

Port and Harbour Act

(Act No. 218 of May 31, 1950)

Chapter I General Provisions

(Purpose)

Article 1 With the aim of contributing to the progress in transportation and the proper utilization and balanced development of national land, the purpose of this Act is to facilitate orderly development and appropriate operation of ports and harbours, together with the development and maintenance of waterways, while considering environmental conservation.

(Definitions)

- Article 2 (1) In this Act, the term a "port management body" means a port authority incorporated pursuant to the provisions of Section 1 of Chapter II or a local government under the provisions of Article 33.
- (2) In this Act, the term a "strategic international hub port" means a port serving as the hub of an international ocean freight transportation network for long-distance international ocean freight shipping, having advanced functions to connect the international ocean freight transportation network and the domestic ocean freight transportation network, which is specified by Cabinet Order as a port and harbour that requires intensive efforts to strengthen its international competitiveness; the term a "international hub port" means a port other than strategic international hub ports, which is specified by Cabinet Order as a port serving as the hub of the international ocean freight transportation network; the term a "major port" means a port other than strategic international hub ports or international hub ports which is specified by Cabinet Order as a port serving as the hub of a maritime transportation network or as a port having a great bearing on the national interests; and the term a "regional port" means a port other than strategic international hub ports, international hub ports, or major ports.
- (3) In this Act, the term "port limits" means the waters for which the consent or notification under the provisions of Article 4, paragraph (4) or paragraph (8) (including as applied mutatis mutandis pursuant to the provisions of Article 9, paragraph (2) and Article 33, paragraph (2)) has been obtained or filed.
- (4) In this Act, the term "waterfront district" means a district designated as a water front district pursuant to the provisions of Chapter II of the City Planning Act (Act No. 100 of 1968) or a district designated by the port management body pursuant to the provisions of Article 38.

- (5) In this Act, the term "port and harbour facilities " means a facility set forth in item (i) through item (xi) which is located within port limits or a waterfront district, or a facility set forth in item (xii) through item (xiv) which is required for the use or management of a port and harbour:
- (i) harbour facilities: waterways, anchorage, and berthage for small boats;
 - (ii) protective facilities for harbour: breakwaters, sediment control groins, seawalls, training jetties, sluices, locks, revetments, dikes, groins, and parapets
 - (iii) mooring facilities: quay walls, mooring buoys, mooring piles, landing piers, floating piers, shallow draft wharves, and dry docking yards;
 - (iv) port transportation facilities: roads, parking lots, bridges, railways, tramways, canals, and heliports;
 - (v) navigation assistance facilities: navigation aids and signaling, lighting, and port communication facilities for the entry and clearance of vessels;
 - (vi) cargo handling facilities: stationary cargo handling machinery, rail-mounted cargo handling equipment, cargo handling areas, and transit sheds;
 - (vii) passenger facilities: stationary passenger boarding facilities, baggage check-in and pick-up areas, lounges, and temporary living quarters;
 - (viii) storage facilities: warehouses, open storage yards, timber yards and timber ponds, coal storage yards, dangerous goods storage facilities, and oil storage facilities;
 - (viii)-2 facilities designed to provide services to ships: water supply facilities, bunkering facilities and coal supply facilities (except facilities set forth in item (xiii)), ship repair facilities, and ship storage facilities;
 - (viii)-3 port information providing facilities: facilities designed for public relations, facilities for visitors, and other facilities designed to provide information on the use of a port and harbour;
 - (ix) port pollution control facilities: water conveyance facilities for purifying contaminated water, buffer zones for pollution control, and other facilities designed for pollution control of a port and harbour;
 - (ix)-2 waste treatment facilities: dikes used for waste dumping, waste receiving facilities, waste incinerators, waste crushers, waste oil treatment facilities, and other facilities designed for waste treatment (except facilities set forth in item (xiii));
 - (ix)-3 facilities designed for the improvement of a port and harbour environment: beaches, green areas, open spaces, plants, resting areas, and other facilities designed to improve the port and harbour environment;
 - (x) welfare facilities for port workers: break rooms and temporary living quarters, infirmaries, and other facilities for ships' crews and harbour workers;
 - (x)-2 port management facilities: port management offices, warehouses to store

- materials used in port management, and other facilities designed for port management (except facilities set forth in item (xiv));
- (xi) sites of port facilities: the premises of the facilities referred to in the preceding items;
- (xii) movable facilities: movable cargo handling machinery and movable passenger boarding facility;
- (xiii) movable facilities designed for port services: tugboats for assisting vessel berthing and unberthing; vessels and vehicles for supplying water, fuel, and coal to ships; and vessels and vehicles used for transporting waste to be treated;
- (xiv) movable facilities for port management: water surface cleaning vessels, ferry boats, and other movable facilities used for port management.
- (6) Facilities set forth in item (i) through item (xi) of the preceding paragraph, even if those are not located within the port limits or waterfront district, are deemed to be port and harbour facilities if approved by the Minister of Land, Infrastructure, Transport and Tourism at the request of the port management body.
- (7) In this Act, the term "port and harbour constructionworks" means construction, improvements, maintenance, or restoration of port and harbour facilities, or works other than those undertaken to remove sludge accumulation or other substances that cause pollution in the port and harbour, to purify contaminated seawater, to remove floating debris, or other works to maintain the port and harbour.
- (8) In this Act, the term a "waterway to be developed and preserved" means a waterway that requires construction works to develop or maintain it so as to secure the navigation of vessels in the waters other than port limits or a river area of the river prescribed in Article 3, paragraph (1) of the River Act (Act No. 167 of 1964) (hereinafter referred to as a "river area"), which includes the facilities required for maintaining the structures of waterways, for safe navigation of vessels and for vessel evacuation; and the relevant areas are prescribed by Cabinet Order.
- (9) In this Act, the term a "port of refuge" means a port provided for by Cabinet Order, which is designed mainly for small craft to anchor during a storm, and is not used for loading and unloading cargo or for passenger boarding and disembarkation under normal circumstances.
- (10) In this Act, the term a "wharf" means port and harbor facilities as a whole, other than quay walls, other mooring facilities, ancillary cargo handling facilities thereof, and other mooring facilities prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Designation of Inbound Cargo Hub Ports)

Article 2-2 (1) The Minister of Land, Infrastructure, Transport and Tourism, in consideration of the inbound bulk cargo tonnage (hereinafter referred to as "inbound bulk cargos") and other circumstances prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism may designate a strategic international hub port, international hub port, or major port as an specified inbound cargo hub port, if it has a wharf that is mainly used for or will be used for the ocean transportation of inbound bulk cargos (hereinafter referred to as "specified cargo handling wharf" hereinafter in this paragraph and Article 50-6, paragraph (2), item (iii)), and that meets the size and other requirements prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, which is deemed particularly important to strengthen the international competitiveness of the industries of Japan by facilitating the effective use of the strategic international hub ports, international hub ports or major ports that promote the collaborative ocean transportation of inbound bulk cargos centering around the specified cargo handling wharf.

(2) Having designated a specified inbound cargo hub port under the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism must make this known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(3) When the Minister of Land, Infrastructure, Transport and Tourism finds that the grounds for the designation of a specified inbound cargo hub port referred to in paragraph (1) (hereinafter simply referred to as a "specified inbound cargo hub port") is no longer valid, the minister is to revoke the designation of that specified inbound cargo hub ports.

(4) The provisions of paragraph (2) apply mutatis mutandis to the revocation of the designation under the provisions of the preceding paragraph.

(Designation of International Hubs for Passenger Ships)

Article 2-3 (1) The Minister of Land, Infrastructure, Transport and Tourism, in consideration of the number of passengers embarking and disembarking vessels and other circumstances prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, may designate a port and harbour that is mainly used or will be used for passenger ships (hereinafter collectively referred to as "international passenger ships" providing transportation services between the ports in Japan and the ports outside Japan as an international hub for passenger ships, if the port and harbour has a wharf (hereinafter referred to as "international passenger handling wharf") that meets the scale and other requirements prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, which is deemed particularly important to strengthen the international competitiveness of tourism in Japan, to revitalize the local economies or to give a boost to regions by establishing

hub ports for international passenger ships so as to promote the acceptance of international passenger ships centering around the international passenger handling wharf through public-private partnership. .

- (2) Having designated an international hub for passenger ships under the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism must make this known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism finds that the grounds for the designation as a international hub for passenger ships referred to in paragraph (1) (hereinafter simply referred to as aninternational hub for passenger ships" in this paragraph and Article 50-16, paragraph (1)) are no longer valid, the minister is to revoke the designation of the international hub for passenger ships.
- (4) The provisions of paragraph (2) apply mutatis mutandis to the revocation of a designation under the provisions of the preceding paragraph.

(Provisions on Fishing Ports)

Article 3 The provisions of this Act do not apply to ports and harbours designated by other Acts as a port or harbour used for commercial fishing; provided, however, that this does not apply to the designated ports and harbours prescribed by Cabinet Order.

Chapter I-2 Port Plans

(Basic Policy for Developing Ports and Harbours and Waterways to Be Developed and Preserved)

Article 3-2 (1) The Minister of Land, Infrastructure, Transport and Tourism must establish a basic policy for the development, use, and maintenance of ports and harbours and for the development of waterways to be developed and preserved (hereinafter referred to as the "basic policy").

(2) The Basic Policy must provide:

- (i) Mattersconcerning the directions for the development, use, and maintenance of ports and harbours;
- (ii) basic mattersconcerning the locations, functions, and capacities of ports and harbours;
- (iii) basic matters concerning the locations and development of waterways to be developed and preserved;
- (iv) basic matters concerning the environmental conservation to be considered for the development, use, and maintenance of ports and harbours and for the development of waterways to be developed and preserved;
- (v) basic matters concerning themeasures to ensure cooperation among ports

- and harbours that are closely related , from an economic, natural, or social perspective;
- (vi) basic matters concerning effective use of ports and harbours through public-private collaboration;
 - (vii) basic matters concerning operation of ports and harbours utilizing the know-how of the private sector, and efficient operation of ports and harbours.
- (3) The basic policy is to be established in consideration of the roles ports and harbours and waterways to be developed and preserved must play for the improvement of transportation systems, appropriate utilization and balanced development of national land, and improvement of the welfare of the people, and furthermore by taking into account the roles ports and harbours and waterways to be developed and preserved must play for the promotion of international tourism.
- (4) Before establishing or revising the basic policy, the Minister of Land, Infrastructure, Transport and Tourism must consult with the heads of the relevant administrative organs and hear the opinions of the Council for Transport Policy.
- (5) A port management body may submit an opinion on the basic policy to the Minister of Land, Infrastructure, Transport and Tourism.
- (6) On formulating or revising the basic policy, the Minister of Land, Infrastructure, Transport and Tourism must make this known to the public without delay.

(Port Plans)

- Article 3-3 (1) The port management body for strategic international hub ports, international hub ports, or major ports must formulate a plan for the matters concerning the development, use, and maintenance of the port, and for the maintenance of areas adjacent to the port (hereinafter referred to as "port planning") as specified by Cabinet Order.
- (2) Port planning must conform to the basic policy and satisfy the standards prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism regarding the matters on the volume of cargo a port can handle and other capabilities of a port, matters on the size and layout of port and harbour facilities that correspond to the capabilities of a port, matters on the improvement and maintenance of environment of a port, matters on the efficient operation of a port, and other basic matters.
- (3) Before formulating or revising a port plan, the port management body for a strategic international hub port, international hub port, or major port must hear the opinions of the local port and harbour council.
- (4) On formulating or revising a port plan (except when minor revisions specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism are

- made) the port management body for a strategic international hub port, international hub port, or major port must submit that port plan to the Minister of Land, Infrastructure, Transport and Tourism without delay.
- (5) The Minister of Land, Infrastructure, Transport and Tourism must hear the opinions of the Transportation Policy Council on the port plan submitted pursuant to the provisions of the preceding paragraph.
- (6) When the Minister of Land, Infrastructure, Transport and Tourism finds that the port plan submitted pursuant to the provisions of paragraph (4) does not comply with the basic policy or does not meet the standards prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism as referred to in paragraph (2), or that the port plan is extremely inadequate for the development, use, or maintenance of the port or harbour, the Minister of Land, Infrastructure, Transport and Tourism may request the port management body to revise the port plan.
- (7) When the Minister of Land, Infrastructure, Transport and Tourism finds that it is unnecessary to take the measures prescribed in the preceding paragraph with regard to the port plan submitted pursuant to the provisions of paragraph (4), the Minister must notify the port management body of this.
- (8) On making a minor revision to the port plan as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as referred to in paragraph (4), the port management body for a strategic international hub port, international hub port, or major port must send the port plan to the Minister of Land, Infrastructure, Transport and Tourism without delay.
- (9) On receiving a notice under paragraph (7) or making a minor revision to the port plan specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as referred to in paragraph (4), the port management body for a strategic international hub port, international hub port, or major port must issue a public notice giving an outline of the port plan without delay, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (10) On formulating or revising a port plan, the port management body for a regional port must issue a public notice giving an outline of the port plan without delay, pursuant to an Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (11) The provisions of paragraph (3) apply mutatis mutandis if the port management body for a regional port formulates or revises the port plan.

(Proposals for the Revised Port Plan)

Article 3-4 (1) A person who obtained the designation under Article 43-11, paragraph (1) may propose a revision to the port plan to the port management body for the strategic international hub port relating to that designation; and a person who obtained a designation under paragraph (6) of that Article may

propose a revision to the port plan to the port management body that has designated the person. In that case, the person must prepare and submit a draft port plan including the proposal according to the basic policy.

- (2) Upon receipt of a proposal pursuant to the provisions of the preceding paragraph, the port management body must notify the person who has submitted the proposal as to whether it will revise the port planning based on the proposal without delay. In doing so, if the port management body decided not to revise the port plan, it must give a clear reason for this.

Chapter II Port Authorities

Section 1 Incorporation of Port Authorities

(Incorporation)

- Article 4 (1) The local government currently managing the port and harbour facilities in the port, the local government that has borne the costs for construction, maintenance and management of port and harbour facilities in the port, or a local government that has jurisdiction over an area of the proposed port limits bordering waters (hereinafter referred to as "relevant local government") may, independently or jointly, prepare articles of incorporation and incorporate a port authority.
- (2) The provisions of the preceding paragraph do not apply to a port or harbour at which all or most of the harbour facilities and protective facilities for the harbour are maintained and managed by a person other than the national or local government, unless that person requests any of the relevant local governments to incorporate a port authority.
- (3) A relevant local government incorporating a port authority, after the resolution by the assembly, must issue a public notice on its intention to independently or jointly incorporate a port authority, and the period during which other relevant local governments must give their opinions, and the relevant local government must consult with another relevant local government if they expressed their opinion. In that case, the period during which other relevant local governments must give their opinions may not be less than one month.
- (4) If, during the period set forth in the preceding paragraph, other relevant local governments did not express their opinions pursuant to that paragraph, or if an agreement is reached based on the resolution by the assembly as provided for in that paragraph, the relevant local governments seeking to incorporate a port authority for ports and harbours listed in the following items must consult with the person listed in the following items about the port limits of the port authority and obtain the consent from that person pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism:

- (i) if it is a strategic international hub port, international hub port, or major port: the Minister of Land, Infrastructure, Transport and Tourism;
 - (ii) if it is a port of refuge, for which a prefecture takes part in the incorporation of port authority: the Minister of Land, Infrastructure, Transport and Tourism;
 - (iii) if it is a port of refuge other than those set forth in the preceding item: the prefectural governor having jurisdiction over the prefecture where an area of the proposed port limits bordering waters is located.
- (5) Before giving the consent referred to in the preceding paragraph for a port limits that includes a river area or all or a part of a coastal conservation area designated pursuant to Article 3 of the Coast Act (Act No. 101 of 1956), the Minister of Land, Infrastructure, Transport and Tourism or the prefectural governor must consult with the river administrator who manages the relevant river prescribed in Article 7 of the River Act or the coast administrator who manages the relevant coastal conservation area prescribed in Article 2, paragraph (3) of the Coast Act.
- (6) The Minister of Land, Infrastructure, Transport and Tourism or the prefectural governor may not give the consent referred to in paragraph (4) if the proposed port limits have the minimum area required for the economical operation and management of the waters as an independent port and it does not harm the interests of any local government having jurisdiction over the water areas adjacent to the proposed port limits bordering waters, and is located within the proposed port limit for a port whose area is designated as provided in the Act on Port Regulations (Act No. 174 of 1948); provided, however, that consent may be given for port limits, if it is unavoidable to designate the minimum area required for economical operation and management of the independent port which is located outside the port area designated as provided in that Act..
- (7) A relevant local government that intends to incorporate a port authority for a regional port and harbour other than a port of refuge must designate the port limits that have the minimum area required for the economical operation and management of the waters as an independent port, that does not harm the interests of the local government having jurisdiction over the the waters adjacent to the port limits bordering waters, that is located within the port limits of a port and harbor provided for in the Act on Port Regulations; provided, however, that the relevant local government may designate port limits outside the port limits for a port and harbour provided for in that Act, if it is unavoidable to designate port limits outside the port limits provided in that Act to designate the minimum area required for the economical operation and management of the port as an independent port.
- (8) During the period referred to in paragraph (3), if other relevant local

governments did not express an opinion pursuant to the paragraph, or if an agreement is reached among the local governments based on the resolution by the assembly as provided in that paragraph, the relevant local government provided for in the preceding paragraph must notify the Minister of Land, Infrastructure, Transport and Tourism (or the prefectural governor having jurisdiction over the prefecture in which the area of the port limits bordering waters is located, if the prefecture does not take part in the incorporation of the port authority) of the port limits of the port authority pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (9) A relevant local government that intends to file a notification pursuant to the provisions of the preceding paragraph, with respect to a river area or all or a part of a coastal conservation area designated pursuant to the provisions of Article 3 of the Coast Act, must consult with the river administrator that manages the relevant river prescribed in Article 7 of the River Act or the coast administrator who manages the relevant coastal conservation area prescribed in Article 2, paragraph (3) of the Coast Act in advance.
- (10) If an agreement under paragraph (3) is not reached, the relevant local governments may, according to the categories of disputes, contact a person specified in the following items request reconciliation:
- (i) a dispute involving a strategic international hub port, international hub port, or major port: the Minister of Land, Infrastructure, Transport and Tourism;
 - (ii) a dispute involving a regional port, if a prefecture is a party to the dispute: the Minister of Land, Infrastructure, Transport and Tourism;
 - (iii) a dispute involving a port other than those as set forth in the preceding two items: a governor having jurisdiction over the prefecture in which the area of the proposed port limits bordering waters is located.
- (11) A request for reconciliation referred to in the preceding paragraph must be accompanied by a full account of the consultations between the parties and the opinions of the relevant local governments.
- (12) Having received a request under paragraph (10), the Minister of Land, Infrastructure, Transport and Tourism or the prefectural governor reconciles by taking into account the background of the issue, the financial status of the relevant local governments, future development plans, the usage situation of the port, and the relationship between the port and the relevant local governments; and, if the port in question is a strategic international hub port, international hub port, or major port, the minister or governor reconciles after consulting with the Minister of Internal Affairs and Communications.
- (13) Having obtained the consent referred to in paragraph (4), received a notification under paragraph (8), or had a reconciliation under the preceding paragraph, the prefectural governor must notify the Minister of Land,

Infrastructure, Transport and Tourism of this without delay.

(Legal Personality)

Article 5 A port authority is a non-profit corporation subject to public law.

(Articles of Incorporation)

Article 6 (1) A port authority must include the following information in its articles of incorporation:

(i) name;

(ii) names of the local governments incorporating the port authority;

(iii) address of the office;

(iv) administrative functions;

(v) port limits;

(vi) number of committee members, terms of office, appointment and dismissal, remuneration; and information about the proceedings of the committee meetings;

(vii) information about the organization and staff of the secretariat;

(viii) information about its property and finances;

(ix) information about contributions or apportionment of expenses by the local governments incorporating the port authority;

(x) information about the appropriation of surplus and disposition of losses;

(xi) method of issuing public notices;

(xii) information about its dissolution.

(2) The articles of incorporation or amendment thereto do not become effective unless approved by the assembly of the local government incorporating the port authority.

(Registration)

Article 7 (1) A port authority must register its incorporation, changes in the address of its main office, and other information prescribed by Cabinet Order, pursuant to the procedures prescribed by Cabinet Order.

(2) Information required to be registered concerning a port authority may not be duly asserted against a third party until the information is registered.

(Establishment)

Article 8 A port authority is established by a registration of its incorporation.

(Public Notice of Port Limits)

Article 9 (1) After the establishment of the port limits, a port authority must make this and the port limits known to the public without delay. The same applies in a case where the area of the port limits is changed.

- (2) The provisions of Article 4, paragraph (4) through paragraph (9) apply mutatis mutandis in a case where a port authority intends to change the area of the port limits.
- (3) The Minister of Land, Infrastructure, Transport and Tourism or the prefectural governor may, if the minister or governor finds that the port limits for which the request for changes has been filed pursuant to Article 4, paragraph (8) as applied mutatis mutandis pursuant to the preceding paragraph violates the provisions of paragraph (7) of that Act, request the relevant port authority to change the area of the port limits.
- (4) A port authority must take a necessary action to change the area of the port limits without delay, if the port authority receives a request under the preceding paragraph.

(Grounds for Dissolution of Port Authorities)

Article 9-2 A port authority is dissolved if there are any grounds for dissolution prescribed in the articles of incorporation.

(Special Provisions on Dissolution)

Article 10 (1) Dissolution of a port authority does not become effective until the local government becomes the port management body of the port and harbour pursuant to the provisions of the second clause of Article 33, paragraph (1); provided, however, that this does not apply in a case where the local government incorporating the port authority has obtained the approval for the dissolution of the port authority from the Minister of Land, Infrastructure, Transport and Tourism.

- (2) If a port authority has been dissolved and there are obligations for bonds as set forth in Article 30, paragraph (1) or any other obligations prescribed by Cabinet Order, the local governments incorporating the port authority jointly bear the debts pursuant to the provisions of the articles of incorporation.

(Competence of Port Authority under Liquidation)

Article 10-2 A dissolved port authority is deemed to continue to exist for the purpose of liquidation until the liquidation process is completed.

(Liquidators)

Article 10-3 If a port authority has been dissolved, a board member becomes the liquidator; provided, however, that this does not apply if otherwise provided for in the provisions of articles of incorporation, or if the head of the local government incorporating the port authority appoints a person other than a board member with the consent of the assembly of the local government.

(Appointment of Liquidators by the Court)

Article 10-4 A court may appoint a liquidator at the request of an interested person or a public prosecutor, or ex officio, if there is no candidate for liquidator pursuant to the provisions of the preceding Article, or if there is a risk of causing damages because of the vacancy of liquidator.

(Dismissal of Liquidators)

Article 10-5 A court may dismiss a liquidator at the request of an interested person or a public prosecutor, or ex officio, if there are material grounds for the dismissal.

(Report on Liquidators and Dissolution)

Article 10-6 (1) A liquidator must report the name, address, the grounds for dissolution and the date of dissolution to the assembly of the local government incorporating the port authority.

(2) A liquidator assuming the position of liquidator during the course of the liquidation must report its name and address to the assembly of the local government incorporating the port authority.

(Duties and Authority of Liquidators)

Article 10-7 (1) The duties of the liquidator are as follows:

- (i) to conclude current functions;
- (ii) to collect debts and perform obligations;
- (iii) to deliver residual assets.

(2) A liquidator may take all actions required to perform the duties set forth in the items of the preceding paragraph.

(Demand for Filing of Claims)

Article 10-8 (1) A liquidator must, within two months from the day on which a liquidator assumes that position, issue at least three public notices stating that the creditors must file a claim within a given period. In this case, the filing period may not be less than two months.

(2) The public notice referred to in the preceding paragraph must include a supplementary note stating that a creditor must be excluded from the liquidation unless the creditor files a claim within the relevant period; provided, however, that a liquidator may not exclude any known creditors.

(3) A liquidator must respectively request known creditors to file that claim.

(4) A public notice set forth in paragraph (1) is to be published in the Official Gazette.

(Filing of Claims after Given Period)

Article 10-9 A creditor who files a claim after a given period referred to in paragraph (1) of the preceding Article may only file a claim against the assets not delivered to persons with vested rights, after all debts of the port authority have been paid off.

(Vesting of Residual Assets)

Article 10-10 (1) The assets of a dissolved port authority are vested in the person designated in the provisions of articles of incorporation.

(2) If the provisions of articles of incorporation do not designate a person in whom the rights should be vested or does not provide for the method of designating that person, the liquidator may, with the consent of the assembly of the local government incorporating the port authority, dispose of the assets of the port authority for the purpose similar to that of the port authority.

(3) Any asset that is not disposed of pursuant to the provisions of the preceding two paragraphs is vested in the local government incorporating the port authority.

(Supervision by the Court)

Article 10-11 (1) Dissolution and liquidation of a port authority are subject to the supervision of the court.

(2) A court may conduct inspections required for the supervision referred to in the preceding paragraph at any time, ex officio.

(Report on Conclusion of Liquidation)

Article 10-12 When liquidation is completed, the liquidator must report the assembly of the local government incorporating the port authority accordingly.

(Jurisdiction over the Cases Involving Appointment of Special Agents)

Article 10-13 The following cases are under the jurisdiction of the district court having jurisdiction over the location of the main office of the port authority:

- (i) cases involving the appointment of a special agent;
- (ii) cases related to supervision of the dissolution and liquidation of a port authority;
- (iii) cases involving a liquidator.

(Restriction on Appeals)

Article 10-14 No appeal may be filed against a judicial decision on the appointment of a liquidator.

(Remuneration of Court-Appointed Liquidators)

Article 10-15 If the court appoints a liquidator pursuant to the provisions of

Article 10-4, it may determine the amount of remuneration to be paid to that liquidator by the port authority. In this case, the court must hear a statement from the liquidator (or, if the port authority employs an auditor, a statement from the liquidator and the auditor).

(Mutatis Mutandis Application of the Act on General Incorporated Associations and General Incorporated Foundations)

Article 11 The provisions of Articles 4 and 78 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) apply mutatis mutandis to a port authority.

Section 2 Administrative Functions of Port Authorities

(Administrative Functions)

Article 12 (1) A port authority carries out the following administrative functions:

- (i) preparing a port plan;
- (ii) keeping the port limits and port and harbour facilities managed by the port authority in good condition (including removing floating debris, abandoned vessels, and other objects that could hinder the navigation of vessels in the port limits, as well as cleaning the waters and preventing and removing pollution within the port limits);
- (iii) planning and executing port and harbour construction works related to the construction and improvement of port and harbour facilities (except waste treatment facilities other than facilities set forth in item (xi)-3)) that are required for the development, use and maintenance of the ports and harbours and for the preservation of the areas adjacent to the port limits;
- (iii)-2 beyond what is set forth in the preceding item, reclaiming or improving land, filling in the waters, raising or leveling of ground in the port limits or water front district;
- (iv) managing port and harbour facilities owned by the national or local government for public use (including the land necessary for the operation of the port), as a trustee;
- (iv)-2 providing necessary restrictions on the use of harbour facilities;
- (v) operating the mooring facilities for public use by itself, among those used for the public, that needs to be made more accessible to the public, assigning mooring spaces to vessels using these facilities, and providing necessary restrictions on the use of mooring spaces;
- (v)-2 accepting port entry notices and port departure notices from vessels entering and leaving the port limits;
- (vi) setting up the facilities necessary for fire extinguishing activities, rescue, and security and preparing the oil fences, chemicals, and other materials

- required to prevent and remove oil spills in the port limit;
 - (vii) conducting researches and studies and compiling statistics necessary for the development, use, and maintenance of a port and harbour, and promoting the use of the port and harbour;
 - (viii) supplying water to vessels, assisting in docking and undocking, disposing the waste oil generated by vessels, and providing other services, if these services are not provided properly or adequately by other persons;
 - (ix) renting out port and harbour facilities managed by a port authority, that do not need to be made available to the public or that are not appropriate for the port authority to operate by itself;
 - (x) providing restrictions on the use of port and harbour facilities by persons who provide the services necessary for the port operation using port and harbor facilities including transit sheds, cargo handling equipment managed by a port authority, , so as to ensure the smooth flow of cargo traffic and effective use of port and harbour facilities;
 - (xi) coordinating the provision of the service necessary for the port operation;
 - (xi)-2 beyond what is set forth in the preceding item, coordinating the loading and unloading, storage, sorting, and transportation of cargo in the port limits and waterfront district
 - (xi)-3 managing and operating dikes used for waste dumping, marine waste treatment facilities (meaning facilities for treating waste generated by vessels or offshore facilities provided for in Article 3, item (x) of the Act on Prevention of Marine Pollution and Maritime Disaster (Act No. 136 of 1970) (including toxic liquid waste provided by Article 44 of that Act) or waste generated by the functions set forth in item (ii), or for treating waste collected in the effort to prevent and remove marine pollution, other than dikes used for waste dumping; the same applies hereinafter), waste oil disposal facilities (meaning waste oil disposal facilities set forth in Article 3, item (xiv) of that Act), and gas emission treatment facilities (meaning gas emission treatment facilities provided for in Article 44 of that Act);
 - (xii) setting up or managing facilities such as temporary living quarters for ships' crews and harbour workers to promote employee welfare;
 - (xiii) preparing and publishing the latest port tariff showing the prescribed charges for the services and facilities required when using the port and harbour;
 - (xiv) other administrative functions required to provide the services set forth in the preceding items.
- (2) Ordinance of the local government incorporating the port authority that is prescribed in the provisions of the articles of incorporation, provides for the particulars necessary for the port entry notices and port departure notices prescribed in item (v)-2 of the preceding paragraph.

- (3) Ordinance of the local government referred to in the preceding paragraph must be established with due respect to the original draft prepared by the port authority.
- (4) In addition to the rates of the charges that the port authority itself has determined, a port tariff provided for in paragraph (1), item (xiii) must provide the rates indicated in the documents submitted pursuant to the provisions of Article 45, paragraph (1) or (2) (including as applied mutatis mutandis pursuant to Article 50-21) and the rates indicated in the notice under the provisions of Article 45, paragraph (5).
- (5) A port authority must issue a public notice providing an outline of the port and harbour facilities under its management, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Regulations)

Article 12-2 A port authority may establish regulations for the administrative functions under its authority, insofar as they do not violate applicable laws and regulations, or ordinance or regulations of the local government incorporating that port authority.

(Non-Involvement with Private Enterprises)

Article 13 (1) A port authority must not obstruct or interfere with the fair activities of private enterprises engaged in the port and harbor transportation business, warehousing business, or other businesses related to the transportation and storage of cargo, or must not run business to compete with such persons.

(2) A port authority must not treat any person unequally with respect to the use of facilities and the management and operation of the port and harbour.

Section 3 Organizational Structure of Port Authorities

(The Board)

Article 14 A port authority has a board.

(Authority and Responsibility of the Board)

Article 15 The board decides on the policies of the port authority and directs and regulates the operation of administrative functions of the port authority.

(Organizational Structure of the Board and Appointment of Members)

Article 16 (1) The board is comprised of not more than seven members, pursuant to the provisions of articles of incorporation.

(2) Notwithstanding the provisions of the preceding paragraph, the number of

board members may be increased up to eleven if a port authority is incorporated by more than three local governments.

- (3) The head of the local government incorporating a port authority appoints the board members referred to in the preceding two paragraphs from among persons with extensive knowledge and broad experiences in ports and harbours or those of high reputation, with the consent of the assembly of the local government.
- (4) The total number of board members provided for in paragraph (1) and (2) must be more than twice the number of members set forth in the proviso to paragraph (1), item (ii) of the following Article.

(Ineligible Persons as a Board Member)

Article 17 (1) A person who falls under any of the following items may not be appointed as a board member:

- (i) a Member of the Diet;
 - (ii) a member of the assembly of the local government; provided, however, that this does not apply if one board member per one local government is appointed from among assembly members recommended by the respective assemblies of the local governments incorporating the port authority;
 - (iii) a person who undertakes construction works for the port authority, or if such a person is a corporation, the board member thereof, or any other person having equivalent or higher level of authority or control regardless of title (including a person who falls under this category in the previous one year from the date of appointment);
 - (iv) the board member of an organization of contractors as set forth in the preceding item or any other person having equivalent or higher level of authority or control regardless of title (including a person falling under this category in the period previous one year from the date of appointment).
- (2) A board member must leave the board when the member falls under any of the items of the preceding paragraph.

(Board Members' Term of Office)

Article 18 (1) The term of office of a board member is no more than three years; provided, however, that the term of office of an alternate board member is the remainder of the predecessor's term of office.

- (2) A board member may be reappointed.
- (3) The terms of office of the board members who are appointed for the first time after the incorporation of the port authority are determined by the head of the local government incorporating the port authority at the time of appointment so that many board members will not leave the board at the same time.

(Dismissal of Board Members)

Article 19 A head of a local government incorporating a port authority may dismiss a board member after obtaining the consent of the assembly of the local government, if the head finds that the member is unable to perform the duties owing to a mental disorder or physical disability or that the member has breached the obligation in the course of his/her duties or that the member is not appropriate as a member due to misconduct.

(Chairperson)

Article 20 (1) The board has a chairperson, who is elected by the board members.
(2) The chairperson presides over the meetings of the board.

(Methods of Decision Making)

Article 21 (1) The proceedings of the board is decided by majority of all members.
(2) A board member may not participate in the vote for a matter in which the member has special interests, as determined by the board.

(Auditors)

Article 22 (1) A port authority may employ an auditor, pursuant to the provisions of the articles of incorporation.
(2) The provisions of Article 16, paragraph (3) and Articles 17 and 19 apply mutatis mutandis to the appointment and dismissal of auditors.

(Duties and Authority of Chairperson)

Article 23 (1) A chairperson, on behalf of the port authority, presides over the functions of the port authority as its head and carries out the administrative functions related to the development, use, maintenance, and management of the port and harbor over which the chairperson has authority pursuant to the laws and regulations or ordinance of the local government as referred to in Article 45-2.
(2) A board member other than the chairperson, pursuant to the provisions of the articles of incorporation, represents the port authority, assists the chairperson in administering the functions of the port authority, acts for the chairperson if the chairperson is unable to attend to his/her duties, and performs the duties of the chairperson if the position is vacant.
(3) An auditor audits the administrative functions of the port authority.

(Restrictions on Authority of the Board)

Article 23-2 Restrictions on a board member's authority to represent the port authority may not be asserted against a third party without knowledge of such restrictions.

(Acting in Conflict of Interest)

Article 23-3 A board member does not have the authority to represent the port authority for a matter involving conflicts of interest between the port authority and the member. In this case, the court must appoint a special agent, at the request of an interested person or a public prosecutor.

(Secretariat)

Article 24 A port authority has a secretariat and employs the staff to have them handle administrative functions, pursuant to the provisions of the articles of incorporation.

(Local Port and Harbour Council)

Article 24-2 (1) A local port and harbour council is to be established within the port authority of a strategic international hub port, international hub port, or major port for the purpose of investigating and deliberating on important matters concerning the port and harbour in response to consultations requested by the chairperson of the board; and is to be established within the port authority of a regional port and harbour as needed, pursuant to the regulations referred to in Article 12-2.

(2) The regulations referred to in Article 12-2 provide for the particulars required for the title, organizational structure, and operation of the local port and harbour council.

(Remuneration of the Chairperson)

Article 25 (1) A port authority must pay salary to full-time board members, auditors, and employees.

(2) The amount of the salary referred to in the preceding paragraph must be determined based on the nature and responsibilities of the assignments and on the salary level for persons engaged in similar duties in the relevant local area; provided, however, that it must not exceed the amount of the salary of the head of the local government incorporating the port authority (or a person who receives a higher level of salary if more than two persons fall under this category).

(3) Board members and auditors who receive a salary as referred to in paragraph (1) must not engage in any other duties to get remuneration.

(Status as Public Employees)

Article 26 Board members, auditors, and employees of a port authority are regarded as personnel engaged in public services pursuant to laws and regulations, with respect to the application of penal laws.

(Appointment and Dismissal of Board Members if Port Authority Is Incorporated by More than Two Local Governments)

Article 27 If a port authority is incorporated by more than two local governments, the articles of incorporation of the port authority must provide for the exercise of authority by the head of the local governments and the assemblies regarding the appointment and dismissal of board members under Article 16, paragraph (3); the proviso to Article 17, paragraph (1), item (ii); Article 18, paragraph (3); Article 19; and Article 22, paragraph (2).

Section 4 Finances of Port Authorities

(Contributions)

Article 28 No person other than the local governments incorporating a port authority may make a contribution to the port authority.

(Financial Principles)

Article 29 The costs required for a port authority to carry out its administrative functions (other than the cost of port and harbour construction works) must be covered by usage charges and rent for port and harbour facilities and other facilities under its management, charges for services provided by the port authority including water supply to vessels, and other revenues from the management and operation of the port and harbour.

(Issuance of Bonds)

Article 30 (1) A port authority may issue bonds to cover the costs of construction, improvement, or restoration of port and harbour facilities.

(2) The provisions of Article 5-3, paragraphs (1), (2), and (10) of the Local Government Finance Act (Act No. 109 of 1948) (limited to the provisions concerning the criteria for determining whether or not to grant a permit), and Article 5-4, paragraph (1) (excluding items (i) and (ii)), paragraphs (2) and (6) (limited to the provisions of the proviso to Article 5-3, paragraph (1) of that Act pertains) apply mutatis mutandis to a case as referred to in the preceding paragraph. In this case, the phrase "the following local government" in the provisions other than the items of Article 5-4, paragraph (1) of that Act is deemed to be replaced with "the following port authority or a port authority which has received compensation for the losses incurred in the previous business year pursuant to the provisions of Article 31, paragraph (2) of the Port and Harbour Act (Act No. 218 of 1950)".

(3) Each business year, a port authority must establish reserve fund for the redemption pursuant to the provisions of the articles of incorporation, to cover

the redemption of bonds issued pursuant to the provisions of paragraph (1).
(4) The reserve fund for the redemption referred to in the preceding paragraph must not be used for any purpose other than the redemption of bonds.

(Handling of Profits and Losses)

Article 31 (1) If there is a remaining balance after the surplus are allocated to the reserve funds for the redemption and for compensation for the loss , a port authority must pay the excess amount to the local government incorporating the port authority, pursuant to the provisions of the articles of incorporation.

(2) If a loss incurred by a port authority cannot be fully offset by the reserve funds referred to in the preceding paragraph, the local government incorporating the port authority must compensate the shortage, pursuant to the provisions of the articles of incorporation.

(Inventory of Assets)

Article 32 A port authority must prepare an inventory of assets, a balance sheet, and a profit and loss statement, and submit those to the local government incorporating the port authority within two months from the last day of each business year.

Chapter III Local Government Acting as Port Management Body

(Decisions Made by Local Governments Acting as a Port Management Body)

Article 33 (1) For a port and harbour for which no port authority has been incorporated, a relevant local government may become the port management body or may incorporate a local government as referred to in Article 284, paragraph (2) or (3) of the Local Autonomy Act (Act No. 67 of 1947) as the port management body. The same applies to a port and harbour for which a port authority has been incorporated, if the port authority is to be dissolved pursuant to the provisions of the articles of incorporation.

(2) The provisions of paragraph (2) through (13) of Article 4 apply mutatis mutandis to a case referred to in the preceding paragraph; the provisions of paragraphs (4) through (9) of that Article apply mutatis mutandis if the local government acts as the port management body, changes the port limits; and the provisions of Article 9, paragraph (1) apply mutatis mutandis if the local government acts as the port management body designates or changes the port limits. In this case, the phrase "a relevant local government that makes a proposal to incorporate a port authority" is deemed to be replaced with "a relevant local government that becomes the port management body or that makes a proposal to incorporate a local government as referred to in Article 284, paragraph (2) or (3) of the Local Autonomy Act to act as the port management

body".

(Functions)

Article 34 The provisions of Articles 12 and 13 apply mutatis mutandis to the administrative functions of a local government that acts as the port management body.

(The Board)

Article 35 (1) A local government that acts as the port management body may establish a board as the organ to carry out the functions set forth in the provisions of the preceding Article.

(2) Ordinance of the local government provides for the title, organizational structure, and authority of the board.

(Local Port and Harbour Council)

Article 35-2 (1) A local port and harbour council is to be established by the local government acting as the port management body of a strategic international hub port, international hub port, or major port for the purpose of investigating and deliberating on important matters concerning the port and harbour requested by the head of the local government acting as the port management body (or the board set forth in paragraph (1) of the preceding Article, if the board under the provisions of paragraph (1) of preceding Article is established by the local government); and a local port and harbor council is to be established by the local government acting as the port management body of a regional port as needed, pursuant to the provisions of ordinance of the local government.

(2) Ordinance of the local government provides for the particulars necessary for the title, organizational structure, and operation of the local port and harbour council.

(If a Port Authority Is Incorporated)

Article 36 (1) If a port authority is incorporated for the port and harbor where the local government has been the port management body pursuant to the provisions of Article 33 or if another local government becomes the port management body pursuant to the provisions of Article 33, , the local government that has been the former port management body loses its position as the port management body with respect to the port limits under the jurisdiction of the new port management body.

(2) The provisions of the preceding paragraph apply mutatis mutandis in a case where the local government becomes the port management body pursuant to the second sentence of Article 33, paragraph (1) with respect to a port and

harbour where the port authority has been the port management body.

Chapter IV Port Limits and Waterfront Districts

(Permission for Construction Works within Port Limits)

Article 37 (1) A person engages in the act set forth in any of the following items within the port limits or the area adjacent to the port limits designated by the port management body (hereinafter referred to as the "area adjacent to the port limits") must obtain the permit from the port management body; provided, however, that this does not apply if a person licensed pursuant to the provisions of Article 2, paragraph (1) of the Act on Reclamation of Public Waters (Act No. 57 of 1921) engages in these acts within the waters covered by the license:

- (i) occupying the waters within the port limits (including the air space above the waters or the areas of sea floor specified by Cabinet Order; the same applies hereinafter) or public open space (hereinafter referred to as the "waters within the port limits, etc. ");
 - (ii) mining soil and earth in the waters within the port limits, etc.;
 - (iii) construction or improvement of harbour facilities, protective facilities for harbour, mooring facilities, canals and irrigation ditches, or drainage ditches (except those accompanied by the occupancy referred to in item (i));
 - (iv) engaging in an act specified by Cabinet Order other than those specified in the preceding items, which could seriously obstruct the development, use, or maintenance of the port and harbour.
- (2) If the act referred to in the preceding paragraph seriously obstructs the use or maintenance of the port, or seriously impedes the implementation of the port plan that has been made public pursuant to the provisions of Article 3-3, paragraph (9) or (10), or considerably obstructs the development of the port; the port management body must not grant a permit; and also must not grant a permit for the occupation of the waters referred to in item (i) or the act referred to in item (iv) of the preceding paragraph with respect to the harbour facilities managed by the port management body unless otherwise specified by Cabinet Order.
- (3) If the national or local government intends to engage in the act referred to in paragraph (1), the phrase a "person must obtain the permit from the port management body" in paragraph (1) is deemed to be replaced with a "person must consult with the port management body"; and the phrase a "port management body must not grant a permit" in the preceding paragraph is deemed to be replaced with a "port management body must not have a consultation".
- (4) The port management body may collect an occupancy fee or sand and earth

mining fee from a person who has obtained the permit referred to in paragraph (1), item (i) or (ii) for the waters within the port limits, etc., pursuant to an ordinance of the local government or the provisions referred to in Article 12-2; provided, however, that this does not apply to an act related to a consultation between the persons set forth in the preceding paragraph.

- (5) A port management body may, pursuant to an ordinance of the local government or the provisions of Article 12-2, impose a monetary penalty of not more than five times the fees evaded on a person who has evaded paying the occupancy fee or sand and earth mining fee as referred to in the preceding paragraph by practicing fraudulent or wrongful acts,.
- (6) Occupancy fees and sand and earth mining fees referred to in paragraph (4) and monetary penalties referred to in the preceding paragraph are to be considered as the revenue of the port management body.

(Areas Adjacent to Port Limits)

Article 37-2 (1) The area adjacent to the port limits must be designated pursuant to the provisions of paragraph (1) of the preceding Article to cover the minimum area required for the maintenance of the port limits and the area adjacent to it, which must be located within one hundred meters from the port limits.

- (2) Before designating an area adjacent to the port limits, the port management body must issue a public notice giving the date, time, and place of a public hearing and the area to be designated by the port management body in advance, and hold a public hearing to give persons having an interest in that area an opportunity to state their opinions. The same applies if the port management body makes any changes to the area adjacent to the port limits.
- (3) After designating an area adjacent to the port limits, the port management body must issue a public notice on the designated area and report to the Minister of Land, Infrastructure, Transport and Tourism about the designation.

(Guidelines for Public Tenders for Occupancy of Facilities Put Out to Public Tender)

Article 37-3 (1) A port management body may formulate guidelines for occupancy of the waters within the port limits and for implementation of a public tender (hereinafter referred to as the "guidelines for public tenders for occupancy") with regard to facilities and structures for which the selection of persons who may apply for a permit as referred to in Article 37, paragraph (1) (limited to the permit for occupancy under item (i) of that paragraph for the installation of facilities or structures for long-term use; the same applies in paragraph (3); Article 37-8, paragraphs (2) and (3); and Article 37-10, paragraph (3)) through a public tenders (hereinafter referred to as a "facility

- put out to public tender") is found to be a fair selection of persons to occupy the waters within the port limits and is found to be effective for promoting the use of renewable energy sources (meaning the renewable energy sources provided in Article 2, paragraph (4) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011)) and for promoting other public interests.
- (2) The following matters must be specified in the guidelines for occupancy through public tender:
- (i) types of facilities to be put out to a public tenders specified in the guidelines for occupancy through public tender;
 - (ii) areas to be occupied by the facilities put put to public tender in the waters within the port limits, etc. ;
 - (iii) the start date of occupancy of the waters within the port limits, etc. for the facilities put out to a public tedner;
 - (iv) particulars concerning the removal of the facilities out out to a public tender upon the expiration of the occupancy period of the waters within the port limits, etc. or when the decision to cease the occupancy of the water areas within the port limits, etc. is made for other reasons;
 - (v) term of validity of the approval referred to in Article 37-6, paragraph (1);
 - (vi) minimum occupancy fee;
 - (vii) evaluation criteria for selecting prospective occupants;
 - (viii) in addition to the particulars specified in the preceding items, particulars concerning the implementation of public tenders and other necessary particulars.
- (3) Areas under item (ii) of the preceding paragraph are not to be designated, with respect to the areas designated for harbour facilities managed by the port management body, or areas where selecting persons who may apply for a permit as referred to in Article 37, paragraph (1) is not appropriate for the development, use, maintenance or management of the port and harbour, as the area designate by Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) Term of validity referred to in paragraph (2), item (v) may not exceed twenty years.
- (5) The minimum occupancy fee referred to in paragraph (2), item (vi) must not be less than the amount prescribed by an ordinance of the local government or the provisions of Article 12-2, pursuant to the provisions of Article 37, paragraph (4).
- (6) When establishing the evaluation criteria referred to in paragraph (2), item (vii), the port management body must hear the opinions of persons with relevant expertise in advance pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(7) Having formulated or revised the guidelines for public tenders for occupancy, the port management body must issue a public notice on this without delay.

(Submission of Plans for Occupancy)

Article 37-4 (1) A person who intends to occupy the waters within port limits, etc. to install a facility put out to a public tender may prepare an occupancy plan for the waters within the port limits, etc. for the facility put out to a public tender (hereinafter referred to as an "occupancy plan for public tender") and submit it to the port management body, in order to participate in the selection process to get the plan approved as appropriate for the occupation.

(2) The following information must be included in an occupancy plan for public tender:

- (i) purpose of occupying the waters within the port limits, etc.;
- (ii) areas to be occupied in the waters within the port limits, etc.;
- (iii) period of occupancy of the waters within the port limits, etc. ;
- (iv) structure of the facility put out to public tender;
- (v) method of construction works;
- (vi) duration of construction works;
- (vii) methods of maintaining and managing the facility put out to public tender;
- (viii) method of removing the facility put out to public tender upon the expiration of the occupation period of the waters within the port limits, etc. or in the case where the decision to cease the occupancy of the waters in the port limits, etc. is made for other reasons;
- (ix) amount of the occupancy fees;
- (x) a financial plan and a revenue and expenditure plan;
- (xi) other particulars provided by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(3) An occupancy plan must be submitted within a period not less than one month as specified in a public notice issued by the port management body.

(Selection of Prospective Occupants)

Article 37-5 (1) Upon receipt of an occupancy plan submitted by a person who intends to occupy the waters within the port limits, etc. pursuant to the provisions of paragraph (1) of the preceding Article, the port management body must review the plan to determine whether or not the plan meets the following criteria:

- (i) an occupancy plan is appropriate in light of the guidelines for public tender for occupancy;
- (ii) occupancy of the waters within the port limits etc. for the relevant facility put out to a public tender does not fall under any of the cases in which the

- permit referred to in Article 37, paragraph (2) must not be granted;
- (iii) facilities, etc. put out to a public tender and the method of maintaining and managing those facilities meets the criteria provided by Order of the Ministry of Land, Infrastructure, Transport and Tourism;
- (iv) it is obvious that a person who has submitted the occupancy plan is unlikely to commit a wrongful or dishonest act.
- (2) If the port management body finds that occupancy plan meets the criteria specified in the items of the preceding paragraph as a result of the review thereunder, the port management body is to evaluate all those plans in accordance with the evaluation criteria under Article 37-3, paragraph (2), item (vii).
- (3) The port management body is, in accordance with the evaluation under the preceding paragraph, to select the person who has submitted the most appropriate occupancy plan as a prospective occupant for the purpose of promote public interests without hindering the functions of the port and harbour.
- (4) When selecting a prospective occupant as provided in the provisions of the preceding paragraph, the port management body must hear the opinions of persons with relevant expertise in advance pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) Having selected a prospective occupant pursuant to the provisions of paragraph (3), the port management body must notify the prospective occupant that they have been selected.

(Approval of Occupancy Plan for Public Tender)

- Article 37-6 (1) With respect to an occupancy plan submitted by a prospective occupant who has been notified as provided in the provisions of paragraph (5) of the preceding Article, the port management body is to approve the plan as an appropriate for occupancy, by designating the area of the waters within the port limits, etc and a period of occupancy.
- (2) Having approved as provided in the preceding paragraph, the port management body must issue a public notice on the date of approval and the term of validity thereof, and the area in the relevant waters within the port limits, etc. and the period of occupancy designated pursuant to the provisions of that paragraph.

(Revision of Occupancy Plan for Public Tender)

- Article 37-7 (1) A person who obtained the approval as referred to in paragraph (1) of the preceding paragraph (hereinafter referred to as a "submitter of the approved plan") must obtain the approval from the port management body if the submitter intends to revise the approved occupancy plan.

- (2) Having received a request to approve the revision under the preceding paragraph, a port management body is to grant an approval as provided in that paragraph only if the port management body finds that the revised occupancy plan meets the following criteria:
 - (i) a revised occupancy plan meets the criteria set forth in Article 37-5, paragraph (1), items (i) through (iii);
 - (ii) making a revision of the occupancy plan could contribute to further promotion of public interests, or the revision is made due to unavoidable circumstances.
- (3) The provisions of paragraph (2) of the preceding paragraph apply mutatis mutandis when the revision referred to in paragraph (1) is approved.

(Permit for Occupancy of Waters within the Port Limits Through a Public Tender Process)

- Article 37-8 (1) A submitter of the approved plan must install, maintain, and manage the relevant facility put out to a public tender in accordance with the approved occupancy plan through public tender (meaning the revised plan, if any revisions are made) for which an approval under paragraph (1), Article 37-6 (including an approval for the revision under paragraph (1) of the preceding Article; hereinafter referred to as an "approval of a plan") has been obtained.
- (2) If a request for the permit referred to in Article 37, paragraph (1) is filed by a submitter of approved plan based on the approved occupancy plan through public tender, the port management body must grant the permit under that paragraph.
 - (3) If the port management body has granted the permit referred to in Article 37, paragraph (1) pursuant to the provisions of the preceding paragraph, the occupancy fee in relation to the permit is the amount specified in the approved occupancy plan through public tender notwithstanding the provisions of paragraph (4) of that Article (if this amount is less than the amount prescribed by an ordinance of the local government or the provisions of Article 12-2 pursuant to the provisions of Article 37, paragraph (4), the amount specified by that ordinance of the local government or the provisions thereof).
 - (4) If a plan has been approved, any person other than a submitter of the approved plan may not apply for the permit referred to in Article 37, paragraph (1) (limited to those associated with item (i) of that paragraph) with respect to the relevant area in the waters within the port limits, etc. under Article 37-6, paragraph (2) (if any changes under paragraph (1) of the preceding Article are approved, the area in the waters within the port limits, etc. under Article 37-6, paragraph (2) applied mutatis mutandis pursuant to paragraph (3) of the preceding Article) during the period of occupancy under Article 37-6, paragraph (2) (if any change under paragraph (1) of the preceding

Article is approved, the period of occupancy under Article 37-6, paragraph (2) applied mutatis mutandis pursuant to paragraph (3) of the preceding Article).

(Taking Over the Positions)

Article 37-9 The following persons may take over the position held by a submitter of the approved plan which is based on the approved plan , by obtaining the approval from the port management body:

- (i) a general successor of the certified occupant;
- (ii) a person who has acquired the ownership of the facility or structure that has been installed, maintained, and managed, or had been installed, maintained, and managed, in accordance with the approved occupancy plan through public tender, or the title required for the installation, maintenance, and management of the relevant facility or structure, from the submitter of the approved plan.

(Revocation of Approval of the Plan)

Article 37-10 (1) A port management body may revoke the approval of the plan in the following cases:

- (i) a submitter of the approved plan has violated the provisions of Article 37-8, paragraph (1);
 - (ii) a submitter of the approved plan has obtained the approval of the plan fraudulently or by other wrongful means.
- (2) Having revoked the approval of the plan pursuant to the provisions of the preceding paragraph, the port management body must issue a public notice on this.
- (3) If the approval of the plan is revoked pursuant to the provisions of paragraph (1), the permit referred to in Article 37, paragraph (1) which has been granted based on the approved occupancy plan through public tender relating to the approval of that plan ceases to be effective.

(Prohibited Acts)

Article 37-11 (1) It is prohibited for any person, without due cause, to dispose of or leave a vessel or other properties designated by the port management body in the port limits, area adjacent to the port limits, the waterfront district, or the area of the port and harbour facilities designated by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Article 2, paragraph (6) (limited to the areas that the port management body considers particularly necessary for the development, use, and maintenance of the port and harbour due to the uses, locations of the port and harbor facilities, or other circumstances).

(2) A port management body must issue a public notice pursuant to Order of the

Ministry of Land, Infrastructure, Transport and Tourism when it designates an area or a property under the preceding paragraph. The same applies in a case where the port management body revokes the designation.

- (3) A designation or revocation referred to in the preceding paragraph become effective by issuing a public notice as referred to in that paragraph.

(Waterfront Districts)

Article 38 (1) A port management body may designate a waterfront district in an area other than a city planning area designated pursuant to the provisions of Article 5 of the City Planning Act.

- (2) A waterfront district referred to in the preceding paragraph must have the minimum area required for the management and operation of the port and harbour, which is located in the area within the port limits bordering waters.

- (3) When designating a waterfront district as referred to in paragraph (1), the port management body must issue a public notice on this in advance pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism to make the proposal for the area of the waterfront district available for public inspection for two weeks from the issuance date of the public notice.

- (4) If an interested person finds that the proposal on the area of the waterfront district does not comply with the provisions of paragraph (2), the interested person may file a request along with the fact with the Minister of Land, Infrastructure, Transport and Tourism so that the minister may call on the port management body to change the proposal for the area of the waterfront district, by the due date of public inspection referred to in the preceding paragraph.

- (5) Having received a request as referred to in the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may, at a public hearing held by the Transport Council, provide the port management body an adequate opportunity to state the reason that the proposal on the area of the waterfront district comply with the provisions of paragraph (2), and then, if the minister finds that there are reasons for that request, the minister may call on the port management body to change the proposal for the area of the waterfront district, by stating the reason.

- (6) if the Minister of Land, Infrastructure, Transport and Tourism finds that the measures referred to in the preceding paragraph need not be taken for the proposal for the area of the waterfront district referred to in paragraph (3), the m must notify the port management body of this.

- (7) If a request as referred to in paragraph (5) is made, a port management body must not designate a waterfront district as referred to in paragraph (1), unless the necessary changes are made to the proposal for the area of the waterfront district or a notification as referred to in the preceding paragraph is received.

- (8) On designating a waterfront district as referred to in paragraph (1), the port management body must issue a public notice on this and make the area for the waterfront district available for public inspection, pursuant to an Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (9) The designation of a waterfront district as referred to in paragraph (1) becomes effective by issuing a public notice as referred to in the preceding paragraph.

(Notification of Acts in Waterfront Districts)

Article 38-2 (1) A person who intends to engage in any of the acts set forth in the following items within a waterfront district must notify the port management body of this no later than 60 days prior to the starting date of the construction work relating to that act, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism; provided, however, that this does not apply if a person who has obtained the permit referred to in Article 37, paragraph (1) intends to engage in an act relating to that permit or if a person as set forth in paragraph (3) of that Article intends to engage in an agreed-upon act through consultation with the port management body as referred to in the provisions of that paragraph:

- (i) construction or improvement of harbour facilities, canals, irrigation ditches, or drainage ditches;
 - (ii) construction or improvement of waste treatment facilities specified by Cabinet Order other than those on the premises of a factory, etc. provided for in the following item (limited to waste treatment facilities used exclusively for the treatment of waste generated in that factory);
 - (iii) new construction or expansion of a factory or a workplace with the total floor area of the workspace or the total area of the premises of the factory or workplace located within one industrial district exceeds the area specified by Cabinet Order (hereinafter referred to as a "factories, etc.");
 - (iv) construction or improvement of facilities specified by Cabinet Order which may seriously obstruct the development, use, or maintenance of the port and harbour, except those set forth in the preceding three items.
- (2) A person who intends to notify the port management body pursuant to the provisions of the preceding paragraph must submit a written notice to the port management body, giving the following information:
- (i) name or title and address of the person, or name of the representative person if it is a corporation;
 - (ii) following information, for the acts set forth in item (i) or (ii) of the preceding paragraph:
 - (a) locations, types, and structure of the facilities;
 - (b) plan for using the facilities.

- (iii) following information, for the act set forth in item (iii) of the preceding paragraph:
- (a) location, type, and site area of the factory or workplace and the floor area of the workspace;
 - (b) approximate volume of incoming and outgoing cargo associated with the business activities of the factory, etc. and a transportation plan;
 - (c) approximate volume of waste that will be generated by the business activities of the factory, etc. and a disposal plan;
- (iv) other information specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) A written notice referred to in the preceding paragraph must be accompanied by specifications for construction of the facility relating to the act based on that notification and other documents specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) If a person who has submit a written notice pursuant to the provisions of paragraph (1) intends to change any information set forth in item (ii) through (iv) of paragraph (2) concerning the act relating to the written notice, the person must notify the port management body of this no later than 60 days prior to the starting date of the construction work, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) If information set forth in paragraph (2), item (i) has changed while the act relating to the notification is in progress, the person who has submitted that notificatione pursuant to the provisions of paragraph (1) must notify the port management body of this without delay.
- (6) The provisions of paragraph (3) apply mutatis mutandis to a notification under the provisions of paragraph (4).
- (7) Having received a notification under the provisions of paragraph (1) or (4), and found that the act subject to the notification does not conform to the criteria set forth in the following items (or in items (iii) and (iv), as regards the act set forth in paragraph (1), items (i), (ii), and (iv); the same applies in the following paragraph and paragraph (10)), the port management body may recommend that within 60 days from the receipt of the notification, the person who has submitted the notification will change the plan or take other necessary measures for the act subject to the notification:
- (i) a transportation plan for incoming and outgoing cargo in the course of business activities of the factory, etc. to be constructed or expanded is appropriate in light of the capacities of the port and harbour facilities of that port and harbor or the port plan which has been made publicpursuant to the provisions of Article 3-3, paragraph (9) or (10);
 - (ii) a volumeor type of waste that will be treated within the post limits or the waterfront district (except the factory premises, etc.) among those will be

- generated from the business activities of the factory, etc. to be constructed or expanded is appropriate in light of the waste treatment plan specified in the port plan which has been made public pursuant to the provisions of Article 3-3, paragraph (9) or (10);
- (iii) an act will not seriously obstruct the implementation of the port plan which has been made public pursuant to the provisions of Article 3-3, paragraph (9) or (10);
- (iv) an act will not seriously obstruct the use and maintenance of the port and harbor in any other manner.
- (8) Having received a notification under the provisions of paragraph (1) or (4) and found that the act subject to the notification (except the act referred to in paragraph (1), item (ii) or (iv)) does not conform to the criteria set forth in the items of the preceding paragraph and it will be difficult to manage and operate the port unless major revisions are made to the port plan for the development of harbour facilities, protective facilities for harbour, mooring facilities, and port transportation facilities, the port management body may, within 60 days from the receipt of the notification, order the person who has submitted the notification to revise the plan for the act subject to the notification.
- (9) A person referred to in Article 37, paragraph (3) must, if the person intends to engage in an act as set forth in any of the items of paragraph (1) (except the acts provided for in the proviso to that paragraph, notify the port management body of this according to the procedures for notification under the provisions of that paragraph; and must, if the person intends to change the information given on the notification, notify the port management body of this according to the procedures for notification under the provisions of paragraph (4).
- (10) Having received a notification under the provisions of the preceding paragraph and found that the act subject to the notification does not conform to the criteria referred to in the items of paragraph (7), the port management body may, within 60 days from the receipt of the notice, request the person who has submitted a notification to revise the plan or take other necessary measures for the act subject to the notice.

(Designation of Zones)

Article 39 (1) A port management body may designate zones as set forth in the following items within the waterfront district:

- (i) a commercial zone: an area intended for handling passengers or general cargo;
- (ii) a special cargo zone: an area intended for handling coal, mineral ores, and other cargo normally handled in bulk;
- (iii) an industrial zone: an area intended for building factories and other industrial facilities;

- (iv) a railway connection zone: an area intended to connect railways with train ferry;
 - (v) a fishery zone: an area intended for handling marine products or for fishing boats to make the necessary preparations to go out fishing;
 - (vi) a bunker zone: an area intended for storing and supplying fuel for vessels;
 - (vii) a hazardous materials zone: an area intended for handling explosives and other hazardous materials;
 - (viii) a marina zone: an area intended to made available for yachts, motor boats, and other vessels for sports or recreational activities
 - (ix) a cruise zone: an area intended to made available exclusively for tourist passengers;
 - (x) a scenic and recreation zone: an area intended to preserve the scenery and promote the welfare of those who work in ports and harbours.
- (2) Zones referred to in the preceding paragraph must be designated within the area under the jurisdiction of the local government acting as the port management body (or the local government incorporating the port authority, if the port authority is the port management body).

(Restrictions within Zones)

Article 40 (1) In the areas locatd in the zones referred to in the predecing Article, it is prohibited to construct a building or other structure that could go against the intended use of the respective zones, which is specified by an ordinance of the local government acting as the port management body (or the local government incorporating the port authority that has jurisdiction over the area located in the zone which is specified by the articles of incorporation, , or renovate a building or other structure or change the use of the structure to comply with the ordinance of the local government.

- (2) An ordinance of the local government as referred to in the preceding paragraph must be formulated by the local government incorporating the port authority, paying due respect to the original draft prepared by the port authority.
- (3) The local government referred to in paragraph (1) may include a provision in its ordinance to impose a fine of not more than 300,000 yen on a person who violates the provisions of that paragraph.

(Measures against Illegal Structures)

Article 40-2 (1) The port management body may order that the owner or occupant of a building or other structure constructed in violation of the provisions of paragraph (1) of the preceding Article or of a building or other structure which comply with the provisions of the same paragraph due to a renovation or a change of use must remove, relocate, renovate, or change the

use of the building or structure.

- (2) If the port authority intends to give an order under the preceding paragraph, it must hold a hearing, irrespective of the category of procedures for statements of opinion under the provisions of Article 13, paragraph (1) of the Administrative Procedure Act (Act No. 88 of 1993) .
- (3) A presiding official holding a hearing as referred to in the preceding paragraph must give the interested person permission to participate in the hearing if that interested person requests to do so pursuant to the provisions of Article 17, paragraph (1) of the Administrative Procedure Act.

(Renovation of Undesirable Structures)

- Article 41 (1) A port management body may order the owner or occupant of a building or other structure that, if a building or other structure located in a zone falls under a category provided by the ordinance following the enforcement of the ordinance as referred to in Article 40, paragraph (1) and goes against the intended use of the zone, they must renovate, relocate or remove that structure.
- (2) The provisions of paragraph (2) and (3) of the preceding Article apply mutatis mutandis if a port management body issues an order as referred to in the preceding paragraph.
 - (3) With respect to the loss incurred due to the order under the provisions of paragraph (1), the port management body must compensate the owner or occupant of a building or other structure for the loss that would not have normally been incurred or the lost profits, without that order.
 - (4) If a person entitled to receive compensation pursuant to the provisions of the preceding paragraph is dissatisfied with the amount of compensation determined by the port management body, the person may bring a suit against the port management body for an increase in the amount of compensation, within six months from the day on which the person has received the notification of the determination of the amount.

Chapter IV-2 Port Support Groups

(Designation of Port Support Groups)

- Article 41-2 (1) A port management body may designate a corporation that is considered to be capable of carrying out the functions provided in the following Article properly or without fail or an equivalent group thereof specified by the Order of Ministry of Land, Infrastructure, Transport and Tourism as a port support group, upon their request.
- (2) On designating as provided in the provisions of the preceding paragraph, the port management body must make the name and address of the port support group, and the location of its office known to the public.

- (3) Before changing its name or address or the location of its office, a port support group must notify the port management body of this in advance.
- (4) When a port management body is notified as provided in the provisions of the preceding paragraph, the port management body must make the relevant information known to the public.

(Functions of Port Support Groups)

Article 41-3 A port support group is to perform the following functions of the port and harbour managed by the port management body that has designated the port support group:

- (i) develop or manage the port information providing facilities and other port and harbour facilities in cooperation with the port management body;
- (ii) collect and provide information and materials concerning the development, use, maintenance, or management of the port and harbour;
- (iii) conduct research and studies on the development, use, maintenance, or management of the port and harbour;
- (iv) disseminate knowledge and raise public awareness about the development, use, maintenance, and management of the port and harbour;
- (v) perform functions incidental to the functions set forth in the preceding items.

(Supervision)

Article 41-4 (1) If a port management body finds that it is necessary for the appropriate and reliable execution of the functions set forth in the items of the preceding Article, the port management body may require a port support group to report on its functions.

- (2) If a port management body finds that a port support group does not carry out its duties set forth in the items of the preceding Article properly and without fail, the port management body may order that the group must take the measures necessary for the improvement of operations of its functions.
- (3) If a port support group has violated an order under the provisions of the preceding paragraph, the port management body may revoke the designation of the group.
- (4) On revoking a designation pursuant to the provisions of the preceding paragraph, the port management body must make this known to the public.

(Provision of Information)

Article 41-5 The Minister of Land, Infrastructure, Transport and Tourism or a port management body is to provide port support groups with the information, guidance, or advice necessary for performing their functions.

(Special Provisions on Permission Granted to Port Support Groups)

Article 41-6 With regard to the application of the provisions of Article 37, paragraph (1) to acts specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, that are carried out by the port management body as the functions set forth in items of Article 41-3, , it is deemed that a permit under Article 37, paragraph (1) is granted when an agreement is reached between the port support group and the port management body through consultation.

Chapter V Costs of Port and Harbour Construction Works

(Bearing of Costs)

Article 42 (1) If a port management body carries out major construction works such as construction or improvement of harbour facilities, protective facilities for harbour, or mooring facilities located in a strategic international hub port, international hub port, or major port (other than small-scale facilities prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism) for public use, the national government and the port management body respectively bear five tenths of the construction costs.

(2) If a port management body carries out construction works such as construction or improvement of harbour facilities or protective facilities for a port and harbour located in a port of refuge, the national government and the port management body respectively bear five-tenths of the construction cost.

(3) The provisions of the preceding two paragraphs do not apply if the amount to be borne by the national government has not been reported to the Minister of Land, Infrastructure, Transport and Tourism in advance and included in the budget approved by the National Diet.

(4) The provisions of Article 17 and Article 19, paragraph (1) of the Local Government Finance Act apply *mutatis mutandis* to a port authority as referred to in paragraph (1). In that case, the phrase "local government" is deemed to be replaced with "port authority".

(Subsidies for the Costs)

Article 43 If the national government finds it particularly necessary, it may provide a subsidy for the costs of construction work executed by the port management body in order to make it available for public use (except cases on port and harbour facilities provided in item (iv)), beyond what is set forth in the preceding Article, within the budget, based on the following criteria:

(i) up to 40 percent of the cost of port and harbour construction works with respect to the construction or improvement of small-scale facilities prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism

- referred to in paragraph (1) of the preceding Article among the harbour facilities, protective facilities for harbour, and mooring facilities located in a strategic international hub port, international hub port, or major port;
- (ii) up to 50 percent of the cost of port and harbour construction works with respect to the construction or improvement of port transportation facilities located in a strategic international hub port, international hub port, or major port;
 - (iii) up to four-tenths of the cost of port and harbour construction works with respect to the construction or improvement of harbour facilities, protective facilities for harbour, mooring facilities, or port transportation facilities located in a regional port;
 - (iv) up to 50 percent of the cost of port and harbour construction works with respect to the construction or improvement of port pollution control facilities or facilities for the improvement of the port and harbour environment;
 - (v) up to one-third of the cost of port and harbour construction or improvement of dikes used for waste dumping or marine waste treatment facilities.

(Carrying Out of Construction of Port and Harbour Facilities that can Serve as Other Structures; Bearing of the Construction Cost)

Article 43-2 With respect to carrying out of port and harbour construction of port and harbour facilities that can serve as other structures and bearing of the cost are determined through consultation between the port management body and the administrator of the structure.

(Bearing of Costs by Person Causing a Need for Works)

Article 43-3 (1) If the need for port and harbour construction arises as a result of the construction work or act of a person other than the port management body, the port management body may have the person bear all or part of the costs, to the extent of the need that the person has caused.

(2) The scope of persons from whom the contributions will be collected the method of collection in a case as referred to in the preceding paragraph are prescribed by an ordinance of the local government acting as the port management body (or the local government prescribed in the articles of incorporation among the local governments incorporating the port authority, if the port authority is the port management body).

(Costs Borne by Beneficiaries)

Article 43-4 (1) If a person receives large benefits from port and harbour construction, the port management body may have that person bear part of the costs, to the extent that the person can receive benefits.

(2) The provisions of paragraph (2) of the preceding Article apply mutatis

mutandis to a case as referred to in the preceding paragraph.

(Contributions to Port Environment Improvement Works)

Article 43-5 (1) In accordance with the criteria prescribed by Cabinet Order, the Minister of Land, Infrastructure, Transport and Tourism, by Order of the Ministry of Land, Infrastructure, Transport and Tourism, or the port management body, by an ordinance of the local government, may have an industrial company bear part of the cost of port and harbour construction works (limited to construction or improvement of port and harbour facilities, if the port and harbour construction works is executed by the minister) that the minister or port management body carry out to improve or maintain the port environment (excluding the pollution control works referred to in Article 2, paragraph (2) of the Act on the Costs of Public Pollution Control Work Borne by Industrial Companies (Act No. 133 of 1970)), if the works contribute to conserving the environment of the factory or workplace of an industrial company located within the port limits or waterfront district, or preventing or alleviating the deterioration of the living environment of the surrounding areas of the factory or workplace due to its location or business activities.

(2) Before having an enterprise bear the costs pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism must hear the opinions of the Transportation Policy Council in advance, and the port management body must hear the opinions of the local port and harbour council in advance.

(3) The Minister of Land, Infrastructure, Transport and Tourism is to reimburse the amount of contribution prescribed in the provisions of Article 52, paragraph (2), which is equivalent to the amount calculated based on the contributions paid to the national government pursuant to the provisions of paragraph (1) by multiplying contribution percentage prescribed in Article 52, paragraph (2), to a port management body that has borne the costs pursuant to the provisions of that paragraph.

Chapter VI Waterways to be developed and preserved

(Development and Security)

Article 43-6 The Minister of Land, Infrastructure, Transport and Tourism develops and secures waterways to be developed and preserved.

Article 43-7 The provisions of Articles 55-2, 55-4, and 55-5 apply mutatis mutandis to construction works of waterways to be developed and preserved.

(Prohibitions)

Article 43-8 (1) It is prohibited for any person, without due cause, to dispose of or leave a vessel, soil, stones, or any other objects prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism in a waterway to be developed and preserved.

(2) A person who intends to occupy the waters by installing a structure, etc., or to mine sand and earth in the waterways to be developed and preserved, must obtain a permit from the Minister of Land, Infrastructure, Transport and Tourism.

(3) The Minister of Land, Infrastructure, Transport and Tourism must not give a permit if the act referred to in the preceding paragraph would seriously obstruct the transit of vessels or seriously obstruct the development or maintenance of the waterways to be developed and preserved.

(4) The provisions of Article 37, paragraph (3) apply mutatis mutandis to a case as referred to in the preceding two paragraphs.

(Bearing of Costs)

Article 43-9 (1) The costs of developing and maintaining a waterway to be developed and preserved are borne by the national government, except in a case as referred to in the following paragraph or the following Article.

(2) The provisions of Article 43-2, Article 43-3, paragraph (1) and Article 43-4, paragraph (1) apply mutatis mutandis to the cost of construction of a waterway to be developed and preserved.

(3) The scope of persons from whom the contributions will be collected and the method of collection pursuant to the provisions of Article 43-3, paragraph (1) or Article 43-4, paragraph (1) as applied mutatis mutandis to the preceding paragraph are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Carrying out of Construction Works Requested by Industrial Companies)

Article 43-10 The provisions of Article 8, paragraph (1) and (2) of the Enterprise Rationalization Promotion Act (Act No. 5 of 1952) apply mutatis mutandis to construction works of a waterway to be developed and preserved.

Chapter VII Port Operating Companies

Section 1 Designation of a Port Operating Company

(Designation of Port Operating Companies)

Article 43-11 (1) The Minister of Land, Infrastructure, Transport and Tourism may designate only one stock company that obviously meets the following requirements, at their request, as a person operating a group of wharves per strategic international hub port (meaning more than two wharves as a whole in

the same port (limited to the facilities that meet the criteria for uses or location as prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism among the mooring facilities at the wharves, cargo handling areas of the mooring facilities, and other port and harbor facilities except the mooring facilities prescribed by Order of Ministry of Land, Infrastructure, Transport and Tourism that consist of administrative properties prescribed in Article 3, paragraph (2) of the National Government Asset Act (Act No. 73 of 1948) or Article 238, paragraph (4) of the Local Autonomy Act; the same applies hereinafter):

- (i) content for the operation of a group of wharves is in conformity with the port plan of the strategic international hub port;
 - (ii) company has an appropriate and feasible plan for the business operation of a group of wharves, beyond what is set forth in the preceding item;
 - (iii) a company has a financial basis sufficient to operate the group of wharves;
 - (iv) if the company operates a wharf that is not included in the group of wharves at the strategic international hub port, integrated operation of that wharf and the group of wharves contributes to increasing the efficiency of operation of the group of wharves at the strategic international hub port.
- (2) With respect to a designation of more than two wharves that are designated by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions for more than two strategic international hub ports of the preceding paragraph on the grounds that integrated operation of a group of wharves contributes to strengthening the international competitiveness, only one company is to be designated for the group of more than two wharves at the strategic international hub ports as a whole.. In that case, the term "strategic international hub port" in that paragraph is deemed to be replaced with "more than two strategic international hub ports relating to the request".
- (3) When the Minister of Land, Infrastructure, Transport and Tourism designated a company under the preceding paragraph, the minister must make this known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) If the Minister of Land, Infrastructure, Transport and Tourism finds that grounds for a designation under the paragraph (2) are no longer valid, the minister is to revoke that designation.
- (5) The provisions of paragraph (3) apply mutatis mutandis to revocation of a designation under the preceding paragraph.
- (6) The port management body of an international hub port may designate only one company that meets all the following requirements, at their request, as the person operating a group of wharves at the international hub port:
- (i) content for the operation of a group of wharves is in conformity with the port plan for the international hub port;

- (ii) company has an appropriate and feasible plan for the operation of a group of wharves, beyond what is set forth in the preceding item;
 - (iii) company has a financial basis sufficient to operate a group of wharves;
 - (iv) if the company operates a wharf that is not included in a group of wharves at the international hub port, integrated operation of the wharf and a group of wharves contributes to increasing the efficiency of the operation of the group of wharves at the international hub port.
- (7) The Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port does not designate a person under the provisions of paragraph (1) or the preceding paragraph if the person who has filed a request referred to in paragraph (1) or the preceding paragraph falls under any of the following items:
- (i) any of the directors or company auditors (or any of the directors or executive officers, if it is a company with committee, who are individually referred to as an "officer" in the following item) is an adult ward, a person under curatorship, or a person subject to a decision to commence bankruptcy proceedings and whose rights have not been restored;
 - (ii) any of the officers has been sentenced to an imprisonment without work or a more severe punishment, and five years have not yet passed since the execution of the sentence was completed or the sentence was waived from execution.
- (8) Having received a request as referred to in paragraph (1) or (6), the Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port must make the content of the request available for public inspection for two weeks, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (9) A person interested in the content of the request made available for public inspection pursuant to the provisions of the preceding paragraph may submit a written opinion to the Minister of Land, Infrastructure, Transport and Tourism or the port management body by the due date of the public inspection.
- (10) When the Minister of Land, Infrastructure, Transport and Tourism designates a person operating a group of wharves pursuant to the provisions of paragraph (1), the minister must gain consent of the port management body of the strategic international hub port relating to the designation in advance.
- (11) When the port management body of the international hub port designates a person operating a group of wharves pursuant to the provisions of paragraph (6) in cases where a group of wharves relating to a request under that paragraph includes the following port and harbor facilities, they must obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance:
- (i) Port and harbour facilities that are administrative properties prescribed in

- Article 3, paragraph (2) of the National Government Asset Act;
- (ii) Port and harbour facilities that are administrative properties prescribed in Article 238, paragraph (4) of the Local Autonomy Act, of which construction cost was borne or subsidized by the national government.
- (12) Having granted a designation pursuant to the provisions of paragraph (1) or paragraph (6), the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port must make a trade name and address of a head office of the designated person public (hereinafter referred to as a "port operating company") pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (13) When changing its trade name or address of its head office, a port operating company must notify the Minister of Land, Infrastructure, Transport and Tourism or port management body of the international hub port that has designated the company.
- (14) On receiving a notification under the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism or port management body of an international hub port must make this known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

Article 43-12 (1) A person who files a request for designation under paragraph (1) or paragraph (6) of the preceding Article must submit a request form providing the following information to the Minister of Land, Infrastructure, Transport and Tourism or to the port management body of the international hub port pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism:

- (i) trade name and address of head office;
- (ii) plan for the operation of a group of wharves providing the following information (hereinafter referred to as a "operating plan"):
 - (a) business hours for the facilities and services provided at the group of wharves (including the wharf in cases where it operates a wharf that is not included in the group of wharves at the port and harbour; the same applies to (b) and (c) below);
 - (b) location, type, and structure of, and other information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism on the cargo handling facilities and other port and harbor facilities required for the operation of the group of wharves which will be constructed or improved by a operating company;
 - (c) information on the operational structure of a group of wharves prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism prescribes;
 - (d) information prescribed by Order of the Ministry of Land, Infrastructure,

Transport and Tourism, beyond what is set forth in items (a) through (c).
(2) Estimates of business revenues and expenditures and other documents prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism must be attached to the request form referred to in the preceding paragraph.

(Revision of Operating Plans)

Article 43-13 (1) When revising a operating plan, a port operating company must obtain the approval from the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port that has designated the company; provided, however, that this does not apply to a minor revision prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism prescribes.

(2) The provisions of Article 43-11, paragraph (1) (excluding item (iii)) apply mutatis mutandis to an approval from the Ministry of Land, Infrastructure, Transport and Tourism referred to in the preceding paragraph, and the provisions of paragraph (6) of that Article (excluding item (iii)) apply mutatis mutandis to the approval from the port management body of the international hub port referred to in the preceding paragraph.

(3) The provisions of Article 43-11, paragraph (10) apply mutatis mutandis in cases where the Minister of Land, Infrastructure, Transport and Tourism grant an approval referred to in paragraph (1).

(4) When giving an approval referred to in paragraph (1) to a port operating company of which designation was approved by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Article 43-11, paragraph (11), the port management body of an international hub port must obtain consent of the Minister of Land, Infrastructure, Transport and Tourism in advance.

(5) When making a minor revision under the proviso to paragraph (1) prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a port operating company must notify the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port that has designated the company of this without delay.

(Special Provisions on Notification of Acts in Waterfront Districts)

Article 43-14 If a port operating company has been designated pursuant to the provisions of paragraph (1) or paragraph (6) of Article 43-11 or has obtained an approval referred to in paragraph (1) of the preceding Article, with respect to construction or improvement works which must be notified before starting the construction or improvement as referred to in the provisions of paragraph (1) or (6) of Article 38-2 , among those of port and harbour facilities under Article

43-12, paragraph (1), item (2)(b) prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism that are included in the operating plan relating to the designation or approval, the notification is deemed to have been submitted pursuant to these provisions.

(Mergers and Splits)

Article 43-15 (1) A resolution on a merger of port operating companies or split-up of a port operating company does not become effective without the approval from the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port that has designated the company(ies).

(2) The provisions of Article 43-11, paragraph (10) apply mutatis mutandis in cases where the Minister of Land, Infrastructure, Transport and Tourism grant an approval referred to in the preceding paragraph, and the provisions of Article 43-13, paragraph (4) apply mutatis mutandis in cases where the port management body of an international hub port gives an approval referred to in the preceding paragraph.

(Separate Accounting)

Article 43-16 A port operating company must handle accounting for the operation of a group of wharves and accounting for other businesses separately, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Supervision Orders)

Article 43-17 (1) If the Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port finds it necessary to ensure the proper business operation of a group of wharves, it may issue orders to supervise the operations to the designated port operating company.

(2) If the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to do so in issuing an order as referred to in the preceding paragraph, the Minister may solicit comments from the port management body of a strategic international hub port relating to the designation of the port operating company.

(Suspension and Abolition of Business)

Article 43-18 (1) If a port operating company suspends or abolishes the whole operation of a group of wharves, it must obtain the approval from the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port that has designated the company.

(2) The provisions of Article 43-11, paragraph (10) apply mutatis mutandis to in

cases where the Minister of Land, Infrastructure, Transport and Tourism grants an approval referred to in the preceding paragraph.

- (3) If a port management body of an international hub port gives an approval referred to in paragraph (1) to the port operating company of which designation has been granted by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Article 43-11, paragraph (11), the port management body must notify the Minister of Land, Infrastructure, Transport and Tourism of this in advance.
- (4) Having received a notification pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may give feedback which the minister finds it necessary for an approval referred to in paragraph (1) to a port management body of an international hub port.

(Revocation of Designations)

Article 43-19 (1) The Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port may revoke the designation pursuant to the provisions of the Article 43-11, paragraph (1) or paragraph (6), if the port operating company that has obtained the designation falls under any of the following items:

- (i) a port operating company is found to be unable to operate a group of wharves properly;
 - (ii) it violates any order issued under this Act;
 - (iii) it violates an order under the provisions of Article 43-17, paragraph (1).
- (2) If the designated port operating company has obtained the approval to abolish the whole operation of a group of wharves pursuant to the provisions of paragraph (1) of the preceding Article, the Minister of Land, Infrastructure, Transport and Tourism or port management body is to revoke the designation pursuant to the provisions of Article 43-11, paragraph (1) or paragraph (6).
 - (3) On revoking the designation under provisions of Article 43-11, paragraph (1) or paragraph (6) pursuant to the provisions of the preceding two paragraphs, the Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port must make this known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
 - (4) The provisions of Article 43-11, paragraph (10) apply mutatis mutandis in a case where the Minister of Land, Infrastructure, Transport and Tourism revokes a designation under paragraph (1), and the provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis in a case where the port management body of an international hub port revokes a designation under paragraph (1).

(Measures Taken if the Designations are Revoked)

- Article 43-20 (1) If a designation under the provisions of Article 43-11, paragraph (1) is revoked pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, the port operating company of a strategic international hub port must hand over the whole business operation of the group of wharves relating to that designation to the port management body of the strategic international hub port or to a port operating company designated by the Minister of Land, Infrastructure, Transport and Tourism as a person who takes over the whole business operation of the group of wharves.
- (2) If the designation under the provisions of Article 43-11, paragraph (6) is revoked pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, a port operating company of an international hub port must hand over the whole business operation of operation the group of wharves to the port management body of the international hub port or to a port operating company designated by the port management body of the international hub port as a person who takes over the whole business operation of the group of wharves.
- (3) Beyond what is set forth in the preceding two paragraphs, the procedures for handover of the business operation of a group of wharves and other necessary particulars, if a designation under paragraph (1) or paragraph (6) of Article 43-11 is revoked pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

Section 2 Restrictions on Holdings of Voting Rights to Ensure Proper Operation of Port Operating Companies

(Restrictions on Holdings of Voting Rights)

- Article 43-21 (1) It is prohibited for any person to acquire or hold voting rights of all shareholders of a port operating company (including voting rights of shareholders of stocks referred to in the provisions of Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005) except voting rights of shareholders on stocks which cannot be exercised on all matters that can be determined at the general meeting of shareholders; the same applies in this Chapter) which exceed 20 percent (or 15 percent, if it is a fact that any person is presumed to affects the decisions on financial and business policies made by the port operating company as prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism; ; hereinafter referred to as "threshold holding ratio" in this Article) of voting rights of shareholders on stocks which cannot be asserted against the issuer pursuant to the provisions of paragraph (1) of Article 147 or paragraph (1) of Article 148 of the Act on Book-Entry

Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) except the voting rights specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism by taking into the stocks that have been acquired or being held, or other situations into consideration; herein after referred to as "subject voting rithts" in this Chapter).

- (2) The provisions of the main clause of the preceding paragraph do not apply to a person who has acquired or holds subject voting rights exceeding the threshold holding ratio of the voting rights of all shareholders of the port operating company, if the number of subject voting rights held by the person has not increased or in other situations specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) In the case referred to in the preceding paragraph, a person who has acquired or holds subject voting rights exceeding the threshold holding ratio of all shareholders of a port operating company (hereinafter referred to as a "specified holder" in this Article) must notify the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port that has designated the port operating company that the person has become a specified holder and must provide other information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, pursuant to that Order.
- (4) In the case referred to in paragraph (2), a specified holder must take an action required to become a holder of subject voting rights of the port operating company which is smaller in number than the threshold holding ratio, within three months from the day on which the person becomes the specified holder.
- (5) With respect to the application of the provisions of the preceding paragraphs to the cases set forth in the following items, the person in question is deemed to have acquired or hold the subject voting rights prescribed in these items:
 - (i) a person in question has or will have the authority to exercise subject voting rights in a port operating company or the authority to give instructions on the exercise of those voting rights based on the provisions of a money trust contract or other contract, or pursuant to the provisions of the law: the relevant subject voting rights;
 - (ii) a person who is related to the person in question through a shareholding relationship, kinship, or other special relationship specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism has acquired or holds subject voting rights in a port operating company: the subject voting rights that have been acquired or being held by the person who has the special relationship with the person in question.
- (6) Particulars necessary for the application of the provisions of the preceding paragraphs are provided for by Order of thte Ministry of Land, Infrastructure, Transport and Tourism.

(Submission of Notification of Holdings of Subject Voting Rights)

- Article 43-22 (1) A person who has become the holder of subject voting rights exceeding five percent of the voting rights of all shareholders in a port operating company (limited to a person other than the national government, local government, or port authority officials; hereinafter referred to as a "holder of subject voting rights" in this paragraph) must submit a notification of holdings of subject voting rights providing the subject voting right holding rate (meaning the rate that is calculated by dividing the number of the subject voting rights held by the holders of subject voting rights by the number of voting rights of all shareholders of the port operating company), purpose of the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port that has designated the port operating company.
- (2) The provisions of paragraph (5) of the preceding Article apply mutatis mutandis in a case where the provisions of the preceding paragraph are applicable.

(Collection of Reports on Submitters of Notification of Holdings of Subject Voting Rights and Inspections Thereof)

- Article 43-23 (1) The Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port that has received a notification of holdings of subject voting rights pursuant to paragraph (1) of the preceding Article, if it is suspected that the notification of holdings of subject voting rights provides false information or fails to provide the necessary information, the minister or port management body may order the submitter of the notification of holdings of subject voting rights to submit reports or materials that should serve as a reference, or may have their official(s) inspect the documents prepared by and other items owned by the submitter (limited to the inspections required to verify the information provided in the notification of holdings of subject voting rights).
- (2) An official conducting an inspection pursuant to the provisions of the preceding paragraph must carry an identification card and present it to the person concerned.
- (3) The authority under the provisions of paragraph (1) must not be construed as being granted for criminal investigations.

(Announcement of Total Number of Issued Shares)

- Article 43-24 A port operating company, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism, must announce the total number of issued shares, the number of voting rights of all shareholders, and other

information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

Section 3 Contributions to Specified Port Operating Companies by the National Government

(Contributions by the National Government)

Article 43-25 If the national government finds it particularly necessary to improve the efficiency of and add value to the business operation of a group of wharves conducted by a port operating company at a strategic international hub port to strengthen the international competitiveness of that strategic international hub port, the government may make a contribution to the port operating company, within the budget.

(Business Plans)

Article 43-26 (1) A port operating company at a strategic international hub port to which the government has made a contribution pursuant to the provisions of the preceding Article (hereinafter referred to as a "specified port operating company") must prepare a business plan and an income and expenditure budget for the business year and submit them to the Minister of Land, Infrastructure, Transport and Tourism before the starting date of each business year (or as soon as the contribution under the preceding Article was received in the relevant business year). The same applies in a case where the port managing company revise them.

(2) If a business plan and an income and expenditure budget under the preceding paragraph are submitted, the Minister of Land, Infrastructure, Transport and Tourism must send the copies thereof to the port management body of the strategic international hub port relating to the specified port operating company.

(3) A national government-sponsored port operating company must prepare a balance sheet, profit and loss statement, and business report for the business year and submit them to the Minister of Land, Infrastructure, Transport and Tourism within three months from the last day of each business year.

(Amendment of Articles of Incorporation)

Article 43-27 (1) A resolution on the amendment of the articles of incorporation, dividends of surplus, or appropriations of surplus does not become effective without obtaining the approval from the Minister of Land, Infrastructure, Transport and Tourism.

(2) The provisions of Article 43-11, paragraph (10) apply mutatis mutandis in a case where the Minister of Land, Infrastructure, Transport and Tourism

intends to grant the approval referred to in the preceding paragraph.

(Consultation)

Article 43-28 If the national government has made a contribution to the port operating company of a strategic international hub port pursuant to the provisions of Article 43-25, the Minister of Land, Infrastructure, Transport and Tourism must consult with the Minister of Finance in advance, under the following situations:

- (i) granting an approval referred to in Article 43-13, paragraph (1), Article 43-15, paragraph (1) or a permit referred to in paragraph (1) of the preceding Article;
- (ii) granting a permit referred to in Article 43-18, paragraph (1);
- (iii) revoking a designation under the provisions of Article 43-11, paragraph (1) pursuant to the provisions of Article 43-19, paragraph (1).

Chapter VIII Miscellaneous Provisions

(Fees Collected by Port Management Body)

Article 44 (1) If a port management body collects fees for using the facilities or services it provides (except harbour dues referred to in paragraph (1) of the following Article), the port management body must set the dues rates in advance and make the dues rates public at least thirty days prior to the date on which the dues rates become effective. The same applies in a case where the port management body revises the dues rates.

- (2) A port management body may not collect fees referred to in the preceding paragraph for using harbour facilities (except anchorage) or protective facilities for harbour.
- (3) If an interested person finds that the dues rates set by the port management body pursuant to the provisions of paragraph (1) is unreasonable or in violation of this Act, the interested person may file a request along with the fact with the Minister of Land, Infrastructure, Transport and Tourism so that the minister may call on the port management body to revise the rate, by the date on which the dues rates are enforced.
- (4) Having received a request as referred to in the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may, at a public hearing held at the port and harbour by the Transport Council, provide the port management body an adequate opportunity to state the reason that the dues rates are appropriate and do not against this Act, and then if the minister finds that there are reasons for the request, may call on the port management body to revise the dues rates, by stating the reason.
- (5) A port management body must make the necessary revisions to the dues rate

structure without delay if the port management body received a request from the Minister of Land, Infrastructure, Transport and Tourism as referred to in the preceding paragraph.

- (6) A port authority may, pursuant to the regulations referred to in Article 12-2, impose a monetary penalty of not more than five times the fees evaded on a person who has evaded paying the fees as referred to in paragraph (1) by practicing fraudulent or wrongful act.

(Harbour Dues)

Article 44-2 (1) A port management body may collect harbour dues from vessels entering the port, for using the port and harbour; provided, however, that no harbour dues may be collected from vessels used for maritime security and rescue, observations of marine or meteorological phenomena, monitoring of fishing activities, or from the vessels prescribed by Cabinet Order.

- (2) If a port management body of a strategic international hub port intends to collect harbour dues under the preceding paragraph, the port management body must set a ceiling on the dues rates and consult with the Minister of Land, Infrastructure, Transport and Tourism in advance to obtain the consent from the minister, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism. The same applies in a case where the port management body revises the dues rates.

- (3) A port management body referred to in the preceding paragraph must set the dues rates, which do not exceed the upper limits, on which the consent referred to in the preceding paragraph has been obtained and notify the Minister of Land, Infrastructure, Transport and Tourism of the dues rates in advance pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism. The same applies in a case where the port management body revises the dues rates.

- (4) The provisions of paragraphs (1), (3), (4), and (5) of the preceding Article apply mutatis mutandis to harbour dues collected by a port management body other than the port management body referred to in paragraph (2); and the provisions of paragraph (6) of the preceding Article apply mutatis mutandis to harbour dues collected by a port authority.

(Disposition of Delinquencies)

Article 44-3 (1) The provisions of Article 231-3, paragraph (1) and (2) and the first sentence of paragraph (3) of the Local Autonomy Act apply mutatis mutandis to harbour dues and other charges, monetary penalties, and other revenues of a port authority. In this case, the phrase "ordinance of the local government" in paragraph (2) of that Article is deemed to be replaced with "regulations referred to in Article 12-2 of the Port and Harbour Act".

- (2) The charges and delinquent charges referred to in the provisions of Article 231-3, paragraph (2) of the Local Autonomy Act, as applied mutatis mutandis pursuant to the preceding paragraph, have a statutory lien after national taxes and local taxes; the provisions of Articles 18 through 18-3 of the Local Tax Act (Act No. 226 of 1950) apply mutatis mutandis to the period of prescription thereof; and the provisions of Article 17 through 17-4 of that Act apply mutatis mutandis to the handling thereof.
- (3) The regulations of Article 231-3, paragraph (2) of the Local Autonomy Act, as applied mutatis mutandis to paragraph (1), do not take effect without obtaining an approval from the assembly of the local government incorporating the port authority.

(Charges Collected by Persons Other than Port Management Bodies)

Article 45 (1) A person other than the port management body that intends to collect charges for providing the port and harbour facilities or services required for the use of the port and harbour (except the charges collected by a port operating company specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism in the following paragraph, and the charges specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism under the provisions of Article 58-21 being collected by an owner of private facility for promoting acceptance of international passenger ships under the agreement under the provisions of Article 50-18, paragraph (5), item (ii) (a)), must set the rates and submit a written document showing the rates to the port management body.

- (2) If a port operating company operating a group of wharves intends to collect the charges specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism for using the group of wharves, the port operating company must set the rates and submit a written document showing the rates to the Minister of Land, Infrastructure, Transport and Tourism or port management body of the international hub port that has designated the port operating company.
- (3) Having received a written documents from the port operating company pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port may, if the rates shown in the written document falls under any of the following items, order the port operating company to change the rates , by setting a deadline:
- (i) particular users are given unfair and discriminatory treatment by the rates;
 - (ii) the rates are extremely inappropriate in view of social and economic circumstances and could make it extremely difficult for users to use the group of wharves.

- (4) The provisions of Article 43-11, paragraph (10) apply mutatis mutandis in a case where the Minister of Land, Infrastructure, Transport and Tourism issues an order pursuant to the preceding paragraph.
- (5) Having received a written document submitted pursuant to the provisions of paragraph (2), , the Minister of Land, Infrastructure, Transport and Tourism must notify the port management body of the strategic international hub port that has designated the port operating company the contents of the document, if the minister has decided not to issue an order under paragraph (3).
- (6) The provisions of the preceding paragraphs do not apply to the facilities and services provided under a one-off contract.

(Delegated Administrative Functions)

Article 45-2 A local government incorporating a port authority may delegate administrative functions relating to the development, use, maintenance, and management of the port and harbour (except administrative functions to be handled by the local government pursuant to a legislation or Cabinet Order) to the chairperson of the board of the port authority; provided, however, that in orde to delegate administrative functions that impose the obligation on a person or put restriction on a person's rights, the the local government must comply with the ordinance of the local government.

(Requests to File in Case of Port Congestion)

Article 45-3 If the port management body finds that a large number of vessels have entered the port and the smooth operation thereof is seriously hindered due to a shortage of mooring facilities, the port management body may request a person who manages the mooring facilities other than the port management body to make the mooring facilities available to vessels entering the port as many as possible.

(Conclusion of Agreements on Designated Port Information Providing Facilities)

Article 45-4 (1) If a port management body finds it necessary to manage port information providing facility owned by a person other than the port management body in the port and harbour under its management by itself (including port and harbour facilities ancillary to port information providing facilities other than the port information providibg facilities; hereinafter referred to as a "specified port information providing facility" in this paragraph) in order to ensure the efficient and effective provision of information concerning the use of the port, the port management body may conclude an agreement providing the following particulars (hereinafter referred to as an "agreement on specified port information providing facilities")

with the owner of the specified port information providing facility (meaning an owner of the specified port information providing facility, or the owner of the site of the specified port information providing facility (if the facility is built in a building or other structure, strictly limited to the part relating to the facility in that building or other structure) or a person having the right to use and make a profit from the land (except the rights obviously granted for temporary facilities or for temporary use); the same applies in the following paragraph and Article 45-6), and manage the specified port information providing facility:

- (i) specified port information providing facilities that are the objective of the agreement on specified port information providing facilities (hereinafter referred to as a "specified port information providing facility under the agreement");
 - (ii) method of managing the specified port information providing facilities under the agreement;
 - (iii) validity of the agreements on specified port information providing facilities;
 - (iv) measures to be taken when the agreement on specified port information providing facilities is breached;
 - (v) method of posting the agreements on specified port information providing facilities;
 - (vi) other particulars necessary for the management of the specified port information providing facilities under the agreement.
- (2) An agreement on specified port information providing facilities requires the unanimous agreement of all owners of the specified port information providing facilities, etc..

(Public Inspection of agreements on specified port information providing facilities)

Article 45-5 (1) If a port management body concludes an agreement on specified port information providing facilities, the port management body must issue a public notice on this and make the agreement available to the interested persons for public inspection for two weeks from the issue date of the public notice, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) If the public notice has been issued pursuant to the provisions of the preceding paragraph, interested persons may submit a written opinion on the agreement on specified port information providing facilities to the port management body by the due date of the public inspection referred to in that paragraph.
- (3) If a port management body concluded an agreement on specified port information providing facilities, the port management body must, pursuant to

Order of the Ministry of Land, Infrastructure, Transport and Tourism, make this public without delay, and make the copies of the agreement on specified port information providing facilities available for public inspection in the office of the port management body, and must display a notification stating that the copies of the agreement are made available for public inspection in the specified port information providing facilities under the agreement or on the premises thereof in plain sight, pursuant to the provisions of the agreement.

- (4) The provisions of paragraphs (2) and (3) of the preceding Article apply mutatis mutandis to the amendment of particulars provided in the agreement on specified port information providing facilities.

(Effectiveness of Agreements on Specified Port Information Providing Facilities)

Article 45-6 An agreement on specified port information providing facilities that was made public pursuant to paragraph (3) of the preceding Article (including as applied mutatis mutandis pursuant to paragraph (4) of that Article) is to be effective, even if a person becomes an owner of the specified port information providing facilities, etc. of specified port information providing facilities under the agreement after the public notice is issued.

(Transfer of Port and Harbour Facilities of Which Construction Costs Have Been Borne or Subsidized by the National Government)

Article 46 (1) If a port management body transfers, mortgages, or rents out its port and harbour facilities of which construction costs have been borne or subsidized by the national government, the port management body must obtain the approval from the Minister of Land, Infrastructure, Transport and Tourism; provided, however, that this does not apply if the port management body has reimbursed the amount equal to the amount borne or subsidized by the national government, or if a lessor makes the port and harbour facilities available to the public and the rent period is less than three years.

- (2) A port management body must not take any action that makes the port and harbour facilities under its management unavailable for public use in the case where the approval from the Minister of Land, Infrastructure, Transport and Tourism has been obtained pursuant to the provisions of the main clause of the preceding paragraph or except the case referred to in the proviso to that paragraph.

(Prohibition of Unfair Treatment)

Article 47 (1) Having found that the act of a port management body is in violation of the provisions of Article 13 (including as applied mutatis mutandis pursuant to the provisions of Article 34), the Minister of Land, Infrastructure,

Transport and Tourism may call on the port management body to stop or change the act.

- (2) A port management body must stop the act or make the necessary changes in that act without delay if the Minister of Land, Infrastructure, Transport and Tourism requested the port management body to do so as referred to in the preceding paragraph.

Article 48 Deleted

(Revenue and Expenditure Report)

Article 49 (1) A port management body of a strategic international hub port, international hub port, or major port must prepare a revenue and expenditure report on their business operations and a report on the matters related to the port and harbour on an annual basis to make the reports available to the public, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) If the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to do so, the minister may request the port authority to submit the copies of the report as referred to in the preceding paragraph.

(Port Ledgers)

Article 49-2 (1) A port management body must prepare a ledger of the port and harbour under its management.

- (2) Particulars necessary for a ledger of port and harbour are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Standardized Forms for Filing Vessel Entry and Departure Documents)

Article 50 (1) Notwithstanding the provisions of Article 12, paragraph (2) (including as applied *mutatis mutandis* pursuant to Article 34; hereinafter the same applies in this paragraph and paragraph (4) of the next Article) an application form for using port and harbour facilities for public use to be filed pursuant to the ordinance of the local government, other ordinances or the regulations referred to in the provisions of Article 12-2; and a notice of arrival form, a notice of departure form referred to in Article 12, paragraph (1), item (v)-2 and other notice forms to be submitted to the port management body (hereinafter collectively referred to as "applications, etc.") prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism (excluding an application or notice filed using electronic data processing systems pursuant to the provisions of paragraph (4) of the next Article) are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) Beyond what is set forth in the preceding paragraph, the Minister of Land,

Infrastructure, Transport and Tourism may make a recommendation to the port management body that is necessary to standardize the forms of vessel arrival/ departure documents received by the port management body .

(Installation and Management of Electronic Data Processing Systems)

Article 50-2 (1) The Minister of Land, Infrastructure, Transport and Tourism may install and manage the following electronic data processing systems:

- (i) a system designed for processing the applications prescribed by the Order of the Land, Infrastructure, Transport and Tourism and the notifications of disposition to the applications, notice of receipt, or other notice issued by the port management body prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism ((hereinafter individually referred to as a "notification of disposition, etc. " in this Article) quickly and accurately;
 - (ii) a system designed to execute port and harbour construction works efficiently by collecting, analyzing, and providing information on waves and other information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism(hereinafter referred to as "wave information, etc." in this Article);
 - (iii) a system designed to manage people entering and leaving the restricted zones in a smooth and accurate manner (meaning zones established and managed pursuant to Article 29, paragraph (1) of the Act on Assurance of Security of International Ships and Port Facility (Act No. 31 of 2004) of an important international wharf facilities (meaning an important international wharf facilities prescribed in paragraph (1) of that Article; the same applies in the following paragraph) by identifying individuals by matching the personal identify information of those entering and leaving the restricted zone using the method prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism (meaning photographs and other information used for identifying individuals specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism; hereinafter the same applies in this Article).
- (2) A port management body using an electronic data processing system referred to in item (i) of the preceding paragraph, a person to whom wave information is provided by the electronic data processing system as referred to in item (ii) of that paragraph (except the national government and the port management body), or the administrator of an important international wharf facilities that use an electronic data processing system as referred to in item (iii) of that paragraph or a person whose personal identity information is verified by an electronic data processing system must pay the system usage fee, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) The Minister of Land, Infrastructure, Transport and Tourism is to issue a

public notice on the port management body referred to in the preceding paragraph in the Official Gazette.

- (4) Notwithstanding the provisions of Article 12, paragraph (2), forms of an application and a notification of disposition that are filed using the electronic data processing systems are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) Beyond what is set forth in the preceding paragraphs, particulars necessary for the installation and management of electronic data processing systems are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (6) The term "electronic data processing system" referred to in the preceding paragraphs (except paragraph (3)) mean the electronic data processing systems set forth in the following items respectively:
 - (i) an electronic data processing system set forth in paragraph (1), item (i): an electronic data processing system, that is the computers designated by the Minister of Land, Infrastructure, Transport and Tourism (including input and output devices; the same applies hereinafter in this paragraph) electronically connected to the computers used by port management bodies, applicants and persons who receive a notification of disposition;
 - (ii) an electronic data processing system set forth in paragraph (1), item (ii): an electronic data processing system, that is the device used for collecting wave information, etc. designated by the Minister of Land, Infrastructure, Transport and Tourism electronically connected to the computers used by persons receiving the wave information, etc., ;
 - (iii) an electronic data processing system set forth in paragraph (1), item (iii): an electronic data processing system, that is the computers designated by the Minister of Land, Infrastructure, Transport and Tourism electronically connected to the device for checking personal identity information.

(Establishment of Joint Committees of Port Management Bodies)

Article 50-3 (1) If the the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to facilitate the development, use or maintenance of more than two ports and harbours being managed by different port management bodies from a comprehensive and broad perspective, the minister may recommend that the relevant port management bodies must establish a joint committee by setting bylaws for their mutual communications and coordination in preparation for a port plan, how to use the ports and harbours, improvement of the port and harbour environment, , and other important matters concerning the development, use, and maintenance of the ports and harbours.

- (2) In making a recommendation pursuant to the provisions of the preceding

paragraph, the Minister of Land, Infrastructure, Transport and Tourism is to consult with the Minister of Internal Affairs and Communications, if the recommendation is made to a port management body that is a local government.

- (3) The Minister of Land, Infrastructure, Transport and Tourism may, if the minister finds it necessary to do so, request a port authority to report whether a joint committee of which the port and harbour authority will become a member referred to in paragraph (1) will be established or not, and, if the joint committee is established, may request the port authority to submit the bylaws of the joint committee.
- (4) With respect to a joint committee under paragraph (1) that is a committee of which a port authority that is a local government will become a member, the provisions of Article 252-2-2, paragraph (2) and (6); Article 252-3; Article 252-4, paragraph (1); and Article 252-6 (limited to the provisions related to Article 252-2-2, paragraph (2)) of the Local Autonomy Act) are deemed applicable. In this case, with respect to the application of these provisions, if a port authority that is a local government becomes a member of the joint committee, the port authority is deemed to be an ordinary local government.
- (5) The provisions of Article 252-2-2, paragraph (6); Article 252-3; and Article 252-4, paragraph (1) of the Local Autonomy Act apply mutatis mutandis to a joint committee referred to in paragraph (1) where only the port authorities may become a member.

(Joint Committee on Disaster Management at Ports and Harbours on a Regional Scale)

Article 50-4 (1) The Minister of Land, Infrastructure, Transport and Tourism, the heads of port management bodies, the heads of other relevant administrative organs, or the officials appointed by them may establish a joint committee on disaster management at ports and harbours on a regional scale which consists of more than two ports and harbours managed by different port management bodies (hereinafter referred to as a "joint committee" in this Article) in order to have consultations necessary to maintain the functions of ports and harbour at the time of disaster in partnership with partner ports and harbours.

- (2) , Joint committee members may, if the members find it necessary to do so, request the relevant administrative organs and industrial companies other than its members to submit materials, give opinions or explanations, or provide other necessary support.
- (3) With respect to the particulars agreed upon at a meeting for consultation under paragraph (1), the joint committee members must respect the results of the consultation.
- (4) Beyond what is set forth in the preceding three paragraphs, a joint committee

determines the matters necessary for the operation of the joint committee.

(Committee on Streamlined Operations of Strategic international hub ports)

Article 50-5 (1) The Minister of Land, Infrastructure, Transport and Tourism, the heads of the port management bodies at the strategic international hub ports, the heads of other relevant administrative organs, or the officials appointed by them, or the port operating company at the strategic international hub port may establish a joint committee on streamlined operations of strategic international hub ports that is run by each strategic international hub port (more than two strategic international hub ports, if more than two strategic international hub ports are designated pursuant to the provisions of Article 43-11, paragraph (2); the same applies hereinafter in this Article) in order to have consultations necessary to streamline operations at the strategic international hub ports by operating the group of wharves at the strategic international hub port as a whole.

(2) The provisions of paragraph (2) through paragraph (4) of the preceding Article apply mutatis mutandis to a joint committee on streamlined operations of strategic international hub ports. In this case, the phrase "paragraph (1)" in paragraph (3) of that Article is deemed to be replaced with "paragraph (1) of the following Article", and the phrase "the preceding three paragraphs" in paragraph (4) of that Article is deemed to be replaced with "the preceding two paragraphs as applied mutatis mutandis pursuant to paragraph (1) and paragraph (2) of the following Article".

(Plan for Promoting the Specified Uses)

Article 50-6 (1) The port management body of a hub port for specified import cargoes (hereinafter referred to as a "specified port management body") may prepare a plan to promote the effective use of hub ports for specified import cargoes that contributes to increase collaboration in transportation of import bulk cargoes by sea (hereinafter referred to as a "plan for promoting the specified uses").

(2) In General, the following matters must be provided in a plan for promoting the specified uses:

- (i) a basic policy for facilitating the effective use of hub ports for specified import cargoes that contributes to increase collaboration in transportation of import bulk cargoes by sea;
- (ii) objectives of the plan for promoting the specified uses;
- (iii) particulars of the projects for enhancing the functions of specified cargo handling wharves which aims to achieve the objectives referred to in the preceding item (referred to as a "project for enhancing functions of specified cargo handling wharves" in the following paragraph and Article 50-8,

- paragraph (1)), and particulars of other projects and responsible entities;
- (iv) particulars concerning collaboration with other ports and harbours that contributes to increase collaboration in transportation of import bulk cargoes by sea;
- (v) beyond what is set forth in the preceding items, particulars that a specified port management body considers necessary for the implementation of the plan for promoting the specified uses.
- (3) Particulars under item (iii) of the preceding paragraph may include the following particulars necessary for the implementation of projects for enhancing the functions of specified cargo handling wharves:
- (i) particulars concerning the acts that require a permit referred to in Article 37, paragraph (1);
- (ii) particulars concerning the acts that require a notification referred to in the provisions of Article 38-2, paragraph (1) or paragraph (4);
- (iii) particulars concerning the business operations of specified wharves referred to in the provisions of Article 54-3, paragraph (1) using the rented facilities under the provisions of paragraph (7) of that Article.
- (4) A plan for promoting the specified uses must reflect the basic policy.
- (5) If a specified port management body determines particulars set forth in paragraph (2), item (iii) to be prescribed in the plan for promoting the specified uses, the specified port management body must obtain the consent of the person to be designated as a responsible entity referred to in that item.
- (6) If a specified port management body determines particulars set forth in paragraph (2), item (iv) to be prescribed in the plan for promoting the specified uses, the specified the specified port management body must consult with port management bodies of other ports and harbours referred to in that item in advance.
- (7) If a specified port management body determines particulars set forth in paragraph (3), item (iii) to be prescribed in the plan for promoting the specified uses in a case where the specified wharves referred to in Article 54-3, paragraph (1) relating to the particulars prescribes any of the following port and harbour facilities the specified port management body must obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance:
- (i) Port and harbour facilities that are administrative property prescribed in Article 3, paragraph (2) of the National Government Asset Act;
- (ii) Port and harbour facilities that are administrative property prescribed in Article 238, paragraph (4) of the Local Autonomy Act, of which construction costs were borne or subsidized by the national government.
- (8) If a specified port management body determines particulars set forth in paragraph (3), item (iii) to be prescribed in the plan for promoting the specified

uses, the specified port management body must take the necessary measures to ensure that the contents of particulars are made available for public inspection and that renting of administrative property under Article 54-3, paragraph (7) is executed through the fair procedures, pursuant to the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (9) Having prepared a plan for promoting the specified uses, a specified port management body must make the plan public without delay and send the plan for promoting the specified uses to the Minister of Land, Infrastructure, Transport and Tourism, a responsible entity referred to in paragraph (2), item (iii), and port management bodies of other ports and harbours referred to in item (iv) of that paragraph.
- (10) Having received a plan for promoting the specified uses pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may offer the specified port management body advice, as needed.
- (11) The provisions of paragraph (5) through the preceding paragraph apply mutatis mutandis to the revision of a plan for promoting the specified uses.

(Joint Committees for Promoting the Use of Hub Ports for Specified Import Cargoes)

Article 50-7 (1) A specified port management body that intends to prepare a plan for promoting the specified uses may establish a joint committee for promoting the use of hub ports for specified import cargoes (hereinafter referred to as a "joint committee" in this Article) in order to have consultations necessary to prepare and implement the plan for promoting the specified uses.

- (2) A joint committee consists of the following members:
 - (i) a specified port management body that intends prepare the plan for promoting the specified uses;
 - (ii) persons who are expected to conduct the business to be included in the plan for promoting the specified uses;
 - (iii) relevant local governments, users of the hub ports for specified import cargoes, persons with relevant expertise, and other persons who are considered to be necessary by the specified port management body.
- (3) A specified port management body that establishes a joint committee pursuant to the provisions of paragraph (1) must notify persons set forth in item (ii) of the preceding paragraph that the specified port management body will have a consultation as referred to in that paragraph.
- (4) A person who received the notification under the preceding paragraph must take part in a consultation relating to the notification unless the person has legitimate grounds.
- (5) The Minister of Land, Infrastructure, Transport and Tourism may, at the

request of joint committee members, offer advice, as needed, so that a plan for promoting the specified uses will be prepared smoothly.

- (6) The provisions of Article 50-4, paragraph (3) and (4) apply mutatis mutandis to a committee. In that case, the phrase "paragraph (1)" in paragraph (3) of that Article is deemed to be replaced with "Article 50-7, paragraph (1)" and the phrase "the preceding three paragraphs" in paragraph (4) of that Article is deemed to be replaced with "Article 50-7, paragraphs (1) through (5) and the preceding paragraph, as applied mutatis mutandis pursuant to paragraph (6) of that Article".

(Special Provisions on Permits for Construction Works within Port Limits)

Article 50-8 (1) If a plan for promoting the specified uses that prescribes the particulars set forth in Article 50-6, paragraph (3), item (i) or (iii) is made public pursuant to the provisions of paragraph (9) of that Article (including as applied mutatis mutandis pursuant to paragraph (11) of that Article; the same applies in the following paragraph), a permit referred to in Article 37, paragraph (1) or an approval referred to in Article 54-3 is deemed to have been granted to the responsible entity that implements the project for enhancing the functions of specified cargo handling wharves relating to the particulars) on the day when the plan is made public.

- (2) If a plan for promoting the special uses that prescribes the particulars set forth in Article 50-6, paragraph (3), item (ii) is made public pursuant to the provisions of paragraph (9) of that Article, a notification under Article 38-2, paragraph (1) or paragraph (4) is deemed to have been received.

(Conclusion of Agreements on Promoting Collaborative Use of Facilities)

Article 50-9 (1) The owners of facilities (excluding the owners of the facilities for promoting collaborative use, owners of the site of the facility, persons having the right to use and make a profit from the site (except the right obviously granted for temporary facilities or for temporary use; the same applies hereinafter in the following paragraph) prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism , which is required to promote collaboration in loading and unloading, storing, and sorting of import bulk cargoes relating to the particulars set forth in Article 50-6, paragraph (2) item (iii) that is prescribed in the plan for promoting the specified uses (hereinafter referred to as "facilities for promoting collaborative use" in this Article) may conclude an agreement on the development or management of the facilities for promoting collaborative use, by unanimous consent.

- (2) A person who intends to become a owner of facility for promoting collaborative use that will be constructed or under construction, which relates to the particulars set forth in Article 50-6, paragraph (2), item (iii) prescribed in the

plan for promoting the specified uses (including the owners of sites of the facilities for promoting collaborative use and persons having the right to use and make a profit from the site; hereinafter a person is referred to as a "prospective owner of facility" in Article 50-12, paragraph (1); Article 50-13; and Article 50-14, paragraph (1)) may conclude an agreement on the development or management of the facility for promoting collaborative use, by unanimous consent.

- (3) An agreement referred to in paragraph (1) or the preceding paragraph (hereinafter referred to as an "agreement on promoting collaborative use of facilities"):
- (i) facilities for promoting collaborative use, which is the objective of an agreement on promoting collaborative use of facilities (hereinafter referred to as "facilities for promoting collaborative use under the agreement");
 - (ii) particulars concerning the development or management of the facilities for promoting collaborative use under the agreement set forth below that need to be prescribed:
 - (a) criteria of scale, structure, or usage of cargo handling facilities, storage facilities, and other port and harbour facilities consisting of the facilities for promoting collaborative use under the agreement;
 - (b) the method of sharing the costs required for the development or management of cargo handling facilities, storage facilities, and other port and harbour facilities consisting of facilities for promoting collaborative use under the agreement;
 - (c) other particulars concerning the development or management of the facilities for promoting collaborative use under the agreement.
 - (iii) validity of an agreement on promoting collaborative use of facilities;
 - (iv) measures to be taken if a person violates the agreement on promoting collaborative use of facilities.
- (4) An agreement on promoting collaborative use of facilities must be approved by a specified port management body.

(Public Inspection of Agreements on Promoting Collaborative Uses of Facilities for Which Approval Have Been Requested)

Article 50-10 (1) If a request for approval referred to in paragraph (4) of the preceding Article is filed, a specified port management body must make this public and make the agreement on promoting collaborative use of facilities available to the relevant persons for public inspection for two weeks from the issue date of public notice, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) If a public notice is issued under the preceding paragraph, the relevant persons may submit a written opinion on the agreement for promoting

collaborative use of facilities to the specified port management body by the due date of the public inspection referred to in that paragraph.

(Approval of Agreements on Promoting Collaborative Use of Facilities)

Article 50-11 (1) If a request for approval referred to in Article 50-9, paragraph (4) falls under any of the following items, the specified port management body must grant an approval as referred to in that paragraph:

(i) filing process does not violate laws and regulations;

(ii) uses of the facilities for promoting collaborative use under the agreement are not unjustly restricted;

(iii) particulars set forth in Article 50-9, paragraph 3, items (ii) through (iv) meet the criteria prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) Having granted an approval referred to in Article 50-9, paragraph (4), a specified port management body must make this public, and make the agreement on promoting collaborative use of facilities available for public inspection at its office, and also display a notification clearly stating that its respective facilities are the facilities for promoting collaborative use under the agreement or that the facilities for promoting collaborative use under the agreement are located within the port limits, in the facilities for promoting collaborative use under the agreement or in a place within the site thereof in plain sight, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Amendment of Agreements on Promoting Collaborative Use of Facilities)

Article 50-12 (1) If owners or prospective owners of facilities for promoting collaborative use under the agreement, make changes the particulars of the agreement on promoting collaborative use of facilities, the owners must make a decision to do so by unanimous consent and obtain an approval from the specified port management body.

(2) The provisions of the preceding two Articles apply mutatis mutandis to an approval for changes referred to in the provisions of the preceding paragraph.

(Effectiveness of Agreements on Promoting Collaborative Use of Facilities)

Article 50-13 An agreement on promoting collaborative use of facilities to which the approval has been granted pursuant to the provisions of Article 50-11, paragraph (2) (including as applied mutatis mutandis pursuant to paragraph (2) of the preceding Article) and made public is to be effective, even if a person becomes an owner or prospective owner of the facilities for promoting collaborative use under the agreement after the public notice is issued.

(Termination of Agreements on Promoting Collaborative Use of Facilities)

Article 50-14 (1) If owners or prospective owners of the facilities for promoting collaborative use under the agreement intend to terminate the agreement on promoting collaborative use of facilities to which the approval has been granted as referred to in Article 50-9, paragraph (4) or Article 50-12, paragraph (1), the owners must make a decision to do so by a majority vote and obtain an approval from the specified port management body.

(2) Having granted the approval referred to in the preceding paragraph, the specified port management body must make this public.

(Status of Lessees)

Article 50-15 If the particulars prescribed in the agreement on promoting collaborative use of facilities relate to the authority of lessees of the facilities for promoting collaborative use under the agreement, with respect to the agreement on promoting collaborative use of facilities, the lessees are deemed to be the owners of the facilities for promoting collaborative use under the agreement, to whom the provisions of Article 50-9 through the preceding Article are applicable.

(Plan for Developing Hubs for International Passenger Ships)

Article 50-16 (1) A port management body of a hub for international passenger ships (hereinafter referred to as a "port management body of international passenger ships") may, with respect to the hub for international passenger ships, prepare a plan to develop a hub for international passenger ships to call (hereinafter referred to as an "plan for developing hubs for international passenger ships), by promoting acceptance of international passenger ships centering around the international passenger handling wharves through a public-private partnership.

(2) In general, a plan for developing hubs for international passenger ships is to prescribe the following particulars:

(i) basic policies on the priority use of mooring facilities by persons responsible for improving passenger facilities at international passenger ship handling wharves, and on the development of hubs for international passenger ships, by promoting acceptance of international ships through a public-private partnership;

(ii) objectives of a plan for developing hubs for international passenger ships;

(iii) particulars concerning projects for enhancing the functions of international passenger ship handling wharves in order to achieve the objectives referred to in the preceding item (referred to as a "project for enhancing the functions of international passenger ship handling wharves" in the following paragraph and paragraph (2) of the following Article), other projects

- and responsible entities thereof;
- (iv) Beyond what is set forth in the preceding three items, particulars that a port management body of international passenger ships considers to be necessary for the implementation of the plan for developing hub for international passenger ships.
- (3) The following particulars concerning the implementation of projects for enhancing the functions of international passenger ship handling wharves may be prescribed as part of the particulars set forth in item (iii) of the preceding paragraph:
- (i) particulars concerning facilities that requires an approval pursuant to Article 2, paragraph (6);
- (ii) particulars concerning the acts that require a permit referred to in Article 37, paragraph (1);
- (iii) particulars concerning the acts that requires a notification pursuant to the provisions of Article 38-2, paragraph (1) or (4);
- (iv) particulars concerning the construction or improvement of special-purpose port and harbour facilities provided in Article 55-7, paragraph (2) using the loans provided by a port management body of international passenger ships pertaining to loans provided by the national government referred to in paragraph (1) of that Article.
- (4) A plan for developing hub for international passenger ships must reflect the basic policy.
- (5) If a port management body of international passenger ships intends to prescribe particulars set forth in paragraph (2), item (iii) in the plan for developing hub for international passenger ships, the port management body must obtain the consent of the person to be designated as a responsible entity referred to in that item in advance.
- (6) If a port management body of international passenger ships intends to prescribe the particulars set forth in paragraph (3), item (i) or (iv) in the the plan for developing hub for international passenger ships, the port management body must obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance.
- (7) Having prepared the plan for developing hub for international passenger ships, the port management body of international passenger ships must make the plan public and send it to the Minister of Land, Infrastructure, Transport and Tourism and the responsible entities referred to in paragraph (2), item (iii) without delay.
- (8) Having received a plan for developing hub for international passenger ships pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may offer advice to the port management body of international passenger ships, as needed.

(9) The provisions of paragraph (5) through the preceding paragraph apply mutatis mutandis to the revision of a plan for developing hub for international passenger ships.

(Special Provisions on Approval of Port and Harbour Facilities)

Article 50-17 (1) If a plan for developing hub for international passenger ships that prescribes the particulars set forth in paragraph (3), item (i) of the preceding Article is made public pursuant to the provisions of paragraph (7) of that Article (including as applied mutatis mutandis pursuant to paragraph (9) of that Article; the same applies hereinafter in this Article), the facilities pertaining to the particulars are deemed to have been approved pursuant to Article 2, paragraph (6) on the day when the public notice is issued.

(2) If a plan for developing hub for international passenger ships that prescribes the particulars set forth in paragraph (3), item (ii) or (iv) of the preceding Article is made public pursuant to the provisions of paragraph (7) of that Article, a permit referred to in Article 37, paragraph (1) or an approval pursuant to Article 55-7, paragraph (1) has been granted to the entities responsible for the projects for enhancing the functions of international passenger ship handling wharves on the day when the public notice is issued.

(3) If a plan for developing hub for international passenger ships that prescribes the particulars set forth in paragraph (3), item (iii) of the preceding Article is made public pursuant to the provisions of paragraph (7) of that Article, a notification pursuant to Article 38-2, paragraph (1) or (4) is deemed to have been received.

(Conclusion of Agreements on Promoting Acceptance of International Passenger Ships Through a Public-Private Partnership)

Article 50-18 (1) If a port management body of international passenger ships finds it necessary to promote the acceptance of international passenger ships through a public-private partnership, the port management body of international passenger ships may conclude an agreement on the priority use of mooring facilities at the international passenger handling wharves, provision of facilities for promoting the acceptance of international passenger ships to the public and the development or management of the facilities for promoting the acceptance of international passenger ships, with the owners of port and harbour facilities (meaning the owners of private facilities for promoting the acceptance of international passenger ships (meaning the persons specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as those who have effective control over the business through holding shares or based on other reasons or who affect the business greatly; the same applies hereinafter in this Article), or the owners of sites of the facility,

or persons having the right to use and make a profit from the sites (except the right obviously granted for temporary facilities or temporary use; the same applies hereinafter)) developed by persons other than the port management body of international passenger ships (hereinafter referred to as private facilities for promoting the acceptance of international passenger ships) among those specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as passenger facilities relating to particulars set forth in Article 50-16, paragraph (2), item (iii), and as port and harbour facilities that are required to promote the acceptance of international passenger ships.

- (2) Owners of the private facilities for promoting the acceptance of international passenger ships require unanimous consent to conclude an agreement under the preceding paragraph.
- (3) If a port management body of international passenger ships finds it necessary to promote the acceptance of international passenger ships through a public-private partnership, the port management body of international passenger ships may conclude an agreement on the priority use of the mooring facilities at the international passenger handling wharf, the provision of the private facilities for promoting the acceptance of international passenger ships to the public after the construction thereof is completed and the development or management of the private facilities for accepting international passenger ships, with a person who intends to become an owner of the private facilities for promoting the acceptance of international passenger ships (including an owner of the site of the private facilities for accepting international passenger ships or a person having the right to use or make a profit from the site; hereinafter referred to as a "prospective owner of the facility").
- (4) Prospective owners of the private facilities for promoting the acceptance of international passenger ships require unanimous consent to conclude an agreement under the preceding paragraph.
- (5) An agreement under paragraph (1) or (3) (hereinafter referred to as an "agreement on promoting the acceptance of international passenger ships through a public-private partnership") is to provide the following particulars:
 - (i) the mooring facilities and private facilities for promoting the acceptance of international passenger ships that are the objective of the agreement on promoting the acceptance of international passenger ships through a public-private partnership (hereinafter referred to as a "facility for promoting the acceptance of international passenger ships under the agreement");
 - (ii) particulars concerning the promotion of acceptance of international passenger ships through a public-private partnership that need to be provided:
 - (a) particulars concerning the priority use of the mooring facilities consisting of facilities for promoting the acceptance of international passenger ships

- under the agreement by the owners of the private facilities for promoting the acceptance of international passenger ships consisting of the facilities for promoting the acceptance of international passenger ships under the agreement (hereinafter referred to as a "private facility for promoting the acceptance of international passenger ships under the agreement");
- (b) criteria of scale, structure, or usage of the private facilities for promoting the acceptance of international passenger ships under the agreement;
 - (c) methods of developing and managing private facilities for promoting the acceptance of international passenger ships under the agreement;
 - (d) methods of sharing costs required for the development or management of the private facilities for promoting the acceptance of international passenger ships under the agreement;
- (iii) procedures for amending or terminating agreements on promoting the acceptance of international passenger ships;
 - (iv) validity of agreements on promoting the acceptance of international passenger ships;
 - (v) measures to be taken against the acts in violation of the agreement on promoting the acceptance of international passenger ships;
 - (vi) methods of posting agreements on promoting the acceptance of international passenger ships through a public-private partnership;
 - (vii) other necessary particulars.
- (6) The contents an agreement on promoting the acceptance of international passenger ships through a public-private partnership must meet all of the following criteria:
- (i) uses of the private facilities for promoting the acceptance of international passenger ships under the agreement are not unjustly restricted;
 - (ii) particulars set forth in items (ii) through (vii) of the preceding paragraph meet the criteria prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (7) If a port management body of international passenger ships intends to conclude an agreement on promoting the acceptance of international passenger ships through a public-private partnership, the port management body must obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance, if the facilities for promoting the acceptance of international passenger ships under the agreement include the following port and harbour facilities:
- (i) port and harbour facilities that are administrative property prescribed in Article 3, paragraph (2) of the National Government Asset Act;
 - (ii) port and harbour facilities that are administrative property prescribed in Article 238, paragraph (4) of the Local Autonomy Act, of which construction costs have been borne or subsidized by the national government.

- (8) Owners of private facilities for promoting the acceptance of international passenger ships under the agreement must make their private facilities for promoting the acceptance of international passenger ships under the agreement available to other persons according to the agreement on promoting the acceptance of international passenger ships, unless the owners have legitimate grounds.

(Public Inspection of Agreements on Promoting the Acceptance of International Passenger Ships)

Article 50-19 (1) If a port management body of international passenger ships intends to conclude an agreement on promoting the acceptance of international passenger ships, the port management body must make this public and make the agreement on promoting the acceptance of international passenger ships available to interested persons for public inspection for two weeks from the issue date of public notice, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) If a public notice has been issued pursuant to the preceding paragraph, interested persons may submit a written opinion on the agreement on promoting the acceptance of international passenger ships to the port management body of international passenger ships by the due date of the public inspection referred to in that paragraph.
- (3) Having concluded an agreement on promoting the acceptance of international passenger ships through a public-private partnership, a port management body of international passenger ships must, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism, make this public without delay, and make the copies of the agreement available for public inspection at its office, and must display a notification stating that the copies of the agreement are made available for public inspection in the facility for promoting the acceptance of international passenger ships through a public-private partnership under the agreement, or on the premises thereof in plain sight, pursuant to the provisions of the agreement.
- (4) The provisions of paragraphs (2), (4), (6), and (7) of the preceding Article and the provisions of the preceding three paragraphs apply mutatis mutandis to the changes made to the particulars provided in agreements on promoting the acceptance of international passenger ships. In this case, the phrase "prospective owners of facilities" in paragraph (4) of the preceding Article is deemed to be replaced with "prospective owners of facilities (after the construction of the private facility for promoting the acceptance of international passenger ships is completed, the owners of the facilities)".

(Effectiveness of Agreements on Promoting the Acceptance of International

(Passenger Ships Through a Public-Private Partnership)

Article 50-20 An agreement on promoting the acceptance of international passenger ships through a public-private relationship that was made public pursuant to paragraph (3) of the preceding Article (including as applied mutatis mutandis pursuant to paragraph (4) of the preceding Article) is to be effective, even if a person becomes an owner of the private facility for promoting the acceptance of international passenger ships under the agreement after the public notice is issued.

(Charges Collected by the Owners of Private Facilities for Promoting the Acceptance of International Passenger Ships)

Article 50-21 The provisions of Article 45, paragraphs (2), (3), and (6) apply mutatis mutandis to a case where owners of private facilities for promoting the acceptance of international passenger ships under the agreement receive the charges for using a private facility for promoting the acceptance of international passenger ships prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism for the use of their facilities. In this case, the phrase "the Minister of Land, Infrastructure, Transport and Tourism or port management body of the international hub port that designated the person" in paragraph (2) of that Article and the phrase "the Minister of Land, Infrastructure, Transport and Tourism or the port management body of the international hub port" in paragraph (3) of that Article are deemed to be replaced with "port management body of international passenger ships provided in Article 50-16, paragraph (1)", and the phrase "the preceding paragraphs" in paragraph (6) of that Article with "paragraphs (2) and (3) applied mutatis mutandis pursuant to Article 50-21".

(Assistance of the Minister of Land, Infrastructure, Transport and Tourism)

Article 50-22 The Minister of Land, Infrastructure, Transport and Tourism is to strive to provide information, guidance, advice, and other assistance to owners or prospective owners of private facilities for promoting the acceptance of international passenger ships if the minister has concluded or intends to conclude an agreement on promoting the acceptance of international passenger ships through a public-private partnership, which are necessary to conclude the agreement on promoting the acceptance of international passenger ships through a public-private partnership or to implement the agreement smoothly.

(Recommendations)

Article 51 If the Minister of Land, Infrastructure, Transport and Tourism finds it particularly necessary for the development, use or maintenance of a port and harbour, the minister may recommend that the relevant local government must

appoint a port management body of a strategic international hub port, international hub port or major port.

(Construction Works under the Direct Control of the National Government)

Article 52 (1) The Minister of Land, Infrastructure, Transport and Tourism may execute the following port and harbour construction works ex officio within the budget, that are necessary to improve the accessibility of public transportation, to prevent pollution, or to improve the environment at a strategic international hub port, international hub port, or major port or to improve the accessibility of public transportation at a port of refuge, if the national government and the port management body have reached an agreement about the port and harbour construction work:

- (i) Port and harbour construction works of mooring facilities prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism and ancillary cargo areas thereof that are necessary for a strategic international hub port to function as the hub in an international ocean transportation network for long-distance international ocean freight;
 - (ii) Port and harbour construction works of harbour facilities, protective facilities for harbour, mooring facilities (except the mooring facilities prescribed in the preceding paragraph), or port transportation facilities specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, that are necessary for a strategic international hub port, international hub port, or major port to function as the hub in an ocean transportation network;
 - (iii) large-scale port and harbour construction works specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, among the port pollution control facilities, port and harbour environment maintenance facilities, dikes used for waste dumping, or marine waste treatment facilities that are necessary for a strategic international hub port, international hub port, or major port to function as a hub in a transportation network as referred to in the preceding item;
 - (iv) large-scale port and harbour construction works specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, among the harbour facilities or protective facilities for harbour at a port of refuge;
 - (v) port and harbour construction works other than those set forth in the preceding paragraph which require sophisticated technology and other construction works which is difficult for the port management body to execute by itself.
- (2) With respect to the cost of port and harbour construction works controlled by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of the preceding paragraph, the costs of construction or

improvement works set forth in the following items are borne by the port and harbour management body of that port and harbour at the rate specified in these items respectively:

- (i) mooring facilities at a strategic international hub port specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism referred to in item (i) of the preceding paragraph: three-tenths;
 - (ii) cargo handling areas ancillary to the facilities referred to in the preceding item: one-third;
 - (iii) harbour facilities, protective facilities for harbour, mooring facilities at a strategic international hub port or international hub port (limited to those that are necessary for the port and harbour to function as the hub in an international ocean transportation network and specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism), or port transportation facilities (except the facilities set forth in item (i) and item (viii)): one-third;
 - (iv) harbour facilities, protective facilities for harbour, mooring facilities, or port transportation facilities at a strategic international hub port, international hub port, or major port (except the facilities set forth in item (i), the preceding item, and item (viii)): 45 percent;
 - (v) port pollution control facilities or port and harbour environment improvement facilities at a strategic international hub port, international hub port, or major port: 50 percent;
 - (vi) dikes used for waste dumping or marine waste treatment facilities at a strategic international hub port, international hub port, or major port: two-thirds;
 - (vii) harbour facilities, or protective facilities for harbour at a port of refuge (except the facilities set forth in the following item): one-third;
 - (viii) harbour facilities, protective facilities for harbour, mooring facilities, or port transportation facilities (limited to those relating to the port and harbour construction works set forth in item (v) of the preceding paragraph): 50 percent;
- (3) The provisions of Article 17-2, paragraph (1) and Article 19, paragraph (2) of the Local Government Finance Act apply mutatis mutandis to the port authority in a case referred to in the preceding paragraph. In this case, the term a "local government" is deemed to be replaced with an "port authority".

(Transfer of Land or Structures)

Article 53 The Minister of Land, Infrastructure, Transport and Tourism may transfer land developed or a structure built through port and harbour construction works prescribed in the preceding Article to the port management body. In this case, the land or structure is transferred to the port management

body at the cost equivalent to the cost borne by the port management body without monetary compensation, if it is less than that amount.

(Renting Out of Port and Harbour Facilities)

Article 54 (1) In addition to the case referred to in the preceding Article, the Minister of Land, Infrastructure, Transport and Tourism (or the Minister of Finance, for ordinary property under Article 3 of the National Government Asset Act) must rent out the port and harbour facilities (including the land that is required for the management and operation of the port and harbour) built through port and harbour construction works prescribed in Article 52 or entrust the management thereof to the port management body.

(2) With respect to port and harbour facilities that have been placed under the management of a port and harbour management body pursuant to the provisions of the preceding paragraph, the port management body bears the management cost thereof. In this case, the facility usage charges and rents are considered to be the operating revenues of the port management body.

(3) Beyond what is set forth in the preceding paragraph, the necessary matters concerning a third party who is entrusted with the management of port and harbour facilities are prescribed by Cabinet Order.

Article 54-2 (1) If a port management body has been incorporated, port and harbour facilities owned or managed by the national government at the time of incorporation which need to be made available to the public (except navigation supporting facilities) must be transferred, or rented out to the port management body, or the management thereof must be entrusted to the port management body.

(2) The provisions of the preceding two Articles apply mutatis mutandis to the case referred to in the preceding paragraph. In this case, the term "port management body" in the last sentence of Article 53 is deemed to be replaced with "local government acting as the port management body (or, if the local government is a local government referred to in Article 284, paragraph (2) or (3) of the Local Autonomy Act, a local government incorporating the relevant local government) or a local government incorporating the port authority".

(Renting Out of Administrative Property Consisting of Specified Wharves)

Article 54-3 (1) A person who operates or intends to operate specified wharves (meaning wharves as a whole operated by the same person; the same applies hereinafter in this Article) may request the port management body of the relevant port (hereinafter simply referred to as a "port management body" in this Article) to approve that the operation business of the specified wharves reflects the port plan of the port and harbour, and meets the requirements

prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) Having received a request for approval as referred to in the preceding paragraph, a port management body is to approve the request if the port management body finds that the business operation of the specified wharves pertaining to the request meets the requirements prescribed in that paragraph.
- (3) If a port management body approves a request as referred to in paragraph (1) in the case where the specified wharves pertaining to the request for approval referred to in paragraph (1) include the following port and harbour facilities, the port management body must obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance:
 - (i) port and harbour facilities that are administrative property prescribed in Article 3, paragraph (2) of the National Government Asset Act;
 - (ii) port and harbour facilities that are administrative property prescribed in Article 238, paragraph (4) of the Local Autonomy Act of which construction costs have been borne or subsidized by the national government.
- (4) If a port management body grants an approval as referred to in paragraph (2), the port management body must take the necessary measures to ensure that the contents of the request for approval are made available for public inspection and that renting out under the provisions of paragraph (7) is executed through the fair procedures pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) Having granted the approval referred to in paragraph (2) (except approvals granted after the consent of the Minister of Land, Infrastructure, Transport and Tourism is obtained pursuant to the provisions of paragraph (3)), the port management body must notify the Minister of Land, Infrastructure, Transport and Tourism of this without delay, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (6) Having granted an approval referred to in paragraph (2), the port management body must make the name of the person to whom the approval has been granted and an overview of the business operation of the specified wharves and other information specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, without delay.
- (7) Notwithstanding the provisions of Article 18, paragraph (1) of the National Government Asset Act or Article 238-4, paragraph (1) of the Local Autonomy Act, the port management body may rent out administrative property (meaning administrative property referred to in Article 3, paragraph (2) of the National Government Asset Act or Article 238, paragraph (4) of the Local Autonomy Act) that consists of specified wharves to a person to whom an approval under paragraph (2) has been granted.

- (8) The provisions of Article 604 of the Civil Code (Act No. 89 of 1896) and Article 3 and 4 of the Act on Land and Building Leases (Act No. 90 of 1991) do not apply to renting out of property referred to in the preceding paragraph.
- (9) The provisions of Articles 21, 23, and 24 of the National Government Asset Act and the provisions of Article 238-2, paragraph (2) and Article 238-5, paragraph (4) through (6) of the Local Autonomy Act apply mutatis mutandis to renting out of property as referred to in the provisions of paragraph (7).
- (10) With respect to the application of the provisions of Article 46, paragraph (1) to a case where a port management body rents out administrative property prescribed in paragraph (7) to a person to whom an approval under paragraph (2) has been granted pursuant to the provisions of paragraph (7), the phrases "or if a lessor" and "if a rent period is less than three years" in the proviso to that paragraph are deemed to be replaced with a "lessor" and "if a rent period is less than three years or the administrative property is rented out pursuant to the provisions of Article 54-3, paragraph (7)", respectively.
- (11) If a port management body finds that the business operation of specified wharves no longer meets the requirements referred to in paragraph (1), the port management body may recommend that the person to whom an approval under paragraph (2) has been granted must take the necessary measures.
- (12) If a person who received a recommendation pursuant to the provisions of the preceding paragraph did not take necessary measures according to the recommendation, the port management body may revoke the approval under paragraph (2). In this case, the port management body must promptly notify the Minister of Land, Infrastructure, Transport and Tourism of this.
- (13) Beyond what is set forth in the preceding paragraphs, particulars necessary for the renting out of specified wharves are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Renting Out of Administrative Property Consisting of a Group of Wharves)

Article 55 (1) Notwithstanding the provisions of Article 54, paragraph (1) and the provisions of Article 18, paragraph (1) of the National Government Asset Act, the Minister of Land, Infrastructure, Transport and Tourism may rent out port and harbour facilities built through port and harbour construction works referred to in Article 52 that is administrative property referred to in Article 3, paragraph (2) of the same Act, which consists of a group of wharves operated by the designated port operating company, to a port operating company.

(2) If the Minister of Land, Infrastructure, Transport and Tourism rents out port and harbour facilities pursuant to the provisions of the preceding paragraph, the minister must obtain the consent of the port management body of the strategic international hub port pertaining to the designation of the port operating company about the rent period in advance.

- (3) If the Minister of Land, Infrastructure, Transport and Tourism rents out port and harbour facilities pursuant to the provisions of paragraph (1), the minister must consult with the Minister of Finance in advance.
- (4) Notwithstanding the provisions of Article 238-4, paragraph (1) of the Local Autonomy Act, a port management body of a strategic international hub port may rent out administrative property consisting of a group of wharves operated by the port operating company as referred to in Article 238, paragraph (4) of that Act., that has been designated pursuant to the provisions of Article 43-11, paragraph (1), to the port operating company.
- (5) Notwithstanding the provisions of Article 18, paragraph (1) of the National Government Asset Act or Article 238-4, paragraph (1) of the Local Autonomy Act, a port management body of an international hub port may rent out administrative property consisting of a group of wharves operated by the designated port operating company as referred to in Article 3, paragraph (2) of the National Government Asset Act or Article 238, paragraph (4) of the Local Autonomy Act, to the port operating company.
- (6) The provisions of Article 604 of the Civil Code and Article 3, Article 4, Article 13, and Article 14 of the Act on Land and Building Leases do not apply to the renting out under paragraph (1), paragraph (4), or the preceding paragraph.
- (7) The provisions of Article 21 and Articles 23 through 25 of the National Government Asset Act apply mutatis mutandis to the renting out under the provisions of paragraph (1); the provisions of Article 21, Article 23, and Article 24 of that Act apply mutatis mutandis to the renting out under the provisions of paragraph (5); and the provisions of Article 238-2, paragraph (2) and Article 238-5, paragraphs (4) through (6) of the Local Autonomy Act apply mutatis mutandis to the renting out under paragraph (4) or paragraph (5).
- (8) With respect to the application of the provisions of Article 46, paragraph (1) to the case where a port management body of an strategic international hub port rents out the administrative property as referred to in that Article to a port operating company that has been designated as referred to in the provisions of Article 43-11, paragraph (1) pursuant to the provisions of paragraph (4), the phrases "or a lessor" and "if a rent period is less than three years" in the proviso to that paragraph are deemed to be replaced with a "lessor" and "if a period is less than three years or the administrative property is rented out pursuant to the provisions of Article 55, paragraph (4)", respectively.
- (9) With respect to the application of the provisions of Article 46, paragraph (1) to the case where a port management body of an international hub port rents out administrative property referred to in that Article to a designated port operating company pursuant to the provisions of paragraph (5), , the phrases "or a lessor" and "if a rent perios is less than three years" in the proviso to that

paragraph are deemed to be replaced with a "lessor" and "if a rent period is less than three years or the administrative property is rented out pursuant to the provisions of Article 55, paragraph (5)", respectively.

- (10) Beyond what is set forth in the preceding paragraphs, particulars necessary for the renting out of a group of wharves are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Entering Other Person's Land)

Article 55-2 (1) The Minister of Land, Infrastructure, Transport and Tourism or the port management body may have its officials who conduct research or surveying for the port and harbour construction works enter the land owned by others if it is absolutely inevitable.

- (2) If the Minister of Land, Infrastructure, Transport and Tourism or a port management body have its officials enter the land owned by others pursuant to the provisions of the preceding paragraph, the minister or the port management body must notify the owner or the occupant of the land at least five days before the research or surveying works takes place; provided, however, that this does not apply in a case where it is difficult to notify these persons.

- (3) Entry referred to in paragraph (1) is prohibited before sunrise or after sunset, unless the owner or the occupant of the land has permitted to do so.

- (4) If the officials under paragraph (1) enter the land owned by others pursuant to the provisions of that paragraph, the officials must carry an identification card and present it at the request of a person concerned.

(Temporary Use of Land at the Time of Disaster)

Article 55-3 (1) The port management body may order persons at the port and harbor facilities or living in the neighborhood to protect themselves, or may use the land temporarily or may use, condemn, or dispose of soil and stones, bamboo trees, or other properties owned by others.

- (2) The provisions of Chapter III of the Administrative Procedure Act do not apply to an order referred to in the preceding paragraph.

(Management of Disaster Management Facilities at Ports and Harbours on a Regional Scale by the Minister of Land, Infrastructure, Transport and Tourism)

Article 55-3-2 (1) Notwithstanding the provisions of Article 54, paragraph (1), if the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to implement the measures to control disaster on a regional scale (meaning the measures to ensure emergency transportation across prefectural borders to be executed and other measures to control disaster (meaning the measures

referred to in Article 50, paragraph (1) of the Basic Act on Disaster Management (Act No. 223 of 1961)), which are the measures requiring the use of port and harbour facilities prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism;; the same applies hereinafter in this Article), the minister may manage port and harbour facilities that are required to implement the measures to control disaster on a regional scale as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism ex officio (hereinafter referred to as "disaster management facilities on a regional scale" in this Article) among the port and harbour facilities that have been built within the disaster management areas at the ports and harbours on a regional scale ((meaning the areas that have been considered to be particularly necessary to implement the measures to control disaster on a regional scale due to the uses or locations thereof or other circumstances, and have been made public by the minister in advance, among the port limits, waterfront districts or the areas in which port and harbour facilities that have been approved by the minister pursuant to Article 2, paragraph (6) are located; the same applies hereinafter in this Article) through port and harbour construction works prescribed in Article 52, by setting a administration period.

- (2) If the Minister of Land, Infrastructure, Transport and Tourism intends to designate the disaster management area on a regional scale, the minister must consult with a port management body of a port and harbour where the disaster management facilities on a regional scale are located in order to obtain the consent of the port management body in advance.
- (3) Having designated the disaster management area at the port and harbour on a regional scale, the Minister of Land, Infrastructure, Transport and Tourism must make the designated area as the disaster management area at the port and harbour on a regional scale without delay.
- (4) The provisions of the preceding two paragraphs apply mutatis mutandis to the change of the area and termination of designation of the disaster management area at the port and harbour on a regional scale.
- (5) Having started the administration of the disaster management facilities at the port and harbour on a regional scale pursuant to the provisions of paragraph (1), the Minister of Land, Infrastructure, Transport and Tourism must make the time limit by which the disaster management facilities at port and harbour on a regional scale will be administered by the minister and other information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism available to the public, without delay.
- (6) If the Minister of Land, Infrastructure, Transport and Tourism administers disaster management facilities at a port and harbour on a regional scale pursuant to the provisions of paragraph (1), the minister may request that the port management body of the port and harbour where the disaster

management facilities at the port and harbour on a regional scale are located, must take the measures (except the measures prescribed in the following paragraph) necessary to implement the measures to control disaster on a regional scale.

- (7) If the Minister of Land, Infrastructure, Transport and Tourism administers the disaster management facilities at the port and harbour on a regional scale pursuant to the provisions of paragraph (1), the minister may use the land temporarily or may use, condemn, or dispose of soil and stones, bamboo trees, and other properties owned by others in the disaster management area at the port and harbour on a regional scale, if it is absolutely inevitable to implement the measures to control disaster on a regional scale.

(Administration of Port and Harbour Facilities by the Minister of Land, Infrastructure, Transport and Tourism in Times of Natural Disasters)

Article 55-3-3 (1) In case a natural disaster has occurred, the Minister of Land, Infrastructure, Transport and Tourism may take on all or part of the administration of port and harbour facilities that have been managed by the port management body as long as the responsibility does not interfere with the minister's duties by setting a time limit ex officio, if the minister receives a request from the port management body of the port and harbour whose functions have been damaged or could be damaged due to the natural disaster and finds it necessary to do so after considering the transportation status of goods, a system for executing administrative functions of the port management body.. In this case, the provisions of Article 54, paragraph 1, and Article 54-2, paragraph (1) do not apply.

- (2) Having started the administration of the port and harbour facilities pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism must make the time limit by which the port and harbour facilities will be administered by the minister and other particulars prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism available to the public without delay.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism administers the port and harbour facilities pursuant to the provisions of paragraph (1) ex officio, the minister is to change the contents of principles of the management and the time limit thereof, as long as the responsibility does not interfere with the minister's duties, if the minister receives a request from the port management body of the port and harbour referred to in that paragraph and finds it necessary to do so after considering the transportation status of goods, a system for executing administrative functions of the port management body.
- (4) If the information referred to in paragraph (2) that has been made public pursuant to the provisions of the preceding paragraph are changed, the

Minister of Land, Infrastructure, Transport and Tourism must make the information pertaining to the changes available to the public without delay.

- (5) The provisions of Article 55-3 apply mutatis mutandis to a case where the Minister of Land, Infrastructure, Transport and Tourism manages port and harbour facilities pursuant to the provisions of paragraph (1).

(Use of Properties by the Minister of Land, Infrastructure, Transport and Tourism within the Waterways to be developed and preserved)

Article 55-3-4 If a natural disaster has occurred and navigation of vessels is hindered, the Minister of Land, Infrastructure, Transport and Tourism may use, condemn, or dispose of vessels, marine equipment, or other properties within the area specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as the area particularly necessary to secure the navigation of vessels in times of natural disaster among the waterways to be developed and preserved, if it is absolutely inevitable to do so to ensure the navigation of vessels used for emergency transportation.

(Prohibited Acts in Secured Waterways during an Emergency)

Article 55-3-5 (1) It is prohibited for any person, without due cause, to dispose of, or leave a vessel, soil and stones, or other items prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism in the secured waterway during an emergency (meaning the waterway of which area is specified by Cabinet Order as a waterway that is necessary to secure navigation of vessels urgently in the waters other than port limits, waterways to be developed and preserved or river areas in times of natural disaster; the same applies hereinafter).

- (2) A person who intends to use the waters exclusively to install a structure, etc. or mine earth and sand within a secured waterway during an emergency must obtain the permit from the Minister of Land, Infrastructure, Transport and Tourism.
- (3) The Minister of Land, Infrastructure, Transport and Tourism must not grant a permit if the act referred to in the preceding paragraph would hinder the navigation of vessels in times of natural disaster or would seriously hinder the removal of the sediment and other properties in times of natural disaster.
- (4) The provisions of Article 37, paragraph (3) apply mutatis mutandis to the cases referred to in the preceding two paragraphs.
- (5) If a natural disaster has occurred and navigation of vessels is hindered, the Minister of Land, Infrastructure, Transport and Tourism may use, condemn, or dispose of vessels, marine equipment, or other properties within a secured waterway during an emergency, if it is absolutely necessary to do so in order to secure navigation of vessels used for emergency transportation.

(Compensation for Losses)

- Article 55-4 (1) The national government or the port management body must compensate the loss incurred by a person due to the act referred to in Article 55-2, paragraph (1); Article 55-3, paragraph (1) (including as applied mutatis mutandis pursuant to Article 55-3-3, paragraph (5)); Article 55-3-2, paragraph (7); Article 55-3-4; or paragraph (5) of the preceding Article.
- (2) The provisions of Article 41, paragraphs (3) and (4) apply mutatis mutandis to the case referred to in the preceding paragraph. In this case, the term a "port management body" in paragraph (4) of that Article is deemed to be replaced with a "national government or a port management body".

(Compensation for the Costs Required for Port and Harbour Construction Works)

- Article 55-5 (1) If a person other than the Minister of Land, Infrastructure, Transport and Tourism or a port management body needs to execute construction work in consequence of port and harbour construction work to be executed by the national government or the port management body, the national government or the port management body must compensate the person for the cost of the construction works that are requested by the person; provided, however, that if the person who receives compensation will particularly benefit from the construction works, the national government or port management body may choose not to compensate the person for the maximum amount of benefits.
- (2) The provisions of Article 41, paragraph (4) apply mutatis mutandis to the case referred to in the preceding paragraph. In this case, the term a "port management body" in that paragraph is deemed to be replaced with the "national government or a port management body".

(Special Provisions on National Subsidies to Port and Harbour Construction Works for Which Contributions from Industrial Companies Are Collected)

- Article 55-6 In case of port and harbour construction works to be executed by the Minister of Land, Infrastructure, Transport and Tourism or by a port management body are based on the request filed by an industrial company pursuant to the provisions of Article 8, paragraph (1) of the Enterprise Rationalization Promotion Act, the amount after the contribution made by the industrial company following the procedure pursuant to the provisions of paragraph (2) or (4) of that Article is deducted from the amount required for the construction works is borne by the national government and the port management body respectively, or subsidized by the national government,; and in case of port and harbour construction works to be executed by the minister

or a port management body are pollution control public works referred to in Article 2, paragraph (2) of the Act on the Costs of Public Pollution Control Work Borne by Industrial Companies, the amount after the contribution made by the industrial company pursuant to the provisions of that Act are deducted from the amount required for the construction works is borne by the national government and the port management body respectively, or subsidized by the national government, based on the proportion of the sharing rates or subsidy rates of the costs required for port and harbour construction works prescribed in this Act or other laws and regulations.

(Loans for the Construction of Special- purpose Port and Harbour Facilities)

Article 55-7 (1) In the case where a port management body of a strategic international hub port, international hub port, or major port provides an interest-free loan for a person other than the port management body (except the national government) who is considered to have met the criteria prescribed by Cabinet Order, by the Minister of Land, Infrastructure, Transport and Tourism, to cover the construction cost or improvement cost of special-purpose port and harbour facility, the national government may provide an interest-free loan for the port management body to cover the amount not exceeding the loan amount prescribed by Cabinet Order, if the loan requirements are governed by the provisions of paragraph (3) and meet the criteria prescribed by Cabinet Order as referred to in paragraph (5).

- (2) Special-purpose port and harbour facilities referred to in the preceding paragraph mean the following port and harbour facilities of which a construction plan or an improvement plan are included in the port plan that has been made public pursuant to the provisions of Article 3-3, paragraph (9):
- (i) quay walls or landing piers used for the purposes prescribed by Cabinet Order and ancillary cargo handling facilities and other port and harbour facilities thereof prescribed by Cabinet Order;
 - (ii) cargo handling facilities or storage facilities (limited to storage facilities at a strategic international hub port) that are located near a wharf and ancillary roads and other port and harbour facilities prescribed by Cabinet Order;
 - (iii) passenger facilities used for the purposes specified by Cabinet Order, and ancillary parking lots and other port and harbour facilities prescribed by Cabinet Order.
- (3) If a port management body provides a loan pertaining to the loan from the national government as referred to in paragraph (1), the port management body is to establish the loan requirements; the port management body may collect additional charge if a borrower has used the loan for other purposes or violated the loan requirements, pursuant to the provisions of Cabinet Order.

- (4) If a port management body has collected additional charge based on the loan requirements pursuant to the provisions of the preceding paragraph, the port management body is to pay all or part of the additional charge to the national government, pursuant to the provisions of Cabinet Order.
- (5) Beyond what is set forth in the preceding two paragraphs, the criteria of loan repayment methods, extension of or moving up of a repayment deadline, collection of delinquent charge, or other loan requirements pertaining to the loan from the national government referred to in paragraph (1) and loans from a port management body pertaining to the loan from the national government referred to in those paragraphs are prescribed by Cabinet Order.

(Loans for the Improvement of Special Facilities Subject to the Specific Technical Standards)

- Article 55-8 (1) If a port management body of a strategic international hub port, international hub port, or major port provides an interest-free loan for a person other than a port management body (except the national government) who is considered to have met the criteria prescribed by Cabinet Order by the Minister of Land, Infrastructure, Transport and Tourism, to cover the construction cost or improvement cost of a special facility subject to the specific technical standards, the national government may provide an interest-free loan to cover the amount not exceeding the loan amount prescribed by Cabinet Order, if the loan requirements are established pursuant to the provisions of paragraph (3) of the preceding Article as applied mutatis mutandis pursuant to paragraph (3) and meet the criteria prescribed by Cabinet Order referred to in paragraph (5) of the preceding Article as applied mutatis mutandis pursuant to paragraph (3).
- (2) A special facility subject to the specific technical standards referred to in the preceding paragraph means a port and harbour facility prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism as a port and harbour facility that could severely hinder the navigation of vessels for a long time by allowing huge amounts of earth and sand to flow into harbour facilities, in cases where the destruction of special facilities subject to the specific technical standards are caused by natural disaster, among the facilities subject to the specific technical standards referred to in Article 56-2-21, paragraph (1), of which an improvement plan is included in the port plan that has been made public pursuant to the provisions of Article 3-3, paragraph (9).
 - (3) The provisions of paragraphs (3) through (5) of the preceding Article apply mutatis mutandis to the loans from the national government referred to in paragraph (1) and to the loans from a port management body of a strategic international hub port, international hub port, or major port pertaining to the loan from the national government referred to in that paragraph.

(Loans for Construction of Port and Harbour Facilities Consisting of a Group of Wharves)

Article 55-9 (1) If a port management body of a strategic international hub port or international hub port provides an interest-free loan for a port operating company to cover the construction costs or improvement costs of cargo handling facilities consisting of a group of wharves or other port and harbour facilities prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, the national government may provide an interest-free loan for the port management body to cover the amount not exceeding the loan amount prescribed by Cabinet Order, if the loan requirements are governed by the provisions of Article 55-7, paragraph (3) as applied mutatis mutandis pursuant to the following paragraph and meet the criteria specified by Cabinet Order referred to in paragraph (5) of that Article as applied mutatis mutandis pursuant to the following paragraph.

(2) The provisions of Article 55-7, paragraph (3) through (5) apply mutatis mutandis to the loan from the national government referred to in the preceding paragraph and to the loan from a port management body of a strategic international hub port or international hub port pertaining to the loan from the national government referred to in that paragraph. In this case, the term a "port management body" in those provisions is deemed to be replaced with a "port management body of a strategic international hub port or international hub port" and the term a "borrower" in the provisions of paragraph (3) of that Article is deemed to be replaced with a "port operating company that obtains a loan".

(Ports and Harbours in Which Port Limits are Not Designated)

Article 56 (1) In the case where the governor having the jurisdiction over the prefecture in which the proposed waters bordering the waters at the port and harbour, in which port limits are not designated, designates and makes the waters public a person who intends to construct harbour facilities, protective facilities for harbour, or mooring facilities in that waters (except a waterway to be developed and preserved or a secured waterway during an emergency), or to occupy a part of the waters (except the case of reclamation of public waters), to mine earth and sand, or to engage in an act which could hinder the use or maintenance of the port and harbour, must obtain a permit from the governor of the relevant prefecture.

(2) The provisions of Article 4, paragraphs (5) and (6) apply mutatis mutandis to a case where the prefectural governor designates the waters pursuant to the provisions of the preceding paragraph.

(3) The provisions of Article 37, paragraphs (2) through (6) apply mutatis

mutandis to a case referred to in paragraph (1).

Article 56-2 (1) It is prohibited for any person, without due cause, to dispose of or leave a vessel or other properties designated by the prefectural governor in the waters (except the area that have been considered particularly necessary for the use and maintenance of the port and harbour due to the uses and locations of the port and harbour facilities or other circumstances and have been made public by the governor pursuant to the provisions of paragraph (1) of the preceding Article (except a waterway to be developed and preserved or a secured waterway during an emergency)).

(2) The provisions of Article 37-11, paragraphs (2) and (3) apply mutatis mutandis to cases where the prefectural governor designates an area or property, or revokes the designation pursuant to the preceding paragraph.

(Technical Standards for Port and Harbour Facilities)

Article 56-2-2 (1) Harbour facilities, protective facilities for harbour, mooring facilities, and other port and harbour facilities prescribed by Cabinet Order (hereinafter referred to as a "facility subject to the technical standards") are governed by the provisions of other laws and regulations if those provisions are applicable, and with respect to the capabilities required for the facilities subject to the technical standards, the facilities subject to the technical standards must be constructed, improved, and maintained to meet the technical standards prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism (hereinafter referred to as "technical standards").

(2) The maintenance of facilities subject to the technical standards referred to in the preceding paragraph must be performed through a periodic inspection and in other ways prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(3) A person (other than the national government) who intends to construct or improve facilities subject to the technical standards that are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism as the facilities that would affect public safety or other public interest greatly, must obtain the confirmation that the facility to be constructed or improved meet the technical standards from the Minister of Land, Infrastructure, Transport and Tourism or a person registered by the minister (hereinafter referred to as a "registered verification agency"); provided, however, that this does not apply to construction or improvement using design methods designated by the minister.

(4) A person who intends to obtain the confirmation referred to in the preceding paragraph may file a request for verification with the Minister of Land, Infrastructure, Transport and Tourism or with a registered verification agency pursuant to Order of the Ministry of Land, Infrastructure, Transport and

Tourism.

- (5) Beyond what is set forth in the preceding two paragraphs, a format of request for verification and other information required for verification are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Registration)

Article 56-2-3 (1) Registration referred to in paragraph (3) of the preceding Article (hereinafter referred to as "registration") is requested by a person who intends to engage in verification services prescribed in that paragraph (hereinafter referred to as "verification services").

- (2) The Minister of Land, Infrastructure, Transport and Tourism must register a person who requested a registration pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "applicant for the registration" in this paragraph) if the person meets all of the following requirements. In this case, the procedures for registration are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism:
- (i) with respect to a decision whether the facility to be constructed or improved meets the technical standards or not (hereinafter referred to as a "decision on technical suitability") a person who provides verification services using the method of assessing the capabilities of the facility comprehensively;
 - (ii) more than two verifiers make a decision on technical suitability as specified in Article 56-2-8, paragraph (1);
 - (iii) an applicant for registration, as a person controlled by a person who must be subject to verification or who contracts to design or construct the port and harbour facility (referred to as a "person involved in the construction of port and harbour facility" in this item and Article 56-2-10, paragraph (2)):
 - (a) if an applicant for registration is a stock company, a person involved in the construction of port and harbour facility is its parent corporation (meaning a parent corporation provided in Article 879, paragraph (1) of the Companies Act);
 - (b) the number of officers or employees of a person involved in the construction of port and harbour facility (including persons who were an officer or employee of the person involved in the construction of port and harbour facilities in the past two years) accounts more than half of that of the officers of the applicant for registration (employees who execute the administrative functions of the membership company (meaning a membership company provided in Article 575, paragraph (1) of the Companies Act));
 - (c) an applicant for registration (or an officer who has the right to represent, if an applicant is a corporation) is the officer or employee of the person involved in the construction of port and harbour facility (including persons

who were an officer or employee of the person involved in the construction of port and harbour facility in the past two years).

- (3) A person who falls under any of the following items may not be registered:
- (i) a person who has been sentenced to a fine or more severe punishment for a violation of this Act or an order issued under this Act, if two years have not passed since the person finished serving the sentence or ceased to be subject to its enforcement;
 - (ii) a person whose registration was revoked pursuant to the provisions of Article 56-2-15, if two years have not passed since the registration was revoked;
 - (iii) a corporation of which officer falls under either of the preceding two items.
- (4) The following information must be entered in the register of a registered verification agency:
- (i) registration date and registration number;
 - (ii) name or address of the registered verification agency, and the name of a representative person, if it is a corporation;
 - (iii) address of the workplace where the registered verification agency provides verification services;
 - (iv) beyond what is set forth in the preceding three items, information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) The Minister of Land, Infrastructure, Transport and Tourism does not provide verification services that may be provided by registered verification agencies.

(Renewal of Registration)

- Article 56-2-4 (1) Validity of registration expires unless it is renewed during the period not exceeding three years as provided by Cabinet Order.
- (2) The provisions of the preceding Article (except paragraph (5)) apply mutatis mutandis to a renewal of registration referred to in the preceding paragraph.

(Duty to Verify)

- Article 56-2-5 (1) If a registered verification agency is requested to provide a verification service, the agency must do so without delay, unless the agency has legitimate grounds.
- (2) A registered verification agency must provide verification services fairly, using the methods prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Notification of Changes to Registered Information)

- Article 56-2-6 If a registered verification agency intends to change the

information set forth in Article 56-2-3, paragraph (4) item (ii) through item (iv), the registered verification agency must notify the Minister of Land, Infrastructure, Transport and Tourism of this no later than two weeks before the date of intended change.

(Operational Rules for Verification Services)

Article 56-2-7 (1) A registered verification agency must establish the operational rules for verification services (hereinafter referred to as "operational rules for verification services") and obtain an approval from the Minister of Land, Infrastructure, Transport and Tourism before the verification services start. The same applies in a case where the agency intends to revise the operational rules.

(2) Having found that the operational rules for verification services that have been approved pursuant to the preceding paragraph are no longer effective for providing the verification services properly and correctly, the Minister of Land, Infrastructure, Transport and Tourism may order to revise the operational rules for verification services.

(3) The operational rules for verification services must provide for the methods for providing verification service, , fees for providing verification service, and other particulars prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Verifiers)

Article 56-2-8 (1) Verifiers must be appointed from among persons who have graduated from an university or college of technology under the School Education Act (Act No. 26 of 1947) by completing a course in civil engineering or a course required for the construction of port and harbour facilities (including persons who have completed these courses and completed the courses of the first term at a professional university under that Act), or persons who are considered to have academic ability equivalent or higher to the persons prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism; who have been engaged in testing and research on the methods of assessing capabilities of port and harbour facilities comprehensively (limited to testing and research prescribed by Order by the Ministry of Land, Infrastructure, Transport and Tourism) at research institutes prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) If a registered verification agency has appointed verifiers, the registered verification agency must notify the Minister of Land, Infrastructure, Transport and Tourism of this no later than fifteen days from the date of appointment. The same applies in a case where the verifiers are changed.

- (3) If a verifier has violated this Act, order or measures under this Act, or the operational rules for verification services, or has committed an extremely inappropriate act during the course of verification service, the Minister of Land, Infrastructure, Transport and Tourism may order a registered verification agency to dismiss that verifier.
- (4) A person who has been dismissed from the position of verifier pursuant to an order under the preceding paragraph may not be appointed as a verifier for two years from the date of dismissal.

(Duty of Confidentiality)

- Article 56-2-9 (1) It is prohibited for a registered verification agency (or its officer, if it is a corporation; the same applies in the next paragraph), its employee, (including its verifier; the same applies in the next paragraph), or a person who formerly acted in the capacity of those to divulge any secret learned in the course of verification services or use it for personal benefit.
- (2) With respect to the application of the Penal Code (Act No. 45 of 1907) and other penal provisions, a registered verification agency and its employees engaged in verification services are deemed to be officials engaged in public services pursuant to the laws and regulations.

(Retention and Inspection of Financial Statements)

- Article 56-2-10 (1) A registered verification agency must prepare an inventory of assets, balance sheet and profit and loss statement, or an income and expenditure statement and business report of that business year, and submit those documents to the Minister of Land, Infrastructure, Transport and Tourism within three months from the last day of that business year (records made in electric form, magnetic form or any other form that are impossible to perceive by the human sense, which are used in information processing by computers; (the same applies hereinafter in this Article) when the relevant electric or magnetic records are prepared instead of those documents); the documents are referred to as "financial statements" in the next paragraph and Article 66, paragraph (2)) and retain them at its office for five years.
- (2) A person involved in the construction of port and harbour facilities or any other interested person may file a request for the following items at any time during the business hours of a registered verification agency; provided, however, that the person must pay the fee set by the registered verification agency to file a request as referred to in item (ii) or item (iv):
 - (i) a request to inspect or copy a financial statement or business report, if the paper-based document thereof has been prepared;
 - (ii) a request for a certified copy or extract of a paper-based document referred to in the preceding item;

- (iii) a request to inspect or copy the documents that show the information recorded in an electronic or magnetic record, using the methods prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, if financial statements are prepared in electronic or magnetic record;
- (iv) a request for providing the information recorded in an electronic or magnetic record referred to in the preceding item (meaning the method using an electronic data processing system or information and communications technology prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism), or a request for issuing a paper-based document providing the relevant information.

(Suspension or Discontinuation of Verification Services)

Article 56-2-11 A registered verification agency must not suspend or discontinue all or part of its verification services without obtaining a permit from the Minister of Land, Infrastructure, Transport and Tourism.

(Compliance Order)

Article 56-2-12 If the Minister of Land, Infrastructure, Transport and Tourism finds that a registered verification agency no longer complies with any of the items of Article 56-2-3, paragraph (2), the minister may order the registered verification agency to take the necessary measures to comply with those provisions.

(Service Improvement Orders)

Article 56-2-13 Having found that a registered verification agency is in violation of Article 56-2-5, the Minister of Land, Infrastructure, Transport and Tourism may order the registered verification agency to provide the verification services under that Article or to take the measures required to improve the methods of providing verification services or other services.

(Reports and Inspections)

Article 56-2-14 (1) The Minister of Land, Infrastructure, Transport and Tourism may have a registered verification agency report on the status of verification services or accounting, or have its officials enter the office or other workplace of the registered verification agency to inspect how verification services are provided or its books and documents or other items, to the extent necessary for the enforcement of this Act.

(2) An official who conducts an on-site inspection pursuant to the preceding paragraph must carry an identification card and present it to the relevant persons.

(3) The authority for an on-site inspection under paragraph (1) must not be

construed as being granted for a criminal investigation.

(Revocation of Registration)

Article 56-2-15 The Minister of Land, Infrastructure, Transport and Tourism may revoke a registration or order to suspend all or part of verification services by setting a time frame, if a registered verification agency falls under any of the following items:

- (i) it falls under Article 56-2-3, paragraph (3) item (i) or item (iii);
- (ii) it violates the provisions of Article 56-2-6; Article 56-2-8, paragraph (2); Article 56-2-10, paragraph (1); Article 56-2-11; or the following Article;
- (iii) it provides verification services without obtaining an approval referred to in Article 56-2-7, paragraph (1), or provides verification services without complying with the operational rules for verification service that have been approved pursuant to that paragraph;
- (iv) it violates an order referred to in the provisions of Article 56-2-7, paragraph (2); Article 56-2-8, paragraph (3); Article 56-2-12; or Article 56-2-13;
- (v) it rejects a request under the provisions of one of the items of Article 56-2-10, paragraph (2), without legitimate grounds;
- (vi) it has been registered through wrongful means.

(Bookkeeping)

Article 56-2-16 A registered verification agency must keep books, enter the information on verification services prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism therein, and retain the books, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Public Notice)

Article 56-2-17 The Minister of Land, Infrastructure, Transport and Tourism must issue a public notice on the following cases in the Official Gazette:

- (i) when a registration is completed;
- (ii) when a notification referred to in Article 56-2-6 is received;
- (iii) when a permit referred to in Article 56-2-11 is granted;
- (iv) when a registration is revoked or an order to suspend all or part of verification services is issued pursuant to the provisions of Article 56-2-15;
- (v) when the Minister of Land, Infrastructure, Transport and Tourism chooses to provide all or part of the verification services ex officio, or chooses not to provide all or part of the verification services provided ex officio pursuant to the provisions of Article 56-2-19, paragraph (1).

(Request for Administrative Review)

Article 56-2-18 A person may file a request for examination with the Minister of Land, Infrastructure, Transport and Tourism with respect to a disposition or inaction related to the verification services provided by a registered verification agency. In this case, with respect to the application of Article 25, paragraphs (2) and (3); Article 46, paragraphs (1) and (2); Article 47; and Article 49, paragraph (3) of the Administrative Complaint Review Act (Act No. 68 of 2014), the Minister of Land, Infrastructure, Transport and Tourism is deemed to be the higher administrative authority of the registered verification agency.

(Verification Services Provided by the Minister of Land, Infrastructure, Transport and Tourism)

Article 56-2-19 (1) If a registered verification agency suspends all or part of its verification services after the permit referred to in Article 56-2-11 has been granted; in a case where the Minister of Land, Infrastructure, Transport and Tourism orders a registered verification agency to suspend all or part of its verification services pursuant to the provisions of Article 56-2-15; or in a case where it is difficult for a registered verification agency to provide all or part of its verification services due to a natural disaster or other reasons, the minister is to provide all or part of the verification services ex officio, if the minister finds it necessary to do so.

(2) The procedure for taking over the verification services and other necessary matters for the cases; where the Minister of Land, Infrastructure, Transport and Tourism provides all or part of the verification services ex officio pursuant to the provisions of the preceding paragraph; where a registered verification agency discontinues all or part of its verification services after the permit referred to in Article 56-2-11 is granted; or where a registration is revoked by the minister pursuant to the provisions of Article 56-2-15; are prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Payment of Fees)

Article 56-2-20 (1) A person who intends to to undergo a verification process referred to in Article 56-2-2, paragraph (2) (except an incorporated administrative agency referred to in Article 2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999) and prescribed by Cabinet Order after taking into consideration the contents of administrative functions of the incorporated administrative agency and other circumstances) must pay a fee to the national government prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, taking into consideration the actual costs.

(2) The fee referred to in the preceding paragraph must be paid by revenue stamps; provided, however, it may be paid in cash, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism, if a person file a request for verification prescribed in the preceding paragraph using an electronic data processing system prescribed in Article 3, paragraph (1) of the Act on Use of Information and Communications Technology in Administrative Procedure (Act No. 151 of 2002), pursuant to that paragraph.

(Providing Recommendations to Persons Managing Special Facilities Subject to the Specific Technical Standards)

Article 56-2-21 (1) If the facility subject to the specific technical standards managed by a person other than a port management body (except the national government and local government. The same applies to Article 56-5, paragraph (3)) no longer meets the technical standards and could hinder the navigation of vessels for a long time, in a case where the destruction of protective facilities for harbour and others are caused by natural disaster, among the facilities subject to the technical standards prescribed by Order of Ministry of Land, Infrastructure, Transport and Tourism that could hinder the navigation of vessels, in a case where the destruction of protective facilities for harbour and others are caused by natural disaster ((hereinafter referred to as "facility subject to the specific technical standards"), the port management body may recommend that the person who manages the facilities subject to the specific technical standards to take the necessary measures.

(2) If a person to whom a recommendation has been provided pursuant to the provisions of the preceding paragraph does not take the measures pertaining to the recommendation without legitimate grounds, a port management body may order the person who manages the facility subject to the specific technical standards to take the necessary measures.

(Reporting to the Minister of Land, Infrastructure, Transport and Tourism)

Article 56-2-22 The Minister of Land, Infrastructure, Transport and Tourism may request a port management body to submit reports on the maintenance and management of the facility subject to the specific technical standards that are located in the port and harbour under its management, or may provide technical assistance to the port management body.

(Construction or Improvement of Waterways, or Harbour Facilities)

Article 56-3 (1) A person who intends to construct or improve harbour facilities, protective facilities for harbour, or mooring facilities prescribed by Cabinet Order in the waters (hereinafter referred to as "harbour facilities(except port limits, the waters that have been made public pursuant to the provisions of

Article 56, paragraph (1) of this Act and the provisions of Article 9, paragraph (1) of the Act on Reservation of Low-water Line and Development of Base Facilities for Facilitating the Reservation and Use of Exclusive Economic Zone and the Continental Shelf (Act No. 41 of 2010), and renewable ocean energy generation system development area prescribed in Article 2, paragraph (5) of the Act of Promoting the Use of Ocean Areas for the Development of Renewable Ocean Energy Generation System (Act No. 89 of 2018); the same applies hereinafter in this Article) must notify the prefectural governor of the structure of harbour facilities, the area of the waters and the information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, no later than 60 days prior to the starting date of the construction work pertaining to the relevant act; provided, however, that, the person must notify the governor of the changes without delay, even if construction work is not required after the relevant changes are made.

- (2) In a case where the notification was filed pursuant to the preceding paragraph and the prefectural governor finds that the harbour facilities relating to the notification do not meet the technical standards, the governor may prohibit or restrict the person who filed the notification to construct or improve the harbour facilities, or may order that person to take the necessary measures, for a period not exceeding 60 days from the receipt date of the notification.
- (3) If a person set forth in Article 37, paragraph (3) intends to construct or improve harbour facilities in the waters, the person must notify the prefectural governor of this pursuant to the procedures for notification as referred to in the provisions of paragraph (1), and if the person intends to change the information provided in the notification, , the person must notify the governor of this according to the procedure for notification referred to in the provisions of that paragraph.
- (4) In a case where the notification was filed pursuant to the preceding paragraph and the prefectural governor finds that the the harbour facilities relating to the notification do not meet the technical standards, the governor may request the person who filed the notification to take the necessary measures, for a period not exceeing 60 days from the receipt date of the notification.
- (5) Having received a notification referred to in the provisions of paragraph (1) or a notification referred to in the provisions of paragraph (3), the prefectural governor must make the information provided in the notification known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Supervisory Measures)

Article 56-4 (1) The Minister of Land, Infrastructure, Transport and Tourism, the prefectural governor, or the port management body may order a person who falls under item (i) (specifically, the Minister of Land, Infrastructure, Transport and Tourism is responsible for a person who violated the provisions of sub-item (a) of that item; the prefectural governor is responsible for a person who violated the provisions of sub-item (b) of that item; and the port management body is responsible for a person who violated the provisions of sub-item (c) of that item) or a person who falls under item (ii) or item (iii) to suspend construction works or other acts; to reconstruct, relocate, or remove the structures, vessels, or other properties (hereinafter referred to as "structures"; to establish facilities required to remove the hindrance that have been caused or to be caused by construction works or other acts, by taking preemptive measures; or to restore those to original state; and with respect to a person who falls under item (ii) or (iii), the minister may revoke the permit that has been granted pursuant to the provisions of item (i), suspend it, make changes to the requirement or add new requirements:

(i) a person who violated the following provisions:

(a) the provisions of Article 43-8, paragraph (1) or (2), or Article 55-3-5, paragraph (1) or (2);

(b) the provisions of Article 56, paragraph (1) or Article 56-2, paragraph (1);

(c) the provisions of Article 37, paragraph (1), or Article 37-11, paragraph (1).

(ii) a person who violated the requirements for a permit under Article 37, paragraph (1); Article 43-8, paragraph (2); Article 55-3-5, paragraph (2); or Article 56, paragraph (1);

(iii) a person who obtained a permit under Article 37, paragraph (1); Article 43-8, paragraph (2); Article 55-3-5, paragraph (2); or Article 56, paragraph (1) through fraud or other wrongful means.

(2) In a case where the Minister of Land, Infrastructure, Transport and Tourism, a prefectural governor, or a port management body intends to issue an order to take the necessary measures pursuant to the provisions of Article 40-2, paragraph (1), Article 41, paragraph (1), or the preceding paragraph, if they do not know for sure to whom the order to take the measures should be issued, even though they are not at fault, the minister, the governor, or the port management body may take the relevant measures ex officio, or may have a person to whom the order is issued or a person to whom their duties are delegated to take the relevant measures. In this case, the Minister of Land, Infrastructure, Transport and Tourism, the prefectural governor, or the port management body must issue a public notice stating that they will take the necessary measures by the due date set by them or that if they will not take the measures by the due date, the person to whom the order is issued or the person to whom their duties are delegated will take the relevant measures, in

advance.

- (3) Having removed or had a person remove the structure pursuant to the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism, a prefectural governor, or a port management body must retain the structure.
- (4) Having retained the structures pursuant to the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism, a prefectural governor, or a port management body must make the information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, known to the public, in order to return the structure to its owner or occupant, or a person who holds a title to the structure (hereinafter referred to as an "owner"), pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism
- (5) In a case where a structure that have been retained pursuant to the provisions of paragraph (3) could be lost or damaged, or in a case where the structure cannot be returned even though three months have passed since the public notice was issued pursuant to the provisions of the preceding paragraph, if inadequate storage cost or charge are required compared to the price of the structure appraised pursuant to the provisions of Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, the Minister of Land, Infrastructure, Transport and Tourism, the prefectural governor, or the port management body may put the structure up for sale and retain the proceeds from sale pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (6) If there is no purchaser of the structure put up for sale under the provisions of the preceding paragraph and the price referred to in the provisions of that paragraph is extremely low, the Minister of Land, Infrastructure, Transport and Tourism, a prefectural governor, or a port management body may dispose of that structure.
- (7) The proceeds from sale under the provisions of paragraph (5) may be allocated to cover the costs for selling the structure.
- (8) The costs required for the removal, storage, sale, public notice, and other measures prescribed in paragraphs (2) through (5) are borne by the owner to whom the structure should be returned or by the person to whom the order to take the relevant measures has been issued as prescribed in paragraph (2).
- (9) If a structure that has been retained pursuant to the provisions of paragraph (3) (including the proceeds from sale under the provisions of paragraph (5); the same applies hereinafter) cannot be returned even if six months have passed since the public notice was issued pursuant to the provisions of paragraph (4), an ownership of the structure retained by the Minister of Land, Infrastructure, Transport and Tourism falls under the jurisdiction of the national government,

an ownership of the structure retained by a prefectural governor falls under the jurisdiction of the relevant prefectural government and an ownership of the structure retained by a port management body falls under the jurisdiction of the relevant port management body.

(Collection of Reports)

- Article 56-5 (1) The Minister of Land, Infrastructure, Transport and Tourism, a prefectural governor, or a port management body may request a person who has obtained a permit under Article 37, paragraph (1), Article 43-8, paragraph (2), Article 55-3-5, paragraph (2), or Article 56, paragraph (1), or may have its officials enter a place relating to the permitted act or the office or workplace of the permitted person to inspect how the permitted acts are conducted, or to inspect the structures, books, documents, and other necessary properties pertaining to the permitted act, to the extent necessary for the enforcement of this Act, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (2) The Minister of Land, Infrastructure, Transport and Tourism or the port management body of an international hub port may request a port operating company to submit reports on its business operation or accounting , or may have the relevant officials enter the office or other workplaces of the designated port operating company to inspect its business operation or accounting , or facilities used for its business operation, books, documents, and other items , or may have the relevant officials ask the the persons concerned questions, to the extent necessart for the enforcement of this Act, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) A port management body may request a person who manages facilities subject to technical standards other than the port management body to report on the maintenance and management of the facilities subject to the specific technical standards, or may have the relevant officials enter the office or other workplaces of the person who manages the facilities subject to the specific technical standards to inspect how the facilities subject to the specific technical standards are maintained and managed, or, or the relevant facilities subject to the specific technical standards, books, documents, and other items, to the extent necessary for the enforcement of this Act, pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) An official who conducts an on-site inspection pursuant to the provisions of the preceding three paragraphs must carry an identification card and present it to the relevant persons.
- (5) The authority for an on-site inspection under paragraph (1) through paragraph (3) must not be construed as being granted for a criminal investigation.

(Compulsory Collection)

Article 56-6 (1) If any person fails to make the contribution by the due date, based on a disposition under the provisions of Article 43-5, paragraph (1) (limited to the dispositions by the Minister of Land, Infrastructure, Transport and Tourism); a disposition under the provisions of Article 43-2, Article 43-3, paragraph (1) or Article 43-4, paragraph (1) as applied mutatis mutandis pursuant to Article 43-9, paragraph (2); a disposition under the provisions of Article 8, paragraph (2) of the Enterprise Rationalization Promotion Act as applied mutatis mutandis pursuant to Article 43-10; a disposition relating to port and harbour construction works under the provisions of paragraph (4) of that Article; or a disposition under Article 56-4, paragraph (8) (limited to the ones made by the Minister of Land, Infrastructure, Transport and Tourism), the Minister of Land, Infrastructure, Transport and Tourism must demand the payment by issuing a demand letter for payment that indicates a due date. In that case, the due date to be indicated in the demand letter for payment must be at least 20 days from the date on which the demand letter for payment is issued.

(2) If a demand letter for payment was issued pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may collect delinquent charge pursuant to the provisions of Cabinet Order. In this case, the amount of delinquent charge must not exceed the amount calculated at a rate of 14.5% per annum.

(3) If a person who received a demand letter for payment pursuant to the provisions of paragraph (1) fails to pay the amount by the designated due date, the Minister of Land, Infrastructure, Transport and Tourism may collect the contribution referred to in paragraph (1) and the delinquent charge referred to in the preceding paragraph pursuant to the procedure for the disposition of national tax delinquency. In this case, contribution and delinquent charge are collected under a statutory lien following the national taxes and local taxes.

(4) Delinquent charges are followed by contributions.

(Consultation with Heads of Relevant Administrative Organs)

Article 57 (1) The Minister of Land, Infrastructure, Transport and Tourism grants an approval referred to in Article 46, paragraph (1) on the facilities mainly used for fishing, and if the minister intends to make a request referred to in Article 3-3, paragraph (6) or Article 47 on the matters significantly related to fishing, the minister must consult with the Minister of Agriculture, Forestry and Fisheries.

(2) In a case where the Minister of Land, Infrastructure, Transport and Tourism intends to execute the construction work of harbour facilities, protective

facilities for harbour or mooring facilities in a strategic international hub port, international hub port or major port pursuant to the provisions of Article 8, paragraph (4) of the Enterprize Rationalization Promotion Act, the minister must consult with the Minister of Economy, Trade and Industry if the contribution amount under that paragraph exceeds 50 percent of the cost of construction works.

(Relationship with Other Laws and Regulations)

Article 58 (1) The provisions of Articles 48 and 49 of the Building Standards Act (Act No. 201 of 1950) do not apply to the divided zones that have been designated pursuant to the provisions of Article 39.

(2) With respect to reclaimed area pertaining to the reclamation in the port limits or the reclamation of public waters in the port limits, the authority of a prefectural governor under the provisions of the Act on Reclamation of Public Waters (for the area under the jurisdiction of a designated city specified in Article 252-19, paragraph (1) of the Local Autonomy Act; the authority of a head of the relevant designated city; the same applies hereinafter in this paragraph) is exercised by a port management body (a prefectural governor and a port management body exercise the authority for the reclaimed area relating to the reclamation in port limits within the river area or the reclamation of public waters in port limits).

(3) If a port management body finds it necessary to facilitate the effective and proper use of reclaimed area and to make all or part of the reclaimed area and other information prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism known to the public due to the fact that all or part of the reclaimed area in the port and harbour under its management of which opening permit had been made public pursuant to the provisions of Article 22, paragraph (2) of the Act on Reclamation of Public Waters has not been used for the purpose that was made public pursuant to the provisions of Article 11 or Article 13-2, paragraph (2) of that Act for a considerable period of time, or the reclaimed area is considered not to be used for that purpose in future years, the phrase "ten years" regarding the area in the provisions of Article 27, paragraph (1) of that Act is deemed to be replaced with "five years" from the date of public notice, and the phrase "within ten years" regarding the area in the provisions of Article 29, paragraph (1) of that Act is deemed to be replaced with "within five years" from the date of public notice. In this case, if the area is all or part of the reclaimed area permitted by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Article 47, paragraph (1) of the Act, the port management body must consult with the Minister of Land, Infrastructure, Transport and Tourism in advance.

(4) Special provisions on fishing port areas are prescribed by laws on fishing

ports.

(Reviewing Agency)

Article 58-2 A request for administrative review of the authority under the Act on Reclamation of Public Waters exercised by a mayor of municipality as a port management body pursuant to the provisions of paragraph (2) of the preceding Article (limited to item (i) statutory delegated functions prescribed in Article 2, paragraph (9), item (i) of the Local Autonomy Act) is to be filed with the Minister of Land, Infrastructure, Transport and Tourism. In this case, a request for administrative review of inaction may be filed with a mayor of the municipality relating to the inaction.

(Application of the Administrative Case Litigation Act)

- Article 59 (1) With respect to the application of the Act on the Use of Public Land and Properties Managed by Public Entities to port and harbour facilities for public use that are managed by a port authority, a chairperson of the board of the relevant port authority is deemed to be an administrative agency.
- (2) With respect to the application of the Act on Substitute Execution by Administration (Act No. 43 of 1948) to an order referred to in Article 38-2, paragraph (8), Article 40-2, paragraph (1), Article 41, paragraph (1), Article 56-2-21, paragraph (2), or Article 56-4, paragraph (1); to the exercise of delegation of authority under the Act on Reclamation of Public Waters pursuant to the provisions of Article 58, paragraph (2); or to an order under Article 1 of the Act on the Use of Public Land and Properties Managed by Public Entities, a chairperson of the board of the relevant port authority is deemed to be an administrative agency.
- (3) With respect to the application of the Administrative Case Litigation Act (Act No. 139 of 1962) to the exercise of delegated authority under the Act on Reclamation of Public Waters pursuant to the provisions of Article 58, paragraph (2) and the exercise of authority under the Act on the Use of Public Land and Properties Managed by Public Entities; the exercise of authority to collect contributions referred to in the provisions of the Enterprise Rationalization Promotion Act or the Act on the Costs of Public Pollution Control Works Borne by Industrial Companies, or a petition to apply the Act on Substitute Execution by Administration, the chairperson of the board of the relevant port authority is deemed to be an administrative agency.

(Consultation with Transport Council)

Article 60 The Minister of Land, Infrastructure, Transport and Tourism must consult with the Transport Council on the following matters:

- (i) consent referred to in the provisions of Article 4, paragraph (4) (including as

- applied mutatis mutandis pursuant to Article 9, paragraph (2) and Article 33, paragraph (2), (limited to consent on a strategic international hub port, international hub port, or major port);
- (ii) conciliation under the provisions of Article 4, paragraph (12) (including as applied mutatis mutandis pursuant to Article 33, paragraph (2));
- (ii)-2 approval under the proviso to Article 10, paragraph (1);
- (iii) particulars concerning a request to change the area of the waterfront district referred to in the provisions of Article 38;
- (iv) particulars concerning a request to change the rates referred to in Article 44 (including as applied mutatis mutandis pursuant to Article 44-2, paragraph (4));
- (iv)-2 consent on harbour dues under Article 44-2;
- (v) recommendation to establish a port management body under the provisions of Article 51.

(Requirements for Permits)

- Article 60-2 (1) The Minister of Land, Infrastructure, Transport and Tourism, a prefectural governor, or a port management body may establish requirements necessary for permits under the provisions of this Act.
- (2) The requirements referred to in the preceding paragraph must be the basic requirements to facilitate the implementation of permitted projects without fail, and must not impose an undue obligation on the person who obtained the permit.

(Transitional Measures)

- Article 60-3 If Cabinet Order or Order of the Ministry of Land, Infrastructure, Transport and Tourism is established, revised, or abolished pursuant to the provisions of this Act, the transitional measures which may be required (including transitional measures for penal provisions) may be established respectively, to the extent considered to be logically necessary for the establishment, revision or abolishment, under Cabinet Order or Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Delegation of Authority)

- Article 60-4 Part of the authority of the Minister of Land, Infrastructure, Transport and Tourism referred to in this Act may be delegated to the director of the Regional Development Bureau or the director of the Hokkaido Development Bureau, pursuant to Cabinet Order.

(Division of Administrative Functions)

- Article 60-5 Administrative functions that are to be handled by the prefecture

pursuant to the provisions of Article 4, paragraph (4) (including as applied mutatis mutandis pursuant to Article 9, paragraph (2) and Article 33, paragraph (2), the same applies hereinafter), paragraph (5) (including as applied mutatis mutandis pursuant to Article 9, paragraph (2), Article 33, paragraph (2), and Article 56, paragraph (2), the same applies hereinafter), paragraph (8) (including as applied mutatis mutandis to Article 9, paragraph (2) and Article 33, paragraph (2); the same applies hereinafter), paragraph (12) and paragraph (13) (including as applied mutatis mutandis to Article 33, paragraph (2)); Article 9, paragraph (3); and Article 56, paragraph (1) (limited to the provisions for administrative functions to designate the waters)) (limited to administrative functions to handle the consent of the prefectural governor under Article 4, paragraph (4) referred to in the provisions of paragraph (4) of that Act; limited to those to handle consultations to be held by the prefectural governor under Article, paragraph (5) referred to in the provisions of paragraph (5) of that Act; except those to handle notification to be handled by the prefectural governor under Article Article 4, paragraph (8) referred to in the provisions of paragraph (8) of that Act) , are handled as item (i) statutory delegated administrative functions prescribed in Article 2, paragraph (9), item (i) of the Local Autonomy Act.

(Penal Provisions)

Article 61 With respect to a permit referred to in the provisions of Article 37-6, paragraph (1), if an official of a local government, or a board member, auditor, or employee of a port authority has failed to follow a fair tender procedure by suggesting a bid rigging to a person who intends to obtain the permit, by disclosing a secret on a public tender relating to the permit ((hereinafter referred to as "public tender for occupancy") to a person who intends to obtain the permit, or through other means, in violation of their duties, the official, board member, auditor, or employee is subject to imprisonment with work for not more than five years or a fine not more than 2,500,000 yen.

Article 62 (1) A person who has undermined fair tender procedure through fraudulent means or force is subject to imprisonment with work for not more than three years or a fine not more than 2,500,000 yen, or both.

(2) With respect to public tender for occupancy, the preceding paragraph applies to a person who has jointed bid rigging for the purpose of undermining a fair price or acquiring unlawful benefits .

Article 63 (1) A person who failed to submit a report or documents pursuant under Article 43-23, paragraph (1), or submitted a false report or documents, or has refused to or interfered with or recused himself/herself from an

- inspection under that paragraph, is subject to imprisonment with work for not more than one year, or a fine of not more than three million yen, or both.
- (2) A person who has violated the provisions of Article 43-21, paragraph (1) or paragraph (4) is subject to imprisonment with work for not more than one year, or a fine of not more than one million yen, or both.
- (3) A person who falls under any of the following items is subject to imprisonment with work for not more than one year or a fine not more than one million yen:
- (i) a person who violated the provisions of Article 56-2-9, paragraph (1);
 - (ii) a person who violated an order to suspend the person's business pursuant to the provisions of Article 56-2-15.
- (4) A person who falls under any of the following items is subject to imprisonment with work not more than one year or a fine not more than five hundred thousand yen:
- (i) a person who violated the provisions of Article 37, paragraph (1), Article 43-8, paragraph (2), Article 55-3-5, paragraph (2), or Article 56, paragraph (1);
 - (ii) a person who violated the provisions of Article 37-11, paragraph (1), Article 43-8, paragraph (1), Article 55-3-5, paragraph (1), or Article 56-2, paragraph (1).
- (5) A person who falls under any of the following items is subject to imprisonment with work for not more than six months, or a fine not more than five hundred thousand yen, or both:
- (i) a person who failed to submit a notification under Article 43-21, paragraph (3) or submitted a false notification;
 - (ii) a person who failed to submit a statement of holdings in subject voting rights under Article 43-22, paragraph (1) or submitted a statement of holdings in subject voting rights that provides false information.
- (6) A person who falls under any of the following items is subject to a fine not more than five hundred thousand yen:
- (i) a person who violated a disposition under Article 38-2, paragraph (8); Article 56-3, paragraph (2); or Article 56-4, paragraph (1);
 - (ii) a person who has collected charges without submitting a document under Article 45, paragraph (2) as applied mutatis mutandis pursuant to Article 50-21, or at the rates different from the rates provided in the submitted document;
 - (iii) a person who has collected charges in violation of an order under Article 45, paragraph (3) as applied mutatis mutandis pursuant to Article 50-21.
- (7) If a director, executive officer, accounting advisor (or an official who acts in the capacity of accounting advisor, if an accounting advisor is a corporation), auditor, or official of a port operating company who falls under any of the categories of violation in the following items, is subject to a fine not more than

five hundred thousand yen:

- (i) a person who violates an order under Article 43-17, paragraph (1)
 - (ii) a person who collects charges without submitting a document under Article 45, paragraph (2) or at the rate different from the rates provided in the document;
 - (iii) a person who collects charges in violation of an order under Article 45, paragraph (3).
- (8) A person who falls under any of the following items is subject to a fine not more than three hundred thousand yen:
- (i) a person who failed to submit a notification under Article 38-2, paragraph (1) or (4) or the first sentence or second sentence of Article 56-3, paragraph (1) or submitted a false notification;
 - (ii) a person who discontinues all verification services without obtaining a permit under Article 56-2-11;
 - (iii) a person who failed to submit a report, or submitted a false report, or refused, interfered with, or recused himself/herself from an inspection under Article 56-2-14, paragraph (1);
 - (iv) a person who failed to keep books, or to make entries therein or make false entries in the books, or failed to retain the books, in violation of the provisions of Article 56-2-16;
 - (v) a person who failed to submit a report, or submitted a false report as referred to in Article 56-5, paragraph (1) or (3), or refused, interfered with, or recused himself/herself from an inspection under those paragraphs.
- (9) Having failed to submit a report under Article 56-5, paragraph (2), or submitted a false report, or refused, interfered with, or recused himself/herself from an inspection under that paragraph, or failed to give a statement or gave a false statement to the inquiries under that paragraph, a director, executive officer, accounting advisor (or an official who acts in the capacity of accounting advisor, if the accounting advisor is a corporation), auditor, or official of a port operating company, is subject to a fine not more than three hundred thousand yen.
- (10) If a board member who earns salary under the provisions of Article 25, paragraph (1) becomes an officer of a profit-making organization or engages in a self-employed profit-making business, the person is subject to imprisonment with work not more than six months or a fine not more than three hundred thousand yen.

Article 64 (1) If a representative of a corporation (including a corporation without legal personality which has appointed its representative or administrator; the same applies hereinafter in this Article) or an agent, employee, or other worker of a corporation or individual has violated the

provisions of the following items with respect to the administrative functions or properties thereof, the relevant wrongdoer is subject to punishment, and the fine referred to in the respected items is imposed on the corporation and the fine referred to in the provisions is imposed on that wrongdoer:

- (i) paragraph (1) of the preceding Article: a fine not more than two hundred million yen;
 - (ii) paragraph (2) of the preceding Article: a fine not more than one hundred million yen;
 - (iii) paragraph (5) of the preceding Article: the fine referred to in that paragraph.
- (2) If an organization without legal personality is subject to punishment pursuant to the provisions of the preceding paragraph, its representative or administrator represents the organization with regard to procedural acts, and the provisions of laws on criminal proceedings for a corporation as an accused or suspect apply *mutatis mutandis* to that case.

Article 65 If a representative of a corporation, or an agent, employee, or other worker of a corporation or individual, has violated the provisions of Article 62, or Article 63, paragraph (3), (4), (6), or (8) with respect to the business operation of the corporation or individual, a wrongdoer is subject to the punishment, and the fine referred to in the respective Articles is imposed on the corporation or the individual.

Article 66 (1) A director, executive officer, accounting advisor, official acting in the capacity of accounting advisor or auditor of a port operating company who falls under the categories of the violation in the following items is subject to a civil fine not more than five hundred thousand yen:

- (i) a person who revises a operation plan without obtaining an approval under Article 43-13, paragraph (1);
 - (ii) a person who suspends or closes all of its business operation of a group of wharves in violation of the provisions of Article 43-18, paragraph (1);
 - (iii) a person who fails to submit a business plan or income and expenditure budget, in violation of the provisions of Article 43-26, paragraph (1);
 - (iv) a person who fails to submit a balance sheet, profit and loss statement, or business report, or submits the ones providing false information or records.
- (2) A person who failed to keep or to make entries in financial statements , or entered false information therein, in violation of the provisions of Article 56-2-10, paragraph (1), or a person refused a request under the respective items of paragraph (2) of that Article without legitimate grounds is subject to a civil fine not more than two hundred thousand yen.
- (3) A person who failed to submit a notification under the provisions of Article 38-

2, paragraph (5) or the proviso to the last sentence of Article 56-3, paragraph (1), or submitted a false notification is subject to a civil fine not more than one hundred thousand yen.

Supplementary Provisions [Extract]

(Effective Date)

- (1) This Act comes into effect on the date of promulgation; provided, however, that the provisions of Article 42 come into effect on April 1, 1951.

(Special Provisions on Particularly Important Ports for the Development of Domestic Industry)

- (2) With respect to the costs of port and harbour construction works of port and harbours to be borne or subsidized by the national government, that are considered to be particularly important for the development of domestic industry as prescribed by Cabinet Order, is handled according to the procedures for the construction works in a international hub port, until otherwise provided for by law.

(Interest-Free Loans Provided by the National Government)

- (3) The national government may provide an interest-free loan for a port management body to cover the construction or improvement costs of port and harbour facilities to be borne by the national government, within the budget, pursuant to the provisions of Article 42, paragraph (1) or paragraph (2) (including the provisions of law or regulation which prescribe the different sharing rates of the national government; the same applies hereinafter) which fall under the categories prescribed in Article 2, paragraph (1), item (ii) of the Act on Special Measures to Facilitate Social Infrastructure Development Through the Use of Proceeds from the Sale of Stock of Nippon Telegraph and Telephone Corporation (Act No. 86 of 1987; hereinafter referred to as the "Act on Special Measures for Social Infrastructure Development") until otherwise provided for by law.
- (4) The national government may provide an interest-free loan for a port management body to cover the costs of construction or improvement works of port and harbour facilities to be subsidized by the national government , within the budget, pursuant to the provisions of Article 43 (including the provisions of law or regulation which prescribe the sharing rates of the government different from the rates prescribed in the provisions of that paragraph; the same applies hereinafter), that fall under Article 2, paragraph (1), item (ii) of the Act on Special Measures for Infrastructure Development, until otherwise provided for by law.

- (5) The national government may provide an interest-free loan for a port management body to cover the costs of construction or improvement works within the budget, other than port and harbour construction works referred to in the preceding two paragraphs, that fall under Article 2, paragraph (1), item (ii) of the Act on Special Measures for Infrastructure Development, until otherwise provided for by law.
- (6) The repayment period of loans from the national government as referred to in the preceding three paragraphs is less than five years (including a grace period not exceeding two years) prescribed by Cabinet Order.
- (7) Beyond what is set forth in the preceding paragraph, the methods of repayment of loans, moving up of a repayment deadline, and other matters required for repayment under paragraphs (3) through (5) of the Supplementary Provisions are prescribed by Cabinet Order.
- (8) With respect to the application of Article 42, paragraph (3) to loans provided for a port management body by the national government pursuant to paragraph (3) of the Supplementary Provisions, the phrase "amount to be borne by the national government" in that paragraph is deemed to be replaced with "loan amount to be provided by the national government pursuant to the paragraph (3) of the Supplementary Provisions".
- (9) If the national government provides a loan for a port management body pursuant to paragraph (3) of the Supplementary Provisions, the national government is to bear the costs of the construction works covered by the loan under the provisions of Article 42, paragraph (1) or (2) by delivering an amount of money equivalent to the loan monies repaid.
- (10) If the national government provides a loan for a port management body pursuant to paragraph (4) of the Supplementary Provisions, the national government is to subsidize the amount equivalent to the loan amount under the provisions of Article 43, and is to grant a subsidy by delivering an amount of money equivalent to the loan monies repaid.
- (11) If the national government provides a loan for a port management body pursuant to paragraph (5) of the Supplementary Provisions, the national government is to subsidize the amount equivalent to the loan amount of the construction works covered by the loan, and is to grant a subsidy by delivering an amount of money equivalent to the loan monies repaid.
- (12) With respect to the application of the preceding three paragraphs if a port management body repaid the loan amount by moving up the repayment deadline determined pursuant to the provisions of paragraphs (6) and (7) of the Supplementary Provisions, which is covered by an interest-free loan under paragraph (3) through (5) of the Supplementary Provisions (except a case specified by Cabinet Order), the loan is deemed to be paid off on the repayment deadline date.

(13) The provisions of Article 46 apply mutatis mutandis to port and harbour facilities for which the national government provides an interest-free loan to cover the construction costs thereof pursuant to paragraphs (3) through (5) of the Supplementary Provisions; paragraph (7) of the Supplementary Provisions of the Act on Port and Harbour Construction Works for the Development of Hokkaido (Act No. 73 of 1951); paragraph (6) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion and Development of the Amami Islands (Act No. 189 of 1954); the Supplementary Provisions of Article 9, paragraph (1) of the Act on Special Measures for the Promotion and Development of Okinawa (Act No. 131 of 1971) before its expiration date; and the Supplementary Provisions of Article 5, paragraph (1) of the Act on Special Measures Concerning the Promotion of Okinawa (Act No. 14 of 2002). In this case, the phrase "construction costs have been borne or subsidized by the national government" in Article 46, paragraph (1) is deemed to be replaced with "an interest-free loan provided by the national government to cover the construction costs pursuant to paragraphs (3) through (5) of the Supplementary Provisions; paragraph (7) of the Supplementary Provisions of the Act on Port and Harbour Construction Works for the Development of Hokkaido; paragraph (6) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion and Development of Amami Islands; the Supplementary Provisions of Article 9, paragraph (1) of the Act on Special Measures Concerning the Promotion and Development of Okinawa before its expiration date; or the Supplementary Provisions of Article 5, paragraph (1) of the Act on Special Measures Concerning the Promotion of Okinawa" and the phrase "amountborne or subsidized by the national government" in that paragraph is deemed to be replaced with "relating to the costs borne or subsidized by the national government as prescribed in paragraph (9) of the Supplementary Provisions; paragraph (11) of the Supplementary Provisions of the Act on Port and Harbour Construction Work for the Development of Hokkaido; paragraph (9) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion and Development of Amami Islands; the costs borne or subsidized by the national government under Article 9, paragraph (8) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion and Development of Okinawa before its expiry date; Article 5, paragraph (7) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion of Okinawa; or the costs subsidized by the national government under paragraph (10) or (11) of the Supplementary Provisions".

(14) The provisions of Article 46 do not apply to the port and harbour facilities prescribed in the previous paragraph that are related to the costs borne or subsidized by the national government prescribed in paragraph (9) of the

Supplementary Provisions; paragraph (11) of the Supplementary Provisions of the Act on Port and Harbour Construction Works for the Development of Hokkaido; paragraph (9) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion and Development of Amami Islands; Article 9, paragraph (8) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion and Development of Okinawa before its expiration date; or Article 5, paragraph (7) of the Supplementary Provisions of the Act on Special Measures Concerning the Promotion of Okinawa, or to those prescribed in the preceding paragraph that are related to the subsidy provided by the national government under paragraph (10) or (11) of the Supplementary Provisions.

- (15) The national government may provide an interest-free loan for a corporation relating to the contribution or investment (except a port authority) from a local government (including a corporation where the amounts of contribution or investment are fully paid by a local government), that meets the criteria prescribed by the Minister of Land, Infrastructure, Transport and Tourism as provided for by Cabinet Order , to cover a part of the costs required for the construction or improvement of port and harbour facility for public use prescribed by Cabinet Order that falls under the categories set forth in Article 2, paragraph (1), item (i) of the Act on Special Measures for Infrastructure Development, until otherwise provided for by law.
- (16) The repayment period for loans from the national government referred to in the preceding paragraphs is less than twenty years (including a grace period not exceeding five years).
- (17) If the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to ensure the proper business operation relating to the loan (including the business closely related to the construction works of which construction cost can be covered by the revenues) may request the person who obtained the loan to submit reports or documents on business or financial status of the business operation relating to the loan; or may have the relevant officials inspect books, documents, and other items; or may have the officials ask the persons concerned questions; or may recommend that the person should improve operations of his/her business relating to the loan.
- (18) If a person who obtained a loan under paragraph (15) of the Supplementary Provisions does not comply with a request to submit a report or document or does not accept a request for an inspection or questions under the preceding paragraph, or does not follow a recommendation under that paragraph, the national government may move up the repayment deadline of all or part of the loan.
- (19) Beyond what is set forth in the preceding three paragraphs, the method of repayment for a loan from the national government referred to in paragraph

(15) of the Supplementary Provisions, and other criteria of loan requirements are prescribed by Cabinet Order.

(Special Provisions for Designation of Port Operating Companies of Strategic International Hub Ports)

(20) If the Minister of Land, Infrastructure, Transport and Tourism does not receive an request referred to in Article 43-11, paragraph (1) for a strategic international hub port (more than two strategic international hub ports if more than two strategic international hub ports are designated pursuant to the provisions of Article 43-11, paragraph (2); the same applies hereinafter in this paragraph and paragraph (30) of the Supplementary Provisions) within three months from the date on which the Port and Harbour Act and Article 1, item (i) of the Supplementary Provisions of the amended provisions of the Act on the Management and Operation of Specified Wharves for Inbound Ocean Freight (Act No. 9 of 2011) come into effect; or if the minister makes a decision not to designate any person who filed a request referred to in that paragraph within three months from that date and finds that no person will be designated pursuant to that paragraph for the time being, the minister may designate only one stock company that meets the following requirements as a person who operates (hereinafter referred to as "special port operating company") the area of the group of wharves (hereinafter referred to as "specified group of wharves") in a strategic international hub port that has been redesignated by the minister in consideration of the management and operational status of the wharves and other circumstances:

(i) the contents of business operation of the specified group of wharves reflect the port plan of the strategic international hub port;

(ii) beyond what is set forth in the preceding item, the company has an appropriate and feasible plan for the business operation of the specified group of wharves;

(iii) the company has a financial basis sufficient to operate the specified group of wharves;

(iv) if the company operates a wharf not included in the specified group of wharves at the strategic international hub port (limited to a wharf located in the area in the neighborhood of the specified group of wharves designated by the Minister of Land, Infrastructure, Transport and Tourism), operation of that wharf and the specified group of wharves as a whole contributes to the efficient operation of the specified group of wharves at the strategic international hub port.

(21) Having designated the area of groups of wharves under the provisions of the preceding paragraph or designated the area pursuant to item (iv) of that paragraph, the Minister of Land, Infrastructure, Transport and Tourism must

make this known to the public pursuant to Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (22) The provisions of Article 43-11, paragraphs (4) and (5) apply *mutatis mutandis* to the designation of area of groups of wharves referred to in paragraph (20) of the Supplementary Provisions.
- (23) Having designated the area of groups of wharves as referred to in paragraph (20) of the Supplementary Provisions, the Minister of Land, Infrastructure, Transport and Tourism does not designate a person pursuant to the provisions of Article 43, paragraph (1) for four years from the date of the designation (if the designation of the area of the group of wharves is to be revoked pursuant to the provisions of Article 43-11, paragraph (4) as applied *mutatis mutandis* pursuant to the preceding paragraph; until the designation is revoked).
- (24) A request referred to in paragraph (20) of the Supplementary Provisions may be filed only for one year from the date on which the area of groups of wharves is designated pursuant to the provisions of that paragraph.
- (25) The provisions of Article 43-11, paragraphs (7) through (10) and Article 43-12 apply *mutatis mutandis* to the designation of a special port operating company referred to in paragraph (20) of the Supplementary Provisions. In this case, the term "group of wharves" in Article 43-12, paragraph (1), item (ii) is deemed to be replaced with "specified group of wharves prescribed in paragraph (20), item (iv) of the Supplementary Provisions" and the phrase "to operate wharves" in that item is deemed to be replaced with "to operate wharves (limited to those located in the area designated by the Minister of Land, Infrastructure, Transport and Tourism pursuant to paragraph (20), item (iv) of the Supplementary Provisions)".
- (26) With respect to a special port operating company designated pursuant to the provisions of paragraph (20) of the Supplementary Provisions, the designation under that paragraph is deemed to be a designation under Article 43-11, paragraph (1); the specially port operating company is deemed to be a designated port operating company under that paragraph; specified group of wharves are deemed to be a group of wharves; respectively, and the provisions of this Act (except the proviso to Article 43-21, paragraph (1) (limited to the provisions relating to the national government); Article 43-22, paragraph (1) (limited to the provisions relating to the national government); Chapter VII Section 3; and Article 66, paragraph (1), items (iii) and (iv)) are applicable. In this case, the phrase "Article 43-11, paragraph (1)" in Article 43-13, paragraph (2) is deemed to be replaced with "paragraph (20) of the Supplementary Provisions".
- (27) Designation of a special port operating company under paragraph (20) of the Supplementary Provisions expires after four years from the date on which the area of groups of wharves is designated pursuant to that paragraph.

- (28) If designation under paragraph (20) of the Supplementary Provisions expires pursuant to the preceding paragraph, a special port operating company must hand over all of its business operation of the designated specific group of wharves to a port management body of a strategic international hub port relating to the specific group of wharves or to a person designated for the strategic international hub port pursuant to the provisions of Article 43-11, paragraph (1) .
- (29) The provisions of Article 43-20, paragraph (3) apply mutatis mutandis to a case prescribed in the preceding paragraph.
- (30) On the expire date of the desingnation, that is, in four years after the area of group of wharves was designated pursuant to the provisions of paragraph (20) of the Supplementary Provisions, if the same special port operating company operates the wharves as a whole at the strategic international hub port designated pursuant to the provisions of that paragraph, the provisions of paragraph (28) of the Supplementary Provisions does not apply to that special port operating company. In this case, the special port operating company is deemed to have beendesignated on the first day after the four-year period is expired as referred to in the provisions of Article 43-11, paragraph (1).

(Special Provisions for the Port Operating Companies of Specified International Hub Ports)

- (31) If an international hub port has wharves used for long-distance international ocean freight, which are larger in scale than the scale prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, which are prescribed by Cabinet Order as the international hub ports playing an important role to strengthen the international competitiveness of the international hub port utilizing the know-how of the private sector to streamline its operation, in consideration of the freight tonnage and other circumstances prescribed by Order of the Ministry of Land, Infrastructure, Transport and Tourism, that the international hub port is deemed to be a strategic international hub port, until otherwise provided for by law, and the provisions on port operating companies (except the proviso to Article 43-21, paragraph (1) (limited to the clause relating to the national government), Article 43-22, paragraph (1) (limited to the clause relating to the national government), Chapter VII Section 3, and Article 66, paragraph (1), items (iii) and (iv)) and on special port operating companies of strategic international hub ports are applicable. In this case, the phrase "four years" in paragraphs (23) and (27) of the Supplementary Provisions and the preceding paragraph is deemed to be replaced with "five years", and the phrase "one year" in paragraph (24) of the Supplementary Provisions is deemed to be replaced with "two years".