

# **Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers**

(Act No. 96 of December 11, 2013)

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## **Chapter I General Provisions**

(Purpose)

Article 1 The purpose of this Act is to protect the interests of Consumers by enabling Specified Qualified Consumer Organizations to conduct court proceedings for the collective redress for the property damage incurred by Consumers in connection with Consumer Contracts, given the fact that it is sometimes difficult for Consumers to achieve redress of damages on their own due to the disparity in the quality and quantity of information and negotiating power between Consumers and Companies and by doing so, contributing to the stabilization and improvement of the general welfare and lives of the citizens and sound development of the national economy.

(Definitions)

Article 2 In this Act, the meanings of the terms set forth in the following items are as prescribed respectively in those items:

- (i) Consumer: an individual (excluding the case where the individual conducts a business);
- (ii) Company: a corporation or any other association or foundation and an individual when the individual conducts a business;
- (iii) Consumer Contract: a contract concluded between a Consumer and a Company (excluding a labor contract);
- (iv) Action for Declaratory Judgment on Common Obligations: where property damage is incurred by a considerable number of Consumers in connection with Consumer Contracts, an action seeking a declaratory judgment whereby the Company has an obligation to pay money to these Consumers based on factual and legal causes common to these Consumers, except the cases where a claim for a payment of money filed by a Consumer who has no grounds due to circumstances specific to the Consumer;
- (v) Target Claim: a claim for a payment of money filed against the Company who became the defendant of an Action for Declaratory Judgment on Common Obligations, which pertains to the obligation prescribed in the preceding item;
- (vi) Target Consumer: a Consumer who holds a Target Claim;
- (vii) Simple Determination Proceedings: court proceedings whereby, on the premise of the results of litigation pertaining to an Action for Declaratory Judgment on Common Obligations (hereinafter referred to as "Litigation Seeking Declaratory Judgment on Common Obligations") and on the basis of the proofs of claims filed with the court under the provisions of this Act, the other party states its approval or disapproval, and the presence or absence and the contents of a Target Claim are determined based on the approval or disapproval if no notice to dispute the approval or disapproval is made, and based on an order by the court if a notice to dispute the approval or disapproval is made;

- (viii) Litigation after Objection: where a lawful objection is filed against an order to determine the presence or absence and the contents of a Target Claim in Simple Determination Proceedings (hereinafter referred to as a "Simple Determination Order"), litigation pertaining to the claim after the filing of the objection;
- (ix) Court Proceedings for Redress for Damage: the following proceedings:
  - (a) proceedings of Litigation Seeking Declaratory Judgment on Common Obligations, Simple Determination Proceedings, and proceedings of Litigation after Objection; and
  - (b) a civil execution procedure based on a title of obligation acquired with regard to a Target Claim by a Specified Qualified Consumer Organization (including litigation proceedings pertaining to the actions set forth in Article 33, paragraph (1), Article 34, paragraph (1), Article 35, paragraph (1), Article 38, paragraph (1), Article 90, paragraph (1), and Article 157, paragraph (1) of the Civil Execution Act (Act No. 4 of 1979) (referred to as "Litigation Proceedings Pertaining to Civil Execution" in Article 61, paragraph (1), item (iii))) and a procedure for provisional seizure aimed at preserving the fulfillment of a Target Claim pertaining to a title of obligation which a Specified Qualified Consumer Organization has the possibility of acquiring (including litigation proceedings pertaining to the actions set forth in Article 33, paragraph (1), Article 34, paragraph (1), and Article 38, paragraph (1) of the Civil Execution Act as applied mutatis mutandis pursuant to the provisions of Article 46 of the Civil Provisional Remedies Act (Act No. 91 of 1989) (referred to as "Litigation Proceedings Pertaining to Execution of Provisional Seizure" in Article 61, paragraph (1), item (i))); and
- (x) Specified Qualified Consumer Organization: a corporation certified by the Prime Minister pursuant to the provisions of Article 65 as a Qualified Consumer Organization (meaning the Qualified Consumer Organization prescribed in Article 2, paragraph (4) of the Consumer Contract Act (Act No. 61 of 2000); the same applies hereinafter) which has the qualifications necessary for conducting Court Proceedings for Redress for Damage.

## **Chapter II Court Proceedings for Redress for Damage**

### **Section 1 Special Measures on Civil Litigation Proceedings Pertaining to Litigation Seeking Declaratory Judgment on Common Obligations**

(Action for Declaratory Judgment on Common Obligations)

Article 3 (1) A Specified Qualified Consumer Organization may file an Action for a Declaratory Judgment on Common Obligations with regard to monetary payment obligations borne by a Company against a Consumer which pertain to

the following claims concerning Consumer Contracts (including claims for interest, damages, penalties, or expenses incidental thereto):

- (i) a claim for performance of a contractual obligation;
- (ii) a claim pertaining to unjust enrichment;
- (iii) a claim for damages based on nonperformance of a contractual obligation;
- (iv) a claim for damages based on a warranty against defects; and
- (v) a claim for damages based on a tort (limited to a claim based on the provisions of the Civil Code (Act No. 89 of 1896)).

(2) An Action for Declaratory Judgment on Common Obligations with regard to monetary payment obligations pertaining to the claims set forth in items (iii) through (v) of the preceding paragraph may not be filed when the damage incurred is any of the following:

- (i) damage due to the loss or damage of property other than the objects of a Consumer Contract resulting from the nonperformance of a contractual obligation, a defect of goods, rights, or any other object of a Consumer Contract (excluding services; hereinafter the same applies in this item and the following item), or a tort;
- (ii) damage due to the loss of profit which would have been gained through the disposition or use of the object of a Consumer Contract if the object had been provided;
- (iii) damage due to the loss or damage of property other than goods pertaining to manufacturing, processing, repair, transport, or retention under a Consumer Contract or any other subject of the service which was the object of a Consumer Contract, resulting from the nonperformance of a contractual obligation, a defect of a service which is the object of a Consumer Contract, or a tort;
- (iv) damage due to the loss of profit which would have been gained through the use of the service which is the object of a Consumer Contract or through the disposition or use of the subject of the service if the service had been provided;
- (v) damage due to harm done to the life or body of a person; or
- (vi) damage due to mental suffering.

(3) In an Action for Declaratory Judgment on Common Obligations with regard to monetary payment obligations pertaining to the claims set forth in the following items, the person(s) specified respectively in those items are the defendant(s):

- (i) the claims set forth in paragraph (1), items (i) through (iv): the Company who is the counterparty of the Consumer Contract; and
- (ii) the claim set forth in paragraph (1), item (v): the Company who is the counterparty of the Consumer Contract, the Company who is to perform the obligation under the Consumer Contract, or the Company who solicits, has

another person solicit, or encourages solicitation for the conclusion of the Consumer Contract.

- (4) If the court finds it difficult, even when the court makes a judgment upholding a claim pertaining to an Action for Declaratory Judgment on Common Obligations, in consideration of the nature of the case, the contents of allegations expected to be made and proof expected to be submitted in the Simple Determination Proceedings conducted on the premise of the judgment, or any other circumstances, to determine the presence or absence and the contents of the Target Claim appropriately and promptly in the Simple Determination Proceedings, the court may dismiss the whole or part of the Action for Declaratory Judgment on Common Obligations.

(Value of the Subject Matter of Litigation)

Article 4 For the purpose of calculating the value of the subject matter of litigation, an Action for Declaratory Judgment on Common Obligations is deemed to be an action pertaining to a claim that is not a claim on a property right.

(Matters to Be Stated in the Complaint)

Article 5 In the complaint for filing an Action for Declaratory Judgment on Common Obligations, the extent of the Target Claims and the Target Consumers must be stated, and the object and statement of claims must be specified.

(Jurisdiction and Transfer)

Article 6 (1) The provisions of Article 5 of the Code of Civil Procedure (Act No. 109 of 1996) (excluding the portion pertaining to item (v)) do not apply to Litigation Seeking Declaratory Judgment on Common Obligations.

- (2) An Action for Declaratory Judgment on Common Obligations with regard to monetary payment obligations pertaining to the claims set forth in the following items may also be filed with the district court having jurisdiction over the places specified respectively in those items:

(i) the claims set forth in Article 3, paragraph (1), items (i) through (iv): the place of performance of the obligation; and

(ii) the claims set forth in Article 3, paragraph (1), item (v): the place where the tort took place.

- (3) When the number of Target Consumers is expected to be 500 or more, an Action for Declaratory Judgment on Common Obligations may also be filed with the district court having jurisdiction over the location of the high court having jurisdiction over the location of the court with jurisdiction under Article 4, paragraph (1) or Article 5, item (v) of the Code of Civil Procedure or the

preceding paragraph.

- (4) When the number of Target Consumers is expected to be 1,000 or more, an Action for Declaratory Judgment on Common Obligations may also be filed with the Tokyo District Court or the Osaka District Court.
- (5) When two or more district courts have jurisdiction pursuant to the provisions of Article 4, paragraph (1), Article 5, item (v), Article 11, paragraph (1) or Article 12 of the Code of Civil Procedure or the preceding three paragraphs, an Action for Declaratory Judgment on Common Obligations is subject to the jurisdiction of the district court with which the action was filed first; provided, however, that when the district court finds it necessary in order to avoid substantial detriment or delay, it may, upon petition or by its own authority, transfer the whole or part of the litigation pertaining to the Action for Declaratory Judgment on Common Obligations to another court with jurisdiction.
- (6) Even when Litigation Seeking Declaratory Judgment on Common Obligations is subject to the jurisdiction of a court, if Litigation Seeking Declaratory Judgment on Common Obligations for a claim based on the same kind of factual and statutory cause is pending before another court and the former court finds it reasonable in consideration of the addresses or locations of the parties, the addresses of the witnesses who are to be examined, similarity of issues or evidence, or any other circumstances, the former court may, upon petition or by its own authority, transfer the whole or part of the Litigation Seeking Declaratory Judgment on Common Obligations to the relevant other court.

(Mandatory Consolidation of Oral Arguments)

- Article 7 (1) When several cases of Litigation Seeking Declaratory Judgment on Common Obligations for the contents, as well as the opponents of the same claim are pending simultaneously, the oral arguments and judicial decisions thereof must be made in consolidation.
- (2) In the case referred to in the preceding paragraph, the parties must notify the court to that effect.

(Prohibition of Supporting Intervention)

- Article 8 Notwithstanding the provisions of Article 42 of the Code of Civil Procedure, Consumers may not intervene in Litigation Seeking Declaratory Judgment on Common Obligations to support the Specified Qualified Consumer Organization, even when they have an interest in the results of the Litigation Seeking Declaratory Judgment on Common Obligations.

(Extent of Persons Subject to the Effect of the Final and Binding Judgment)

Article 9 Notwithstanding the provisions of Article 115, paragraph (1) of the Code of Civil Procedure, a final and binding judgment of Litigation Seeking Declaratory Judgment on Common Obligations is also to be effective against Specified Qualified Consumer Organizations which are not the parties to the Litigation Seeking Declaratory Judgment on Common Obligations and the Consumers Holding the Filed Claims prescribed in Article 30, paragraph (2), item (i) who fall within the extent of the Target Consumers pertaining to the Litigation Seeking Declaratory Judgment on Common Obligations.

(Settlement in Litigation Seeking Declaratory Judgment on Common Obligations)

Article 10 In Litigation Seeking Declaratory Judgment on Common Obligations, a Specified Qualified Consumer Organization may enter into a settlement with regard to the presence or absence of the obligation prescribed in Article 2, item (iv) which is the subject matter of the Litigation Seeking Declaratory Judgment on Common Obligations.

(Action for Retrial)

Article 11 If an Action for Declaratory Judgment on Common Obligations has been filed, if the plaintiff, in conspiracy with the defendant, caused the judgment to be made for the purpose of harming the rights of the Target Consumers pertaining to the Action for Declaratory Judgment on Common Obligations, a different Specified Qualified Consumer Organization may enter an appeal against the final judgment which has become final and binding, by filing an action for a retrial.

**Section 2 Proceedings for Determining the Target Claims**  
**Subsection 1 Simple Determination Proceedings**  
**Division 1 General Rules**

(Parties to Simple Determination Proceedings)

Article 12 Upon petition by the Specified Qualified Consumer Organization (if a designation has been made under Article 87, paragraph (2), the designated Specified Qualified Consumer Organization) who was a party concerned when a judgment upholding the claims in Litigation Seeking Declaratory Judgment on Common Obligations became final and binding or when the Litigation Seeking Declaratory Judgment on Common Obligations was terminated through acknowledgement of the claim (including a settlement recognizing the presence of the obligation prescribed in Article 2, item (iv); hereinafter the same applies in this Subsection), Simple Determination Proceedings are carried out by the district court which made the final judgment in the first instance of the

Litigation Seeking Declaratory Judgment on Common Obligations (when the Litigation Seeking Declaratory Judgment on Common Obligations is terminated through acknowledgment of the claims in the first instance, the district court before which the Litigation Seeking Declaratory Judgment on Common Obligations was pending), with the opponent being the Company who was a party concerned when the judgment became final and binding or when the Litigation Seeking Declaratory Judgment on Common Obligations was terminated.

(Optional Oral Argument)

Article 13 (1) A judicial decision relating to a Simple Determination Proceedings may be made without oral argument.

(2) When oral argument is not to be conducted pursuant to the provisions of the preceding paragraph, the court may conduct a hearing of the parties.

## **Division 2 Commencement of Simple Determination Proceedings**

(Obligation to File Petition for Commencement of Simple Determination Proceedings)

Article 14 The Specified Qualified Consumer Organization prescribed in Article 12 must file a petition for the commencement of Simple Determination Proceedings, unless there are justifiable grounds.

(Period for Filing Petition for Commencement of Simple Determination Proceedings)

Article 15 (1) A petition for the commencement of Simple Determination Proceedings must be filed within a period of one month which is unextendable from the day on which a judgment upholding the claims in Litigation Seeking Declaratory Judgment on Common Obligations became final and binding or the day on which Litigation Seeking Declaratory Judgment on Common Obligations was terminated through acknowledgment of the claims (if a designation has been made under Article 87, paragraph (2), the day on which the designation was made).

(2) When a Specified Qualified Consumer Organization who needs to file a petition for the commencement of Simple Determination Proceedings pursuant to the provisions of the preceding Article was unable to observe the period set forth in the preceding paragraph due to grounds not attributable thereto, must file a petition for the commencement of Simple Determination Proceedings only within two weeks after the grounds have ceased to exist.

(Method of Filing a Petition for Commencement of Simple Determination



Proceedings)

Article 16 A petition for the commencement of Simple Determination

Proceedings must be filed by submitting a document stating the matters specified by the Rules of the Supreme Court.

(Prepayment of Expenses)

Article 17 When filing a petition for the commencement of Simple Determination

Proceedings, the Specified Qualified Consumer Organization filing the petition must prepay the amount specified by the court as the expenses required for giving public notice under Article 22, paragraph (1) and giving notice under paragraph (2) of the same Article.

(Withdrawal of Petition for Commencement of Simple Determination Proceedings)

Article 18 (1) A petition for the commencement of Simple Determination

Proceedings may not be withdrawn without the permission of the court.

(2) The provisions of Article 261, paragraph (3) and Article 262, paragraph (1) of the Code of Civil Procedure apply mutatis mutandis to the withdrawal of a petition under the preceding paragraph.

(Order of Commencement of Simple Determination Proceedings)

Article 19 (1) When a petition for the commencement of Simple Determination

Proceedings is filed, the court is to make an order of commencement of Simple Determination Proceedings (hereinafter referred to as the "Order of Commencement of Simple Determination Proceedings"), unless it finds the petition to be unlawful or the expenses prescribed in Article 17 have not been prepaid.

(2) An immediate appeal may be filed against an order to dismiss a petition for the commencement of Simple Determination Proceedings.

(Method of Order of Commencement of Simple Determination Proceedings)

Article 20 An Order of Commencement of Simple Determination Proceedings

must be made by preparing a written order stating the scope of the Target Claims and the Target Consumers.

(Matters to Be Specified upon Making Order of Commencement of Simple Determination Proceedings)

Article 21 Upon making an Order of Commencement of Simple Determination

Proceedings, the court must specify the period during which the Specified Qualified Consumer Organization which filed the petition for the commencement of Simple Determination Proceedings pertaining to the Order of

Commencement of Simple Determination Proceedings (if a designation has been made under Article 87, paragraph (1), the designated Specified Qualified Consumer Organization; hereinafter referred to as the "Petitioner Organization of the Simple Determination Proceedings") will file proofs of claims as prescribed in Article 30, paragraph (2) (hereinafter referred to as the "Period for Filing Proofs of Claims") and the period during which the opponent of the Simple Determination Proceedings (hereinafter simply referred to as the "Opponent" in this Subsection) will state its approval or disapproval with regard to the filed proofs of claims (hereinafter referred to as the "Period for Approval or Disapproval").

(Public Notice of Commencement of Simple Determination Proceedings)

Article 22 (1) When the court makes an Order of Commencement of Simple Determination Proceedings, it must immediately give public notice of the following matters by publishing them in the Official Gazette:

- (i) the main text of the Order of Commencement of Simple Determination Proceedings;
- (ii) the extent of the Target Claims and the Target Consumers;
- (iii) the name and address of the Petitioner Organization of the Simple Determination Proceedings; and
- (iv) the Period for Filing Proofs of Claims and the Period for Approval or Disapproval.

(2) The court must notify the Petitioner Organization of the Simple Determination Proceedings and the Opponent of the matters subject to the public notice under the preceding paragraph.

(Prohibition of Filing Overlapped Petitions for Commencement of Simple Determination Proceedings)

Article 23 With regard to a case for which an Order of Commencement of Simple Determination Proceedings has been made, a Specified Qualified Consumer Organization may not file another petition for the commencement of Simple Determination Proceedings.

(Extension of the Period for Filing Proofs of Claims or the Period for Approval or Disapproval)

Article 24 (1) When the court finds it necessary, it may, upon petition or by its own authority, make an order of extension of the Period for Filing Proofs of Claims or the Period for Approval or Disapproval.

(2) When the court makes an order of extension of the Period for Filing Proofs of Claims or the Period for Approval or Disapproval pursuant to the provisions of the preceding paragraph, it must notify the Petitioner Organization of the

Simple Determination Proceedings and the Opponent to that effect.

- (3) When the court makes an order of extension of the Period for Filing Proofs of Claims or the Period for Approval or Disapproval pursuant to the provisions of paragraph (1), it must immediately give public notice to that effect by publishing it in an official gazette.

### **Division 3 Notice and Public Notice by the Petitioner Organization of the Simple Determination Proceedings, etc.**

(Notice by the Petitioner Organization of the Simple Determination Proceedings)

- Article 25 (1) When an Order of Commencement of Simple Determination Proceedings is made, the Petitioner Organization of the Simple Determination Proceedings, unless there are justifiable grounds, must notify the known Target Consumers of the following matters in writing or by Electronic or Magnetic Means (meaning the means of using an electronic data processing system or any other means of using information and communications technology; the same applies hereinafter) specified by Cabinet Office Order, within one month prior to the last day of the Period for Filing Proofs of Claims:
- (i) the outline of the Court Proceedings for Redress for Damage and the contents of the case;
  - (ii) the contents of the final and binding judgment in the Litigation Seeking Declaratory Judgment on Common Obligations (if claims have been acknowledged, the contents thereof);
  - (iii) the extent of the Target Claims and the Target Consumers;
  - (iv) the name and address of the Petitioner Organization of the Simple Determination Proceedings;
  - (v) when there is any remuneration or expenses payable to the Petitioner Organization of the Simple Determination Proceedings, the amount or the calculation method thereof, the method of payment thereof, and other necessary matters;
  - (vi) the method and period of the delegation of powers set forth in Article 31, paragraph (1) by the Target Consumers to the Petitioner Organization of the Simple Determination Proceedings; and
  - (vii) other matters as specified by Cabinet Office Order.
- (2) When there are two or more Petitioner Organizations of the Simple Determination Proceeding, if one of the Petitioner Organizations of the Simple Determination Proceedings has given the notice under the preceding paragraph, the other Petitioner Organization(s) of the Simple Determination Proceedings are not required to give notice under that paragraph, notwithstanding the provisions of that paragraph.

(Public Notice by the Petitioner Organization of the Simple Determination Proceedings)

Article 26 (1) When an Order of Commencement of Simple Determination Proceedings is made, the Petitioner Organization of the Simple Determination Proceedings must, unless there are justifiable grounds, give public notice of the matters set forth in the items of paragraph (1) of the preceding Article by a reasonable method by one month prior to the last day of the Period for Filing Proofs of Claims.

(2) When there are two or more Petitioner Organizations of the Simple Determination Proceedings, if one of the Petitioner Organizations of the Simple Determination Proceedings has given the public notice under the preceding paragraph, the other Petitioner Organization(s) of the Simple Determination Proceedings are not required to give public notice under that paragraph, notwithstanding the provisions of that paragraph.

(3) If, after the public notice under paragraph (1) has been given, there has been a change to any of the matters set forth in paragraph (1), item (iv) of the preceding Article during the Period for Filing Proofs of Claims, the Petitioner Organization of the Simple Determination Proceedings pertaining to the change must, without delay, give public notice to that effect by a reasonable method and notify the court and the Opponent to that effect. In this case, the notified court must immediately give public notice to that effect by publishing it in an official gazette.

(4) If, after the public notice under paragraph (1) has been given, there has been a change to any of the matters set forth in paragraph (1), items (v) through (vii) of the preceding Article during the Period for Filing Proofs of Claims, the Petitioner Organization of the Simple Determination Proceedings pertaining to the change must, without delay, give public notice to that effect by a reasonable method.

(Publication by the Opponent)

Article 27 When requested to do so by the Petitioner Organization of the Simple Determination Proceedings, the Opponent must, without delay, publish the matters set forth in the items of Article 22, paragraph (1) (if there has been a change to any of the matters set forth in item (iii) or (iv) of the same paragraph, the matters set forth in those items after such change) by using the Internet, by the method of posting a notice in a manner readily recognizable by the public at its business office or any other place, or by other method similar thereto, until the end of the Period for Filing Proofs of Claims.

(Obligation to Disclose Information)

Article 28 (1) When the Opponent possesses documents stating the names and addresses or contacts (limited to those specified by Cabinet Office Order; the same applies in the following paragraph) of the Target Consumers (including the Electronic or Magnetic Records (meaning records used in computer data 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) thereof where the documents are prepared in the form of an Electronic or Magnetic Record; hereinafter the same applies in this Article and the following Article), if requested to do so by the Petitioner Organization of the Simple Determination Proceedings during the Period for Filing Proofs of Claims, the Opponent may not refuse to disclose the documents to the Petitioner Organization of the Simple Determination Proceedings; provided, however, that this does not apply when an unreasonable amount of expenses or time will be required for the Opponent to specify the scope of the documents to be disclosed.

(2) The disclosure of the documents prescribed in the preceding paragraph is made by delivering a copy thereof (in the case of an Electronic or Magnetic Record, delivering a printout of the Electronic or Magnetic Record or providing the information recorded in the Electronic or Magnetic Record by Electronic or Magnetic Means as specified by Cabinet Office Order). In this case, the Opponent may disclose the information by excluding the portions other than the names and addresses or contacts of individuals (excluding those who are obviously not Target Consumers) are stated.

(3) When the Opponent does not disclose the documents prescribed in paragraph (1), it must promptly notify the Petitioner Organization of the Simple Determination Proceedings to that effect and the reason therefor in writing.

(Order to Disclose Information)

Article 29 (1) During the Period for Filing Proofs of Claims, the Petitioner Organization of the Simple Determination Proceedings may file with the court a petition for an Order to Disclose Information (meaning an order requiring the Opponent to disclose the documents which the Opponent must disclose to the Petitioner Organization of the Simple Determination Proceedings pursuant to the provisions of paragraph (1) of the preceding Article by the method prescribed in paragraph (2) of the same Article; hereinafter the same applies in this Article).

(2) A petition for an Order to Disclose Information must be filed by clearly indicating the documents in question.

(3) When the court finds a petition for an Order to Disclose Information to be in question, it is to issue an Order to Disclose Information.

(4) When the court makes an order with regard to a petition for an Order to

- Disclose Information, it must conduct a hearing of the Opponent.
- (5) An immediate appeal may be filed against an order made with regard to a petition for an Order to Disclose Information.
  - (6) An Order to Disclose Information does not have any enforcement power.
  - (7) When the Opponent fails to comply with an Order to Disclose Information without justifiable grounds, the court, by an order, is to punish the Opponent by a non-criminal fine of not more than 300,000 yen.
  - (8) An immediate appeal may be filed against the order set forth in the preceding paragraph.
  - (9) The provisions of Article 189 of the Code of Civil Procedure apply mutatis mutandis to a judicial decision on a non-criminal fine under paragraph (7).

#### **Division 4 Determination of Target Claims**

(Filing of Proofs of Claims)

- Article 30 (1) Only the Petitioner Organization of the Simple Determination Proceedings may file proofs of the Target Claims pertaining to an Order of Commencement of Simple Determination Proceedings.
- (2) The filing under the preceding paragraph (hereinafter referred to as "Filing of Proofs of Claims") must be carried out by submitting a document stating the following matters (hereinafter referred to as the "Written Proofs of Claims" in this Section) to the court which made the Order of Commencement of Simple Determination Proceedings, within the Period for Filing Proofs of Claims:
    - (i) the Petitioner Organization of the Simple Determination Proceedings which is to carry out the Filing of Proofs of Claims with regard to the Target Claims, the Opponent, and the Consumers Holding the Filed Claims (meaning Consumers who are holders of claims for which the Filing of Proofs of Claims has been carried out with the court as Target Claims (hereinafter referred to as "Filed Claims"); the same applies hereinafter), and their statutory agents;
    - (ii) the object of claim and the statement of claim (the statement of claim is limited to one premised on the factual or statutory cause pertaining to the obligation approved in the Litigation Seeking Declaratory Judgment on Common Obligations); and
    - (iii) beyond what is set forth in the preceding two items, matters specified by the Rules of the Supreme Court.
  - (3) If a Target Consumer chooses to file an action against the Company based on the Target Claim at the time of the Filing of Proofs of Claims, when a Japanese court does not have jurisdiction over the case pursuant to the provisions of Part I, Chapter II, Section 1 of the Code of Civil Procedure, the Petitioner Organization of the Simple Determination Proceedings may not carry out the Filing of Proofs of Claims with regard to the Target Claim, notwithstanding

the provisions of paragraph (1).

- (4) When litigation filed by a Target Consumer based on the Target Claim is pending before a court, the Petitioner Organization of the Simple Determination Proceedings may not carry out the Filing of Proofs of Claims with regard to the Target Claim, notwithstanding the provisions of paragraph (1).

(Delegation of Powers with Regard to Simple Determination Proceedings by Target Consumers)

- Article 31 (1) In order for the Petitioner Organization of the Simple Determination Proceedings to carry out the Filing of Proofs of Claims with regard to a Target Claim, and to conduct Simple Determination Proceedings with regard to the Target Claim, it must have received the delegation of powers pertaining to the Target Claim from the Target Consumer.
- (2) The Target Consumer set forth in the preceding paragraph may make the delegation of powers set forth in the same paragraph to only one Petitioner Organization of the Simple Determination Proceedings from among the Petitioner Organizations of the Simple Determination Proceedings.
- (3) A Target Consumer who has made the delegation of powers set forth in paragraph (1) may rescind the delegation of powers.
- (4) The rescission of the delegation of powers set forth in paragraph (1) under the preceding paragraph is not to be in effect unless the Target Consumer who has made the delegation of powers or the Petitioner Organization of the Simple Determination Proceedings which has received the delegation of powers notifies the Opponent to that effect.
- (5) When the certification as a specified organization prescribed in Article 65, paragraph (1) granted for the Petitioner Organization of the Simple Determination Proceedings which has received the delegation of powers set forth in paragraph (1) has lapsed due to any of the grounds set forth in the items of Article 74, paragraph (1) or been rescinded due to any of the grounds set forth in the items of Article 86, paragraph (1) or the items of paragraph (2) of the same Article, the delegation of powers ceases to be effective.
- (6) When the Petitioner Organization of the Simple Determination Proceedings lacks the delegation of powers set forth in paragraph (1) with regard to a Filed Claim by the time a Simple Determination Order is made (excluding if the delegation of powers has ceased to be effective pursuant to the provisions of the preceding paragraph), the Filing of Proofs of Claims is deemed to have been withdrawn with regard to the Filed Claim.
- (7) When the certification as a specified organization prescribed in Article 65, paragraph (1) granted for the Petitioner Organization of the Simple Determination Proceedings pertaining to the Filing of Proofs of Claims

(hereinafter referred to as the "Organization Filing Proofs of Claims") has lapsed due to any of the grounds set forth in the items of Article 74, paragraph (1) or been rescinded due to any of the grounds set forth in the items of Article 86, paragraph (1) or the items of paragraph (2) of the same Article by the time a Simple Determination Order is made, a Consumer Holding the Filed Claim may, notwithstanding the provisions of paragraph (2), make the delegation of powers set forth in paragraph (1) to the Specified Qualified Consumer Organization which has been designated under Article 87, paragraph (1), within a period of one month which is unextendable, from the day on which the public notice under paragraph (6) of the same Article was made.

- (8) When the Consumer Holding the Filed Claim set forth in the preceding paragraph fails to make the delegation of powers set forth in paragraph (1) within the period set forth in the preceding paragraph, the Filing of Proofs of Claims is deemed to have been withdrawn with regard to the Filed Claim.
- (9) If a Consumer Holding the Filed Claim rescinds the delegation of powers set forth in paragraph (1) pursuant to the provisions of paragraph (3) after a Simple Determination Order is made, the Consumer Holding the Filed Claim may not make the delegation of powers set forth in paragraph (1) again to a Petitioner Organization of the Simple Determination Proceedings.

(Obligation of Explanation)

Article 32 The Petitioner Organization of the Simple Determination Proceedings must, prior to the delegation of powers set forth in paragraph (1) of the preceding Article, explain to the person who intends to make the delegation of powers the outline of the Court Proceedings for Redress for Damage, the contents of the case, and other matters specified by Cabinet Office Order by delivering a document stating such matters or by providing an Electronic or Magnetic Record containing such matters, pursuant to the provisions of Cabinet Office Order.

(Conclusion and Cancellation of Contracts for Delegation of Powers for Simple Determination Proceedings)

- Article 33 (1) The Petitioner Organization of the Simple Determination Proceedings must not refuse to conclude a Contract for Delegation of Powers for Simple Determination Proceedings (meaning a contract promising that the Target Consumer will make the delegation of powers set forth in Article 31, paragraph (1), and that the Petitioner Organization of the Simple Determination Proceedings will carry out the Filing of Proofs of Claims and conduct Simple Determination Proceedings with regard to the Target Claim; the same applies hereinafter), unless there are unavoidable grounds.
- (2) The Petitioner Organization of the Simple Determination Proceedings which



has received the delegation of powers set forth in Article 31, paragraph (1) must not cancel a Contract for Delegation of Powers for Simple Determination Proceedings, unless there are unavoidable grounds.

(Obligation of Fairness and Good Faith)

Article 34 (1) The Petitioner Organization of the Simple Determination Proceedings which has received the delegation of powers set forth in Article 31, paragraph (1) must, on behalf of the Target Consumer who has made the delegation of powers, carry out the Filing of Proofs of Claims, conduct Simple Determination Proceedings, conduct the civil execution procedure prescribed in Article 2, item (ix), (b) (including a non-judicial settlement concerning the claim pertaining to the delegation of powers), and manage money or any other property acquired in association with these acts, in fairness and good faith.

(2) The Petitioner Organization of the Simple Determination Proceedings which has received the delegation of powers set forth in Article 31, paragraph (1) must carry out the acts prescribed in the preceding paragraph with the due care of a prudent manager for the Target Consumer who has made the delegation of powers.

(Service of Written Proofs of Claims)

Article 35 When the court receives the submission of a Written Proofs of Claims under Article 30, paragraph (2), it must serve the Written Proofs of Claims upon the Opponent without delay, except in the case of dismissing the Filing of Proofs of Claims pursuant to the provisions of paragraph (1) of the following Article or Article 63, paragraph (1).

(Dismissal of Unlawful Filing of Proofs of Claims)

Article 36 (1) When the court finds the Filing of Proofs of Claims to be unlawful or the expenses necessary for the service of the Written Proofs of Claims have not been prepaid, it must dismiss the Filing of Proofs of Claims by an order.

(2) An immediate appeal may be filed against the order set forth in the preceding paragraph.

(Settlement in Simple Determination Proceedings)

Article 37 An Organization Filing Proofs of Claims may enter into a settlement with regard to a Filed Claim in Simple Determination Proceedings.

(Interruption of Prescription)

Article 38 When the Filing of Proofs of Claims has been carried out, with regard to the interruption of prescription, a demand by litigation is deemed to have been made when the Action for Declaratory Judgment on Common Obligations

which serves as the premise for the Simple Determination Proceedings has been filed.

(Limitation on Change to the Contents of the Filing of Proofs of Claims)

Article 39 An Organization Filing Proofs of Claims may make a change to the contents of the Filing of Proofs of Claims only within the Period for Filing Proofs of Claims.

(Withdrawal of the Filing of Proofs of Claims)

Article 40 (1) The whole or part of the Filing of Proofs of Claims may be withdrawn until a lawful objection is filed against the Simple Determination Order; provided, however, that, after the Simple Determination Order has been made, the withdrawal does not become effective unless the consent of the Opponent is obtained.

(2) The provisions of Article 261, paragraph (3) and Article 262, paragraph (1) of the Code of Civil Procedure apply mutatis mutandis to the withdrawal of the Filing of Proofs of Claims under the preceding paragraph.

(Preparation on the List of Consumers Holding the Filed Claims)

Article 41 (1) A court clerk must prepare a list of Consumers Holding the Filed Claims with regard to the Filed Claims concerned.

(2) In the list of Consumers Holding the Filed Claims set forth in the preceding paragraph, the contents of and other matters specified by the Rules of the Supreme Court with regard to each Filed Claim must be stated.

(3) When there is an error in the statement of a list of Consumers Holding the Filed Claims, a court clerk may, upon petition or by the court clerk's own authority, make a disposition to correct the statement at any time.

(Approval or Disapproval of the Filed Claim)

Article 42 (1) The Opponent must, within the Period for Approval or Disapproval, state its approval or disapproval with regard to the contents of the Filed Claim for which the Filing of Proofs of Claims was carried out within the Period for Filing Proofs of Claims.

(2) When the approval or disapproval set forth in the preceding paragraph (hereinafter referred to as the "Approval or Disapproval of the Filed Claim") is not stated within the Period for Approval or Disapproval, the Opponent is deemed to have approved the whole of the contents of the Filed Claim for which the Filing of Proofs of Claims was carried out within the Period for Filing Proofs of Claims.

(3) When the Opponent approves the entirety of the contents on the Filed Claim within the Period for Approval or Disapproval, the contents of the Filed Claim

are to become final and binding.

- (4) A court clerk must state the contents of the Approval or Disapproval of the Filed Claim in the list of Consumers Holding the Filed Claims.
- (5) With regard to a Filed Claim that has become final and binding pursuant to the provisions of paragraph (3), the statement in the list of Consumers Holding the Filed Claims is to have the same effect as a final and binding judgment. In this case, the Organization Filing Proofs of Claims may carry out a compulsory execution against the Opponent with regard to the final and binding Filed Claim, based on the statement in the list of Consumers Holding the Filed Claims.

(Notice to Dispute the Approval or Disapproval)

- Article 43 (1) An Organization Filing Proofs of Claims may, except the case where the contents of the Filed Claim have become final and binding pursuant to the provisions of paragraph (3) of the preceding Article, give the court a notice of its intention to dispute the Approval or Disapproval of the Filed Claim (hereinafter simply referred to as a "Notice to Dispute the Approval or Disapproval") against the Approval or Disapproval of the Filed Claim concerned, within a period of one month which is not extendable from the last day of the Period for Approval or Disapproval.
- (2) When the court finds a Notice to Dispute the Approval or Disapproval to be unlawful, it must be dismissed the same by an order.
  - (3) An immediate appeal may be filed against the order set forth in the preceding paragraph.
  - (4) A court clerk must state the presence or absence of a Notice to Dispute the Approval or Disapproval in the list of Consumers Holding the Filed Claims.

(Simple Determination Order)

- Article 44 (1) When the court receives a lawful Notice to Dispute the Approval or Disapproval, it must make a Simple Determination Order, except in the case of dismissing the Filing of Proofs of Claims pursuant to the provisions of Article 36, paragraph (1) or Article 63, paragraph (1).
- (2) When the court makes a Simple Determination Order, it must conduct a hearing of both parties.
  - (3) A Simple Determination Order must be made by preparing a written order stating the main text of the order and the outline of the reasons therefor.
  - (4) With regard to a Simple Determination Order requiring payment of the Filed Claim (referred to as the "Order for Payment of the Filed Claim" in Article 55 and Article 83, paragraph (1), item (ii)), when the court finds it necessary, it may, upon petition or by its own authority, declare that a provisional execution may be enforced with or without security.

- (5) The written order set forth in paragraph (3) must be served upon the parties. In this case, the Simple Determination Order becomes effective when the written order is served upon the parties.

(Limitation on Examination of Evidence)

Article 45 (1) In proceedings for a Simple Determination Order, the examination of evidence is limited to documentary evidence.

- (2) The court may not order the submission of documents or submission of objects which contains handwriting or a seal impression to be used for comparison.
- (3) The provisions of the preceding two paragraphs do not apply to matters which the court will investigate by its own authority.

(Filing of Objection)

Article 46 (1) A party may file an objection against a Simple Determination Order with the court which has made the Simple Determination Order, within a period of one month which is not extendable from the day on which it received service thereof under Article 44, paragraph (5).

- (2) A Consumer Holding the Filed Claim may file an objection against a Simple Determination Order with the court which has made the Simple Determination Order, within a period of one month which is not extendable from the day on which the Consumer received service thereof under Article 44, paragraph (5).
- (3) When the court finds the filing of an objection to be unlawful, it must dismiss the objection by an order.
- (4) An immediate appeal may be filed against the order set forth in the preceding paragraph.
- (5) When a lawful objection is filed, a Simple Determination Order ceases to be effective, unless a declaration of provisional execution has been attached thereto.
- (6) When no lawful objection is filed, a Simple Determination Order has the same effect as a final and binding judgment.
- (7) The provisions of Articles 358 and 360 of the Code of Civil Procedure apply mutatis mutandis to the objection set forth in paragraphs (1) and (2).

(Determination of a Filed Claim When No Notice to Dispute the Approval or Disapproval Is Given)

Article 47 (1) When no lawful Notice to Dispute the Approval or Disapproval is given, the contents of a Filed Claim become final and binding based on the contents of the Approval or Disapproval of the Filed Claim.

- (2) With regard to a Filed Claim that has become final and binding pursuant to the provisions of the preceding paragraph, the statement in the list of Consumers Holding the Filed Claims has the same effect as a final and binding

judgment. In this case, the Organization Filing Proofs of Claims may carry out a compulsory execution against the Opponent with regard to the final and binding Filed Claim, based on the statement in the list of Consumers Holding the Filed Claims.

### **Division 5 Burden of Expenses**

(Burden of Expenses of Simple Determination Proceedings Excluding Individual Expenses)

Article 48 (1) With regard to the expenses of Simple Determination Proceedings (excluding the fees for the Filing of Proofs of Claims and the fees for filing a petition pertaining to a Filed Claim in Simple Determination Proceedings (collectively referred to as "Individual Expenses" in paragraphs (1) and (3) of the following Article); hereinafter the same applies in this Article), the parties bear their own expenses.

(2) Notwithstanding the preceding paragraph, with regard to the expenses which will be borne by the respective parties according to that paragraph, the court may, depending on the circumstances, have a party other than those who will bear the expenses bear the whole or part of the expenses.

(3) If the court finds it necessary, and a case pertaining to Simple Determination Proceedings has terminated, it may, upon petition or by its own authority, make an order requiring the bearing of expenses of Simple Determination Proceedings.

(4) An immediate appeal may be filed against the order set forth in the preceding paragraph.

(5) The provisions of Articles 69 through 72 of the Code of Civil Procedure apply mutatis mutandis to the burden of expenses of Simple Determination Proceedings.

(Burden of Individual Expenses)

Article 49 (1) If a case pertaining to Simple Determination Proceedings has terminated with regard to a Filed Claim (when an action is deemed to have been filed pursuant to the provisions of Article 52, paragraph (1), the case where Litigation after Objection has terminated), and the court finds it necessary, it may, upon petition or by its own authority, make an order requiring the bearing of Individual Expenses relating to the case.

(2) An immediate appeal may be filed against the order set forth in the preceding paragraph.

(3) The provisions of Part I, Chapter IV, Section 1 (excluding Articles 65 and 66, Article 67, paragraph (2), and Article 73) of the Code of Civil Procedure apply mutatis mutandis to the burden of Individual Expenses.

## **Division 6 Auxiliary Provisions**

(Application Mutatis Mutandis of the Code of Civil Procedure)

Article 50 Except as otherwise provided, with regard to Simple Determination Proceedings, unless contrary to the nature thereof, the provisions of Articles 2, 14, 16, 21, and 22 of the Code of Civil Procedure, Part I, Chapter II, Section 3 of the Code, Chapter III of the same Part (excluding Article 30, Articles 40 through 49, and Articles 52 and 53), Chapter V of the same Part (excluding Article 87, Section 2, and Articles 116 and 118), and Chapter VII of the same Part, Part II, Chapter I of the Code (excluding Articles 133 and 134, Article 137, paragraphs (2) and (3), Article 138, paragraph (1), Articles 139 and 140, and Articles 143 through 146), Chapter III of the same Part (excluding Articles 156-2, 157-2, and 158, Article 159, paragraph (3), Article 161, paragraph (3), and Section 3), Chapter IV of the same Part (excluding Section 7), Chapter V of the same Part (Article 245, Articles 249 through 252, Article 253, paragraph (2), Articles 254 and 255, Article 258, paragraphs (2) through (4), and Article 259, paragraphs (1) and (2)), and Chapter VI of the same Part (excluding Articles 261 through 263 and Article 266), Part III, Chapter III of the Code, Part IV of the Code, and Part VIII of the Code (excluding Article 403, paragraph (1), item (ii) and items (iv) through (vi)) apply mutatis mutandis.

(Special Measures on Service)

Article 51 When no notification under the first sentence of Article 104, paragraph (1) of the Code of Civil Procedure as applied mutatis mutandis pursuant to the provisions of the preceding Article has been made, deliveries are to be made at the places specified in the following items for the categories of cases set forth respectively in those items:

- (i) when a notification under the first sentence of Article 104, paragraph (1) of the Code of Civil Procedure has been made in Litigation Seeking Declaratory Judgment on Common Obligations: the place pertaining to the notification; and
- (ii) when no notification under the first sentence of Article 104, paragraph (1) of the Code of Civil Procedure has been made in Litigation Seeking Declaratory Judgment on Common Obligations: the place prescribed in paragraph (3) of the same Article in respect to the Litigation Seeking Declaratory Judgment on Common Obligations.

### **Subsection 2 Special Measures on Civil Litigation Proceedings Pertaining to Litigation after Objection**

(Constructive Filing of Action)

Article 52 (1) When a lawful objection is filed against a Simple Determination Order, with regard to a claim pertaining to the Filing of Proofs of Claims, an action is deemed to have been filed with the district court which has made the Simple Determination Order, at the time of the Filing of Proofs of Claims, with the plaintiff being the Organization Filing Proofs of Claims pertaining to the Filing of Proofs of Claims (when the Consumer Holding the Filed Claim pertaining to the Filing of Proof of Claims files the objection, the Consumer Holding the Filed Claim). In this case, the Written Proofs of Claims are deemed to be the complaint, and the service thereof under Article 35 is deemed to be the service of the complaint.

- (2) A case for which an action is deemed to have been filed pursuant to the provisions of the preceding paragraph is subject to the exclusive jurisdiction of the district court set forth in the same paragraph.
- (3) If a district court finds it necessary in order to avoid substantial detriment or delay, a case set forth before the district court in the preceding paragraph is pending may, transfer the litigation pertaining to the case to the district court which has jurisdiction pursuant to the provisions of Article 4, paragraph (1) or Article 5, item (i), (v), or (ix) of the Code of Civil Procedure, upon petition or by its own authority, notwithstanding the provisions of the preceding paragraph.

(Delegation of Powers with Regard to Litigation after Objection by the Consumer Holding the Filed Claim)

Article 53 (1) In order for an Organization Filing Proofs of Claims to conduct Litigation after Objection, it must have received the delegation of powers from the Consumer Holding the Filed Claim.

- (2) The Consumer Holding the Filed Claim may make the delegation of powers set forth in the preceding paragraph to the Organization Filing Proofs of Claims pertaining to the Filed Claim only.
- (3) When a Consumer Holding the Filed Claim has rescinded the delegation of powers set forth in paragraph (1) pursuant to the provisions of Article 31, paragraph (3) as applied mutatis mutandis pursuant to the provisions of paragraph (8) or has personally conducted the Litigation after Objection, the Consumer Holding the Filed Claim may not make the delegation of powers set forth in paragraph (1) to another Organization Filing Proofs of Claims.
- (4) An Organization Filing Proofs of Claims must not refuse to conclude a Contract for Delegation of Powers for Litigation (meaning a contract promising that the Consumer Holding the Filed Claim will make the delegation of powers set forth in paragraph (1) and the Organization Filing Proofs of Claims will conduct the Litigation after Objection; the same applies hereinafter), unless there are justifiable grounds.

- (5) The Organization Filing Proofs of Claims which has received the delegation of powers set forth in paragraph (1) must not cancel a Contract for Delegation of Powers for Litigation, unless there are justifiable grounds.
- (6) The Organization Filing Proofs of Claims which has received the delegation of powers set forth in paragraph (1) must, on behalf of the Consumer Holding the Filed Claim who has made the delegation of powers, conduct the Litigation after Objection, conduct the civil execution procedure prescribed in Article 2, item (ix), (b) (including a non-judicial settlement concerning the claim pertaining to the delegation of powers), and manage money or any other property acquired in association with these acts, in fairness and good faith.
- (7) The Organization Filing Proofs of Claims which has received the delegation of powers set forth in paragraph (1) must carry out the acts prescribed in the preceding paragraph with the due care of a prudent manager for the Consumer Holding the Filed Claim who has made the delegation of powers.
- (8) The provisions of Article 31, paragraphs (3) through (5) and Article 32 apply mutatis mutandis to the delegation of powers set forth in paragraph (1).
- (9) The provisions of Article 58, paragraph (2) and Article 124, paragraph (1) (limited to the portion pertaining to item (vi)) of the Code of Civil Procedure apply mutatis mutandis to the case where an Organization Filing Proofs of Claims lacks the delegation of powers set forth in paragraph (1) in Litigation after Objection.

(Limitation on Amendment of Claims)

- Article 54 (1) In Litigation after Objection, the plaintiff may not make an amendment of the claim (excluding an amendment to change the Consumer Holding the Filed Claim or the amount of the claim).
- (2) No counterclaim may be filed in Litigation after Objection.

(Judgment after Objection)

- Article 55 (1) When an action is deemed to have been filed pursuant to the provisions of Article 52, paragraph (1) with regard to a claim pertaining to an Order for Payment of the Filed Claim with a declaration of provisional execution, if the judgment to be made for the action is consistent with the Order for Payment of the Filed Claim, the court must approve the Order for Payment of the Filed Claim in the judgment; provided, however, that this does not apply when the proceedings for making the Order for Payment of the Filed Claim are in violation of any Act.
- (2) When an action is deemed to have been filed pursuant to the provisions of Article 52, paragraph (1) with regard to a claim pertaining to an Order for Payment of the Filed Claim with a declaration of provisional execution, except in the case of approving an Order for Payment of the Filed Claim pursuant to



the provisions of the preceding paragraph, the court must rescind the Order for Payment of the Filed Claim in the judgment to be made for the action.

### **Section 3 Provisional Seizure by Specified Qualified Consumer Organizations**

(Provisional Seizure by Specified Qualified Consumer Organizations)

Article 56 (1) A Specified Qualified Consumer Organization may file a petition for an order for provisional seizure pursuant to the provisions of the Civil Provisional Remedies Act in order to preserve the fulfillment of the Target Claim pertaining to a title of obligation which the Specified Qualified Consumer Organization has the possibility of acquiring.

(2) A Specified Qualified Consumer Organization can file the petition set forth in the preceding paragraph only when it can file an Action for Declaratory Judgment on Common Obligations with regard to the monetary payment obligations pertaining to the right to be preserved.

(3) In filing the petition set forth in paragraph (1), it is sufficient to clarify the range of the Target Claims, the Target Consumer and the total amount of Target Claims pertaining to the title of obligation which the Specified Qualified Consumer Organization has the possibility of acquiring, with regard to the right to be preserved.

(4) A Specified Qualified Consumer Organization may not file a petition for an order for a provisional remedy with regard to Target Claims, except for a petition under paragraph (1).

(Jurisdiction)

Article 57 (1) With regard to the application of Article 11 of the Civil Provisional Remedies Act to the petition set forth in paragraph (1) of the preceding Article, an Action for Declaratory Judgment on Common Obligations is deemed to be an action on the merits.

(2) With regard to the application of Article 12, paragraphs (1) and (3) of the Civil Provisional Remedies Act, the court with jurisdiction over Litigation Seeking Declaratory Judgment on Common Obligations is deemed to be the court with jurisdiction over the merits of the case.

(Special Measures on the Merits of the Case Concerning Revocation of Provisional Remedy)

Article 58 (1) With regard to the application of Article 37, paragraphs (1), (3), and (4) of the Civil Provisional Remedies Act to an order for provisional seizure pertaining to the petition set forth in Article 56, paragraph (1) (hereinafter simply referred to as an "Order for Provisional Seizure"), the filing of an Action

for Declaratory Judgment on Common Obligations by the Specified Qualified Consumer Organization which is a party to the procedure for provisional seizure pertaining to the petition is deemed to be the filing of an action on the merits.

- (2) When a judgment upholding a claim pertaining to the Action for Declaratory Judgment on Common Obligations set forth in the preceding paragraph became final and binding or when litigation pertaining to the Action for Declaratory Judgment on Common Obligations set forth in the same paragraph was terminated through acknowledgment of the claims (including a settlement recognizing the presence of the obligation prescribed in Article 2, item (iv)), the action on the merits is deemed to be pending with regard to the application of Article 37, paragraphs (1) and (3) of the Civil Provisional Remedies Act, during the period in which the Specified Qualified Consumer Organization set forth in the preceding paragraph may file a petition for the commencement of Simple Determination Proceedings and while Simple Determination Proceedings or Litigation after Objection to which the Specified Qualified Consumer Organization is a party is pending.
- (3) With regard to the application of Articles 38 and 40 of the Civil Provisional Remedies Act, the court of first instance for the Litigation Seeking Declaratory Judgment on Common Obligations filed by the Specified Qualified Consumer Organization which is a party to the procedure for provisional seizure pertaining to the petition set forth in Article 56, paragraph (1) (when the Litigation Seeking Declaratory Judgment on Common Obligations is pending before the court of second instance, the court of second instance) is deemed to be the court hearing the case on the merits.

(Obligation of Specified Qualified Consumer Organizations Who Has Enforced Provisional Seizure)

Article 59 When a Specified Qualified Consumer Organization files a petition for compulsory execution with regard to property for which a provisional seizure pertaining to an Order for Provisional Seizure has been executed, or makes a demand for liquidating distribution if the procedure for compulsory execution or exercise of a security interest has been carried out for the property, the Specified Qualified Consumer Organization must treat the Filed Claims pertaining to the title of obligation already acquired and those pertaining to the title of obligation to be acquired in the future by the Specified Qualified Consumer Organization equally.

#### **Section 4 Auxiliary Provisions**

(Non-Extinction of Authority of Representation in Litigation)

Article 60 The authority of representation in litigation is not to become extinct when the certification as a specified organization prescribed in Article 65, paragraph (1) of the Specified Qualified Consumer Organization which is a party to Court Proceedings for Redress for Damage lapses under the grounds set forth in the items of Article 74, paragraph (1) or is rescinded under the grounds set forth in the items of Article 86, paragraph (1) or the items of paragraph (2) of the same Article.

(Discontinuation and Taking Over of Proceedings)

Article 61 (1) When the certification as a specified organization prescribed in Article 65, paragraph (1) of the Specified Qualified Consumer Organization which is a party to the proceedings set forth in the following items lapses under the grounds set forth in the items of Article 74, paragraph (1) or is rescinded under the grounds set forth in the items of Article 86, paragraph (1) or the items of paragraph (2) of the same Article, the proceedings are discontinued. In this case, the persons specified respectively in those items must take over the proceedings:

- (i) proceedings of Litigation Seeking Declaratory Judgment on Common Obligations, Simple Determination Proceedings (excluding the Simple Determination Proceedings set forth in the following item), or the procedure for provisional seizure pertaining to an Order for Provisional Seizure (including Litigation Proceedings Pertaining to Execution of Provisional Seizure): the Specified Qualified Consumer Organization designated under Article 87, paragraph (1);
  - (ii) Simple Determination Proceedings (limited to proceedings after a Simple Determination Order is made) or proceedings of Litigation after Objection: the Specified Qualified Consumer Organization designated under Article 87, paragraph (1) (limited to the case of having received the delegation of powers set forth in Article 31, paragraph (1) or Article 53, paragraph (1)) or the Consumer Holding the Filed Claim; and
  - (iii) Litigation Proceedings Pertaining to Civil Execution pertaining to the title of obligation acquired with regard to a Target Claim by a Specified Qualified Consumer Organization: the Specified Qualified Consumer Organization designated under Article 87, paragraph (3).
- (2) The provisions of the preceding paragraph do not apply while there is a counsel.
- (3) The provisions of paragraph (1) (limited to the portion pertaining to item (i)) do not apply when there is another Specified Qualified Consumer Organization which is a party in Litigation Seeking Declaratory Judgment on Common Obligations or Simple Determination Proceedings (excluding the case where a corporation which had been a Specified Qualified Consumer Organization

carried out the Filing of Proofs of Claims).

(Suspension of Litigation Proceedings Pertaining to Related Claims)

- Article 62 (1) When Litigation Seeking Declaratory Judgment on Common Obligations is pending, if another pending litigation between the Company who are parties to the Litigation Seeking Declaratory Judgment on Common Obligations and the Target Consumers and the relevant other litigation pertains to the claim that is the subject matter of the Litigation Seeking Declaratory Judgment on Common Obligations or the claim connected with the allegations and evidence for the defense, the court in charge of the case of the relevant other litigation may order the suspension of such litigation proceedings, by an order, after hearing the opinions of the parties.
- (2) The court in charge of the case set forth in the preceding paragraph may revoke the order set forth in the same paragraph.

(Treatment If Judgment of Litigation Seeking Declaratory Judgment on Common Obligations Has Been Revoked)

- Article 63 (1) When a judgment of Litigation Seeking Declaratory Judgment on Common Obligations which served as a premise for an Order of Commencement of Simple Determination Proceedings has been revoked by a retrial, the court before which the Simple Determination Proceedings are pending must dismiss the Filing of Proofs of Claims (limited to the portion of which premise will be lost as a result of the revocation of the judgment of Litigation Seeking Declaratory Judgment on Common Obligations which served as a premise for the Order of Commencement of Simple Determination Proceedings) by an order.
- (2) An immediate appeal may be filed against the order set forth in the preceding paragraph.
- (3) In the case set forth in paragraph (1), the court before which a case where an action is deemed to have been filed pursuant to the provisions of Article 52, paragraph (1) is pending must dismiss the action (limited to the portion of which premise will be lost as a result of the revocation of the judgment of Litigation Seeking Declaratory Judgment on Common Obligations which served as a premise for the Order of Commencement of Simple Determination Proceedings) by an order.

(Rules of the Supreme Court)

- Article 64 Beyond what is provided for in this Chapter, necessary matters concerning Court Proceedings for Redress for Damage are to be specified by the Rules of the Supreme Court.

### **Chapter III Specified Qualified Consumer Organization**

#### **Section 1 Certification of Specified Qualified Consumer Organizations, etc.**

(Certification of Specified Qualified Consumer Organizations)

Article 65 (1) A Qualified Consumer Organization may provide services related to redress for damage only if it has received certification from the Prime Minister (hereinafter referred to as the "Certification as a Specified Organization").

(2) The "Services Related to Redress for Damage" prescribed in the preceding paragraph mean the following services:

- (i) services related to Court Proceedings for Redress for Damage (including a non-judicial settlement concerning a claim pertaining to the delegation of powers set forth in Article 31, paragraph (1) or Article 53, paragraph (1));
- (ii) services pertaining to the collection of information concerning the damage incurred by Consumers which is necessary for performing the services set forth in the preceding item; and
- (iii) services pertaining to the provision of information to Target Consumers, management of money or any other property incidental to the services set forth in item (i).

(3) A Qualified Consumer Organization which intends to receive Certification as a Specified Organization must file an application for Certification as a Specified Organization with the Prime Minister.

(4) The Prime Minister may grant Certification as a Specified Organization only when the Qualified Consumer Organization which has filed the application set forth in the preceding paragraph satisfies all of the following requirements:

- (i) the organization is found to have provided Services Related to Injunction Demands (meaning the services related to injunction demands prescribed in Article 13, paragraph (1) of the Consumer Contract Act; the same applies hereinafter) continuously and properly for a reasonable period of time;
- (ii) the organization appropriately has prepared the organization for implementing Services Related to Redress for Damage as prescribed in paragraph (2) (hereinafter simply referred to as "Services Related to Redress for Damage"), the method of providing Services Related to Redress for Damage, the method of managing information and keeping secrets that have been acquired in relation to Services Related to Redress for Damage, the method of managing money or any other property related to the provision of Services Related to Redress for Damage, or any other systems for properly performing Services Related to Redress for Damage, as well as operational rules; and
- (iii) the directors of the organization satisfy the following requirements:

- (a) there is a council consisting of directors as an organ that makes decisions on the provision of Services Related to Redress for Damage, and the method of making such decisions as specified in the articles of incorporation is found to satisfy the following requirements:
    - 1. a resolution of the council is adopted by a majority of directors or by a majority vote exceeding this proportion; and
    - 2. decisions on the filing of Actions for Declaratory Judgment on Common Obligations and any other important matters pertaining to the performance of Services Related to Redress for Damage are not delegated to the directors or any other persons; and
  - (b) there is one or more director who is an attorney;
  - (iv) the organization is found to have expert knowledge and experience in regards to properly performing Services Related to Redress for Damage, in light of the fact that it has a system whereby the persons set forth in Article 13, paragraph (3), item (v), (a) and (b) of the Consumer Contract Act (hereinafter collectively referred to as "Expert Advisors") are able to jointly provide necessary advice and state their opinions based on their expert knowledge and experience in a department that reviews the filing of Actions for Declaratory Judgment on Common Obligations and any other Court Proceedings for Redress for Damage, or in light of any other system of human resources which the organization has for performing Services Related to Redress for Damage;
  - (v) the organization has sufficient financial basis for properly performing Services Related to Redress for Damage;
  - (vi) when there is any remuneration or expenses payable with regard to Services Related to Redress for Damage, the organization has specified the amount or the calculation method thereof, the method of payment thereof, and other necessary matters, and these are not unreasonable from the viewpoint of protecting Consumer interests; and
  - (vii) even if the organization provides services other than Services Related to Redress for Damage, this is not likely to impede the proper performance of Services Related to Redress for Damage.
- (5) The operational rules set forth in item (ii) of the preceding paragraph must provide for the method of providing Services Related to Redress for Damage, the method of managing information and keeping secrets that have been acquired in relation to Services Related to Redress for Damage, the method of managing money or any other property related to the provision of Services Related to Redress for Damage, or any other matters specified by Cabinet Office Order. In this case, the method of providing Services Related to Redress for Damage provided for in the operational rules must include measures for confirming the intention of the person who made the delegation of powers set

forth in Article 31, paragraph (1) or Article 53, paragraph (1) (simply referred to as the "Person who Made the Delegation of Powers" in Article 76) in the case of waiving the contents of or claims pertaining to a Contract for Delegation of Powers for Simple Determination Proceedings or a Contract for Delegation of Powers for Litigation, entering into a settlement, or withdrawing an appeal, measures concerning receiving advice, or hearing the opinions from Expert Advisors in the department that conducts the review set forth in item (iv) of the preceding paragraph, measures for the case where an officer, employee, or an Expert Advisor has a special interest in the opponent in Court Proceedings for Redress for Damage, and other measures for ensuring the fair provision of services.

- (6) A Qualified Consumer Organization which falls under any of the following categories may not receive Certification as a Specified Organization:
- (i) an organization which has been sentenced to a fine for violating the provisions of this Act, the Consumer Contract Act, and other Acts for protecting Consumer interests which are specified by Cabinet Order, or of an order based on any of these Acts, or a disposition based on any of these provisions, and for which three years have yet to pass from the day on which the execution of the sentence was completed, or the day on which the organization ceased to be subject to the execution of the sentence;
  - (ii) an organization of which Certification as a Specified Organization was rescinded under the grounds set forth in the items of Article 86, paragraph (1) or the items of paragraph (2) of the same Article and for which three years have yet to pass from the day of the rescission; or
  - (iii) an organization which has a director who falls under either of the following categories:
    - (a) a person who has been sentenced to a fine for violating the provisions of this Act, the Consumer Contract Act, and other Acts for protecting Consumer interests which are specified by Cabinet Order, or of an order based on any of these Acts, or a disposition based on any of these provisions, and for which three years have yet to pass from the day on which the execution of the sentence was completed or the day on which the person ceased to be subject to the execution of the sentence;
    - (b) when the Certification as a Specified Organization of a Specified Qualified Consumer Organization is rescinded under the grounds set forth in the items of Article 86, paragraph (1) or the items of paragraph (2) of the same Article, a person who was an officer of the Specified Qualified Consumer Organization within six months prior to the day of the rescission and for whom three years have yet to pass from the day of the rescission.

(Application for Certification as a Specified Organization)

Article 66 (1) The application set forth in paragraph (3) of the preceding Article must be filed by submitting a written application stating the following particulars to the Prime Minister:

- (i) the applicant's name, address, and the name of the representative;
- (ii) the location of the office where Services Related to Redress for Damage are to be provided; and
- (iii) beyond what is provided for in the preceding two items, particulars specified by Cabinet Office Order.

(2) The following documents must be attached to the written application set forth in the preceding paragraph:

- (i) the articles of incorporation;
- (ii) a document proving that the organization has provided Services Related to Injunction Demands continuously and properly for a reasonable period of time;
- (iii) documented business plans concerning Services Related to Redress for Damage;
- (iv) a document proving that the organization has systems for properly performing Services Related to Redress for Damage;
- (v) the operational rules;
- (vi) the following documents concerning officers, employees, and Expert Advisors:
  - (a) a document stating their names, titles, occupations; and
  - (b) a document stating their addresses, brief biographical outlines, and other particulars specified by Cabinet Office Order;
- (vii) the inventories of property, balance sheets, income and expenditure statements for recent business years, or any other document proving that the organization has sufficient financial basis;
- (viii) when there are any remuneration or expenses payable with regard to Services Related to Redress for Damage, a document stating the amount or the calculation method thereof, the method of payment thereof, and other necessary particulars;
- (ix) a document pledging that the organization does not fall under any of the items of paragraph (6) of the preceding Article;
- (x) a document stating the kinds and outlines of services to be provided other than Services Related to Redress for Damage; and
- (xi) other documents specified by Cabinet Office Order.

(Public Notice and Public Inspection Concerning Application for Certification as a Specified Organization)

Article 67 When an application for Certification as a Specified Organization is filed, the Prime Minister must, without delay, give public notice of such fact



and the matters set forth in paragraph (1), items (i) and (ii) of the preceding Article pursuant to the provisions of Cabinet Office Order, and make the documents set forth in the items of paragraph (2) of the same Article (excluding item (vi), (b), item (ix), and item (xi)) available for public inspection for two weeks from the day of the public notice.

(Public Notice of Certification as a Specified Organization)

Article 68 (1) When the Prime Minister grants Certification as a Specified Organization, the Prime Minister is to give public notice of the name and address of the Specified Qualified Consumer Organization, the location of the office where Services Related to Redress for Damage are provided, and the day of the grant of the Certification as a Specified Organization pursuant to the provisions of Cabinet Office Order, and notify the Specified Qualified Consumer Organization to that effect in writing.

(2) A Specified Qualified Consumer Organization must post a notice to the effect that the Specified Qualified Consumer Organization is in a manner readily recognizable at the office where Services Related to Redress for Damage are provided, pursuant to the provisions of Cabinet Office Order.

(3) A person who is not a Specified Qualified Consumer Organization must not use any letters or characters in the name thereof which would likely cause the person to be mistaken for a Specified Qualified Consumer Organization or make an indication with regard to the person's services which would likely cause the person to be mistaken for a Specified Qualified Consumer Organization.

(Validity Period of Certification as a Specified Organization)

Article 69 (1) The validity period of Certification as a Specified Organization is three years from the day of the grant of the Certification as a Specified Organization; provided, however, that when the remainder of the validity period of the certification set forth in Article 13, paragraph (1) of the Consumer Contract Act pertaining to the Certification as a Specified Organization as of the day of the grant of the Certification as a Specified Organization is shorter than the validity period of the Certification as a Specified Organization, it is the same as the remainder of the validity period of the certification set forth in the same paragraph.

(2) A Specified Qualified Consumer Organization which intends to continue providing Services Related to Redress for Damage after the expiration of the validity period of Certification as a Specified Organization must receive a renewal of the validity period.

(3) A Specified Qualified Consumer Organization which intends to receive the renewal of the validity period set forth in the preceding paragraph must file an

application for the renewal of the validity period set forth in the preceding paragraph with the Prime Minister during the period from 90 days prior to the day of the expiration of the validity period until 60 days prior to the day (hereinafter referred to as the "Period for Application for Renewal" in this paragraph); provided, however, that this does not apply when the application cannot be filed during the Period for Application for Renewal due to a disaster and on other unavoidable grounds.

- (4) If the application set forth in the preceding paragraph has been filed, and a disposition on the application is not made by the day of the expiration of the validity period, the former Certification as a Specified Organization remains effective after the expiration of the validity period until the disposition is made.
- (5) In the case referred to in the preceding paragraph, if the validity period set forth in paragraph (2) has been renewed, the validity period of the renewed Certification as a Specified Organization is to be calculated from the day following the expiration date of the validity period of the former Certification as a Specified Organization.
- (6) The provisions of Article 65 (excluding paragraphs (1) and (2) and paragraph (6), item (ii)), Articles 66 and 67, and paragraph (1) of the preceding Article apply mutatis mutandis to the renewal of the validity period set forth in paragraph (2); provided, however, that the attachment of the documents set forth in the items of Article 66, paragraph (2) may be omitted when there is no change to the contents of the documents which have already been submitted to the Prime Minister.

(Notification of Change)

Article 70 If there has been a change to any of the matters set forth in the items of Article 66, paragraph (1) or particulars stated in the documents set forth in the items of paragraph (2) of the same Article (excluding items (ii) and (xi)), the Specified Qualified Consumer Organization must, without delay, submit a written notice containing a statement to that effect to the Prime Minister, pursuant to the provisions of Cabinet Office Order; provided, however, that this does not apply when such change is a minor change as specified by Cabinet Office Order.

(Notification and Approval of Merger)

Article 71 (1) When a corporation which is a Specified Qualified Consumer Organization merges with another corporation which is a Specified Qualified Consumer Organization, the corporation surviving the merger or the corporation established by the merger succeeds to the status of the corporation that has disappeared by the merger as a Specified Qualified Consumer Organization under the provisions of this Act.

- (2) A corporation which has, pursuant to the provisions of the preceding paragraph, succeeded to the status of the corporation that has disappeared due to a merger as a Specified Qualified Consumer Organization under the provisions of this Act must notify the Prime Minister to that effect without delay.
- (3) When a corporation which is a Specified Qualified Consumer Organization merges with a corporation which is not a Specified Qualified Consumer Organization (limited to a corporation which is a Qualified Consumer Organization), the corporation surviving the merger or the corporation established by the merger succeeds to the status of the corporation that has disappeared due to a merger as a Specified Qualified Consumer Organization under the provisions of this Act, only if the Prime Minister has approved the merger.
- (4) A Specified Qualified Consumer Organization which intends to obtain the approval set forth in the preceding paragraph must file an application for the approval with the Prime Minister during the period from 90 days prior to the day on which the merger becomes effective until 60 days prior to the day (hereinafter referred to as the "Period for Application for Approval" in this paragraph); provided, however, that this does not apply when the application cannot be filed during the Period for Application for Approval due to a disaster and on other unavoidable grounds.
- (5) If the application set forth in the preceding paragraph has been filed, and a disposition on the application is not made by the day on which the merger becomes effective, the corporation surviving the merger or the corporation established by the merger is deemed to have succeeded to the status of the corporation extinguished by the merger as a Specified Qualified Consumer Organization under the provisions of this Act until the disposition is made.
- (6) The provisions of Article 65 (excluding paragraphs (1) and (2)), Articles 66 and 67, and Article 68, paragraph (1) apply mutatis mutandis to the approval set forth in paragraph (3).
- (7) When a corporation which is a Specified Qualified Consumer Organization does not file the application set forth in paragraph (4) in the case of merging with a corporation which is not a Specified Qualified Consumer Organization, it must notify the Prime Minister to that effect by the day on which the merger becomes effective.
- (8) When notification under paragraph (2) or the preceding paragraph is made, the Prime Minister is to give public notice to that effect pursuant to the provisions of Cabinet Office Order.

(Notification and Approval of a Business Transfer)

Article 72 (1) When a corporation which falls under the category of a Specified

Qualified Consumer Organization transfers all of its business pertaining to Services Related to Redress for Damage to another corporation under the category of a Specified Qualified Consumer Organization, the transferee corporation succeeds to the status of the transferor corporation as a Specified Qualified Consumer Organization under the provisions of this Act.

- (2) A corporation which has, pursuant to the provisions of the preceding paragraph, succeeded to the status of the transferor corporation as a Specified Qualified Consumer Organization under the provisions of this Act must notify the Prime Minister to that effect without delay.
- (3) When a corporation is a Specified Qualified Consumer Organization, transfers all of its business pertaining to Services Related to Redress for Damage to a corporation which is not a Specified Qualified Consumer Organization (limited to a corporation which is a Qualified Consumer Organization), the transferee corporation succeeds to the status of the transferor corporation as a Specified Qualified Consumer Organization under the provisions of this Act, only if the Prime Minister has approved the transfer.
- (4) A Specified Qualified Consumer Organization which intends to obtain the approval set forth in the preceding paragraph must file an application for the approval with the Prime Minister during the period from 90 days prior to the day of the transfer until 60 days prior to the day (hereinafter referred to as the "Period for Application for Approval" in this paragraph); provided, however, that this does not apply when the application cannot be filed during the Period for Application for Approval due to a disaster and on other unavoidable grounds.
- (5) If the application set forth in the preceding paragraph has been filed, and a disposition on the application is not made by the day of the transfer, the transferee corporation is deemed to have succeeded to the status of the transferor corporation as a Specified Qualified Consumer Organization under the provisions of this Act until the disposition is made.
- (6) The provisions of Article 65 (excluding paragraphs (1) and (2)), Articles 66 and 67, and Article 68, paragraph (1) apply mutatis mutandis to the approval set forth in paragraph (3).
- (7) When a corporation which is a Specified Qualified Consumer Organization does not file the application set forth in paragraph (4) in the case of transferring all of its business pertaining to Services Related to Redress for Damage to a corporation which is not a Specified Qualified Consumer Organization, it must notify the Prime Minister to that effect by the day of the transfer.
- (8) When a notification under paragraph (2) or the preceding paragraph is made, the Prime Minister is to give public notice to that effect pursuant to the provisions of Cabinet Office Order.

(Notification of Discontinuance of Services)

Article 73 (1) When a Specified Qualified Consumer Organization discontinues Services Related to Redress for Damage, the representative of the corporation must notify the Prime Minister to that effect without delay.

(2) When a notification under the preceding paragraph is made, the Prime Minister is to give public notice to that effect pursuant to the provisions of Cabinet Office Order.

(Lapse of Certification as a Specified Organization)

Article 74 (1) When any of the following grounds arise with regard to a Specified Qualified Consumer Organization, the Certification as a Specified Organization ceases to be effective:

(i) when the validity period of the Certification as a Specified Organization expires (in the case prescribed in Article 69, paragraph (4), when a disposition to refuse the renewal is made);

(ii) when a corporation which is a Specified Qualified Consumer Organization merges with a corporation which is not a Specified Qualified Consumer Organization, and the merger becomes effective without the approval set forth in Article 71, paragraph (3) (in the case prescribed in paragraph (5) of the same Article, when a disposition to disapprove the merger is made);

(iii) when a corporation which is a Specified Qualified Consumer Organization transfers all of its business pertaining to Services Related to Redress for Damage to a corporation which is not a Specified Qualified Consumer Organization, and the transfer is made without the approval set forth in Article 72, paragraph (3) (in the case prescribed in paragraph (5) of the same Article, when a disposition to disapprove the transfer is made);

(iv) when a Specified Qualified Consumer Organization discontinues Services Related to Redress for Damage; or

(v) when the certification set forth in Article 13, paragraph (1) of the Consumer Contract Act lapses or is rescinded.

(2) When the Prime Minister finds out that any of the grounds set forth in the items of the preceding paragraph have arisen, if the corporation which was a Specified Qualified Consumer Organization is a party to any pending Court Proceedings for Redress for Damage, the Prime Minister must notify the court before which the Court Proceedings for Redress for Damage are pending of the lapse of the Certification as a Specified Organization in writing.

## **Section 2 Services Related to Redress for Damage, etc.**

(Responsibilities of Specified Qualified Consumer Organizations)

Article 75 (1) A Specified Qualified Consumer Organization must provide Services Related to Redress for Damage appropriately for the interest of the Target Consumers.

(2) A Specified Qualified Consumer Organization must not file an Action for Declaratory Judgment on Common Obligations or provide any other Services Related to Redress for Damage for unjust purposes and without due cause.

(3) A Specified Qualified Consumer Organization must strive to cooperate with other Specified Qualified Consumer Organizations with regard to Services Related to Redress for Damage while coordinating with each other.

(Remuneration)

Article 76 A Specified Qualified Consumer Organization can receive remuneration for the provision of Services Related to Redress for Damage pursuant to the provisions of the Contract for Delegation of Powers for Simple Determination Proceedings or the Contract for Delegation of Powers for Litigation concluded with the Person who Made the Delegation of Powers.

(Obligation to Have Attorney Conduct Proceedings)

Article 77 When a Specified Qualified Consumer Organization provides Services Related to Redress for Damage, it must have an attorney conduct the proceedings concerning civil litigation (including Simple Determination Proceedings), proceedings concerning an Order for Provisional Seizure, and proceedings pertaining to an appeal against a disposition of execution (including an appeal against a judicial decision concerning proceedings for the execution of provisional seizure).

(Notice to Other Specified Qualified Consumer Organizations)

Article 78 (1) In any of the following cases, a Specified Qualified Consumer Organization, pursuant to the provisions of Cabinet Office Order, must notify other Specified Qualified Consumer Organizations to that effect and report such fact and the contents thereof to the Prime Minister without delay. In this case, if, in lieu of the notice and report, the Specified Qualified Consumer Organization takes a measure specified by Cabinet Office Order to make the same information available for inspection by all Specified Qualified Consumer Organizations and the Prime Minister via Electronic or Magnetic Means, it is deemed to have made the notice and report:

(i) when the Specified Qualified Consumer Organization filed an Action for Declaratory Judgment on Common Obligations or filed the petition set forth in Article 56, paragraph (1);

(ii) when a judgment of Litigation Seeking Declaratory Judgment on Common Obligations has been rendered or an order with regard to the petition set

- forth in Article 56, paragraph (1) has been announced;
- (iii) when an appeal has been filed against the judgment set forth in the preceding item or an objection has been filed against the order set forth in the same item;
  - (iv) when the judgment set forth in item (ii) or the order set forth in the same item has become final and binding;
  - (v) when a settlement has been reached in Litigation Seeking Declaratory Judgment on Common Obligations;
  - (vi) beyond the cases set forth in the preceding two items, when Litigation Seeking Declaratory Judgment on Common Obligations or proceedings concerning an Order for Provisional Seizure has terminated;
  - (vii) when the Specified Qualified Consumer Organization intends to conduct an act pertaining to a waiver of claims, settlement, withdrawal of an appeal, or any other proceedings specified by Cabinet Office Order with regard to Litigation Seeking Declaratory Judgment on Common Obligations which will result in a final and binding judgment and a document which has the same effect thereto;
  - (viii) when the Specified Qualified Consumer Organization filed a petition for the commencement of Simple Determination Proceedings or withdrew such a petition;
  - (ix) when an Order of Commencement of Simple Determination Proceedings has been made;
  - (x) when the Specified Qualified Consumer Organization has given notice under Article 25, paragraph (1);
  - (xi) when the Specified Qualified Consumer Organization has given public notice under Article 26, paragraph (1), (3), or (4); or
  - (xii) when any other act pertaining to the proceedings specified by Cabinet Office Order has been conducted with regard to Services Related to Redress for Damage.
- (2) When the Prime Minister receives a report under the preceding paragraph, the Prime Minister is to notify the date and time of the report, the outline of the report, or any other particulars specified by Cabinet Office Order to other Specified Qualified Consumer Organizations, by a measure to make the same information available for inspection by all Specified Qualified Consumer Organizations and the Prime Minister via Electronic or Magnetic Means or by any other method specified by Cabinet Office Order.

(Handling of Personal Information)

Article 79 (1) With regard to Services Related to Redress for Damage, when a Specified Qualified Consumer Organization retains and uses Personal Information (meaning information about an individual which can identify the

specific individual (including information that can identify the specific individual by comparing it with other information); the same applies in paragraph (3)) of a Consumer, it must retain and use it within the extent necessary for attaining the purpose of the services; provided, however, that this does not apply when the consent of the Consumer has been obtained or there are other justifiable grounds.

- (2) With regard to Services Related to Redress for Damage, when a Specified Qualified Consumer Organization collects information from a Consumer concerning the damage incurred by the Consumer, and then uses such information with a method which enables the opponent pertaining to Court Proceedings for Redress for Damage or any other third party to identify the Consumer pertaining to the damage, it must obtain the consent of the Consumer in advance.
- (3) A Specified Qualified Consumer Organization must take the necessary measures to properly manage Personal Information of Consumers in Services Related to Redress for Damage.

(Obligation of Confidentiality)

Article 80 An officer, employee or Expert Advisor of a Specified Qualified Consumer Organization or a person who was formerly in such a position must not disclose any secret that has come to their knowledge with regard to Services Related to Redress for Damage, without justifiable grounds.

(Clear Indication of the Name)

Article 81 When a person who engages in Services Related to Redress for Damage of a Specified Qualified Consumer Organization provides Services Related to Redress for Damage, if requested to do so by the opponent pertaining to Court Proceedings for Redress for Damage, the person must clarify the name of the Specified Qualified Consumer Organization, the person's name and title or position in the Specified Qualified Consumer Organization, and other matters specified by Cabinet Office Order to the opponent.

(Provision of Information)

Article 82 In order to contribute to the redress for the property damage incurred by Target Consumers, a Specified Qualified Consumer Organization, must strive to provide the Target Consumers with information on the filing of an Action for Declaratory Judgment on Common Obligations, the contents of the final and binding judgment of Litigation Seeking Declaratory Judgment on Common Obligations, and other necessary information.



(Prohibition of Receiving Economic Benefits)

Article 83 (1) Except in the following cases, a Specified Qualified Consumer Organization must not receive, from the opponent pertaining to the Court Proceedings for Redress for Damage, money or any other economic benefit with regard to the conduct of Court Proceedings for Redress for Damage, whether as a donation, a grant, or any other remuneration:

- (i) when receiving an economic benefit as a payment of money based on the Approval or Disapproval of the Filed Claim, a Simple Determination Order, a judgment or acknowledgment of the claims in Litigation after Objection, or a settlement;
  - (ii) when receiving an economic benefit as a reimbursement of an amount equivalent to court costs (including expenses of Simple Determination Proceedings, expenses of settlement, and expenses of mediation proceedings) from the opponent who is required to bear the court costs pursuant to a judgment in Court Proceedings for Redress for Damage (including a document which has the same effect as a final and binding judgment, an Order for Payment of the Filed Claim with a declaration of provisional execution, and a judgment with regard to the petition set forth in Article 56, paragraph (1); the same applies in the following item) or the order set forth in Article 48, paragraph (3), Article 49, paragraph (1) of this Act or Article 73, paragraph (1) of the Code of Civil Procedure; and
  - (iii) when receiving an economic benefit as a reimbursement of the amount equivalent to execution costs of a civil execution based on a judgment in Court Proceedings for Redress for Damage.
- (2) An officer or employee of, or Expert Advisor to a Specified Qualified Consumer Organization must not receive, from the opponent of the Specified Qualified Consumer Organization pertaining to the Court Proceedings for Redress for Damage, money or any other economic benefit with regard to the conduct of Court Proceedings for Redress for Damage, whether as a donation, grant, or any other remuneration.
- (3) An officer, employee of, or Expert Advisor to a Specified Qualified Consumer Organization must not have a third party receive, money or any other economic benefit with regard to the conduct of Court Proceedings for Redress for Damage from the opponent of the Specified Qualified Consumer Organization pertaining to the Court Proceedings for Redress for Damage, whether as a donation, a grant, or any other remuneration.
- (4) The economic benefit that must not be received or have a third party receive from the opponent pertaining to Court Proceedings for Redress for Damage with regard to the conduct of Court Proceedings for Redress for Damage prescribed in the preceding three paragraphs does not include the economic benefits to be received or have a third party receive as compensation for

damage caused by a tort committed by the opponent in relation to the conduct of Court Proceedings for Redress for Damage.

(Separate Accounting)

Article 84 A Specified Qualified Consumer Organization must separate the accounting pertaining to Services Related to Redress for Damage from accounting pertaining to other services.

### **Section 3 Supervision**

(Compliance Order and Improvement Order)

Article 85 (1) When the Prime Minister finds that a Specified Qualified Consumer Organization no longer satisfies any of the requirements set forth in Article 65, paragraph (4), items (ii) through (vii), the Prime Minister may order the Specified Qualified Consumer Organization to take the necessary measures for satisfying these requirements.

(2) Beyond what is provided for in the preceding paragraph, when the Prime Minister finds that a Specified Qualified Consumer Organization has fallen under Article 65, paragraph (6), item (iii), or that a Specified Qualified Consumer Organization or an officer or employee thereof, or Expert Advisor thereto has violated the provisions of this Act with regard to the performance of Services Related to Redress for Damage, or otherwise finds it to be necessary for ensuring the proper operation of the services of a Specified Qualified Consumer Organization, the Prime Minister may order the Specified Qualified Consumer Organization to improve the human resources systems, suspend the violation, change the operational rules, or take any other necessary measures for improving the operation of services.

(Rescission of Certification as a Specified Organization)

Article 86 (1) When any of the following grounds exist with regard to a Specified Qualified Consumer Organization, the Prime Minister may rescind the Certification as a Specified Organization:

- (i) when the organization has received the Certification as a Specified Organization, the renewal of the validity period set forth in Article 69, paragraph (2), or the approval set forth in Article 71, paragraph (3) or Article 72, paragraph (3) by deception and other wrongful means;
- (ii) when the organization no longer satisfies any of the requirements set forth in the items of Article 65, paragraph (4);
- (iii) when the organization has fallen under Article 65, paragraph (6), item (i) or (iii); or
- (iv) beyond what is provided for in the preceding three items, when the

organization violated the provisions of this Act or of an order based on this Act or a disposition based on any of these provisions (excluding the case that falls under item (ii) of the following paragraph).

- (2) Beyond the rescission under the preceding paragraph, when there are any of the following grounds with regard to a Specified Qualified Consumer Organization, the Prime Minister may rescind the Certification as a Specified Organization or the certification set forth in Article 13, paragraph (1) of the Consumer Contract Act:
  - (i) when, in Court Proceedings for Redress for Damage, the Specified Qualified Consumer Organization has conspired with the opponent to waive claims or enter into a settlement detrimental to the interests of Target Consumers or when it is otherwise found that the organization has conducted litigation or any other proceedings which are materially contrary to the interests of Target Consumers;
  - (ii) when the Specified Qualified Consumer Organization has violated the provisions of Article 83, paragraph (1) or (3); or
  - (iii) when an officer or employee of, or Expert Advisor to the Specified Qualified Consumer Organization has violated Article 83, paragraph (2) or (3).
- (3) When a Specified Qualified Consumer Organization conducts the act prescribed in Article 78, paragraph (1), item (vii) with regard to an Action for Declaratory Judgment on Common Obligations without making the notice or report set forth in the same paragraph in violation of the provisions of the same paragraph, the Prime Minister may deem that there are grounds as set forth in item (i) of the preceding paragraph with regard to the Specified Qualified Consumer Organization.
- (4) When the Prime Minister carries out the rescission under paragraph (1) or (2), , pursuant to the provisions of Cabinet Office Order, the Prime Minister is to give public notice of such fact and the day of the rescission, and notify the corporation which was a Specified Qualified Consumer Organization to that effect in writing. In this case, if the corporation which was a Specified Qualified Consumer Organization is a party to any pending Court Proceedings for Redress for Damage, the Prime Minister must also notify the court before which the Court Proceedings for Redress for Damage are pending of the rescission in writing.

(Designation of the Specified Qualified Consumer Organization which Will Take Over the Proceedings)

Article 87 (1) When Certification as a Specified Organization pertaining to a Specified Qualified Consumer Organization which is a party to Court Proceedings for Redress for Damage (excluding the civil execution procedure prescribed in Article 2, item (ix), (b)) lapses under the grounds set forth in the

- items of Article 74, paragraph (1) or is rescinded under the grounds set forth in the items of paragraph (1) of the preceding Article or the items of paragraph (2) of the same Article, or when it has already lapsed or been rescinded under these grounds, the Prime Minister is to designate another Specified Qualified Consumer Organization as the Specified Qualified Consumer Organization which will substitute the Court Proceedings for Redress for Damage; provided, however, that this does not apply when, in Litigation Seeking Declaratory Judgment on Common Obligations or Simple Determination Proceedings (excluding the case where the corporation which was a Specified Qualified Consumer Organization has carried out the Filing of Proofs of Claims), there is another Specified Qualified Consumer Organization which is a party thereto.
- (2) When Certification as a Specified Organization pertaining to a Specified Qualified Consumer Organization which must file a petition for the commencement of Simple Determination Proceedings pursuant to the provisions of Article 14 lapses under the grounds set forth in the items of Article 74, paragraph (1) or is rescinded under the grounds set forth in the items of paragraph (1) of the preceding Article or the items of paragraph (2), or when it has already lapsed or been rescinded under these grounds, the Prime Minister is to designate another Specified Qualified Consumer Organization as the Specified Qualified Consumer Organization which must file a petition for the commencement of Simple Determination Proceedings pursuant to the provisions of Article 14; provided, however, that this does not apply when there is another Specified Qualified Consumer Organization which must file a petition for the commencement of Simple Determination Proceedings pursuant to the provisions of the same Article.
- (3) When Certification as a Specified Organization pertaining to a Specified Qualified Consumer Organization which has acquired the title of obligation with regard to the Target Claims or that pertaining to a Specified Qualified Consumer Organization which is the successor prescribed in Article 23, paragraph (1), item (iii) of the Civil Execution Act lapses under the grounds set forth in the items of Article 74, paragraph (1) or is rescinded under the grounds set forth in the items of paragraph (1) of the preceding Article or the items of paragraph (2), or when it has already lapsed or been rescinded under these grounds, the Prime Minister is to designate another Specified Qualified Consumer Organization as the Specified Qualified Consumer Organization who will become the successor prescribed in Article 23, paragraph (1), item (iii) of the same Act.
- (4) When Certification as a Specified Organization of the Specified Qualified Consumer Organization designated under the preceding three paragraphs (hereinafter referred to as the "Designated Specified Qualified Consumer Organization" in this paragraph and the following paragraph) lapses or has

already lapsed under the grounds set forth in the items of Article 74, paragraph (1), or is rescinded under the grounds set forth in the items of paragraph (1) of the preceding Article or the items of paragraph (2) of the same Article, the Prime Minister must rescind the designation pertaining to the Designated Specified Qualified Consumer Organization.

- (5) Designation under paragraphs (1) through (3) may not be rescinded based on the reason that any of the following grounds have arisen for the person who had been conducting the proceedings which were to be taken over by the Designated Specified Qualified Consumer Organization prior to the designation:
- (i) when a disposition to rescind Certification as a Specified Organization, a disposition to refuse the renewal of the validity period of Certification as a Specified Organization, or a disposition to disapprove the merger set forth in Article 71, paragraph (3) or the transfer of all of the business set forth in Article 72, paragraph (3) (hereinafter referred to as a "Disposition to Rescind Certification as a Specified Organization, etc." in this item) is rescinded, or a judgment rescinding or confirming the nullity or non-existence of a Disposition to Rescind Certification as a Specified Organization, etc. becomes final and binding;
  - (ii) when a disposition to rescind the certification set forth in Article 13, paragraph (1) of the Consumer Contract Act, a disposition to refuse the renewal of the validity period of the certification set forth in the same paragraph, or a disposition to disapprove the merger set forth in Article 19, paragraph (3) of the same Act or the transfer of all of the business set forth in Article 20, paragraph (3) of the same Act (hereinafter referred to as a "Disposition to Rescind Certification, etc." in this item) is rescinded, or a judgment rescinding or confirming the nullity or non-existence of a Disposition to Rescind Certification, etc. becomes final and binding;
- (6) When the Prime Minister makes a designation under paragraphs (1) through (3), pursuant to the provisions of Cabinet Office Order, the Prime Minister is to give public notice of such fact and the day of the designation, and notify the designated Specified Qualified Consumer Organization to that effect in writing. The same applies when the Prime Minister rescinds the designation pursuant to the provisions of paragraph (4).
- (7) In the case referred to in the first sentence of the preceding paragraph, if the corporation which was a Specified Qualified Consumer Organization is a party to any pending Court Proceedings for Redress for Damage, the Prime Minister must also notify the court before which the Court Proceedings for Redress for Damage are pending of the designation in writing.
- (8) In the cases set forth in the following items, the Specified Qualified Consumer Organization which received the designation set forth respectively in those

items must individually notify the known Consumers Holding the Filed Claims to that effect without delay:

- (i) when a designation under paragraph (1) is made (limited to the case where the corporation which was a Specified Qualified Consumer Organization was a party to Simple Determination Proceedings (limited to the case where the corporation which was a Specified Qualified Consumer Organization carried out the Filing of Proofs of Claims) or proceedings of Litigation after Objection); and
  - (ii) when a designation under paragraph (3) is made.
- (9) When a designation under paragraphs (1) through (3) is made, the corporation which was a Specified Qualified Consumer Organization must, with regard to the case subject to the designation, transfer to the designated Specified Qualified Consumer Organization any articles retained on behalf of the Target Consumers and documents concerning Services Related to Redress for Damage, and conduct any and all acts necessary for handing over Services Related to Redress for Damage to the designated Specified Qualified Consumer Organization, without delay.

#### **Section 4 Auxiliary Provisions**

(Special Measures Concerning the Consumer Contract Act)

Article 88 With regard to the application of the provisions of the Consumer Contract Act to a Qualified Consumer Organization which is a Specified Qualified Consumer Organization, the terms and phrases set forth in the middle column of the following table in the provisions of the same Act set forth in the left column of the table are replaced with the terms and phrases set forth respectively in the right column of the table.

Article 29, paragraph (1)	[affect] Services Related to Injunction Demands	[affect] Services Related to Injunction Demands and the Services Related to Redress for Damage prescribed in Article 65, paragraph (2) of the Act on Special Measures Concerning Consumer Court Proceedings (hereinafter simply referred to as "Services Related to Redress for Damage")
	[other than] Services Related to Injunction Demands	[other than] Services Related to Injunction Demands and Services Related to Redress for Damage

Article 31, paragraph (2)	the Services Related to Injunction Demands and other services are [being properly performed pursuant to the provisions of] this Act	the Services Related to Injunction Demands, the Services Related to Redress for Damage, and other services are [being properly performed pursuant to the provisions of] this Act and the Act on Special Measures Concerning Consumer Court Proceedings
Article 31, paragraph (3), item (vii)	Services Related to Injunction Demands	Services Related to Injunction Demands and Services Related to Redress for Damage
Article 32, paragraph (1)	this Act	this Act and the Act on Special Measures Concerning Consumer Court Proceedings

(Request for Cooperation of Public Offices)

Article 89 When the Prime Minister finds it necessary for the enforcement of this Act, the Prime Minister may make inquiries to government agencies, other public entities, or any other persons and request their cooperation.

(Publication of Information Concerning Judgments)

Article 90 (1) In order to contribute to the prevention of and redress for property damage incurred by Consumers, when the Prime Minister receives a report under Article 78, paragraph (1) (excluding items (i) and (vii)) from a Specified Qualified Consumer Organization, the Prime Minister is to promptly publish the outline of the final and binding judgment of Litigation Seeking Declaratory Judgment on Common Obligations (including a document which has the same effect as a final and binding judgment), the name of the Specified Qualified Consumer Organization, the name of the opponent of the Litigation Seeking Declaratory Judgment on Common Obligations, and other matters specified by Cabinet Office Order, via the Internet and by other methods that are appropriate..

(2) Beyond the particulars prescribed in the preceding paragraph, the Prime Minister may, in order to provide information concerning Services Related to Redress for Damage to a wide range of citizens, publish the name and address of the Specified Qualified Consumer Organization, the location of the office where Services Related to Redress for Damage are provided, and other necessary information specified by Cabinet Office Order via the Internet and by other methods that are appropriate..

(3) The Prime Minister may have the National Consumer Affairs Center of Japan provide services concerning the publication of information prescribed in the preceding two paragraphs.

(Cooperation to Specified Qualified Consumer Organizations)

- Article 91 (1) In response to the request of a Specified Qualified Consumer Organization, the National Consumer Affairs Center of Japan and local public entities may, pursuant to the provisions of Cabinet Office Order, provide the Specified Qualified Consumer Organization with information specified by Cabinet Office Order concerning consultations pertaining to complaints that have arisen between Consumers and Companies with regard to consumer affairs, within the extent necessary for the Specified Qualified Consumer Organization to perform Services Related to Redress for Damage appropriately.
- (2) A Specified Qualified Consumer Organization which receives the provision of information pursuant to the provisions of the preceding paragraph must not use or provide the information for a purpose other than the purpose of providing it for use in Services Related to Redress for Damage.

(Delegation of Authority)

- Article 92 The Prime Minister is to delegate the authority under the provisions of this Chapter (excluding those specified by Cabinet Order) to the Secretary General of the Consumer Affairs Agency.

#### **Chapter IV Penal Provisions**

- Article 93 (1) When an officer or employee of, or Expert Advisor to a Specified Qualified Consumer Organization receives or has a third party (including the Specified Qualified Consumer Organization) receive money or any other economic benefit in remuneration for any of the following acts conducted by the Specified Qualified Consumer Organization from the opponent of the Specified Qualified Consumer Organization pertaining to Court Proceedings for Redress for Damage, whether as a donation, a grant, or any other remuneration, the person is to be punished by imprisonment with required labor of not more than three years or a fine of not more than three million yen:
- (i) not carrying out or having not carried out the filing of an Action for Declaratory Judgment on Common Obligations, the filing of a petition for Simple Determination Proceedings, the Filing of Proofs of Claims, the filing of a petition for civil execution concerning Simple Determination Proceedings or Litigation after Objection, or the filing of the petition set forth in Article 56, paragraph (1);
  - (ii) entering into or having entered into a non-judicial settlement pertaining to the claims relating to the delegation of powers set forth in Article 31, paragraph (1) or Article 53, paragraph (1); or
  - (iii) terminating or having terminated Court Proceedings for Redress for



Damage.

- (2) The preceding paragraph also applies to a person who provides benefits set forth in the same paragraph.
- (3) In the case referred to in paragraph (1), the economic benefit received by the criminal or third parties with knowledge of the circumstances is confiscated. When the whole or part of the economic benefit cannot be confiscated, an amount equivalent to the value thereof is collected.
- (4) The crime set forth in paragraph (1) also applies to a person who commits such crime outside Japan.
- (5) The crime set forth in paragraph (2) is governed by the provisions of Article 2 of the Penal Code (Act No. 45 of 1907).

Article 94 A person who falls under either of the following categories is punished by a fine of not more than one million yen:

- (i) a person who has received Certification as a Specified Organization, the renewal of the validity period set forth in Article 69, paragraph (2), or the approval set forth in Article 71, paragraph (3) or Article 72, paragraph (3) by a deception and other wrongful means; or
- (ii) a person who, in violation of the provisions of Article 80, has disclosed any secret that has come to the knowledge with regard to Services Related to Redress for Damage.

Article 95 A person who falls under either of the following categories is punished by a fine of not more than 500,000 yen:

- (i) a person who made false statements in the written application set forth in Article 66, paragraph (1) (including the cases where applied mutatis mutandis pursuant to the provisions of Article 69, paragraph (6), Article 71, paragraph (6), and Article 72, paragraph (6)) or the documents set forth in the items of Article 66, paragraph (2) (including the cases where applied mutatis mutandis pursuant to the provisions of Article 69, paragraph (6), Article 71, paragraph (6), and Article 72, paragraph (6)) and submitted it; or
- (ii) a person who, in violation of the provisions of Article 68, paragraph (3), used any letters or characters in the name thereof which would likely cause the person to be mistaken for a Specified Qualified Consumer Organization or made an indication with regard to the person's services which would likely cause the person to be mistaken for a Specified Qualified Consumer Organization.

Article 96 (1) When a representative or an administrator of a corporation (including an organization that is not a corporation but which has representatives or administrators; hereinafter the same applies in this

paragraph), or an agent, employee or any other worker of a corporation or an individual violates the provisions of any of the preceding three Articles, in relation to the services of the corporation or individual, not only the offender, but also the corporation or individual is punished with the fines prescribed in the respective Articles.

- (2) When the provisions of the preceding paragraph are applied to an organization that is not a corporation, its representative or administrator represents it with respect to procedural acts, and the provisions of Acts concerning criminal proceedings when a corporation is an accused or a suspect apply *mutatis mutandis*.

Article 97 A person who falls under any of the following categories is punished by a non-criminal fine of not more than one million yen:

- (i) a person who, in violation of the provisions of Article 14, failed to file a petition for the commencement of Simple Determination Proceedings without justifiable grounds;
- (ii) a person who, in violation of the provisions of Article 33, paragraph (1), refused to conclude a Contract for Delegation of Powers for Simple Determination Proceedings without unavoidable grounds; or
- (iii) a person who, in violation of the provisions of Article 33, paragraph (2), cancelled a Contract for Delegation of Powers for Simple Determination Proceedings without unavoidable grounds.

Article 98 A person who falls under either of the following categories is punished by a non-criminal fine of not more than 500,000 yen:

- (i) a person who has failed to give notice under Article 25, paragraph (1) or the first sentence of Article 26, paragraph (3) or who has given false notice; or
- (ii) a person who has failed to give public notice under Article 26, paragraph (1), the first sentence of paragraph (3) of the same Article, or paragraph (4) of the same Article or who has given false public notice.

Article 99 A person who falls under any of the following categories is punished by a non-criminal fine of not more than 300,000 yen:

- (i) a person who, in violation of the provisions of Article 53, paragraph (4), refused to conclude a Contract for Delegation of Powers for Litigation without justifiable grounds;
- (ii) a person who, in violation of the provisions of Article 53, paragraph (5), cancelled a Contract for Delegation of Powers for Litigation without justifiable grounds;
- (iii) a person who has failed to post a notice under Article 68, paragraph (2) or who has posted a false notice;

- (iv) a person who has failed to make a notification under Article 70, Article 71, paragraph (2) or (7), Article 72, paragraph (2) or (7), or Article 73, paragraph (1) or who has made a false notification;
- (v) a person who has failed to give notice or make a report under the first sentence of Article 78, paragraph (1) or who has given false notice or made a false report;
- (vi) a person who, in violation of the provisions of Article 79, paragraph (2), used information pertaining to the damages incurred by a Consumer;
- (vii) a person who, in violation of the provisions of Article 81, refused the request set forth in the same Article;
- (viii) a person who failed to carry out the handing over of Services Related to Redress for Damage under Article 87, paragraph (9); or
- (ix) a person who, in violation of the provisions of Article 91, paragraph (2), used or provided information for a purpose other than the purpose specified in the same paragraph.

### **Supplementary Provisions [Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three years from the date of promulgation; provided, however, that the provisions of Articles 3, 4, and 7 of the Supplementary Provisions come into effect as of the date of promulgation.

(Transitional Measure)

Article 2 This Act does not apply to monetary payment obligations pertaining to claims concerning Consumer Contracts concluded prior to the enforcement of this Act (with regard to the claim set forth in Article 3, paragraph (1), item (v), a claim pertaining to a wrongful act committed prior to the enforcement of this Act).

(Review)

Article 3 The government, in conformity with the purport of this Act, is to promptly review ways to prevent Specified Qualified Consumer Organizations from having an undue influence on the business activities of Companies by abusing their authority, based on the opinions of Companies, Consumers, or any other interested persons, and take the necessary measures based on the results of the review.

Article 4 The government is to promptly review the securing of funds, provision of information, or any other support to Specified Qualified Consumer

Organizations that is necessary for the proper performance of Services Related to Redress for Damage by Specified Qualified Consumer Organizations, and take the necessary measures based on the results of the review.

Article 5 (1) When three years have passed from the enforcement of this Act, the government, in consideration of the circumstances concerning the occurrence of, or the spread of property damage incurred by Consumers, the circumstances concerning the performance of Services Related to Redress for Damage by Specified Qualified Consumer Organizations, and other state of the enforcement of this Act, etc., is to review the provisions of this Act, including measures for securing the proper performance of Services Related to Redress for Damage and the scope of claims and damage pertaining to monetary payment obligations based on which an Action for Declaratory Judgment on Common Obligations can be filed, and, if it finds it necessary, take the required measures based on the results of the review.

(2) Beyond the matters provided for in the preceding paragraph, when three years have passed from the enforcement of this Act, the government is to review the status of the enforcement of this Act, and, if it finds it necessary, take the required measures based on the results of the review.

Article 6 With regard to monetary payment obligations pertaining to the claims set forth in the items of Article 3, paragraph (1) which pertain to the claims prescribed in Article 2 of the Supplementary Provisions, in order that appropriate redress can be achieved for the property damage incurred by Consumers pertaining to the claims, the government is to promote the use of Alternative Dispute Resolution Procedures (meaning the alternative dispute resolution procedures prescribed in Article 1 of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004)), such as the Important Consumer Dispute Resolution Proceedings (meaning the important consumer dispute resolution proceedings prescribed in Article 11, paragraph (2) of the Act on the National Consumer Affairs Center of Japan (Act No. 123 of 2002)), or take any other necessary measures.

Article 7 In order to ensure the smooth enforcement of this Act, the government is to strive to thoroughly inform citizens of the purport and the contents of this Act through publicity activities, etc. and to gain their understanding and cooperation.