

# Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (partial enforcement)

(Act No. 101 of December 9, 2016)

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## Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to contribute to stabilizing and improving the lives of the citizenry and increasing social welfare through the utilization of funds related to dormant deposits, etc. to promote public interest activities by the private sector while protecting the interests of depositors, etc. of the dormant deposits, etc..

(Definitions)

Article 2 (1) The term "financial institution" as used in this Act means the following (excluding those that have their head office outside the enforcement area of this Act):

- (i) a bank as prescribed in Article 2, paragraph (1) of the Banking Act (Act No. 59 of 1981) (simply referred to as a "bank" in Article 43, paragraph (2));
- (ii) a long term credit bank as prescribed in Article 2 of the Long Term Credit

- Bank Act (Act No. 187 of 1952) (simply referred to as a "long term credit bank" in Article 43, paragraph (2));
- (iii) a credit union;
  - (iv) a credit cooperative;
  - (v) a workers' credit union bank ;
  - (vi) a federation of credit union banks;
  - (vii) a federation of cooperatives that conducts the business set forth in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949) (referred to as a "federation of credit cooperatives" in Article 43, paragraph (2));
  - (viii) a federation of workers' credit union bank;
  - (ix) the Shoko Chukin Bank, Ltd.;
  - (x) an agricultural cooperative that conducts the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
  - (xi) a federation of agricultural cooperatives that conducts the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act;
  - (xii) a fishery cooperative that conducts the business set forth in Article 11, paragraph (1), item (iv) of the Fishery Cooperatives Act (Act No. 242 of 1948);
  - (xiii) a federation of fishery cooperatives that conducts the business set forth in Article 87, paragraph (1), item (iv) of the Fishery Cooperatives Act;
  - (xiv) a fishery processing cooperative that conducts the business set forth in Article 93, paragraph (1), item (ii) of the Fishery Cooperatives Act;
  - (xv) a federation of fishery processing cooperatives that conducts the business set forth in Article 97, paragraph (1), item (ii) of the Fishery Cooperatives Act;
  - (xvi) the Norinchukin Bank.
- (2) The term "deposits, etc." as used in this Act means general deposits, etc. (meaning the general deposits, etc. prescribed in Article 51, paragraph (1) of the Deposit Insurance Act (Act No. 34 of 1971)), deposits for payment and settlement purposes (meaning the deposits for payment and settlement purposes prescribed in Article 51-2, paragraph (1) of the same Act), general savings, etc. (meaning the general savings, etc. prescribed in Article 51, paragraph (1) of the Agricultural and Fishery Cooperative Savings Insurance Act (Act No. 53 of 1973), or savings for payment and settlement purposes (meaning the savings for payment and settlement purposes prescribed in Article 51-2, paragraph (1) of the same Act) (excluding those specified by competent Ministerial Order).
- (3) The term "depositor, etc." as used in this Act means a depositor or any other

person that holds claims for deposits, etc.

- (4) The term "account activity" as used in this Act means the following circumstances pertaining to deposits, etc.:
- (i) circumstances specified by order of the competent ministry as circumstances in which the depositor, etc. of those deposits, etc. or any other person specified by order of the competent ministry is found to have expressed the intention to utilize those deposits, etc.;
  - (ii) circumstances specified by order of the competent ministry as circumstances equivalent to those set forth in the preceding item, for which a financial institution pertaining to those deposits, etc. has obtained approval from an administrative authority as circumstances that need to be and should be treated in the same manner as those set forth in that item for the purpose of smoothly performing operations based on this Act, as provided for by order of the competent ministry.
- (5) The term "the most recent account activity date, etc." as used in this Act means the most recent date among the following dates pertaining to deposits, etc.:
- (i) the date on which the last account activity was made in relation to those deposits, etc.;
  - (ii) for deposits, etc. involving any circumstances specified by order of the competent ministry as circumstances in which future enforcement of claims for those deposits, etc. is expected, the date specified by order of the competent ministry as the date on which the enforcement of claims for those deposits, etc. is expected;
  - (iii) the date on which a financial institution pertaining to those deposits, etc. issued a notice informing of the matters specified by order of the competent ministry set forth in paragraph (2) of the following Article to the depositor, etc. of those deposits, etc. (limited to cases where that notice has reached the depositor, etc. of those deposits, etc. or cases specified by order of the competent ministry as cases where it is appropriate to consider that the notice has reached the depositor, etc. of those deposits, etc.);
  - (iv) the date on which the relevant deposits, etc. came to fall under the category of deposits, etc.
- (6) The term "dormant deposits, etc." as used in this Act means deposits, etc. for which ten years have elapsed since the most recent account activity date, etc. of those deposits, etc.
- (7) With regard to the application of the provisions of paragraph (5), deposits, etc. arising from other deposits, etc. of the same depositor, etc. that were accepted without any instruction from that depositor, etc. are deemed to be deposits, etc. identical to those other deposits, etc.

## **Chapter II Transfer and Management of Funds Related to Dormant Deposits**

### **Section 1 Transfer and Management of Funds Related to Dormant Deposits**

(Public Notice, Notice by Financial Institutions)

Article 3 (1) When a financial institution (excluding financial institutions under liquidation proceedings; the same applies in the following paragraph and paragraph (1) of the following Article) keeps deposits, etc. for which nine years have passed since the most recent account activity date, etc., it must post a public notice on the following matters regarding those deposits, etc., as provided for by order of the competent ministry, until the day on which ten years and six months have passed, from the most recent account activity date, etc. of those deposits, etc. (if any circumstances set forth in the items of paragraph (3) have arisen for a financial institution for which any circumstances prescribed therein have arisen, by the day specified by order of the competent ministry; the same applies in Article 5, paragraph (2)):

- (i) the matters concerning the most recent account activity date, etc. of those deposits, etc.;
  - (ii) the time limit for payment of the money prescribed in paragraph (1) of the following Article for the transfer from dormant deposits, etc. prescribed in that paragraph (simply referred to as the "money for transfer from dormant deposits, etc." in the following item) pertaining to those deposits, etc.;
  - (iii) when the money for transfer from dormant deposits, etc. has been paid to the Deposit Insurance Corporation of Japan, the fact that claims for those deposits, etc. are to become extinct as of that date of payment of the money;
  - (iv) the matters concerning the payment of substitute money for dormant deposits, etc. prescribed in Article 7, paragraph (2);
  - (v) other matters specified by order of the competent ministry.
- (2) In the cases referred to in the preceding paragraph, prior to posting a public notice under that paragraph, a financial institution must issue a notice to the depositor, etc. of the deposits, etc. set forth in that paragraph to inform the depositor of the financial institution and its branch pertaining to those deposits, etc., as well as the type of deposit, etc., the account number and amount of the deposits, etc., or other matters specified by order of the competent ministry as matters sufficient for identifying the deposits, etc., by the method specified by order of the competent ministry; provided, however, that this does not apply in cases falling under any of the following items:
- (i) if the amount of the principal of claims for those deposits, etc. as of the day on which nine years have passed since the most recent account activity date, etc. is below the amount specified by order of the competent ministry;

- (ii) in cases specified by order competent of the ministry as the cases where the address of the depositor, etc. or any other place where that person receives the notice is not known;
  - (iii) other cases specified by order competent of the ministry.
- (3) The provisions of the preceding two paragraphs do not apply to financial institutions for which any circumstances set forth in the following items have arisen but the circumstances prescribed therein have not yet arisen:
- (i) commencement of bankruptcy proceedings: closure of the bankruptcy proceedings;
  - (ii) commencement of rehabilitation proceedings: closure of the rehabilitation proceedings (when the rehabilitation proceedings have been closed due to a decision on termination thereof under the provisions of Article 188, paragraphs (1) through (3) of the Civil Rehabilitation Act (Act No. 225 of 1999) and when the amount of claims for the deposits, etc. set forth in paragraph (1) after alteration under a rehabilitation plan (meaning the rehabilitation plan prescribed in Article 2, item (iii) of the same Act) for the rehabilitation proceedings has not been determined, the determination of that amount);
  - (iii) commencement of reorganization proceedings: close of the reorganization proceedings (when the reorganization proceedings have been closed due to a decision on termination thereof under the provisions of Article 239, paragraph (1) of the Corporate Reorganization Act (Act No. 154 of 2002) (including the cases applied mutatis mutandis pursuant to Article 153 of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions (Act No. 95 of 1996)) and when the amount of claims for the deposits, etc. set forth in paragraph (1) after alteration under a reorganization plan (for a stock company, this means the reorganization plan prescribed in Article 2, paragraph (2) of the Corporate Reorganization Act, and for a cooperative financial institution (meaning the cooperative financial institution prescribed in Article 2, paragraph (2) of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions), this means the reorganization plan prescribed in Article 4, paragraph (2) of the same Act) for the reorganization proceedings has not been determined, the determination of that amount);
  - (iv) other circumstances specified by order of the competent ministry: circumstances specified by order of the competent ministry with regard to those other circumstances.
- (4) When a financial institution has been requested by a depositor, etc. to provide information on the matters set forth in the items of paragraph (1) or any other matters specified by order competent of the ministry with regard to the

deposits, etc. set forth in that paragraph pertaining to that depositor, etc., the financial institution must respond to the request.

(Payment of Money for Transfer from Dormant Deposits)

Article 4 (1) When a financial institution keeps any dormant deposits, etc. for which two months have passed since the day on which it posted a public notice under paragraph (1) of the preceding Article, it must pay money at the amount specified by order competent of the ministry as the amount equivalent to the amount of claims for those dormant deposits, etc. actually held by the depositor, etc. (limited to claims for the principal and interest, etc. thereon; the same applies hereinafter) as of the date of payment of that amount of money (hereinafter, this money is referred to as the "money for transfer from dormant deposits, etc.") to the Deposit Insurance Corporation of Japan by the time limit specified by order of the competent ministry based on the day of that public notice (when there are any circumstances set forth in the items of paragraph (3) of the preceding Article or any circumstances specified by order of the competent ministry as circumstances for finding it inappropriate to suspend repayment of the deposits, etc. or otherwise extinguish claims for those dormant deposits, etc., by the time limit specified by order of the competent ministry; hereinafter this time limit is referred to as the "time limit for payment" in this paragraph and paragraph (1) of the following Article) (when the payment has not been made by the time limit for payment, that amount specified by order of the competent ministry is to be equivalent to the amount of claims for those dormant deposits, etc. actually held by the depositor, etc. as of the time limit for payment).

(2) The term "interest, etc." referred to in the preceding paragraph means what is specified in the following items in accordance with the category of deposits, etc. set forth therein:

- (i) deposits: interest on those deposits;
- (ii) savings: interest on those savings;
- (iii) installment savings: compensation money for benefits (meaning the compensation money for benefits set forth in Article 174, item (iii) of the Income Tax Act (Act No. 33 of 1965)) based on contracts for those installment savings;
- (iv) money paid in installments prescribed in Article 2, paragraph (4) of the Banking Act: compensation money for benefits (meaning the compensation money for benefits set forth in Article 174, item (iv) of the Income Tax Act) based on contracts for that money paid in installments;
- (v) money for which compensation of losses in principal is promised under the terms of a contract pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No.

43 of 1943), accepted under a trust contract pertaining to a money trust (including loan trusts; hereinafter simply referred to as a "money trust" in this item and the following paragraph): distribution of proceeds from the money trust pertaining to that money;.

- (vi) money paid in through the issuance of long-term credit bank bonds under Article 8 of the Long-Term Credit Bank Act, specified bonds under Article 8, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (Act No. 86 of 1968) (including the cases applied mutatis mutandis pursuant to Article 55, paragraph (4) of the same Act) (including bonds issued pursuant to Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (including the cases applied mutatis mutandis pursuant to Article 24, paragraph (1), item (vii) of the same Act) before the amendment by Article 199 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005)), commercial and industrial bonds under Article 33 of the Shoko Chukin Bank, Ltd. Act (Act No. 74 of 2007) (including those that are deemed pursuant to Article 37 of the supplementary provisions of the same Act to be commercial and industrial bonds issued pursuant to Article 33 of the same Act), national federation of credit union banks bonds under Article 54-2-4, paragraph (1) of the Shinkin Bank Act (Act No. 238 of 1951), and agriculture and forestry bonds under Article 60 of the Norinchukin Bank Act (Act No. 93 of 2001) (hereinafter referred to as "long-term credit bank bonds, etc." in this item): interest on the long-term credit bank bonds, etc. (excluding those issued by means of a discount).
- (3) Money for transfer from dormant deposits, etc. pertaining to the money set forth in item (v) of the preceding paragraph is to be paid from the trust property of the money trust pertaining to the money set forth in that item.

(Late Payment Charge)

Article 5 (1) If a financial institution fails to pay the money for transfer from dormant deposits, etc. by the time limit for payment, it must pay to the Deposit Insurance Corporation of Japan a late payment charge at a amount calculated by multiplying the amount of unpaid money for transfer from dormant deposits, etc. by an annual rate of 14.5 percent for the number of days from the day following the time limit for payment through the date of payment of the charge.

- (2) When a financial institution keeps any money for transfer from dormant deposits, etc. related to dormant deposits, etc. for which it has not posted a public notice under Article 3, paragraph (1) by the day on which ten years and six months have passed from the most recent account activity date, etc., it must pay to the Deposit Insurance Corporation of Japan a monetary penalty at the amount calculated by multiplying the amount of that money for transfer

from dormant deposits, etc. by an annual rate of 14.5 percent for the number of days from the day following the day on which ten years and six months pass from the most recent account activity date, etc. to the day of that public notice.

(Provision of Information Concerning Dormant Deposits)

- Article 6 (1) When paying money for transfer from dormant deposits, etc. under Article 4, paragraph (1), a financial institution must provide to the Deposit Insurance Corporation of Japan, as specified for by order of the competent ministry, information such as the name of the depositor, etc. of the dormant deposits, etc. pertaining to that money for transfer from dormant deposits, etc., type of the deposits, etc., details of the claims for the deposits, etc., or other matters specified by order of the competent ministry as information pertaining to those dormant deposits, etc. by using an electronic data processing system or a magnetic tape (including any other medium in which certain matters can be securely recorded by equivalent means).
- (2) A financial institution must prepare an electronic data processing system and take any other measures necessary for properly providing information under the preceding paragraph.
- (3) When finding that the measures prescribed in the preceding paragraph are not taken, the Prime Minister may order the relevant financial institution to take the measures to the extent necessary, by specifying a time limit.
- (4) When the Deposit Insurance Corporation of Japan is requested by a person that used to be the depositor, etc. of the dormant deposits, etc. prescribed in paragraph (2) of the following Article to provide information it had received pursuant to paragraph (1) concerning the dormant deposits, etc. pertaining to the substitute money for dormant deposits, etc. (excluding the money already paid) prescribed in that paragraph, the Deposit Insurance Corporation of Japan must respond to that request.
- (5) When there is a financial institution that conducts the payment, etc. operations prescribed in Article 10, paragraph (1) (simply referred to as the "payment, etc., operations" in paragraph (4) of the following Article) under entrustment of the Deposit Insurance Corporation of Japan, the request set forth in the preceding paragraph must be made via that financial institution.

(Extinction of Claims for Dormant Deposits)

- Article 7 (1) When money for transfer from dormant deposits, etc. is paid in full under Article 4, paragraph (1) with regard to claims for dormant deposits, etc., the claims for those dormant deposits, etc. actually held by the depositor, etc. as of the day of payment of that money are extinct.
- (2) When claims for dormant deposits, etc. have become extinct pursuant to the preceding paragraph, a person that used to be the depositor, etc. of those



dormant deposits, etc., which has made the allegation to that effect to the Deposit Insurance Corporation of Japan as provided for by order of the competent ministry, may demand payment of the money at the amount summing up the part of those claims that is equivalent to the amount of the principal and the amount that is equivalent to the interest specified by order of the competent ministry (for dormant deposits, etc. that bear no interest prescribed in Article 4, paragraph (2), the amount equivalent to the interest is to be zero) (hereinafter the sum is referred to as "substitute money for dormant deposits, etc.") from the Deposit Insurance Corporation of Japan.

- (3) A financial institution may not obtain commission from the depositor, etc. in advance with regard to the allegation set forth in the preceding paragraph; provided, however, that this does not apply to commission obtained on the condition of the occurrence of circumstances that would fall under an account activity if claims for dormant deposits, etc. had not become extinct under paragraph (1) or circumstances specified by order of the competent ministry as circumstances under which enforcement of claims for substitute money for dormant deposits, etc. is expected.
- (4) When there is a financial institution that conducts the payment, etc. operations under entrustment of the Deposit Insurance Corporation of Japan, the allegation and demand for payment set forth in paragraph (2) must be made via that financial institution.
- (5) Payment of substitute money for dormant deposits, etc. must be made at an office of the Deposit Insurance Corporation of Japan (in the cases prescribed in the preceding paragraph, at a business office or an office of the financial institution entrusted by the Deposit Insurance Corporation of Japan under that paragraph where operations under the entrustment are conducted); provided, however, that this does not apply when the Deposit Insurance Corporation of Japan (in the cases prescribed in that paragraph, the financial institution entrusted under that paragraph) and the person that demands that payment have agreed otherwise.

(Provisions of Grants Funded by Dormant Deposits)

Article 8 Each business year, the Deposit Insurance Corporation of Japan must grants the amount specified by Cabinet Office Order and Ministry of Finance Order as the amount necessary for the implementation of a business plan approved by the Prime Minister under Article 26, paragraph (1), out of the amount that remains after deducting the sum of the amount of reserves prescribed in Article 14 and the amount of expenses necessary for the management operations of dormant deposits, etc. prescribed in the following Article from the amount equivalent to the money for transfer from dormant deposits, etc. paid, pursuant to Article 4, paragraph (1), in the previous

business year (when approval from the Prime Minister and the Minister of Finance has been obtained for the use of funds prescribed in this Article for the purpose of allocating them for the provision of grants funded by dormant deposits, etc. prescribed in this Article, from the total of that equivalent amount and the amount thus approved) (the amount specified by Cabinet Office Order and Ministry of Finance Order includes the amount necessary for obtaining, through the investment thereof, the fund sources for personnel cost and other expenses necessary for the affairs specified by Cabinet Office Order for the operations for promoting public interest activities by the private sector prescribed in Article 20, paragraph (1) (simply referred to as the "operations for promoting public interest activities by the private sector" in Article 18, paragraph (2), item (iii) and Article 19, paragraph (2), item (ii)); hereinafter that specified amount is referred to as "grants funded by dormant deposits, etc.") to the designated utilization organization prescribed in Article 20, paragraph (1) (simply referred to as the "designated utilization organization" in Article 18, paragraph (2), item (v) and Article 19, paragraph (2), item (iii), (b)), as provided for by Cabinet Office Order and Ministry of Finance Order, and if any amount still remains, the Deposit Insurance Corporation of Japan must retain that remaining amount as funds to be allocated for the future provision of grants funded by dormant deposits, etc., or for expenses necessary for the management operations of dormant deposits, etc. prescribed in the following Article or as reserves prescribed in Article 14.

## **Section 2 Special Provisions on Operations of the Deposit Insurance Corporation of Japan**

(Special Provisions on Operations of the Deposit Insurance Corporation of Japan)

Article 9 The Deposit Insurance Corporation of Japan (hereinafter referred to as the "DICJ") performs the following operations (hereinafter referred to as the "management operations of dormant deposits, etc."), beyond the operations prescribed in Article 34 of the Deposit Insurance Act, in order to achieve the purpose set forth in Article 1:

- (i) collection of money for transfer from dormant deposits, etc. paid pursuant Article 4, paragraph (1);
- (ii) storage of information provided pursuant to Article 6, paragraph (1);
- (iii) provision of the information under Article 6, paragraph (4);
- (iv) payment of substitute money for dormant deposits, etc. demanded pursuant to Article 7, paragraph (2);
- (v) provision of grants funded by dormant deposits, etc. under Article 8;
- (vi) payment of fees under Article 11;

(vii) operations incidental to those set forth in the preceding items.

(Entrustment of the Payment Operations)

Article 10 (1) The DICJ may entrust a financial institution that has paid money for transfer from dormant deposits, etc. (if there is any financial institution that has succeeded to claims for deposits, etc. from that financial institution, the financial institution that has succeeded to those claims) with the whole or part of the operations set forth in items (ii) through (iv) of the preceding Article and operations incidental thereto (hereinafter referred to as the "payment, etc. operations") pertaining to that money for transfer from dormant deposits, etc..

(2) The financial institution set forth in the preceding paragraph must conclude a contract concerning the entrustment set forth in that paragraph with the DICJ if requested by the DICJ.

(3) The DICJ must obtain approval from the Prime Minister and the Minister of Finance in advance with regard to the terms of a contract concerning the entrustment set forth in the preceding paragraph. The same applies when the DICJ intends to alter contract terms.

(4) When the financial institution set forth in paragraph (1) has concluded a contract concerning the entrustment set forth in paragraph (2) with the DICJ, the financial institution may perform operations based on that contract, notwithstanding the provisions of other laws.

(5) A financial institution agent (meaning the bank agent prescribed in Article 2, paragraph (15) of the Banking Act, a long-term credit bank agent prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act, a credit union agent prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act, a credit cooperative agent prescribed in Article 6-3, paragraph (3) of the Act on Financial Business by Cooperatives (Act No. 183 of 1949), a workers' credit union agent prescribed in Article 89-3, paragraph (3) of the Labor Bank Act (Act No. 227 of 1953), the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act, the specific credit business agent prescribed in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act, the specific credit business agent prescribed in Article 121-2, paragraph (3) of the Fishery Cooperatives Act, and the Norinchukin Bank agent prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act, as well as the specific agricultural cooperative prescribed in Article 2, paragraph (1), item (i) of the Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperative Savings Insurance Cooperation, etc. (Act No. 118 of 1996), the specific fishery cooperative prescribed in item (iii) of that paragraph and the specific fishery processing cooperative

prescribed in item (v) of that paragraph that act as an agent for the operations pertaining to approval set forth in Article 42, paragraph (3) of the same Act; the same applies in the following paragraph, Article 43, paragraphs (1) and (2), and Article 44, paragraph (1)) may receive re-entrustment for part of the payment, etc. operations, which a financial institution is entrusted with by the DICJ under paragraph (1), from that financial institution and perform that re-entrusted operations, notwithstanding the provisions of other laws.

(6) The provisions of Article 23 of the Deposit Insurance Act apply mutatis mutandis to officers or employees of a financial institution entrusted with the payment, etc. operations under paragraph (1) or a financial institution agent re-entrusted with part of the payment, etc. operations under the preceding paragraph which engage in the operations set forth in paragraph (1) or the preceding paragraph.

#### (Fees)

Article 11 When the DICJ has entrusted the payment, etc. operations under paragraph (1) of the preceding Article, it must pay fees to the financial institution that received the entrustment in consideration of the expenses ordinarily necessary for the operations to be performed by that financial institution based on the contract concerning the entrustment at the amount specified by the Prime Minister and the Minister of Finance.

#### (Statement of Calculation Procedures)

Article 12 (1) Prior to the commencement of the management operations of dormant deposits, etc., the DICJ must prepare the statement of calculation procedures for the reserves set forth in Article 14 and obtain approval from the Prime Minister and the Minister of Finance. The same applies when the DICJ intends to alter the statement.

(2) The statement of calculation procedures set forth in the preceding paragraph must contain the matters specified by Cabinet Office Order and Ministry of Finance Order.

#### (Separate Accounting)

Article 13 The DICJ must separate the accounting for the management operations of dormant deposits, etc. from its other accounting, and arrange it under a special account prepared separately (referred to as the "account for the management of dormant deposits, etc." in the following Article).

#### (Accumulation of Reserves)

Article 14 With regard to the account for the management of dormant deposits, etc., the DICJ must calculate the amount of reserves to be allocated for

expenses required for the payment of substitute money for dormant deposits, etc. at the end of each business year, and accumulate that amount, as provided for by Cabinet Office Order and Ministry of Finance Order.

(Borrowings)

Article 15 (1) When finding it necessary for performing the management operations of dormant deposits, etc., the DICJ may borrow funds (including refinancing) from financial institutions or others after obtaining approval from the Prime Minister and the Minister of Finance.

(2) The current amount of borrowings under the preceding paragraph must not exceed the amount specified by Cabinet Order.

### **Chapter III Utilization of Funds Related to Grants Funded by Dormant Deposits**

#### **Section 1 General Provisions**

(Basic Philosophy on Utilization of Funds Related to Grants Funded by Dormant Deposits)

Article 16 (1) Funds related to grants funded by dormant deposits, etc. are to be utilized for activities contributing to public interest carried out by private organizations with the aim of solving social problems that are difficult for the national and local governments to cope with amid rapid changes expected in socioeconomic conditions, such as population decline and aging, and whose successful outcomes will contribute to further increasing the interests of the general public (hereinafter those activities are referred to as "public interest activities by the private sector").

(2) Funds related to grants funded by dormant deposits, etc. are to be utilized in a manner to contribute to fostering independent players in public interest activities by the private sector, and also contribute to promoting the development of an environment facilitating the raising of funds for public interest activities by the private sector through the provision of funds to complement finances provided by financial institutions and government-affiliated financial institutions and grants, loans or capital contributions by private organizations (hereinafter referred to as "grants, etc.").

(3) When utilizing funds related to grants funded by dormant deposits, etc., due consideration must be given to properly reflecting diverse opinions and guaranteeing transparency in their utilization in light of the fact that the funds are raised from deposits, etc. of depositors, etc..

(4) When utilizing funds related to grants funded by dormant deposits, etc., due consideration must be given to ensuring that the funds used are not concentrated in major cities or other specific areas.

- (5) When utilizing funds related to grants funded by dormant deposits, etc., due consideration is to be given to encouraging private organizations to fully exert their originality and ingenuity through the selection of effective utilization methods, in such forms as grants, etc. for public interest activities by the private sector over multiple fiscal years and grants, etc. focusing on goals to be achieved for promoting the development of innovative means for solving various social problems.

(Definition of Activities Contributing to Public Interest)

Article 17 (1) The term "activities contributing to public interest" referred to in paragraph (1) of the preceding Article means the following activities:

- (i) activities relating to the support for children and young people;
  - (ii) activities relating to the support for people having difficulties in their daily and social lives;
  - (iii) activities relating to the support for areas facing social difficulties such as a decline in social vitality in local communities;
  - (iv) activities specified by Cabinet Office Order as those equivalent to those set forth in the preceding three items.
- (2) When the Prime Minister intends to establish a Cabinet Office Order set forth in item (iv) of the preceding paragraph or to alter it, the Prime Minister must hear in advance opinions from the Council for Utilization of Dormant Deposits, etc..
- (3) It must be ensured that grants funded by dormant deposits, etc. are not utilized by any of the organizations set forth in the following items:
- (i) an organization whose primary purpose is to disseminate religious teachings, conduct ceremonies and functions, and educate and nurture believers;
  - (ii) an organization whose primary purpose is to promote, support or oppose any political doctrine or policy;
  - (iii) an organization whose purposes are to recommend, support or oppose any candidate for a specific public office (meaning any of the public offices prescribed in Article 3 of the Public Offices Election Act (Act No. 100 of 1950); hereinafter the same applies in this item) (including a person which intends to be a candidate), any person holding public office, or any political party;
  - (iv) an organized crime group (meaning the organized crime group prescribed in Article 2, item (ii) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991); the same applies in the following item);
  - (v) an organization under the control of an organized crime group or its member (including a member of an organization composing an organized crime group; hereinafter the same applies in this item) or a person for whom

five years have not passed since the day on which the person ceased to be an organized crime group member.

## **Section 2 Basic Policy and Basic Plan**

(Basic Policy)

Article 18 (1) Based on the basic philosophy on the utilization of funds related to grants funded by dormant deposits, etc. set forth in Article 16, the Prime Minister must establish the basic policy on the utilization of funds related to grants funded by dormant deposits, etc. (hereinafter referred to as the "basic policy").

(2) The following matters are to be decided in the basic policy:

- (i) matters concerning the significance and goals of the utilization of funds related to grants funded by dormant deposits, etc.;
- (ii) basic matters concerning the utilization of funds related to grants funded by dormant deposits, etc.;
- (iii) matters concerning the operations for promoting public interest activities by the private sector necessary for achieving the goals set forth in item (i);
- (iv) matters concerning the standards and procedures for the designation under Article 20, paragraph (1);
- (v) matters concerning the standards and procedures for the approval of business plans prepared by designated utilization organizations;
- (vi) matters concerning the evaluation of the outcomes of the utilization of funds related to grants funded by dormant deposits, etc.;
- (vii) other matters necessary for the utilization of funds related to grants funded by dormant deposits, etc..

(3) When intending to establish the basic policy, the Prime Minister must hear opinions in advance from the Council for Utilization of Dormant Deposits, etc..

(4) When having established the basic policy, the Prime Minister must publicize it without delay.

(5) When any need arises due to changes in situation, the Prime Minister must alter the basic policy.

(6) The provisions of paragraphs (3) and (4) apply mutatis mutandis to alterations of the basic policy under the preceding paragraph.

(Basic Plan)

Article 19 (1) Every fiscal year, the Prime Minister must formulate the basic plan for promoting smooth and efficient utilization of funds related to grants funded by dormant deposits, etc. (hereinafter referred to as the "basic plan") in line with the basic policy.

(2) The following matters are to be decided in the basic plan:

- (i) matters concerning the estimate of the amount of grants funded by dormant deposits, etc. for the relevant fiscal year and the goals of the utilization of funds related to grants funded by dormant deposits, etc.;
  - (ii) matters concerning the operations for promoting public interest activities by the private sector necessary for achieving the goals set forth in the preceding item;
  - (iii) matters concerning the standards and procedures for the selection of the following organizations:
    - (a) an organization carrying out public interest activities by the private sector that receives grants, etc. funded by resources related to grants funded by dormant deposits, etc. for funds necessary for the implementation of the relevant activities (excluding the organizations distributing funds set forth in (b); hereinafter simply referred to as a "private organization carrying out public interest activities");
    - (b) an organization offering grants, etc. to private organizations carrying out public interest activities that receives grants or loans funded by resources related to grants funded by dormant deposits, etc. for funds necessary for the offering of grants, etc. (hereinafter referred to as an "organization distributing funds");
  - (iv) matters concerning the standards for the evaluation of the outcomes of the utilization of funds related to grants funded by dormant deposits, etc. and publication of evaluation results;
  - (v) other matters necessary for the utilization of funds related to grants funded by dormant deposits, etc.
- (3) When intending to formulate or alter the basic plan, the Prime Minister must hear opinions in advance from the Council for Utilization of Dormant Deposits, etc..
- (4) When having formulated or altered the basic plan, the Prime Minister must publicize it without delay.

### **Section 3 Designated Utilization Organization**

(Designated Utilization Organization)

Article 20 (1) The Prime Minister may designate only one general incorporated foundation in Japan whose purpose is to contribute to promoting public interest activities by the private sector and which is found to satisfy the following standards with regard to the operations prescribed in paragraph (1) of the following Article (hereinafter referred to as the "operations for promoting public interest activities by the private sector") as the designated utilization organization upon an application filed thereby:

- (i) its plan for the operations for promoting public interest activities by the



- private sector concerning employees, implementation methods of the operations and other matters is adequate for properly performing the operations for promoting public interest activities by the private sector;
- (ii) the organization has sufficient financial and technical basis for the proper implementation of its plan for the operations for promoting public interest activities by the private sector set forth in the preceding item;
  - (iii) the composition of its officers or employees poses no risk of hindering its fair operations for promoting public interest activities by the private sector;
  - (iv) in cases where the organization also engages in any other activities, those other activities pose no risk of hindering its fair operations for promoting public interest activities by the private sector;
  - (v) the organization is not one whose designation was rescinded pursuant to Article 33, paragraph (1) and for whom three years have not passed since the day of the rescission;
  - (vi) the organization has no officer that falls under either of the following:
    - (a) a person that has been sentenced to imprisonment or heavier punishment and for whom three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
    - (b) a person that has been subject to a fine pursuant to the provisions of this Act and for whom three years have not passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement.
- (2) When having made a designation under the preceding paragraph (hereinafter simply referred to as a "designation" in this Section), the Prime Minister must publicize the name and address of the designated utilization organization and the location of its office in an official gazette.
- (3) When the designated utilization organization intends to change its name, address or the location of its office where it performs the operations for promoting public interest activities by the private sector, it must file a notification to that effect with the Prime Minister in advance.
- (4) When a notification has been filed under the preceding paragraph, the Prime Minister must publicize the matters concerning that notification in an official gazette.

(Operations)

Article 21 (1) The designated utilization organization is to perform the following operations:

- (i) providing organizations distributing funds with grants or loans for funds necessary for the offering of grants, etc.;
- (ii) providing private organizations carrying out public interest activities with

- loans for funds necessary for the implementation of public interest activities by the private sector;
  - (iii) accepting grants funded by dormant deposits, etc.;
  - (iv) conducting surveys and studies concerning the promotion of public interest activities by the private sector;
  - (v) carrying out awareness-raising and public relations activities for the purpose of contributing to the promotion of public interest activities by the private sector;
  - (vi) operations incidental to those set forth in the preceding items.
- (2) When performing the operations set forth in item (ii) of the preceding paragraph, the designated utilization organization may entrust part of the operations to financial institutions or other organizations.

(Proper Performance of Operations for Promoting Public Interest Activities by the Private Sector)

- Article 22 (1) When performing the operations for promoting public interest activities by the private sector, the designated utilization organization must ensure that funds related to grants funded by dormant deposits, etc. are fairly and efficiently utilized in accordance with this Act, the basic policy and the basic plan.
- (2) Organizations distributing funds and private organizations carrying out public interest activities must conduct their businesses in good faith in accordance with this Act, the basic policy and the basic plan, as well as the purpose of the grants, etc.
- (3) In order to ensure that the businesses set forth in the preceding paragraph are conducted properly, the designated utilization organization must supervise organizations distributing funds if it performs the operations set forth in paragraph (1), item (i) of the preceding Article, and must supervise private organizations carrying out public interest activities if it performs the operations set forth in item (ii) of that paragraph.
- (4) In order to ensure that private organizations carrying out public interest activities properly and reliably carry out public interest activities by utilizing funds related to grants funded by dormant deposits, etc., organizations distributing funds are to take measures for the necessary and proper supervision of private organizations carrying out public interest activities.
- (5) Organizations distributing funds and private organizations carrying out public interest activities are to be selected by way of public offering.

(Rules for Operations for Promoting Public Interest Activities by the Private Sector)

- Article 23 (1) The designated utilization organization must establish rules

concerning the operations for promoting public interest activities by the private sector (hereinafter referred to as the "rules for the operations for promoting public interest activities by the private sector") in line with the basic policy and obtain approval from the Prime Minister before commencing the operations for promoting public interest activities by the private sector. The same applies when the designated utilization organization intends to alter those rules.

- (2) The following matters must be decided in the rules for the operations for promoting public interest activities by the private sector:
  - (i) the standards for the selection of organizations distributing funds and private organizations carrying out public interest activities and methods of offering grants or loans of funds, such as procedures for the application and decision concerning grants or loans of funds;
  - (ii) beyond what is set forth in the preceding item, matters specified by Cabinet Office Order.
- (3) When the Prime Minister finds that the rules for the operations for promoting public interest activities by the private sector approved under paragraph (1) have become inappropriate for ensuring the proper and reliable performance of operations for promoting public interest activities by the private sector, the Prime Minister may order the designated utilization organization to alter those rules.

#### (Appointment and Dismissal of Officers)

Article 24 (1) The appointment and dismissal of officers of the designated utilization organization do not become effective unless approved by the Prime Minister.

- (2) When an officer of the designated utilization organization has violated this Act, an order issued under this Act, or any disposition based on these, has committed any act in violation of the rules for the operations for promoting public interest activities by the private sector approved under paragraph (1) of the preceding Article, or has committed any act significantly inappropriate in relation to the performance of the operations for promoting public interest activities by the private sector, the Prime Minister may order the designated utilization organization to dismiss that officer.

#### (Status of Officers and Employees)

Article 25 With regard to the application of the Penal Code (Act No. 45 of 1907) or other penal provisions, officers and employees of the designated utilization organization engaging in the operations for promoting public interest activities by the private sector are deemed to be employees engaging in public duties pursuant to laws and regulations.

(Business Plans)

- Article 26 (1) The designated utilization organization must prepare a business plan as well as an income and expenditure budget for each business year in line with the basic plan, as provided for by Cabinet Office Order, and obtain approval from the Prime Minister before the start of the relevant business year (for the business year containing the day on which the organization was designated, without delay after receiving the designation). The same applies when the organization intends to alter the business plan.
- (2) When intending to grant approval under the preceding paragraph, the Prime Minister must hear opinions in advance from the Council for Utilization of Dormant Deposits, etc.
- (3) When having obtained approval under paragraph (1), the designated utilization organization must publicize the approved business plan and income and expenditure budget without delay.
- (4) The designated utilization organization must prepare a business report, balance sheet, settlement of accounts, and inventory of property for each business year, submit them to the Prime Minister, and publicize them, within three months from the end of the relevant business year.

(Usage of Grants Funded by Dormant Deposits and Separate Accounting)

- Article 27 (1) The designated utilization organization must not allocate grants funded by dormant deposits, etc. for any expenses other than those necessary for the operations for promoting public interest activities by the private sector (excluding personnel cost and other expenses necessary for the affairs specified by Cabinet Office Order).
- (2) As provided for by Cabinet Office Order, the designated utilization organization must separate the accounting for the operations for promoting public interest activities by the private sector from its other accountings, and arrange it under a special account separately prepared.

(Keeping of Books)

- Article 28 The designated utilization organization must keep and preserve, as provided for by Cabinet Office Order, books in which it entered the matters concerning the operations for promoting public interest activities by the private sector that are specified by Cabinet Office Order.

(Management of Funds for Investment)

- Article 29 (1) In order to obtain, through investment, fund sources for personnel cost and other expenses necessary for the affairs specified by Cabinet Office Order for the operations for promoting public interest activities by the private

sector, the designated utilization organization is to set aside funds for investment, for which it allocates part of the amount of grants funded by dormant deposits, etc. that has been provided thereto as the amount to be allocated as funds for investment and the amount incorporated pursuant to paragraph (3).

- (2) The designated utilization organization must not employ any method other than the following for the management of its funds for investment:
  - (i) holding of national government bonds, municipal bonds, or government guaranteed bonds (meaning bonds for which the national government guarantees the redemption of the principal and the payment of the interest);
  - (ii) deposit of money to financial institutions designated by the Prime Minister;
  - (iii) other methods specified by Cabinet Office Order as methods equivalent to the preceding two items.
- (3) When any amount remains after allocating the interest and other income arising from the management of funds for investment for personnel cost and other expenses necessary for the affairs specified by Cabinet Office Order for the operations for promoting public interest activities by the private sector, the designated utilization organization is to incorporate that remaining amount in funds for investment and may use those funds for investment up to the amount thus incorporated for the purpose of allocating them for expenses necessary for the operations for promoting public interest activities by the private sector.
- (4) Beyond what is set forth in the preceding three paragraphs, the Prime Minister may decide matters necessary for the management of funds for investment and others relating to funds for investment.

(Payment Order by the Prime Minister)

Article 30 If the Prime Minister finds that the amount of funds for investment is too large in light of the implementation status of the operations for promoting public interest activities by the private sector and other situations, and in other cases specified by Cabinet Office Order, the Prime Minister may order the designated utilization organization to promptly pay to the DICJ the amount equivalent to the whole or part of the grants funded by dormant deposits, etc. that the organization had received, as provided for by Cabinet Office Order.

(Supervision Order)

Article 31 The Prime Minister may issue an order necessary for supervision with regard to the operations for promoting public interest activities by the private sector to the designated utilization organization, to the extent necessary for enforcing this Act.

(Suspension or Discontinuation of Operations)

Article 32 (1) The designated utilization organization cannot suspend or discontinue the whole or part of the operations for promoting public interest activities by the private sector unless permitted by the Prime Minister.

(2) When the Prime Minister has permitted the discontinuation of the whole of the operations for promoting public interest activities by the private sector pursuant to the preceding paragraph, the designation for the designated utilization organization set forth in that paragraph ceases to be effective.

(3) When having granted permission set forth in paragraph (1), the Prime Minister must publicize to that effect in an official gazette.

(Rescission of Designation)

Article 33 (1) When the designated utilization organization falls under any of the following items, the Prime Minister may rescind the designation thereof or specify a period and order the organization to suspend the whole or part of the operations for promoting public interest activities by the private sector:

(i) when it is found that the designated utilization organization cannot properly and reliably perform the operations for promoting public interest activities by the private sector;

(ii) when any wrongful act has been committed in relation to the designation;

(iii) when the designated utilization organization has violated this Act, an order issued under this Act, or any disposition based on these, or has performed the operations for promoting public interest activities by the private sector not in accordance with the rules for the operations for promoting public interest activities by the private sector approved under Article 23, paragraph (1).

(2) When having rescinded the designation or ordered the suspension of the whole or part of the operations for promoting public interest activities by the private sector pursuant to the preceding paragraph, the Prime Minister must publicize to that effect in an official gazette.

(Measures in Cases Where a Designation Have Been Rescinded)

Article 34 (1) When the Prime Minister has permitted the discontinuation of the whole of the operations for promoting public interest activities by the private sector pursuant to Article 32, paragraph (1) or has rescinded the designation pursuant to paragraph (1) of the preceding Article, and then later has newly designated another organization as the designated utilization organization, the property and liabilities pertaining to the operations for promoting public interest activities by the private sector of the former designated utilization organization are to be succeeded to by the newly designated utilization organization.

(2) When the Prime Minister has permitted the discontinuation of the whole of the operations for promoting public interest activities by the private sector pursuant to Article 32, paragraph (1) or has rescinded the designation pursuant to paragraph (1) of the preceding Article, the management of the property pertaining to the operations for promoting public interest activities by the private sector and other necessary transitional measures (including transitional measures concerning penal provisions) are to be specified by Cabinet Order within the scope reasonably found necessary.

#### **Section 4 Council for Utilization of Dormant Deposits**

(Establishment of the Council for Utilization of Dormant Deposits)

Article 35 (1) The Council for Utilization of Dormant Deposits, etc. (hereinafter referred to as the "council") is to be established in the Cabinet Office.

(2) The council takes charge of the following affairs:

(i) dealing with the matters prescribed in Article 17, paragraph (2) with regard to public interest activities by the private sector;

(ii) dealing with the matters prescribed in Article 18, paragraph (3) (including the cases applied mutatis mutandis pursuant to paragraph (6) of that Article) with regard to the basic policy;

(iii) dealing with the matters prescribed in Article 19, paragraph (3) with regard to the basic plan;

(iv) dealing with the matters prescribed in Article 26, paragraph (2) with regard to the business plan and income and expenditure budget of the designated utilization organization;

(v) surveying and deliberating the matters prescribed in the preceding items and other significant matters concerning the utilization of funds related to grants funded by dormant deposits, etc., and presenting opinions to the Prime Minister when the council finds it necessary;

(vi) monitoring the implementation status of the operations for promoting public interest activities by the private sector and making recommendations to the Prime Minister when the council finds it necessary.

(3) The Prime Minister must report the measures taken based on the recommendations under item (vi) of the preceding paragraph to the council.

(Organization)

Article 36 (1) The council is to be comprised of not more than ten members.

(2) The council may appoint expert advisors when necessary for having the studying specialized matters

(Appointment of Council Members)

Article 37 (1) Council members are to be appointed by the Prime Minister from among people which have distinguished knowledge on public interest activities by the private sector.

(2) Expert advisors are to be appointed by the Prime Minister from among people which have distinguished knowledge on relevant specialized matters set forth in paragraph (2) of the preceding Article.

(Term of Office of Council Members)

Article 38 (1) The term of office of council members is two years; provided, however, that the term of office of a member that fills a vacancy is the remaining term of office of the predecessor.

(2) Council members may be re-appointed.

(3) Expert advisors are to be dismissed upon termination of the study on relevant specialized matters set forth in Article 36, paragraph (2) for which they have been appointed.

(4) Council members and expert advisors serve on a part-time basis.

(Chairperson)

Article 39 (1) The council has a chairperson, which is to be elected from among the council members.

(2) The chairperson presides over the affairs of the council and represents the council.

(3) If the chairperson suffers an accident, a council member designated in advance is to perform the duties of the chairperson.

(Request for Submission of Materials)

Article 40 When the council finds it necessary for executing the affairs under its jurisdiction, it may request the heads of relevant administrative organs to submit materials, present opinions, make explanations or otherwise offer necessary cooperation.

(Delegation to Cabinet Order)

Article 41 Beyond what is provided for in this Act, other necessary matters concerning the council are to be provided for by Cabinet Order.

## **Chapter IV Miscellaneous Provisions**

(Application of the Deposit Insurance Act)

Article 42 When the DICJ performs operations under this Act, the provisions of the Deposit Insurance Act apply beyond the provisions of this Act. In this case, in Article 15, item (v) of the same Act, the phrase "other matters deemed



particularly necessary by the Policy Board" is deemed to be replaced with "other matters deemed particularly necessary by the Policy Board (excluding matters pertaining to the operations of the DICJ under the provisions of the Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (hereinafter referred to as the "Dormant Deposits Utilization Act")); in Article 35, paragraph (1) of the same Act, the phrase "The DICJ may, with" is deemed to be replaced with "The DICJ may, under Article 10, paragraph (1) of the Dormant Deposits Utilization Act and with", the phrase "prescribed in Article 126-2, paragraph (2)" is to be deemed to be replaced with "prescribed in Article 126-2, paragraph (2) (in the case of performing operations under the Dormant Deposits Utilization Act, including those set forth in Article 2, paragraph (1), items (x) through (xvi) of the Dormant Deposits Utilization Act)", and the phrase "in this Article, Article 122, paragraph (1), Article 123, paragraphs (2) and (3), and Article 125, paragraph (1)" is deemed to be replaced with "in this Article"; in Article 37, paragraph (1) of the same Act, the phrase "operations set forth in the following items" is deemed to be replaced with "operations set forth in the following items (in the case of performing operations under the Dormant Deposits Utilization Act, those operations)" and the phrase "persons specified respectively in those items" is deemed to be replaced with "persons specified respectively in those items (in the case of performing operations under the Dormant Deposits Utilization Act, the financial institutions prescribed in Article 2, paragraph (1) of the Dormant Deposits Utilization Act (including the financial institution agents prescribed in Article 10, paragraph (5) of the Dormant Deposits Utilization Act; the same applies in the following paragraph))"; in paragraph (2) of that Article, the phrase "Specified Holding Company, etc." is deemed to be replaced with "specified holding company, etc. (in the case of performing operations under the Dormant Deposits Utilization Act, the financial institutions prescribed in Article 2, paragraph (1) of the Dormant Deposits Utilization Act)"; in Article 44, Article 45, paragraph (2), and Article 46, paragraph (1) of the same Act, the phrase "this Act" is deemed to be replaced with "this Act or the Dormant Deposits Utilization Act"; in Article 51, paragraph (2) of the same Act, the phrase "operations of the DICJ (except those listed in Article 40-2, item (ii))" is deemed to be replaced with "operations of the DICJ (except those listed in Article 40-2, item (ii) and the management operations of dormant deposits, etc. prescribed in Article 9 of the Dormant Deposits Utilization Act)"; in Article 151, paragraph (1) of the same Act, the phrase "a Financial Institution, etc." is deemed to be replaced with "a financial institution, etc. (in the case of performing operations under the Dormant Deposits Utilization Act, including those set forth in Article 2, paragraph (1), items (x) through (xvi) of the Dormant Deposits Utilization

Act)"; in item (i) of that paragraph, the phrase "in this Act" is deemed to be replaced with "in this Act or the Dormant Deposits Utilization Act"; in item (ii) of that paragraph, the phrase "or Article 137-4" is deemed to be replaced with "or Article 137-4, or Article 6, paragraph (3) of the Dormant Deposits Utilization Act"; in Article 152, item (i) of the same Act, the phrase "under this Act" is deemed to be replaced with "under this Act or the Dormant Deposits Utilization Act"; in item (iii) of that Article, the phrase "in Article 34" is deemed to be replaced with "in Article 34 and those under the provisions of the Dormant Deposits Utilization Act"; and in item (v) of that Article, the phrase "a liability reserve" is deemed to be replaced with "liability reserves, funds or reserves", and the phrase "Article 41" is deemed to be replaced with "Article 41 or the provisions of Article 8 or 14 of the Dormant Deposits Utilization Act".

(Submission of Reports or Materials)

- Article 43 (1) When finding it necessary for ensuring smooth enforcement of this Act, an administrative authority may request a financial institution (including financial institution agents), a bank holding company, etc. (meaning the bank holding company prescribed in Article 2, paragraph (13) of the Banking Act or the long-term credit bank holding company prescribed in Article 16-4, paragraph (1) of the Long-Term Credit Bank Act; the same applies in the following paragraph), or the designated utilization organization to submit reports or materials concerning the status of their operations or property.
- (2) When finding it especially necessary for ensuring smooth enforcement of this Act, an administrative authority may submit a request, to the extent necessary, to submit reports or materials that serve as a reference with regard to the status of the relevant operations or property a subsidiary of a financial institution or a bank holding company, etc. (hereinafter referred to as a "financial institution, etc." in this Article and the following Article) (a subsidiary means the subsidiary (including companies deemed to be a subsidiary) respectively prescribed in Article 2, paragraph (8) of the Banking Act when that financial institution, etc. falls under a bank or the bank holding company prescribed in paragraph (13) of that Article; prescribed in Article 13-2, paragraph (2) of the Long-Term Credit Bank Act when that financial institution, etc. falls under a long-term credit bank or the long-term credit bank holding company prescribed in Article 16-4, paragraph (1) of the same Act; prescribed in Article 32, paragraph (6) of the Shinkin Bank Act when that financial institution, etc. falls under a credit union or a federation of credit unions; prescribed in Article 4, paragraph (1) of the Act on Financial Business by Cooperatives when that financial institution, etc. falls under a credit cooperative or a federation of credit cooperatives; prescribed in Article 32, paragraph (5) of the Labor Bank Act when that financial institution, etc. falls

under a worker's credit union bank or a federation of worker's credit union bank; prescribed in Article 23, paragraph (2) of the Shoko Chukin Bank, Ltd. Act when that financial institution, etc. falls under the Shoko Chukin Bank, Ltd.; prescribed in Article 11-2, paragraph (2) of the Agricultural Cooperatives Act when that financial institution, etc. falls under an agricultural cooperative or a federation of agricultural cooperatives; prescribed in Article 11-6, paragraph (2) of the Fishery Cooperatives Act when that financial institution, etc. falls under a fishery cooperative or a federation of fishery cooperatives, or a fishery processing cooperative or a federation of fishery processing cooperatives; or prescribed in Article 24, paragraph (4) of the Norinchukin Bank Act when that financial institution, etc. falls under a Norinchukin bank; the same applies in the following paragraph and the following Article) or a person entrusted with operations by that financial institution, etc. (excluding financial institution agents; the same applies in the following paragraph and paragraphs (2) and (5) of the following Article).

- (3) A subsidiary of a financial institution, etc. or a person entrusted with operations by a financial institution, etc. may refuse to submit of reports of materials under the preceding paragraph when there are reasonable grounds.

(On-site Inspection)

- Article 44 (1) When finding it necessary for ensuring the smooth enforcement of this Act, an administrative authority may have its officials enter a business office or an office of a financial institution, etc. (including financial institution agents; the same applies in paragraph (6)) or the designated utilization organization and ask questions on the status of their operations or property, or inspect books, documents, and other items.
- (2) When finding it especially necessary upon the entry, questioning or inspection under the preceding paragraph, an administrative authority may have its officials enter facilities of a subsidiary of the financial institution, etc. or a person entrusted with operations by the financial institution, etc. set forth in that paragraph and ask questions concerning matters necessary for the questioning or inspection of that financial institution, etc., or inspect books, documents, and other items, to the extent necessary.
- (3) In the cases referred to in the preceding two paragraphs, the officials set forth in these paragraphs must carry a certificate of identification and produce it if requested by those concerned.
- (4) The power under paragraphs (1) and (2) must not be construed as being granted for criminal investigation purposes.
- (5) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the questioning and inspection under paragraph (2) targeting a subsidiary of the financial institution, etc. or a person entrusted with

operations by the financial institution, etc.

- (6) When finding it necessary, an administrative authority may have the DICJ conduct the entry, questioning, or inspection under paragraph (1) (limited to the part pertaining to a financial institution, etc.) or paragraph (2) (limited to entry, questioning, or inspection for the purpose of investigating whether the procedures and entrustment or re-entrustment of the payment, etc. operations under Chapter II, Section 1 are properly carried out). In this case, the DICJ is to have its officials conduct the entry, questioning, or inspection.
- (7) The provisions of paragraphs (3) through (5) apply *mutatis mutandis* to the entry, questioning, or inspection under the preceding paragraph.

(Concerning Taxation)

Article 45 (1) With regard to the application of the provisions of the Income Tax Act and other laws and regulations concerning income tax to substitute money for dormant deposits, etc., the part of the substitute money for dormant deposits, etc. that is equivalent to the amount of the principal among the claims for the relevant dormant deposits, etc. actually held by the depositor, etc. as of the day of payment of the money for transfer from dormant deposits, etc. pertaining to those dormant deposits, etc. is deemed to be the amount of principal to be repaid among those claims; the part of the substitute money for dormant deposits, etc. that is equivalent to the interest set forth in Article 7, paragraph (2) is deemed to be the amount specified in the items of Article 4, paragraph (2) in accordance with the category set forth therein among the claims for the relevant dormant deposits, etc.; and when there is a financial institution that handles the payment of substitute money for dormant deposits, etc. under entrustment of the DICJ, that financial institution is deemed to be the payer of substitute money for dormant deposits, etc.

- (2) When the provisions of the preceding paragraph apply, matters necessary for the application of the special provisions set forth in Articles 4-2 and 4-3 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) and other provisions of that paragraph are to be provided for by Cabinet Order.

(Special Provisions of the Act on Damage Recovery Benefit Distributed from Fund in Bank Accounts Used for Crimes)

Article 46 The provisions of the Act on Damage Recovery Benefit Distributed from Fund in Bank Accounts Used for Crimes (Act No. 133 of 2007) (excluding Articles 35 and 36) apply to substitute money for dormant deposits, etc. by deeming it to be the deposits, etc. prescribed in Article 2, paragraph (5) of the same Act, and to the DICJ by deeming it to be a financial institution that pays the damage recovery benefit prescribed in Article 2, paragraph (5) of the same Act by receiving a notification on the exercise of rights set forth in Article 5,

paragraph (1), item (v) of the same Act or pursuant to the provisions of Chapter IV of the same Act. In this case, necessary technical replacement of terms is to be specified by Cabinet Order.

(Special Provisions of the Civil Execution Act and the Civil Provisional Remedies Act)

- Article 47 (1) When there is a financial institution that performs the payment operations under entrustment of the DICJ, with regard to compulsory execution, provisional seizure, collection of delinquent national taxes (including dispositions under the same rules), or other dispositions specified by order of the competent ministry as equivalent to these (referred to as "compulsory execution, etc." in paragraph (3)) targeting claims for the purpose of paying substitute money for dormant deposits, etc. that the financial institution handles in those operations, the financial institution is to be the designated service recipient while considering that the place where the DICJ is to receive service is a business office or an office of that financial institution.
- (2) The provisions of the preceding paragraph do not preclude the application of the provisions of Article 16 of the Civil Execution Act (Act No. 4 of 1979) (including the cases applied mutatis mutandis pursuant to Article 46 of the Civil Provisional Remedies Act (Act No. 91 of 1989)).
- (3) Beyond what is prescribed in paragraph (1), the financial institution set forth in that paragraph represents the DICJ with regard to the matters concerning compulsory execution, etc. (excluding procedures pertaining to an action or an appeal against a disposition of execution).

(Publicity by the National Government)

- Article 48 (1) The national government is to endeavor to disseminate awareness throughout the general public and obtain their understanding through public relations activities with regard to the purpose of this Act to utilize funds related to dormant deposits, etc. in operations for promoting public interest activities by the private sector while protecting the interests of depositors, etc. of dormant deposits, etc., matters concerning procedures for the payment of substitute money for dormant deposits, etc., and other details of this Act.
- (2) The DICJ is to publicize the matters concerning trustees of the payment operations, and at least once every year, the matters concerning the status of the payment of money for transfer from dormant deposits, etc., the status of paying of substitute money for dormant deposits, etc., and other matters concerning the enforcement of this Act, as provided for by Cabinet Office Order and Ministry of Finance Order.

(Delegation to Competent Ministerial Order)

Article 49 Beyond what is provided for in this Act, other matters necessary for the enforcement of this Act are to be specified by order of the competent ministry.

(Administrative Authorities)

Article 50 Administrative authorities under this Act are those specified in the following items in accordance with the category set forth therein:

- (i) financial institutions set forth in Article 2, paragraph (1), items (i) through (iv) and items (vi) and (vii) and the designated utilization organization: the Prime Minister;
- (ii) financial institutions set forth in Article 2, paragraph (1), items (v) and (viii): the Prime Minister and the Minister of Health, Labour and Welfare;
- (iii) financial institutions set forth in Article 2, paragraph (1), item (ix): the competent Minister prescribed in Article 56, paragraph (2) of the Shoko Chukin Bank, Ltd. Act;
- (iv) financial institutions set forth in Article 2, paragraph (1), items (x) and (xi): the administrative authority prescribed in Article 98, paragraph (1) of the Agricultural Cooperatives Act;
- (v) financial institutions set forth in Article 2, paragraph (1), items (xii) through (xv): the administrative authority prescribed in Article 127, paragraph (1) of the Fishery Cooperative Act;
- (vi) financial institutions set forth in Article 2, paragraph (1), item (xvi): the Minister of Agriculture, Forestry and Fisheries and the Prime Minister.

(Orders of the Competent Ministry)

Article 51 Orders of the competent ministry under this Act are Cabinet Office Order, Ministry of Finance Order, Order of the Ministry of Health, Labour and Welfare, Order of the Ministry of Agriculture, Forestry and Fisheries, and Order of the Ministry of Economy, Trade and Industry.

(Delegation of Power)

Article 52 (1) The Prime Minister delegates the powers under this Act to the Commissioner of the Financial Services Agency, except those specified below:

- (i) the powers under Chapter III;
  - (ii) the part of the powers under Articles 43 and 44 that pertains to the designated utilization organization;
  - (iii) other powers specified by Cabinet Order.
- (2) Prefectural governors may carry out part of the affairs under the powers of administrative authorities prescribed in this Act (excluding affairs that are under the power of prefectural governors pursuant to this Act), as provided for by Cabinet Order.

(3) Beyond what is prescribed in the preceding two paragraphs, necessary matters concerning the powers of administrative authorities under this Act are to be provided for by Cabinet Order.

(Classification of Affairs)

Article 53 Affairs to be handled by prefectures pursuant to this Act are to be the Type 1 statutory entrusted functions prescribed in Article 2, paragraph (9) item (i) of the Local Autonomy Act (Act No. 67 of 1947).

(Transitional Measures)

Article 54 In the case of enacting, amending or abolishing an order under this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be provided for by that order, to the extent considered reasonably necessary for its enactment, amendment or abolition.

## **Chapter V Penal Provisions**

Article 55 (1) Any person fails to submit reports or materials under Article 43, paragraph (1) (excluding the part pertaining to the designated utilization organization) or paragraph (2) or submits false reports or materials is to be punished by imprisonment for not more than one year or a fine of not more than 3,000,000 yen.

(2) The provisions of the preceding paragraph apply to any person that refuses to answer or gives false answers to questions by the officials set forth in Article 44, paragraph (1) (excluding the part pertaining to the designated utilization organization), paragraph (2) or paragraph (6), under the provisions of these paragraphs, or refuses, obstructs, or evades inspection under these provisions.

Article 56 (1) Any person that receives the transfer, issuance or submission of a passbook or a card for withdrawal for dormant deposits, etc. pertaining to substitute money for dormant deposits, etc. or other articles specified by Cabinet Order as those necessary for receiving the payment of the substitute money for dormant deposits, etc. (referred to as "deposit passbook, etc." in the following paragraph) for the purpose of receiving the payment of the substitute money for dormant deposits, etc. by pretending to be another person or having a third party do the same is to be punished by imprisonment for not more than one year or a fine of not more than 1,000,000 yen, or both.

(2) The provisions of the preceding paragraph apply to any person that transfers, issues or submits a deposit passbook, etc. to the other party with the knowledge that the relevant party has any of the purposes set forth in that paragraph.

- (3) Any person that commits an act falling under the crimes set forth in the preceding two paragraphs in the course of trade is to be punished by imprisonment for not more than three years or a fine of not more than 5,000,000 yen, or both.
- (4) The provisions of paragraph (1) apply to any person that has solicited another person or lured another person by advertisement or other similar means into committing an act falling under the crimes set forth in paragraph (1) or (2).

Article 57 Any person that violates the provisions of Article 27, paragraph (1) is punished by imprisonment for not more than one year or a fine of not more than 1,000,000 yen.

Article 58 Any person that violates an order of suspension of operations under Article 33, paragraph (1) is to be punished by imprisonment for not more than one year or a fine of not more than 500,000 yen.

Article 59 Any person falling under any of the following items is to be punished by a fine of not more than 300,000 yen:

- (i) a person that fails to keep books or enter prescribed matters in books, or enters false matters or fails to preserve books in violation of Article 28;
- (ii) a person that discontinues the whole of the operations without obtaining permission under Article 32, paragraph (1);
- (iii) a person that fails to submit reports or materials under Article 43, paragraph (1) (limited to the part pertaining to the designated utilization organization) or submits false reports or materials;
- (iv) a person that refuses to answer or has given false answers to questions by the officials set forth in Article 44, paragraph (1) (limited to the part pertaining to the designated utilization organization) under the provisions of that paragraph, or refuses, obstructs, or evades inspection under these provisions.

Article 60 (1) If any representative or administrator of a corporation (including an organization not falling under a corporation for which a representative or an administrator has been designated; hereinafter the same applies in this paragraph), or an agent, employee, or other worker of a corporation or an individual commits any violation of the provisions set forth in either of the following items with regard to the operations or business of the corporation or the individual, not only the offender is to be punished, but also the juridical person is to be punished by the fine set forth in the following items and the individual is to be punished by the fine set forth in the respective Articles:

- (i) Article 55: a fine of not more than 200,000,000 yen;



- (ii) the preceding three Articles: the fine set forth respectively in these Articles.
- (2) When the provisions of the preceding paragraph apply to an organization that is not a corporation, its representative or administrator represents that organization not falling under a corporation with regard to any procedural act, and the provisions of laws concerning criminal procedures, when a corporation acts as the accused or the suspect, apply mutatis mutandis to that case.

Article 61 If any of the following violations has been committed, the officer or employee of the designated utilization organization that has committed the act is to be punished by a civil fine of not more than 500,000 yen:

- (i) when the designated utilization organization fails to obtain approval from the Prime Minister in the cases where the acquisition of the approval is required pursuant to this Act;
- (ii) when the designated utilization organization fails to submit a business report, balance sheet, settlement of accounts, and inventory of property in violation of Article 26, paragraph (4), or submits these documents containing false statements;
- (iii) when the designated utilization organization violates Article 27, paragraph (2);
- (iv) when the designated utilization organization violates Article 29, paragraph (2);
- (v) when the designated utilization organization violates an order of the Prime Minister issued under Article 31.

### **Supplementary Provisions**

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding one year and six months from the date of promulgation (hereinafter referred to as the "effective date"); provided, however, that the provisions set forth in the following items come into effect as of the date specified respectively therein:

- (i) the provisions of paragraphs (4) through (6) of the following Article and Article 8 of the supplementary provisions: the date of promulgation;
- (ii) the provisions of Chapter II, Section 2, and Articles 42, 49, and 54: the day specified by Cabinet Order within a period not exceeding six months from the date of promulgation;
- (iii) the provisions of Chapter III (excluding Section 3) and Article 6 of the supplementary provisions: the day specified by Cabinet Order within a period not exceeding one year from the date of promulgation.

(Transitional Measures)

Article 2 (1) The provisions of this Act apply to deposits, etc. (excluding deposits, etc. which have ceased to be recorded in the liabilities section of the balance sheets for business years prior to the business year that contains the day on which one year passed from the effective date, in accordance with accounting standards generally accepted as fair and appropriate) for which nine years have passed since the most recent account activity date, etc. on or after the effective date.

(2) When there are any deposits, etc. actually existing as of the effective date for which it is difficult for the financial institution pertaining to those deposits, etc. to ascertain the most recent account activity date, etc. for those deposits, etc. as of the effective date, the financial institution may handle deposits, etc. selected as provided for by order of the competent ministry as deposits, etc. for which nine years have passed since the most recent account activity date, etc. as of the effective date.

(3) The provisions of Article 8 apply from the business year of the DICJ that contains the day specified by Cabinet Order within a period not exceeding two years from the effective date. In this case with regard to the application of the provisions of that Article in the relevant business year, the phrase "in the previous business year" in that Article is replaced with "in the previous business year and until the day specified by Cabinet Office Order and Ministry of Finance Order within the business year that contains the day specified by Cabinet Order prescribed in Article 2, paragraph (3) of the supplementary provisions".

(4) A financial institution may file an application for approval set forth in Article 2, paragraph (4), item (ii) or conduct other acts necessary for performing operations under this Act pursuant to the provisions of that item even prior to the effective date.

(5) When an application for approval set forth in Article 2, paragraph (4), item (ii) has been filed pursuant to the preceding paragraph, an administrative authority may grant the approval even prior to the effective date pursuant to the provisions of that item. In this case, the approval becomes effective as of the effective date.

(6) The DICJ may conduct preparatory acts necessary for performing the management operations of dormant deposits, etc. even prior to the day specified by Cabinet Order prescribed in item (ii) of the preceding Article.

(Special Provisions Concerning Personnel Cost and Other Expenses Necessary for the Affairs Specified by Cabinet Office Order for the Operations for Promoting Public Interest Activities by the Private Sector)

Article 3 For the period from the day on which the designation was made under

Article 20, paragraph (1) through the final day of the business year of the designated utilization organization that contains the day on which five years passed from that date of designation, from the provisions of Article 27, paragraph (1), the phrase "(excluding personnel cost and other expenses necessary for the affairs specified by Cabinet Office Order)" is to be deleted.

(Partial Amendment of the Local Autonomy Act)

Article 4 The Local Autonomy Act is to be partially amended as follows:

The following addition is made to Appended Table 1:

Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (Act No. 101 of 2016)	affairs to be handled by prefectures under this Act
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(Partial Amendment of the Local Tax Act)

Article 5 The Local Tax Act (Act No. 226 of 1950) is to be partially amended as follows:

In Article 23, paragraph (1), item (xiv), (a), before the phrase "and excluding," the phrase "and the payment of substitute money for dormant deposits, etc. prescribed in Article 7, paragraph (2) of the Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (Act No. 101 of 2016) (limited to the part equivalent to the amount that is deemed pursuant to Article 45, paragraph (1) of the same Act as the amount of the interest set forth in Article 4, paragraph (2), item (i) or (ii) of the same Act, the distribution of proceeds set forth in item (v) of that paragraph, or the interest set forth in item (vi) of that paragraph)" is added; and at the end of (f) of that item, the phrase "and the payment of substitute money for dormant deposits, etc. prescribed in Article 7, paragraph (2) of the Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (limited to the part equivalent to the amount that is deemed pursuant to Article 45, paragraph (1) of the same Act as the amount of the compensation money for benefits set forth in Article 4, paragraph (2), item (iii) or (iv) of the same Act)" is added.

(Partial Amendment of the Act for Establishment of the Cabinet Office)

Article 6 The Act for Establishment of the Cabinet Office (Act No. 89 of 1999) is to be partially amended as follows:

The following one item is added after Article 4, paragraph (3), item (xxxvi): (xxxvi)-2 the matters concerning the utilization of funds related to dormant deposits, etc. (meaning what is prescribed in Article 2, paragraph (6) of the

Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (Act No. 101 of 2016)) (excluding those under jurisdiction of the Financial Services Agency);

The following addition is to be made to the row of the Children and Child-rearing Conference in the table of Article 37, paragraph (3):

Council for Utilization of Dormant Deposits	Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector
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(Partial Amendment of the Postal Service Privatization Act)

Article 7 The Postal Service Privatization Act (Act No. 97 of 2005) is to be partially amended as follows:

The phrase "(excluding operations specified by Cabinet Order)" in Article 110, paragraph (1), item (v) is replaced with "(excluding the payment operations prescribed in Article 10, paragraph (1) of the Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (Act No. 101 of 2016) that are carried out under entrustment of the Deposit Insurance DICJ of Japan and other operations specified by Cabinet Order)".

(Delegation to Cabinet Order)

Article 8 Beyond what is provided for in these supplementary provisions, transitional measures necessary for the enforcement of this Act are to be provided for by Cabinet Order.

(Review)

Article 9 With regard to the provisions of this Act, in approximately five years after of its enforcement a review is to be conducted by taking into consideration the status of the enforcement of this Act and necessary measures are to be taken as needed, based on the results of the review.