

Oil Stockpiling Act

(Act No. 96 of December 27, 1975)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to ensure a stable supply of oil in case a shortage of supply in Japan or a shortage of supply in specific areas of the country caused by a disaster in the country occurs by taking measures to stockpile and appropriately distribute this oil, thereby contributing to the stability of the lives of the citizens and the smooth operation of the national economy.

(Definition)

- Article 2 (1) The term "oil" as used in this Act means crude oil, designated petroleum products, and petroleum gas.
- (2) The term "designated petroleum products" as used in this Act means gasoline, kerosene, diesel, and other hydrocarbon-based oils specified by Order of the Ministry of Economy, Trade and Industry.
- (3) The term "petroleum gas" as used in this Act means propane, butane, and other hydrocarbon-based gas (including liquefied gas) specified by Order of the Ministry of Economy, Trade and Industry.
- (4) The term "specified facilities" as used in this Act means crude oil distillation

units (only those that have a processing capacity of more than 150 kiloliters per day calculated on the basis of a criteria specified by Order of the Ministry of Economy, Trade and Industry) and other facilities used for oil refinery that are specified by Order of the Ministry of Economy, Trade and Industry.

- (5) The term "oil refinery" as used in this Act means a business that manufactures designated petroleum products using specified facilities (excluding by-products of designated petroleum products generated by technical reasons in the manufacturing process of products other than designated petroleum products), and "oil refiner" means any individual or juridical person operating an oil refinery.
- (6) The term "oil retail business" as used in this Act means a business that sells oil (excluding those that have a scale of operation, which is calculated as provided for by Order of the Ministry of Economy, Trade and Industry (with respect to those who engage in the distribution of gasoline under Article 2, paragraph (4) of the Act on the Quality Control of Gasoline and other Fuels (Act No. 88, 1976), the scale of distribution of oil other than gasoline), that is the same or smaller than the one specified by Order of the Ministry of Economy, Trade and Industry. The same applies hereinafter), and "oil distributor" means a person engaged in the distribution of oil (excluding the independent administrative institution, Japan Oil, Gas and Metals National Corporation (hereinafter referred to as "JOGMEC")).
- (7) The term "designated oil distributor" as used in this Act means oil distributors (excluding oil refiners) whose annual sales volume of oil is the same or larger than the volume specified by Order of the Ministry of Economy, Trade and Industry and who have the close relationship that is specified by Order of the Ministry of Economy, Trade and Industry with an oil refiner.
- (8) The term "oil import business" as used in this Act means a business that imports oil (excluding petroleum gas), and "oil importer" means a person that is registered under Article 16 for conducting an oil import business.
- (9) The term "petroleum gas import business" as used in this Act means a business that imports petroleum gas, and "petroleum gas importer" means a person engaged in the import of petroleum gas (excluding JOGMEC).
- (10) The term "national oil stockpiling" as used in this Act means the oil that is owned by the State (limited to oil over which the Minister of Economy, Trade and Industry has jurisdiction) and that is strategically stockpiled for use in the event of a shortage of supply in Japan or a shortage of supply in specific areas of the country caused by a disaster in the country.

(State Measures)

Article 3 In view of the fact that the stockpiling of oil for use in the event of a shortage of supply in Japan or a shortage of supply in specific areas of the

country caused by a disaster in the country (hereinafter simply referred to as "stockpiling") and the appropriate distribution of the oil are indispensable to the stability of the lives of the citizens and the smooth operation of the national economy in the event an actual shortage occurs, the State must take measures for the facilitation of oil stockpiling and appropriate distribution of the oil pertaining to the Stockpiling under this Act, while giving due consideration to the security of oil storage facilities, and must endeavor to deepen citizenry's understanding of the necessity to secure a stockpile of oil and appropriately distribute it.

Chapter II Oil Stockpiling

Section 1 Oil Stockpiling Target

(Oil Stockpiling Target)

- Article 4 (1) Every fiscal year, the Minister of Economy, Trade and Industry must consult the Advisory Committee on Energy and Natural Resources and set a target for the stockpiling of oil (hereinafter referred to as the "oil stockpiling target") for five years from the current fiscal year as provided for by Order of the Ministry of Economy, Trade and Industry.
- (2) Particulars to be specified in the oil stockpiling target for oil (excluding petroleum gas) and petroleum gas are as follows respectively:
- (i) matters concerning the stockpiling volume; and
 - (ii) matters concerning the storage facilities to be newly established.
- (3) If the Minister of Economy, Trade and Industry finds it particularly necessary due to an extreme change in the oil supply-demand situation or other economic situations, the Minister is to consult the Advisory Committee on Energy and Natural Resources, and then modify the oil stockpiling target.
- (4) When the Minister of Economy, Trade and Industry sets the oil stockpiling target or modifies it, the Minister is to give public notice thereof without delay.

Section 2 Stockpiling of Oil Other Than Petroleum Gas

(Standard Oil Stockpiling)

- Article 5 (1) Every month, the oil refiner, etc. (meaning an oil refiner, designated oil distributor or oil importer specified by Order of the Ministry of Economy, Trade and Industry; the same applies hereinafter) must, pursuant to Order of the Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry of the standard oil stockpiling for the month (hereinafter referred to as the "notification month" in this paragraph) (meaning the volume of oil calculated as provided for by Order of the Ministry of Economy, Trade and Industry on the basis of the production volume of the designated petroleum

products, the volume of sales or the volume of imports of oil (excluding petroleum gas; hereinafter the same applies in this section) for the period of twelve months immediately preceding the notification month of the relevant oil refiner, etc. as the volume to be continuously held by the oil refiner, etc. in the second month after the notification month; the same applies hereinafter) and any other particular specified by Order of the Ministry of Economy, Trade and Industry.

- (2) The Order of the Ministry of Economy, Trade and Industry pertaining to the calculation of the standard oil stockpiling set forth in the preceding paragraph is to be provided so that the ratio of the total volume of the standard oil stockpiling to be calculated to the consumption volume of oil in Japan for the twelve months immediately preceding the notification month, which is calculated as provided for by Order of the Ministry of Economy, Trade and Industry, falls within the range of approximately 70/365 through 90/365.

Article 6 (1) The oil refiner, etc. must continuously hold a volume of oil equal to or greater than the standard oil stockpiling (in case there is a modification thereof under the provisions of paragraph (1) or (3) of the following Article or Article 8, paragraph (1) the modified standard oil stockpiling applies during the relevant period; the same applies in Article (9) as provided for by Order of the Ministry of Economy, Trade and Industry.

- (2) In the case under the preceding paragraph, the oil refiner, etc. may substitute crude oil for the designated petroleum products when it is provided for by Order of the Ministry of Economy, Trade and Industry. In this case, the method of conversion of the volume of crude oil into the volume of designated petroleum products is provided for by Order of the Ministry of Economy, Trade and Industry.

Article 7 (1) Upon request of an oil refiner, etc. who has difficulty maintaining a volume of oil equivalent to the standard oil stockpiling as provided for by Order of the Ministry of Economy, Trade and Industry set forth in paragraph (1) of the preceding Article due to disasters or other unavoidable circumstances, the Minister of Economy, Trade and Industry may reduce the standard oil stockpiling for a set period of time.

- (2) If the Minister of Economy, Trade and Industry reduces the standard oil stockpiling pursuant to the provisions of the preceding paragraph, the Minister is to notify the relevant oil refiner, etc. thereof.
- (3) If a shortage of supply of oil in Japan or a shortage of oil supply in specific areas of Japan caused by a disaster in the country occurs or is likely to occur, and the Minister of Economy, Trade and Industry finds it particularly necessary to ensure a stable oil supply, the Minister may reduce the standard

oil stockpiling for a set period of time.

- (4) If the Minister of Economy, Trade and Industry reduces the standard oil stockpiling pursuant to the provisions of the preceding paragraph, the Minister is to give public notice thereof.

Article 8 (1) Provided that other oil refiners, etc. increase their standard oil stockpiles, an oil refiner, etc. may reduce its own standard oil stockpiling by a volume equivalent to the volume of the increase with the approval of the Minister of Economy, Trade and Industry as provided for by Order of the Ministry of Economy, Trade and Industry .

- (2) Two or more oil refiners, etc. that have the business relationship specified by Order of the Ministry of Economy, Trade and Industry may request the Minister of Economy, Trade and Industry to confirm this fact as provided for by Order of the Ministry of Economy, Trade and Industry.

(Recommendation and Order)

Article 9 (1) If the volume of oil held by the oil refiner, etc. (meaning the volume of oil held by the oil refiner, etc. in compliance with the Order of the Ministry of Economy, Trade and Industry under Article 6, paragraph (1); provided, however, that, in case the oil refiner, etc. holds crude oil in lieu of the designated petroleum products pursuant the provisions of paragraph (2) of the same Article, it means the volume of oil after the conversion of the volume of crude oil into the volume of the designated petroleum products through a method under the Order of the Ministry of Economy, Trade and Industry set forth in the same paragraph; hereinafter the same applies in this Article) falls short of the standard oil stockpiling, and the Minister of Economy, Trade and Industry finds there is no just cause for not reaching it, the Minister may recommend setting a time limit for the oil refiner, etc. to keep the oil in compliance with the provisions of Article 6 paragraph (1); provided, however, that this does not apply if the oil refiner, etc. obtains the confirmation under paragraph (2) of the preceding Article, and the total volume of oil held by the oil refiner, and other oil refiner, etc. that has obtained the confirmation together with the relevant oil refiner is equal to or more than the total volume of their standard oil stockpiling.

- (2) In the case under the main clause of the preceding paragraph, if the Minister of Economy, Trade and Industry finds that the extent to which or the period of time during which the volume of oil held by the oil refiner, etc. falls short of the standard oil stockpiling meets the criteria specified by Order of the Ministry of Economy, Trade and Industry, the Minister may order setting a time limit for the oil refiner, etc. to keep the oil in compliance with the provisions of Article 6, paragraph (1).

- (3) The proviso of paragraph (1) hereof applies mutatis mutandis to the case under preceding paragraph.

Section 3 Stockpiling of Petroleum Gas

(Standard Volume of Petroleum Gas Stockpiles)

Article 10 (1) Every month, the petroleum gas importer (limited to those specified by Order of the Ministry of Economy, Trade and Industry; hereinafter the same applies in this Section, Article 14, paragraph (1), Article 38, paragraph (5) and Article 39) must, pursuant to Order of the Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry of the standard volume of petroleum gas stockpiles for the month (hereinafter referred to as the "notification month" in this paragraph) (the standard petroleum gas stockpiles refers to the volume of petroleum gas calculated as provided for by Order of the Ministry of Economy, Trade and Industry on the basis of the import volume of the petroleum gas for the period of twelve months immediately preceding the notification month of the relevant petroleum gas importer as the volume to be continuously held by the petroleum gas importer in the second month after the Notification Month; the same applies hereinafter) and any other particular specified by Order of the Ministry of Economy, Trade and Industry.

- (2) The Order of the Ministry of Economy, Trade and Industry pertaining to the calculation of the standard volume of petroleum gas stockpiles set forth in the preceding paragraph is to be provided so that the ratio of the total volume of the standard volume of petroleum gas stockpiles to be calculated to the import volume of petroleum gas in Japan for the twelve months immediately preceding the notification month, which is calculated as provided for by Order of the Ministry of Economy, Trade and Industry, falls within the range of approximately 10/365 through 50/365.

Article 11 (1) The petroleum gas importer continuously hold a volume of petroleum gas equal to or greater than the standard volume of petroleum gas stockpiles (in case there is a modification thereof under the provisions of Article 7, paragraph (1) or (3) or Article 8, paragraph (1) applied mutatis mutandis in the following paragraph, the modified standard volume of petroleum gas stockpiles applies during the relevant period; the same applies in the following Article) as provided for by Order of the Ministry of Economy, Trade and Industry.

- (2) The provisions of Article 7 and Article 8, paragraph (1) apply mutatis mutandis to the standard volume of petroleum gas stockpiles, and the provisions of Article 8, paragraph (2) apply mutatis mutandis to the petroleum

gas importer. In this case, the term "oil" in Article 7, paragraphs (1) and (3) is deemed to be replaced with "petroleum gas," and the term "oil refiner" in Article 7, paragraphs (1) and (2) and Article 8, paragraph (1) with "petroleum gas importer."

(Recommendation and Order)

Article 12 (1) If the volume of petroleum gas held by the petroleum gas importer (meaning the volume of petroleum gas held by the petroleum gas importer in compliance with the Order of the Ministry of Economy, Trade and Industry under paragraph (1) of the preceding Article; hereinafter the same applies in this Article) falls short of the standard petroleum gas stockpiles and the Minister of Economy, Trade and Industry finds there is no just cause for not reaching it, the Minister may recommend setting a limit of time for the petroleum gas importer to keep the petroleum gas in compliance with the provisions of the relevant paragraph; provided, however, that this does not apply if the petroleum gas importer obtains the confirmation under Article 8, paragraph (2) applied mutatis mutandis in paragraph (2) of the preceding Article, and the total volume of petroleum gas held by the petroleum gas importer and other petroleum gas importer that has obtained the confirmation together with the relevant petroleum gas importer is equal to or more than the total volume of their standard volume of petroleum gas stockpiles.

(2) In the case under the main clause of the preceding paragraph, if the Minister of Economy, Trade and Industry finds that the extent to which or the period of time during which the volume of petroleum gas held by the petroleum gas importer falls short of the standard volume of petroleum gas stockpiles meets the criteria set forth in the Order of the Ministry of Economy, Trade and Industry, the Minister may order setting a time limit for the petroleum gas importer to keep petroleum gas in compliance with the provisions of paragraph (1) of the preceding Article.

(3) The proviso of paragraph (1) hereof applies mutatis mutandis to the case under the preceding paragraph.

Chapter III Notification of the Plan for Joint-Operations of Oil Supply in Disasters

(Notification of the Plan for Joint-Operations of Oil Supply in Disasters)

Article 13 (1) For each of the areas designated by an Order of the Ministry of Economy, Trade and Industry that divides the area of the whole country into areas that are found to be appropriate for ensuring a stable supply of oil (excluding petroleum gas; hereinafter the same applies in this Article) in the area through the joint use of oil storage facilities and other mutual

collaboration measures among oil refiners, etc. who engage in the oil refinery, oil retail business or oil import business in the area in case a shortage of supply of oil in specific areas of Japan caused by a disaster in the country occurs, the Minister of Economy, Trade and Industry is to designate as specified oil refiners, etc. from among oil refiners, etc., those who have oil storage facilities within the area with the total storage capacity exceeding the capacity specified by Order of the Ministry of Economy, Trade and Industry and satisfy other requirements provided for by Order of the Ministry of Economy, Trade and Industry.

- (2) If the Minister of Economy, Trade and Industry designates specified oil refiners, etc. pursuant to the provisions of the preceding paragraph, the Minister is to give public notice of the following information:
 - (i) the area pertaining to the relevant designation; and
 - (ii) trade names or name, addresses and locations of their principal offices of the specified oil refiners, etc. thus designated.
- (3) If the Minister of Economy, Trade and Industry receives a notification of changes (limited to changes pertaining to the information set forth in item (ii) of the preceding paragraph) under the provisions of Article 20, paragraph (3), Article 26, paragraph (2) or Article 27, paragraph (2) the Minister is to give public notice of the changes.
- (4) Specified oil refiners, etc. designated pursuant to the provisions of paragraph (1) for the same area specified by Order of the Ministry of Economy, Trade and Industry under the same paragraph must jointly prepare a plan for mutual collaboration among them (hereinafter referred to as a "the Plan for Joint-Operations of Oil Supply in Disasters") for the purpose of ensuring a stable supply of oil in the relevant area in case a shortage of supply of oil in specific areas of Japan caused by a disaster in the country occurs or is likely to occur and submit it to the Minister of Economy, Trade and Industry as provided for by Order of the Ministry of Economy, Trade and Industry. The same applies in case of changes thereto.
- (5) The following matters are to be provided for in the Plan for Joint-Operations of Oil Supply in Disasters:
 - (i) matters concerning liaison among the specified oil refiners, etc.;
 - (ii) matters concerning joint use of oil storage facilities among the specified oil refiners, etc.;
 - (iii) matters concerning cooperation in transportation of oil by the specified oil refiners, etc.; and
 - (iv) other matters specified by Order of the Ministry of Economy, Trade and Industry.
- (6) If a specified oil refiners, etc. does not make the notification under paragraph (4), the Minister of Economy, Trade and Industry may recommend the specified

oil refiners, etc. to make it.

- (7) If the Minister of Economy, Trade and Industry receives a notification under the provisions of paragraph (4) and finds that the content of the plan pertaining to the notification does not satisfy any of the following items, the Minister may recommend the specified oil refiners, etc. that have made the notification to make changes to the Plan for Joint-Operations of Oil Supply in Disasters pertaining to the notification:
- (i) it is necessary and appropriate for ensuring a stable supply of oil in the area in case a shortage of supply in oil in specific areas of Japan caused by a disaster in the country occurs or is likely to occur;
 - (ii) it is not unfairly discriminatory against one of the specified oil refiners, etc. that have made the notification; or
 - (iii) the plan does not pose a risk of unfairly damaging the interests of persons who use oil or related companies.
- (8) Specified oil refiners, etc. must review their Plan for Joint-Operations of Oil Supply in Disasters every year and, if they find it necessary, make changes thereto.
- (9) If a specified oil refiner, etc. that has received a recommendation under the provisions of paragraph (6) or (7) does not follow the recommendation without just cause, the Minister of Economy, Trade and Industry may publicize such fact.

(Notification of Emergency Petroleum Gas Supply Collaboration Plan)

- Article 14 (1) For each of the areas designated by an Order of the Ministry of Economy, Trade and Industry that divides the whole country into areas that are found to be appropriate for ensuring a stable supply of petroleum gas in the area through the joint use of petroleum gas storage facilities and other mutual collaboration measures among oil distributors who engage in the oil retail business in the area or petroleum gas importers who engage in petroleum gas import business in area in case a shortage of supply of petroleum gas in specific areas of Japan caused by a disaster in the country occurs, the Minister of Economy, Trade and Industry is to designate, as specified petroleum gas importers, etc., from among oil distributors and petroleum gas importers, those who have petroleum gas storage facilities within the relevant area with the total storage capacity exceeding the capacity specified by Order of the Ministry of Economy, Trade and Industry and satisfy other requirements provided for by Order of the Ministry of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry designates specified petroleum gas importers, etc. pursuant to the provisions of the preceding paragraph, the Minister is to give public notice of the following information:
- (i) the area pertaining to the relevant designation; and

- (ii) trade names, names and addresses of the specified petroleum gas importers, etc. thus designated and locations of their principal offices.
- (3) If the Minister of Economy, Trade and Industry receives a notification of changes (limited to a change pertaining to the matters listed in item (ii) of the preceding paragraph) under the provisions of Article 27, paragraph (2) or Article 28, paragraph (2) the Minister is to give public notice of the changes.
- (4) Specified petroleum gas importers, etc. designated pursuant to the provisions of paragraph (1) for the same area specified by Order of the Ministry of Economy, Trade and Industry under the same paragraph must jointly prepare a plan for mutual collaboration among them (hereinafter referred to as a "emergency petroleum gas supply collaboration plan") for the purpose of ensuring a stable supply of petroleum gas in the relevant area in case a shortage of supply of petroleum gas in specific areas of Japan caused by a disaster in the country occurs or is likely to occur and submit it to the Minister of Economy, Trade and Industry as provided for by Order of the Ministry of Economy, Trade and Industry. The same applies in case of changes thereto.
- (5) The following matters are to be provided for in the emergency petroleum gas supply collaboration plan:
 - (i) matters concerning liaison among the specified petroleum gas importers, etc.;
 - (ii) matters concerning joint use of petroleum gas storage facilities and workplaces to fill petroleum gas containers with petroleum gas among the specified petroleum gas importers, etc.;
 - (iii) matters concerning cooperation in transportation of petroleum gas by the specified petroleum gas importers, etc.; and
 - (iv) other matters specified by Order of the Ministry of Economy, Trade and Industry.
- (6) The provisions of paragraph (6) through paragraph (9) of the preceding Article apply mutatis mutandis to specified petroleum gas importers, etc. In this case the term "the Plan for Joint-Operations of Oil Supply in Disasters" in paragraphs (7) and (8) of the Article is deemed to be replaced with "emergency petroleum gas supply collaboration plan" and the term "oil" in paragraph (7), items (i) and (iii) of the Article is deemed to be replaced with "petroleum gas."

(Relationship with the Fair Trade Commission)

Article 15 (1) When the Minister of Economy, Trade and Industry receives a notification under the provisions of Article 13, paragraph (4) or paragraph (4) of the preceding Article, the Minister of Economy, Trade and Industry is to send a copy of the Plan for Joint-Operations of Oil Supply in Disasters or emergency petroleum gas supply collaboration plan pertaining to the notification to the Fair Trade Commission.

(2) If the Fair Trade Commission finds it necessary, it is to state its opinion on the Plan for Joint-Operations of Oil Supply in Disasters or emergency petroleum gas supply collaboration plan it has received to the Minister of Economy, Trade and Industry pursuant to the provisions of the preceding paragraph.

Chapter IV Registration of Oil Import Business

Section 1 Registration of Oil Import Business

(Registration)

Article 16 A person intending to engage in the oil import business (excluding oil refiner or designated oil distributor and JOGMEC) must register with the Minister of Economy, Trade and Industry.

(Application for Registration)

Article 17 (1) A person who intends to register as set forth in the preceding Article must submit an application form stating the following information to the Minister of Economy, Trade and Industry as provided for by Order of the Ministry of Economy, Trade and Industry:

(i) trade name, name and address;

(ii) in the case of a corporation, the name and address of each of its officers (meaning managing partners, directors, executive officers or any person who is in a position equivalent thereto; hereinafter the same applies in this Section);

(iii) location of its principal office;

(iv) storage capacity and location of the storage facilities by type of oil (excluding petroleum gas; hereinafter the same applies in this Chapter); and

(v) Scheduled date for business commencement and estimated import volume of oil by type for the month of the date.

(2) The application form under the preceding paragraph must be accompanied by a document in which the applicant pledges not to fall under any one of items in Article 19, paragraph (1) and other documents specified by Order of the Ministry of Economy, Trade and Industry.

(Registration and Notice)

Article 18 (1) If the application for registration under paragraph (1) of the preceding Article is filed, unless the application is refused pursuant to the provisions under paragraph (1) of the following Article, the Minister of Economy, Trade and Industry must record the information set forth in each of the items in paragraph (1) of the preceding Article, the date of registration and registration number in the register of oil importers.

(2) If the Minister of Economy, Trade and Industry completes a registration pursuant to the provisions of the preceding paragraph, the Minister must without delay notify the relevant applicant to that effect.

(Refusal of Registration)

Article 19 (1) If a person filing the application form under Article 17, paragraph (1) falls under any of the following items or if the application form or any attached documents under paragraph (2) of the same Article contains a false statement with respect to important information or omits a statement with respect to important information, the Minister of Economy, Trade and Industry must refuse this registration.

- (i) a person unable to use the facilities based on authority deemed necessary for the storing of oil under Article 6, paragraph (1) ;
- (ii) a person that has been sentenced pursuant to the provisions of this Act and two years have not yet passed since the day on which the person finished serving the sentence or ceased to be subject to its enforcement;
- (iii) a person whose registration has been cancelled pursuant to the provisions of Article 23, paragraph (1) or Article 24, paragraph (1) and two years have not yet passed since the day of the cancellation;
- (iv) if an oil importer that is a corporation has its registration cancelled pursuant to the provisions of Article 23, paragraph (1) or Article 24, paragraph (1), the officer who has performed the business of the oil importer within thirty days prior to the cancellation and two years have not yet passed since the day of the cancellation;
- (v) a person who has been ordered to suspend business pursuant to the provisions of Article 23, paragraph (1) and the period of suspension has not yet passed; or
- (vi) an officer of a corporation who performs its business and falls under any one of the items (ii) through (v) above.

(2) If the Minister of Economy, Trade and Industry refuses a registration pursuant to the provisions of the preceding paragraph, the Minister must give notify the applicant to that effect indicating the reasons therefor without delay.

(Registration of Changes)

Article 20 (1) If an oil importer intends to change the information set forth in Article 17, paragraph (1), item (iv) or (v), the oil importer must register the change with the Minister of Economy, Trade and Industry.

(2) The provisions of Article 17, paragraph (2) and the two preceding Articles apply mutatis mutandis to the registration of changes under the preceding paragraph.

(3) If there are any changes to the information set forth in Article 17, paragraph

(1), items (i) through (iii), the oil importer must without delay notify the Minister of Economy, Trade and Industry to that effect.

(4) If the Minister of Economy, Trade and Industry accepts the notification under the preceding paragraph, the Minister is to record the information that has been notified in the register of oil importers.

(Notification of Closure)

Article 21 If an oil importer closes the oil import business, the oil importer must without delay notify the Minister of Economy, Trade and Industry to that effect.

(Expiration of Registration)

Article 22 If an oil importer closes its oil import business, the registration pertaining to this oil importer under the provisions of Article 16 ceases to be effective.

(Rescission of Registration)

Article 23 (1) If an oil importer falls under any one of the following items, the Minister of Economy, Trade and Industry may rescind the registration or give an order to suspend the whole or part of the business of the oil importer, for a set period of time that does not exceed six months:

- (i) if the oil importer falls under the provisions of Article 19, paragraph (1), item (i), (ii), (iv) or (vi);
- (ii) if the oil importer fails to complete a registration of changes under Article 20, paragraph (1) fails to give notice as provided in paragraph (3) of the same Article or gives a false notification;
- (iii) if the oil importer violates this Act or any order under this Act or any disposition thereunder; or
- (iv) if the oil importer complete the registration under Article 16 or registration of changes under Article 20, paragraph (1) by wrongful means.

(2) The provisions of Article 19, paragraph (2) apply mutatis mutandis to cases in which a disposition under the preceding paragraph has been made.

(Rescission of Registration of Person whose Whereabouts are Unknown)

Article 24 (1) If the Minister of Economy, Trade and Industry is unable to identify the registered location of the principal office of an oil importer or the location of a registered oil importer (in case of a corporation, address of any of its officers), the Minister may publicly announce that fact as provided for by Order of the Ministry of Economy, Trade and Industry, and if there is no response from the oil importer within at least thirty days from the day of the announcement, the Minister may rescind the registration of the oil importer.

(2) The provisions of Chapter III of the Administrative Procedure Act (Act No. 88,

1993) do not apply to the disposition of registration under the provisions of the preceding paragraph.

(Deletion of Registration)

Article 25 If the registration of an oil importer ceases to be effective pursuant to the provisions of Article 22 or is rescinded pursuant to the provisions of Article 23, paragraph (1) or paragraph (1) of the preceding Article, the Minister of Economy, Trade and Industry must delete the registration of the oil importer.

Section 2 Notification of Oil Refineries

(Notification of Oil Refinery)

Article 26 (1) A person intending to engage in oil refinery must notify the Minister of Economy, Trade and Industry of the following information in advance pursuant to Order of the Ministry of Economy, Trade and Industry:

- (i) trade name, name and address;
- (ii) in case of a corporation, name of its representative person;
- (iii) location of its principal office and manufacturing plant;
- (iv) type and processing capability of the specified facilities by manufacturing plant;
- (v) storage capability and location of the storage facilities by the type of oil; and
- (vi) other matters specified by Order of the Ministry of Economy, Trade and Industry.

(2) A person that has submitted a notification under the provisions of the preceding paragraph must notify the Minister of Economy, Trade and Industry to that effect without delay if there is a change to the information set forth in item (i), (ii), or (vi) of the same paragraph, and in advance if the person intends to change the information set forth in items (iii) through (v) of the same paragraph.

(3) If oil refiner closes its business, the oil refiner must notify the Minister of Economy, Trade and Industry to that effect without delay.

(Notification of Oil Retail Business)

Article 27 (1) A person intending to engage in oil retail business (excluding JOGMEC) must notify the Minister of Economy, Trade and Industry of the following information in advance as provided for by Order of the Ministry of Economy, Trade and Industry:

- (i) trade name, name and address;
- (ii) in case of a corporation, name of its representative person;
- (iii) principal office address and business office address;

- (iv) in case of a designated oil distributor, storage capability and location of the storage facilities by the type of oil;
 - (v) in the case of an oil distributor that has a business office for operating a business to directly fuel automobiles (limited to distributors that have fueling equipment over a certain size and satisfy other requirements specified by Order of the Ministry of Economy, Trade and Industry), the size of the fueling equipment of the relevant business office; and
 - (vi) other information specified by Order of the Ministry of Economy, Trade and Industry.
- (2) A person that has submitted the notification under the provisions of the preceding paragraph must notify the Minister of Economy, Trade and Industry to that effect without delay if there is a change to the information set forth in item (i), (ii) or (vi) of the same paragraph, and in advance if the person intends to change the information set forth in items (iii) through (vi) of the same paragraph.
- (3) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to oil distributors.

(Notification of Petroleum Gas Import Business)

- Article 28 (1) A person intending to engage in petroleum gas import business (excluding JOGMEC) must notify the Minister of Economy, Trade and Industry of the following information in advance as provided for by Order of the Ministry of Economy, Trade and Industry:
- (i) trade name, name and address;
 - (ii) in case of a corporation, name of its representative person;
 - (iii) principal office address;
 - (iv) storage capability and location of its storage facilities by the type of petroleum gas; and
 - (v) other information specified by Order of the Ministry of Economy, Trade and Industry.
- (2) A person that has submitted the notification under the provisions of the preceding paragraph must notify the Minister of Economy, Trade and Industry to that effect without delay if there is a change to the information set forth in item (i), (ii) or (v) of the same paragraph, and in advance if the person intends to change the information set forth in item (iii) or (iv) of the same paragraph.
- (3) The provisions of Article 26, paragraph (3) apply mutatis mutandis to petroleum gas importers.

Chapter V National Oil Stockpiling

(Delegation of Management of National Oil Stockpiling and National Storage

Facilities)

Article 29 The Minister of Economy, Trade and Industry may entrust the management of national oil stockpiling (excluding designated petroleum products) and national storage facilities (meaning the State-owned oil storage facilities and other facilities necessary for the stockpiling in national oil stockpiling (excluding designated petroleum products) (including land to be used for the purpose)) to JOGMEC and may entrust the management of national oil stockpiling (limited to designated petroleum products) to oil refiners, etc.

(Exchange of National Oil Stockpiling)

Article 30 (1) If the Minister of Economy, Trade and Industry finds it necessary, the Minister may exchange national oil stockpiling for oil owned by a person other than the State.

(2) If the Minister intends to make the exchange under the provisions of the preceding paragraph, and there is a difference in value, the Minister must monetarily compensate the difference or have it compensated.

(Transfer and Lending of National Oil Stockpiling)

Article 31 Beyond what is provided for in the preceding Article, if a shortage of supply of oil in Japan or a shortage of supply of oil in specific areas of Japan caused by a disaster in the country occurs or is likely to occur and the Minister of Economy, Trade and Industry finds it particularly necessary for ensuring a stable supply of oil, the Minister may transfer or lend national oil stockpiling as provided for by Order of the Ministry of Economy, Trade and Industry. In this case, if national oil stockpiling are transferred for the purpose of exchange, the provisions of paragraph (2) of the preceding Article apply *mutatis mutandis*.

Chapter VI Recommendations

(Recommendations to Oil Traders)

Article 32 (1) If the Minister of Economy, Trade and Industry reduces or intends to reduce the standard oil stockpiling pursuant to the provisions of Article 7, paragraph (3), reduces or intends to reduce the standard volume of petroleum gas stockpiles pursuant to Article 7, paragraph (3) applied *mutatis mutandis* in Article 11, paragraph (2) or transfers or intends to transfer or lends or intends to lend national oil stockpiling pursuant to the provisions of the preceding Article, the Minister may, as provided for by Order of the Ministry of Economy, Trade and Industry, oblige the oil refiners, oil distributors, oil importers or petroleum gas importers (hereinafter collectively referred to as "oil traders") or organizations that are formed by oil distributors and are designated by the

Minister of Economy, Trade and Industry to report the estimated production volume of the designated petroleum products or estimated sales or import volume of oil or other necessary information, and based on the report, make a recommendation to the oil traders to increase the estimated production volume of designated petroleum products or estimated sales or import volume of oil or take other necessary measures (excluding measures that the Minister of Economy, Trade and Industry may recommend pursuant to the provisions of paragraph (1) of the following Article or the provisions of paragraph (1) of the same Article applied mutatis mutandis in paragraph (3) of the same Article).

- (2) If the Minister of Economy, Trade and Industry makes a recommendation under the provisions of the preceding paragraph, and the person that receives the recommendation fails to comply therewith without just cause, the Minister may make this fact public.
- (3) The Minister of Economy, Trade and Industry is to provide to the citizens the information on the status of production, import, distribution or inventory of oil, which is necessary for the citizens to appropriately respond to a situation in which there is a shortage of oil supply in Japan or a shortage of oil supply in specific areas of Japan caused by a disaster in the country.

(Recommendations to Specified Oil Refiners and Specified Petroleum Gas Importers)

Article 33 (1) If a shortage of supply of oil (excluding petroleum gas) caused by a disaster in Japan occurs or is likely to occur in the areas designated by the Order of the Ministry of Economy, Trade and Industry under Article 13, paragraph (1), and the Minister of Economy, Trade and Industry reduces or intends to reduce the standard oil stockpiling pursuant to the provisions of Article 7, paragraph (3) or transfers or intends to transfer or lends or intends to lend national oil stockpiling (excluding petroleum gas) pursuant to the provisions of Article 31, the Minister may recommend specified oil refiners, etc. that have submitted the Plan for Joint-Operations of Oil Supply in Disasters for the relevant area pursuant to the provisions of Article 13, paragraph (4) (excluding those who have received a recommendation for changes under paragraph (7) of the same Article but have not made the recommended changes to their Plan for Joint-Operations of Oil Supply in Disasters) to implement the submitted the Plan for Joint-Operations of Oil Supply in Disasters (if any change is notified pursuant to the provisions of the second sentence of paragraph (4) of the same Article, the plan after the change). In this case, the Minister of Economy, Trade and Industry is to set a period for implementing the Plan for Joint-Operations of Oil Supply in Disasters pertaining to the recommendation.

- (2) If the Minister of Economy, Trade and industry makes a recommendation

under the provisions of the preceding paragraph, and the specified oil refiner, etc. that receives the recommendation fails to comply therewith without just cause, the Minister may make this fact public.

- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to specified petroleum gas importers, etc. In this case, in paragraph (1), the term " Article 13, paragraph (1)" is deemed to be replaced with " Article 14, paragraph (1)," the term "oil (excluding petroleum gas)" is deemed to be replaced with "petroleum gas," the term " Article 7, paragraph (3) " is deemed to be replaced with " Article 7, paragraph (3) applied mutatis mutandis in Article 11, paragraph (2)," the term "standard oil stockpiling" is deemed to be replaced with "standard volume of petroleum gas stockpiles," the term "national oil stockpiling (excluding petroleum gas)" is deemed to be replaced with "national oil stockpiling (limited to petroleum gas)," the term " Article 13, paragraph (4)" is deemed to be replaced with " Article 14, paragraph (4)," the term "the Plan for Joint-Operations of Oil Supply in Disasters" is deemed to be replaced with "emergency petroleum gas supply collaboration plan," the term "paragraph (7) of the same Article" is deemed to be replaced with " Article 13, paragraph (7) applied mutatis mutandis in paragraph (6) of the same Article," and the term "the second sentence of paragraph (4) of the same Article" is deemed to be replaced with "the second sentence of Article 14, paragraph (4) "

(Assistance to Specified Oil Refiners and Specified Petroleum Gas Importers by JOGMEC)

Article 34 JOGMEC may offer personnel and technical assistance necessary for the implementation of the Plan for Joint-Operations of Oil Supply in Disasters or emergency petroleum gas supply collaboration plan to specified oil refiners, etc. that have received a recommendation under paragraph (1) of the preceding Article or specified petroleum gas importers, etc. that have received a recommendation under paragraph (1) of the same Article applied mutatis mutandis in paragraph (3) of the same Article in response to their request.

(Cooperation of Relevant Administrative Organs)

Article 35 (1) When the Minister of Economy, Trade and Industry finds it particularly necessary for ensuring the implementation of the Plan for Joint-Operations of Oil Supply in Disasters or emergency petroleum gas supply collaboration plan by specified oil refiners, etc. that have received a recommendation under Article 33, paragraph (1) of or specified petroleum gas importers, etc. that have received a recommendation under paragraph (1) of the same Article applied mutatis mutandis in paragraph (3) of the same Article, the Minister may request the heads of relevant administrative organs to help with the transportation of oil or otherwise offer necessary cooperation.

- (2) If the heads of relevant administrative organs receive a request under the provisions of the preceding paragraph, the heads thereof are to offer the cooperation under the same paragraph, to an extent that does not hinder the performance of their duties.

Chapter VII Miscellaneous Provisions

(Notification of Production Volume)

Article 36 Oil refiners, designated oil distributors, oil importers, or petroleum gas importers must, as provided for by Order of the Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry monthly of the production quantity of the designated petroleum products or sales or import quantity of oil for the immediately preceding month and other information specified by Order of the Ministry of Economy, Trade and Industry.

(Succession of Status)

Article 37 (1) If an oil importer assigns its entire business or any inheritance, merger or division occurs involving an oil importer (limited to the succession of the whole business), the person assuming the whole business or heir (in the event there are two or more successors and they unanimously select one of them as a successor of the business, then the selected person; the same applies hereinafter), the corporation that remains after the merger or the corporation established after merger or the corporation that succeeds to the whole business after the division succeeds to the position of the relevant oil importer; provided, however, that this does not apply when the aforementioned person that assumes the whole business or heir, the corporation that remains after the merger, the corporation established after the merger or the corporation that succeeds to the whole business falls under any one of the items (ii) through (vi) of Article 19, paragraph (1).

(2) A person succeeding to the position of an oil importer pursuant to the provisions of the preceding paragraph must submit notification to that effect to the Minister of Economy, Trade and Industry without delay attaching a written document that proves that fact.

(3) Order of the Ministry of Economy, Trade and Industry may establish the provisions as necessary for the technical replacement of terms in the provisions of Article 5, paragraph (1) for the application thereof to persons that succeeded to the position of an oil importer pursuant to the provisions of paragraph (1).

Article 38 (1) If an oil refiner (limited to those specified by Order of the Ministry of Economy, Trade and Industry) assigns the whole business or an inheritance, merger or division occurs involving an oil refiner (limited to the succession of

the whole business), the person assuming the whole business or heir, the corporation that remains after the merger or the corporation established after the merger or the corporation that succeeds to the whole business after the division succeeds to the position of the oil refiner under this Act.

- (2) A person succeeding to the position of an oil refiner pursuant to the provisions of the preceding paragraph must submit notification to that effect to the Minister of Economy, Trade and Industry without delay attaching a written document that proves that fact.
- (3) Order of the Ministry of Economy, Trade and Industry may provide as necessary for the technical replacement of terms in the provisions of Article 5, paragraph (1) for the application thereof to persons that succeeded the position of an oil refiner pursuant to the provisions of paragraph (1).
- (4) The provisions of the preceding three paragraphs apply mutatis mutandis to designated oil distributors.
- (5) The provisions of paragraphs (1) through (3) apply mutatis mutandis to petroleum gas importers. In this case, the phrase "Article 5, paragraph (1)" in paragraph (3) is deemed to be replaced with "Article 10, paragraph (1)."

(Book Entry)

Article 39 Oil refiners, or petroleum gas importers must, pursuant to Order of the Ministry of Economy, Trade and Industry, provide the books, enter the volume of crude oil, designated petroleum products, or petroleum gas it holds and other information as provided for by Order of the Ministry of Economy, Trade and Industry therein and preserve the books.

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

- Article 40 (1) Beyond what is provided for in this act, the Minister of Economy, Trade and Industry may have oil traders make reports relating to their business to the extent necessary for the enforcement of this Act..
- (2) The Minister of Economy, Trade and Industry may, to the extent necessary for the enforcement of this Act, have officials of the Ministry enter the office, plant, or other workplace of an oil trader and inspect the books, documents, and other articles.
 - (3) An official that enters and inspects pursuant to the provisions of the preceding paragraph must carry an identification card to present and present it to relevant persons.
 - (4) The authority for conducting on-site inspections under the provisions of paragraph (2) must not be construed as being approved for criminal investigations.

(Period of Exclusion from Application)

Article 41 (1) During the period set forth in Article 20, paragraph (1) of the Oil Supply and Demand Optimization Act (Act No. 122, 1973), the provisions of Articles 4 through 12, Article 32, Article 37, paragraph (3) of, Article 38, and Article 39 do not apply.

(2) Cabinet Order may provide as necessary for transitional measures regarding the application of the provisions of Articles 4 through 12, Article 32, Article 37, paragraph (3), Article 38, and Article 39 after the period set forth in the preceding paragraph has passed.

(3) The provisions of paragraph (1) must not be construed as having any impact on the application of penal provisions to conduct that a person engages in before the commencement of the period set forth in the same paragraph.

(Provision of Interest Subsidies)

Article 42 (1) In the event the Development Bank of Japan, Okinawa Development Finance Corporation, or JOGMEC (hereinafter referred to as "Development Bank of Japan, etc.") lends the funds necessary for the establishment of oil storage facilities and other facilities required for the buildup of oil stockpiles, the government may provide the Development Bank of Japan, etc. with interest subsidies for such loans to the extent of its budget.

(2) The amount of interest subsidies set forth in the preceding paragraph is, pursuant to Order of the Ministry of Economy, Trade and Industry, to be computed for every such period as provided for by Order of the Ministry of Economy, Trade and Industry (hereinafter referred to as the "unit period") multiplying outstanding loans extended under relevant loan agreement during the unit period by the interest subsidy rate determined within the limits of the difference between the interest rate on the loans and an annual rate of 5.5% by the Minister of Economy, Trade and Industry in consultation with the Minister of Finance.

(3) When the Development Bank of Japan receives interest subsidies from the government pursuant to the provisions of paragraph (1), it must determine the amount of interest generated during such unit period under the loan agreement in relation to which such interest subsidies are paid as the amount of interest under the loan agreement minus the amount equivalent to the amount of the relevant interest subsidies.

(Exclusion from Application)

Article 43-2 The provisions of Chapter IV and Article 36 do not apply to the processes and business relating to the national oil stockpiling performed by the Minister of Economy, Trade and Industry.

(Transitional Measure)

Article 44 If an order is established amended or abolished based on the provisions of this Act, required transitional measures (including transitional measures concerning penal provisions) may be specified by the order to the extent considered reasonably necessary for the establishment or the amendment or the abolition thereof.

Chapter VIII Penal Provisions

Article 45 A person violating an order under the provisions of Article 9, paragraph (2) or Article 12, paragraph (2) is subject to imprisonment for not more than one year, a fine of not more than 3,000,000 yen, or both.

Article 46 A person falling under one of the following items is subject to imprisonment for not more than one year, a fine of not more than 1,000,000 yen, or both:

- (i) a person engaging in the oil import business without the registration under Article 16;
- (ii) a person obtaining the registration under Article 16 by wrongful means; or
- (iii) a person violating the order to suspend business under the provisions of Article 23, paragraph (1) .

Article 47 A person falling under one of the following items is subject to a fine of not more than 500,000 yen:

- (i) a person failing to submit the notification under the provisions of Article 5, paragraph (1), Article 10, paragraph (1), Article 26, paragraph (1), Article 27, paragraph (1), Article 28, paragraph (1) of or Article 36 or submitting a false notification;
- (ii) a person that violates the provisions of Article 20, paragraph (1) in changing a particular set forth in Article 17, paragraph (1), item (iv) or (v) ;
- (iii) a person that violates the provisions of Article 39 by failing to keep the books or to make an entry therein, or making a false entry, or failing to preserve the books;
- (iv) a person failing to make a report under the provisions of Article 32 ,paragraph (1) or Article 40, paragraph (1) or making a false report; or
- (v) a person refusing, interfering with, or evading the inspection under Article 40, paragraph (2).

Article 48 If a representative or agent, an employee, or other workers of a corporation or person violates the provisions set forth in the following items with regard to the business of the corporation or person, not only the offender is punished, but also the juridical person is subject to a fine set forth in the

following items and the person is subject to the fine set forth in each of the relevant Articles:

(i) Article 45: a fine of not more than 100,000,000 yen; or

(ii) Articles 46 and 47: the fine set forth in each of the relevant Articles

Article 49 A person failing to submit notification under the provisions of Article 20, paragraph (3), Article 21, Article 26, paragraph (2) or (3) (including when these provisions are applied mutatis mutandis in Article 27, paragraph (3) and Article 28, paragraph (3)), Article 27, paragraph (2), Article 28, paragraph (2) Article 37, paragraph (2) or Article 38, paragraph (2) (including when these provisions are applied mutatis mutandis in paragraphs (4) and (5) of the same Article) or submitting a false notification is subject to a civil fine of not more than 200,000 yen.