have not elapsed from the date of completion of its service or the date of exemption of execution of such sentence;
 - (iii) Any individual or juridical person whose registration was cancelled pursuant to the provisions of paragraph (1) of Article 20 or paragraph (1) of Article 21 and two years have not elapsed from the date of such cancellation;
 - (iv) In the event the registration of any juridical person as a Oil Importer is cancelled pursuant to the provisions of paragraph (1) of Article 20 or paragraph of Article 21, any officer who was performing the business of such Oil Importer within thirty days prior to such cancellation and two years have not elapsed from the date of such cancellation;
 - (v) Any individual or juridical person who was ordered to suspend business pursuant to the provision of paragraph (1) of Article 20 and has not gone completed such period of business suspension;
 - (vi) With respect to any juridical person, any one of its officers who performs its business and falls under any one of item (ii) through (v) above;
- (2) In the event of rejection of registration pursuant to the provisions of the preceding paragraph, the Minister of Economy, Trade and Industry must give notice to such applicant to that effect showing the reason for such rejection without delay.

(Change of Registered Matters)

Article 17 (1) If any Oil Importer intends to change the registration relating to matters listed in item (iv) or (v) of paragraph (1) of Article 14, such Oil

Importer must register such change with the Minister of Economy, Trade and Industry.

- (2) The provisions of paragraph (2) of Article 14 and preceding two Articles shall apply mutatis mutandis to the change in registered matters set forth in the preceding paragraph.
- (3) In the event of any change of any matter set forth in item (i) through (iii) of paragraph (1) of Article 14, the Oil Importer must without delay notify the Minister of Economy, Trade and Industry thereof.
- (4) Upon receipt of such notification as set forth in the preceding paragraph, the Minister of Economy, Trade and Industry shall record such matters as notified in the register of Oil Importers.

(Notification of Closure)

Article 18 In the event of the abolition of an Oil Import Business, such Oil Importer shall without delay notify the Minister of Economy, Trade and Industry accordingly.

(Nullification of Registration)

Article 19 In the event any Oil Importer abolish its Oil Import Business, the registration relating to such Oil Importer under the provisions of Article 13 shall cease to be effective.

(Rescission of Registration)

- Article 20 (1) In the event any Oil Importer falls under any one of the following item, the Minister of Economy, Trade and Industry may revoke the registration of such Oil Importer or give an order to suspend the business of such Oil Importer in whole or in part, setting a period of time not exceeding six months:
- (i) In the event such Oil Importer falls under the provisions of item (i), (ii), (iv) or (vi) of paragraph (1) of Article 16;
 - (ii) In the event such Oil Importer fails to register any change of registered matters as provided in paragraph (1) of Article 17, fails to give notice as provided in paragraph (3) of the said Article or gives a false notification;
 - (iii) In the event such Oil Importer violates this Act or any order under this Act or any disposition thereunder;
 - (iv) In the event such Oil Importer obtains registration set forth in Article 13 or registration of change set forth paragraph (1) of Article 17 by unactful means;
- (2) The provisions of paragraph (2) of Article 16 shall apply mutatis mutandis in the event of any disposition set forth in the preceding paragraph.

(Cancellation of Registration by any Person whose Whereabouts are

unidentifiable)

Article 21 (1) In the event the registered location of the principal office of any Oil Importer is unidentifiable or the registered location of any registered Oil Importer (in case of a juridical person, registered address of any of its officers) is unidentifiable, the Minister of Economy, Trade and Industry may publicly announce such fact pursuant to the Ordinance of the Ministry of Economy, Trade and Industry, and if nothing has been heard from such Oil Importer upon the lapse of at least thirty days from the date of such announcement, may revoke the registration of such Oil Importer.

(2) The provisions of Chapter III of the Administrative Procedure Act (Act No. 88, 1993) shall not apply to the disposition of registration pursuant to the provisions of the preceding paragraph.

(Cancellation of Registration)

Article 22 In the event the registration of any Oil Importer becomes null and void pursuant to the provisions of Article 19 or is revoked pursuant to the provisions of paragraph (1) of Article 20 or paragraph (1) of the preceding Article, the Minister of Economy, Trade and Industry must cancel the registration of such Oil Importer.

Section 2 Notification of Oil Refineries

(Notification of Oil Refinery)

Article 23 (1) Any individual or juridical person intending to engage in an Oil Refinery must notify the Minister of Economy, Trade and Industry of such matters as described below in advance pursuant to the provisions of the Ordinance of the Ministry of Economy, Trade and Industry:

(i) Trade name, name or full name and address;

(ii) In case of a juridical person, full name of its representative;

(iii) Location of its principal office and manufacturing plant;

(iv) Type and processing capability of the Specified Facilities by manufacturing plant;

(v) Storage capability and location of the storage facilities by the type of oil;

(vi) Other matters pursuant to the Ordinance of the Ministry of Economy, Trade and Industry;

(2) Any individual or juridical person that submitted notification in accordance with the provisions of the preceding paragraph shall notify the Minister of Economy, Trade and Industry without delay of any change in matters described in item (i), (ii), or (vi) of the said paragraph, and in advance in the event such individual or juridical person intends to change such matters as described in item (iii) through (v) of the said paragraph, accordingly.

- (3) The Oil Refiner must, in the event of the closure of its business, notify the Minister of Economy, Trade and Industry thereof without delay.

(Notification of Oil Distribution Business)

Article 24 (1) Any individual or juridical person intending to engage in the Oil Distribution Business (excluding the Corporation) must notify the Minister of Economy, Trade and Industry of such matters as described below in advance pursuant to the provisions of the Ordinance of the Ministry of Economy, Trade and Industry:

- (i) Trade name, name or full name and address;
 - (ii) In case of a juridical personality, full name of its representative person;
 - (iii) Principal office address and business office address;
 - (iv) Storage capability and location of the storage facilities by the type of oil in the case of a Specified Oil Distributor;
 - (v) Other matters as required in the Ordinance of the Ministry of Economy, Trade and Industry;
- (2) Any individual or juridical person that submitted notification in accordance with the provisions of the preceding paragraph shall notify the Minister of Economy, Trade and Industry immediately of any change in matters listed in item (i), (ii) or (v) of the said paragraph, and in advance in the event such individual or juridical person intends to change such matters as listed in item (iii) or (iv) of the said paragraph, accordingly.
- (3) The provisions of paragraph (3) of the preceding Article shall apply mutatis mutandis to the Oil Distributor.

(Notification of Oil Gas Import Business)

Article 25 (1) Any individual or juridical person that intends to engage in the Oil Gas Import Business (excluding the Corporation) must notify the Minister of Economy, Trade and Industry of such matters as described below in advance pursuant to the provisions of the Ordinance of the Ministry of Economy, Trade and Industry:

- (i) Trade name, name or full name and address;
 - (ii) In case of a juridical personality, full name of its representative person;
 - (iii) Principal office address;
 - (iv) Storage capability and location of its storage facilities by the type of Oil Gas;
 - (v) Other matters as required in the Ordinance of the Ministry of Economy, Trade and Industry;
- (2) Any individual or juridical person that submitted notification in accordance with the provisions of the preceding paragraph shall notify the Minister of Economy, Trade and Industry without delay of any change in matters described

in item (i), (ii) or (v) of the said paragraph, and in advance in the event such individual or juridical person intends to change such matters as described in item (iii) or (iv) of the said paragraph, accordingly.

(3) The provisions of paragraph (3) of Article 23 shall apply mutatis mutandis to Oil Gas Importer.

Chapter IV Miscellaneous Provisions

(Notification of Production Volume)

Article 26 Oil Refiner, Specified Oil Distributor, Oil Importer, or Oil Gas Importer shall, in accordance with the provisions of the Ordinance of the Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry monthly of the production quantity of the Designated Oil Products or sales or import quantity of oil for the immediately preceding month and other matters as required in the Ordinance of the Ministry of Economy, Trade and Industry.

(Succession of Status)

Article 27 (1) In the event any Oil Importer assigns its entire business or any inheritance, merger or division occurs involving such Oil Importer (limited to the entire succession of its business), any individual or juridical person taking over such entire business or heir (in the event there are two or more successors and if such successors unanimously select any one of them as a successor of such business, then such person. The same shall apply hereinafter), juridical person surviving after merger or juridical person established after merger or juridical person that succeeds such entire business after division shall succeed the status of such Oil Importer, except where the aforementioned individual or juridical person that takes over such entire business or heir, juridical person surviving after merger, juridical person established after merger or juridical person that succeeds such entire business falls under any one of item (ii) through (vi) of paragraph (1) of Article 16.

(2) Any individual or juridical person succeeding the status of such Oil Importer pursuant to the provisions of the preceding paragraph must submit notification to that effect to the Minister of Economy, Trade and Industry without delay together with the instrument to prove such fact.

(3) The Ordinance of Ministry of Economy, Trade and Industry may determine such provisions as deemed necessary with regard to the technical interpretation of the provisions of paragraph (1) of Article 5 for the application thereof to the individual or juridical person that succeeded the status of such Oil Importer pursuant to the provisions of paragraph (1) hereof.

Article 28 (1) In the event any Oil Refiner (limited to those designated in the Ordinance of Ministry of Economy, Trade and Industry) assigns its entire business or any inheritance, merger or division occurs involving such Oil Refiner (limited to the entire succession of its business), any individual or juridical person taking over such entire business or successor, juridical person surviving after merger or juridical person established after the merger or juridical person that succeeds such entire business after division shall succeed the status of such Oil Refiner under this Act.

(2) Any individual or juridical person succeeding the status of such Oil Refiner pursuant to the provisions of the preceding paragraph must submit notification to that effect to the Minister of Economy, Trade and Industry together with the instrument to prove such fact without delay.

(3) The Ordinance of Ministry of Economy, Trade and Industry may determine such provisions as deemed necessary with regard to the technical interpretation of the provisions of paragraph (1) of Article 5 for the application thereof to the individual or juridical person that succeeded the status of such Oil Refiner pursuant to the provisions of paragraph (1) hereof.

(4) The provisions of paragraph (3) hereof shall apply mutatis mutandis to Specified Oil Distributor.

(5) The provisions of paragraph (1) through (3) hereof shall apply mutatis mutandis to the Oil Gas Importer. In this case, the phrase "paragraph (1) of Article 5" in paragraph (3) shall read "paragraph (1) of Article 10."

(Book Entry)

Article 29 Oil Refiner, or Oil Gas Importer shall, pursuant to the provision of the Ordinance of Ministry of Economy, Trade and Industry, provide the books, enter the volume of crude oil, Designated Oil Products, or Oil Gas it holds and other matters designated in the Ordinance of Ministry of Economy, Trade and Industry therein and keep and maintain such books.

(Collection of Reports and On-The-Spot Inspection)

Article 30 (1) The Minister of Economy, Trade and Industry may, as required in this Act and within the limit necessary for the enforcement of this Act, oblige the Oil Refiner, Oil Distributor, Oil Importer, or Oil Gas Importer (hereinafter collectively referred to as "Oil Trader") to report matters relating to its business.

(2) The Minister of Economy, Trade and Industry may, within the limit necessary for the enforcement of this Act, cause its personnel to enter the office, plant, and other business establishment of Oil Trader to inspect its books, documents, and other materials.

(3) The official who enters and inspects pursuant to the provisions of the

preceding paragraph shall carry an identification card to present to the relevant persons.

(4) The power to enter and inspect pursuant to the provisions of paragraph (2) shall not be interpreted as being authorized for any criminal investigation.

(Delegation of Management of Government-Stockpiled Oil and Government Stockpiling Facilities)

Article 31 The Minister of Economy, Trade and Industry may entrust the management of Government-Stockpiled Oil and government stockpiling facilities (meaning government-owned oil storage facilities and other facilities (including land to be used for the said purpose) necessary for the stockpiling of Government-Stockpiled Oil) to the Corporation.

(Exchange of Government-Stockpiled Oil)

Article 31-2 (1) The Minister of Economy, Trade and Industry may, if deemed necessary, exchange Government-Stockpiled Oil with oil owned by any individual or juridical person other than the government.

(2) In the case of an exchange in accordance with the provisions of the preceding paragraph, if there is any difference in market value, such difference must be or be caused to be compensated with money.

(Transfer of Government-Stockpiled Oil)

Article 31-3 In addition to the provisions of the preceding Article, in the situation a shortage in the supply of oil to Japan occurs or is likely to happen, the Minister of Economy, Trade and Industry may, if deemed particularly necessary to secure a stable supply of oil, transfer Government-Stockpiled Oil as pursuant to the provision of the Ordinance of Ministry of Economy, Trade and Industry. In this case, if Government-Stockpiled Oil is transferred for the purpose of exchange, the provisions of paragraph (2) of the preceding Article shall apply *mutatis mutandis*.

(Recommendation)

Article 32 (1) In the situation the Minister of Economy, Trade and Industry reduces or intends to reduce the standard stockpiles pursuant to the provisions of paragraph (3) of Article 7 (including its application *mutatis mutandis* in paragraph (2) of Article 11) or transfers or intends to transfer Government-Stockpiled Oil pursuant to the provisions of the preceding Article, the Minister of Economy, Trade and Industry may, as provided in the Ordinance of the Ministry of Economy, Trade and Industry, oblige the Oil Trader to report the estimated production volume of the Designated Oil Products or estimated sales or import volume of oil or other necessary information, and, based on said

report, make a recommendation to the Oil Trader for an increase in the estimated production volume of Designated Oil Products or estimated sales or import volume of oil or other necessary measures to be taken.

- (2) In the event any recommendation is made pursuant to the provisions of the preceding paragraph, if any individual or juridical person receiving such recommendation fails to comply therewith without justifiable grounds, the Minister of Economy, Trade and Industry may publicize such fact.
- (3) The Minister of Economy, Trade and Industry shall offer to the public such information on the status of production, import, distribution or inventory of oil as necessary to enable the public to appropriately respond in the event of any shortage in the supply of oil to Japan.

(Period of Exclusion of Application)

Article 33 (1) During the period set forth in paragraph (1) of Article 20 of the oil Supply and Demand Optimization Act (Act No. 122, 1973), the provisions of Article 4 through 12, paragraph (3) of Article 27, Article 28, Article 29, and the preceding Article hereof shall not apply.

- (2) Any necessary provisions may be established by government Ordinance with respect to matters relating to transitional measures regarding the application of the provisions of Article 4 through 12, paragraph (3) of Article 27, Article 28, Article 29, and the preceding Article hereof after the period set forth in the preceding paragraph.
- (3) The provisions of paragraph (1) shall not be construed as having any impact on the application of penalties for any acts conducted prior to the commencement of the period set forth in the said paragraph.

(Provision of Interest Subsidies)

Article 34 (1) In the event the Development Bank of Japan, Okinawa Development Finance Corporation, or the Corporation (hereinafter referred to as "Development Bank of Japan") lends the funds necessary for the establishment of oil storage facilities and other facilities required for the buildup of oil stockpiles, the government may provide the Development Bank of Japan, with interest subsidies for such loans within the limits of its budget.

- (2) The amount of interest subsidies set forth in the preceding paragraph shall, as determined in the Ordinance of the Ministry of Economy, Trade and Industry, be computed for every such period as set forth in the Ordinance of the Ministry of Economy, Trade and Industry (hereinafter referred to as the "Unit Period") multiplying outstanding loans extended under relevant loan agreement during such Unit Period by the interest subsidy rate determined within the limits of the difference between the interest rate on such loans and an annual rate of 5.5% by the Minister of Economy, Trade and Industry in

consultation with the Minister of Finance

(3) In the event interest subsidies are paid pursuant to the provisions of paragraph (1), the Development Bank of Japan, shall determine the amount of interest generated during such Unit Period under the loan agreement in relation to which such interest subsidies are paid as the amount of interest under such loan agreement minus the amount equivalent to the amount of such interest subsidies.

(Exclusion of Application)

Article 34-2 The provisions of Chapter III and Article 26 shall not apply to the clerical tasks and business relating to the Government-Stockpiled Oil performed by the Minister of Economy, Trade and Industry.

(Interim Measures)

Article 35 In the event any order is enacted, abolished, or revised under this Act, such order may contain required interim measures (including penal provisions-related progress measures) to the extent reasonably deemed necessary for the enactment, abolishment, or revision thereof.

Chapter V Penal Provisions

Article 36 Any individual or juridical person violating any order under the provisions of paragraph (2) of Article 9 or paragraph (2) of Article 12 shall be punished by imprisonment with work for up to one year or a fine of up to three million (3,000,000) yen or cumulative imposition .

Article 37 Any individual or juridical person falling under any one of the following shall be punished by imprisonment with work for up to one year or a fine of up to one million (1,000,000) yen or cumulative imposition :

- (i) An individual or juridical person engaging in the Oil Import Business without obtaining the registration set forth in Article 13;
- (ii) An individual or juridical person obtaining the registration set forth in Article 13 by unactful means;
- (iii) An individual juridical person or violating the order to suspend business under the provisions of paragraph (1) of Article 20;

Article 38 Any individual or juridical person falling under any one of the following shall be punished by a fine of up to five hundred thousand (500,000) yen:

- (i) An individual or juridical person failing to submit notification under the provisions of paragraph (1) of Article 5, paragraph (1) of Article 10,

- paragraph (1) of Article 23, paragraph (1) of Article 24, paragraph (1) of Article 25 or Article 26 or submits false notification;
- (ii) An individual or juridical person that changes the particulars described in item (iv) or (v) of paragraph (1) of Article 14 in violation of the provisions of paragraph (1) of Article 17;
 - (iii) An individual or juridical person that fails to provide the books, fails to make entries therein or makes false entries or fails to keep and maintain such books in violation of the provisions of Article 29;
 - (iv) An individual or juridical person that fails to make reports under the provisions of paragraph (1) of Article 30 or paragraph (1) of Article 32, or makes any false reports;
 - (v) An individual or juridical person that refuses, interferes with, or challenge an inspection as set forth in paragraph (2) of Article 30;

Article 39 In the event representatives of any representative person or agents, employee, or other workers of any juridical person or any person violate the provisions described in the following items in connection with the business of such juridical person or person, any individual who violates such provisions shall be punished, and, furthermore, such juridical person shall be punished by a fine set forth in such items and such person shall be punished by a fine set forth in the relevant Articles:

- (i) Article 36: a fine of up to one hundred million (100,000,000) yen
- (ii) Article 37 and 38: a fine set forth in the relevant Articles

Article 40 Any individual or juridical person failing to submit notification under the provisions of paragraph (3) of Article 17, Article 18, paragraph (2) or (3) of Article 23 (including the case where such provisions are applied mutatis mutandis in paragraph (3) of Article 24 and paragraph (3) of Article 25), paragraph (2) of Article 24, paragraph (2) of Article 25, paragraph (2) of Article 27 or paragraph (2) of Article 28 (including the case where such provisions are applied mutatis mutandis in paragraph (4) and (5) of the said Article) or submits any false notification shall be punished by a non-penal fine of up to two hundred thousand (200,000) yen.