

# Act on Earthquake Insurance

(Act No. 73 of May 18, 1966)

## (Purpose)

Article 1 The purpose of this Act is to promote the dissemination of earthquake insurance by having the government reinsure the earthquake liabilities of insurance companies, etc., thereby contributing to the stability of the lives of disaster victims of an earthquake, etc.

## (Definitions)

Article 2 (1) The term "insurance companies, etc." as used in this Act means persons who have been granted a non-life insurance business license under Article 3, paragraph (5) of the Insurance Business Act (Act No. 105 of 1995) or a foreign non-life insurance business license under Article 185, paragraph (5) of the same Act or members of a person that has been granted a license under Article 219, paragraph (5) of the same Act (referred to as "insurance companies" in Article 9-2), or those corporations who carry out the mutual aid business related to fires pursuant to other laws that are designated by the Minister of Finance.

(2) The term "earthquake insurance contracts" as used in this Act means non-life insurance contracts (including fire-related mutual aid contracts; the same applies hereinafter) that meet the following requirements:

- (i) the insurance only covers a building provided for residential use or movables for daily living;
- (ii) damage (limited to those specified by Cabinet Order) due to fire, destruction, burial or being carried away in a flood, resulting directly or indirectly from an earthquake or volcanic eruption, or tsunami following these events (hereinafter referred to as "earthquake, etc.") is compensated by the amount set forth by Cabinet Order;
- (iii) the contract is incidental to a specified non-life insurance contract; and
- (iv) the insured amount is equivalent to an amount not less than 30% and not more than 50% of the insured amount of the non-life insurance contract (when that amount exceeds the amount set forth by Cabinet Order, the insured amount is to be the amount set forth by the Cabinet Order).

(3) The terms "insurance", "insurance proceeds" and "insurance liability" in this Act are deemed to be replaced with "mutual aid", "mutual aid proceeds" and "mutual aid liability," respectively for mutual aid contracts.

## (Reinsurance by the Government)

- Article 3 (1) The government may enter into a reinsurance contract with insurance companies, etc. that reinsure insurance liabilities assumed by other insurance companies, etc. under earthquake insurance contracts.
- (2) The reinsurance contract referred to in the preceding paragraph agrees, for each of the other parties to the contract, that when the total amount of insurance proceeds to be paid for a single earthquake, etc. under all earthquake insurance contracts pertaining to the other party exceeds the amount set forth by Cabinet Order, the excess amount is to be paid in accordance with the percentage for each classification specified by Cabinet Order.
- (3) The total amount of reinsurance proceeds to be paid by the government for a single earthquake, etc. must be within the limit that does not exceed the amount set by the resolution of the Diet for each fiscal year.
- (4) Two or more earthquakes, etc. occurring within 72 consecutive hours are deemed to be a single earthquake, etc.; provided, however, that this does not apply when the disaster areas do not overlap at all.

(Reduction in Insurance Proceeds)

Article 4 When the total amount of insurance proceeds to be paid for each earthquake, etc. under all earthquake insurance contracts pertaining to the reinsurance contract of the government prescribed in paragraph (1) of the preceding Article exceeds the sum total of the amount to be borne by all of insurance companies, etc. under that reinsurance contract and the maximum amount to be borne by the government prescribed under the provision of paragraph (3) of the same Article, the insurance companies, etc. may reduce the amount of insurance proceeds to be paid by them as specified by Cabinet Order.

(Terminating Conclusion of New Earthquake Insurance Contract when an Earthquake Warning Has Been Issued)

Article 4-2 (1) When an earthquake warning for an earthquake disaster under the provisions of Article 9, paragraph (1) of the Act on Special Measures for Large-Scale Earthquakes (Act No. 73 of 1978) ( hereinafter referred to as "earthquake warning" in this Article) is issued, insurance companies, etc. may not enter into a new earthquake insurance contract to be covered by the reinsurance contract of the government (excluding those prescribed by Cabinet Order) for the subjects located in areas pertaining to the earthquake warning among areas designated as areas under intensified measures against earthquake disaster by the provisions of Article 3, paragraph (1) of the same Act, from the time when the earthquake warning is issued until the day when the declaration cancelling the earthquake warning is issued under the

provisions of Article 9, paragraph (3) of the same Act (or, if a large-scale earthquake pertaining to the earthquake warning does occur, until the day designated by the Minister of Finance in public notice after consulting with the Earthquake Insurance Council).

- (2) Beyond what is provided for in the preceding paragraph, necessary matters for terminating conclusion of earthquake insurance contracts when an earthquake warning has been issued (including when a large-scale earthquake pertaining to the earthquake warning has actually occurred) are prescribed by Cabinet Order.

(Insurance Premium Rates and Reinsurance Premium Rates)

Article 5 (1) The premium rates for earthquake insurance contracts pertaining to the government reinsurance must be as low as possible, subject to the balance of income and expenses.

- (2) The reinsurance premium rates pertaining to the government reinsurance program must be reasonably determined so that the reinsurance premium income covers the payment of reinsurance proceeds over the long term.

(Application for Review)

Article 6 (1) Insurance companies, etc. may apply for review to the Minister of Finance when they have complaints on matters concerning government reinsurance.

- (2) When a request for review is made under the provisions of the preceding paragraph, the Minister of Finance makes an administrative determination after undergoing a review by the Earthquake Insurance Council.
- (3) For the purpose of the renewal of prescription, a request for review under paragraph (1) is deemed to be a demand by litigation.

(Earthquake Insurance Council)

Article 7 (1) The Earthquake Insurance Council may be established under the Ministry of Finance as specified by Cabinet Order.

- (2) In addition to dealing with matters falling under its jurisdiction as provided by Article 4-2 and paragraph (2) of the preceding Article, the Earthquake Insurance Council, in a situation where reinsurance proceeds are to be paid, is to study and deliberate on matters pertaining to the amount of the reinsurance proceeds and reduction of insurance proceeds under Article 4, in response to request for advice by the Minister of Finance.
- (3) Beyond what is provided for in the preceding two paragraphs, necessary matters for the organization and management of the Earthquake Insurance Council are prescribed by Cabinet Order.

(Measures by the State)

Article 8 The government, when it is particularly necessary for ensuring the payment of insurance proceeds under earthquake insurance contracts, is to endeavor to make funding arrangements or provide financing for insurance companies, etc.

(Report and Inspection)

Article 9 (1) The Minister of Finance, when they find it necessary for securing the sound operation of the government reinsurance program provided by this Act, may have insurance companies, etc. conducting business pertaining to earthquake insurance contracts submit reports on that business or have their official enter the offices of the insurance companies, etc. to inspect books and documents and other objects.

(2) The official engaged in on-spot inspection pursuant to the provisions of the preceding paragraph must carry an identification card and present it to relevant persons.

(3) The authority for the on-spot inspection under the provisions of paragraph (1) may not be construed as approved for criminal investigations.

(Consultations)

Article 9-2 The Prime Minister, when imposing a disposition listed in the items of Article 311-2, paragraph (1) of the Insurance Business Act against an insurance company that reinsures insurance liabilities assumed by another insurance company, etc. under earthquake insurance contracts, must consult with the Minister of Finance in advance.

(Notices)

Article 9-3 (1) The Prime Minister is to notify the Minister of Finance of the fact and details of the following cases in advance when the case falls under item (i) and without delay when the case falls under any of items (ii) through (iv):

(i) when issuing an order for change under the provisions of Article 131, 203 or 229 of the Insurance Business Act, with regard to earthquake insurance contracts pertaining to reinsurance by the government;

(ii) when the written application for a license provided in Article 4, paragraph (1), Article 187, paragraph (1), or Article 220, paragraph (1) of the Insurance Business Act is submitted, and there is an entry on earthquake insurance contracts pertaining to reinsurance by the government in the business method statement attached thereto;

(iii) when an application for authorization of changes under the provisions of Article 123, paragraph (1) (including as applied mutatis mutandis pursuant to Article 207 of the Insurance Business Act) or Article 225, paragraph (1) of

- the same Act, with regard to earthquake insurance contracts pertaining to reinsurance by the government is submitted; or
- (iv) when a notification under the provisions of Article 9-3, paragraph (1) of the Act on Non-Life Insurance Rating Organization of Japan (Act No. 193 of 1948), with regard to earthquake insurance contracts pertaining to reinsurance by the government is submitted.
- (2) The Minister of Finance, when they find it necessary for securing the sound operation of the government reinsurance program provided in this Act after receiving the notice set forth in the preceding paragraph, may state their opinion to the Prime Minister.
- (3) The Prime Minister is to respect the opinion stated by the Minister of Finance pursuant to the provisions of the preceding paragraph.

(Delegation of Authority to the Commissioner of the Financial Services Agency)

Article 9-4 The Prime Minister delegates the authority under this Act (excluding that specified by Cabinet Order) to the Commissioner of the Financial Services Agency.

(Enforcement Provisions)

Article 10 The procedures for implementing this Act and other matters necessary for its execution are provided by Order of the Ministry of Finance.

(Penal Provisions)

Article 11 (1) A person who fails to submit, or falsifies a report to be submitted under the provisions of Article 9, paragraph (1), or who refuses, hinders or evades the inspection under the provisions of the same paragraph is punished by a fine of not more than 30,000 yen.

(2) When a representative or agent, employee or other worker of an insurance company, etc. has committed a violation set forth in the preceding paragraph with regard to the business of the insurance company, etc., the insurance company, etc., as well as the perpetrator, is to be subject to the punishment set forth in the same paragraph .

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

- (1) This Act comes into effect as of the date of promulgation.

### **Supplementary Provisions [Act No. 59 of May 24, 1980]**

(Effective Date)

Article 1 This Act comes into effect as from the day specified by Cabinet Order

within a period not exceeding three months from the date of promulgation.

(Transitional Measures)

Article 2 (1) The provisions of Article 2, paragraph (2), items (ii) and (iv) after the amendment apply to earthquake insurance contracts concluded on or subsequent to the date on which the Act comes into effect and with regard to earthquake insurance contracts concluded prior to that date, and the provisions then in force remain applicable; provided, however, that with regard to earthquake insurance contracts concluded prior to that date that have an insurance period which does not expire on that date (limited to those contracts specified by Cabinet Order), the damage provided in Article 2, paragraph (2), item (ii) after the amendment is to be compensated if such damage occurred on or subsequent to that date, as those contracts are deemed to meet the requirements listed in that item.

(2) If an earthquake warning regarding an earthquake disaster pursuant to the provisions of Article 9, paragraph (1) of the Act on Special Measures for Large-Scale Earthquakes has been issued at the time when this Act comes into force, the earthquake warning is deemed to be issued at the time when this Act comes into force and the provisions of Article 4-2 as amended apply.

#### **Supplementary Provisions [Act No. 78 of December 2, 1983]**

(1) This Act (excluding Article 1) comes into effect as from 1 July 1984.

(2) Transitional measures necessary for those organizations, etc. established pursuant to this Act on the day preceding the date of on which the Act comes into effect, which becomes necessary to be placed pursuant to Cabinet Order based on the provisions of the National Government Organization Act or related Acts as amended by this Act (hereinafter referred to as "related Cabinet Order"), and other transitional measures necessary for the enactment, amendment or repeal of the related Cabinet Order in conjunction with the enforcement of this Act, may be specified by Cabinet Order.

#### **Supplementary Provisions [Act No. 106 of June 7, 1995] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as from the date on which the Insurance Business Act (Act No. 105 of 1995) comes into effect.

(Transitional Measures on Application of Penal Provisions)

Article 6 With regard to the application of penal provisions to acts committed prior to the effective date of this Act and to acts committed subsequent to the

effective date of this Act where the provisions then in force remain applicable pursuant to the supplementary provisions of this Act, the provisions then in force remain applicable.

(Delegation to Cabinet Order)

Article 7 Beyond what is provided for in Article 2 through the preceding Article of the supplementary provisions, necessary transitional measures for the implementation of this Act are specified by Cabinet Order.

### **Supplementary Provisions [Act No. 102 of June 20, 1997] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as from the date on which the Act for Establishment of the Financial Supervisory Agency (Act No. 101 of 1997) comes into effect.

(Transitional Measures for Dispositions Made by Minister of Finance)

Article 2 (1) The licensing, permission, authorization, approval, designation and other dispositions, or notice and other acts carried out by the Minister of Finance or other national government organs pursuant to the provisions of the Secured Bond Trust Act, Trust Business Act, Norinchukin Bank Act, Mutual Loan Business Act, Act on Simplification of Banking Business Procedures, etc., Act on Engagement in Trust Business by Financial Institutions, Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Agricultural Cooperative Association Act, Securities and Exchange Act, Act on Non-Life Insurance Rating Organization of Japan, Fisheries Cooperative Association Act, Small and Medium-Sized Enterprise Cooperatives Act, Act on Financial Businesses by Cooperative, Shipowners Mutual Insurance Association Act, Securities Investment Trust Act, Shinkin Bank Act, Long-Term Credit Bank Act, Loan Trust Act, Medium and Small Fishery Loan Guarantee Act, Credit Guarantee Companies Act, Labor Bank Act, Foreign Exchange Bank Act, Act on Securing Compensation for Automobile Accidents, Agricultural Credit Guarantee Insurance Act, Act on Financial Institutions' Merger and Conversion, Act on Foreign Securities Brokers, Deposit Insurance Act, Act on the Promotion of Introduction of Business, etc. into Agricultural Regions, Agricultural and Fishery Cooperation Savings Insurance Act, Banking Act, Act on Controls, etc. on Money Lending, Act on Regulation, etc. on Investment Advisory Business Pertaining to Securities, Act on Regulation, etc. of Mortgage Securities Business, Financial Futures Trading Act, Act on Regulation, etc. on Advanced Payment Certificate, Act on Regulation of Commodity Investment, Act on Special Provisions for the Narcotics and

Psychotropics Control Act, etc. and Other Matters for the Prevention of Activities Encouraging Illicit Conduct and Other Activities Involving Controlled Substances through International Cooperation, Act on the Regulation of Business Pertaining to Specified Claims, etc., Act on Revision, etc. of Related Acts for the Reform of Financial System and Securities Exchange System, Act on Preferred Equity Investment by Cooperative Structured Financial Institution, Act on Specified Joint Real Estate Ventures, Insurance Business Act, Act on Special Measures for the Reorganization Proceedings of Financial Institutions, Act on the Merger of the Norinchukin Bank and the Federation of Credit Agricultural Cooperatives, etc., Bank of Japan Act, or Act on Special Measures, etc. for Merger Procedures Pertaining to Banks, etc. for the Creation of Bank Holding Company (hereinafter referred to as "Former Secured Bond Trust Act, etc.") prior to amendment by this Act are deemed as licensing, permission, authorization, approval, designation and other dispositions, or notices and other acts carried out by the Prime Minister or other corresponding national government organs pursuant to the corresponding provisions of the Secured Bond Trust Act, Trust Business Act, Norinchukin Bank Act, Mutual Loan Business Act, Act on Simplification of Banking Business Procedures, etc., Act on Engagement in Trust Business by Financial Institutions, Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Agricultural Cooperative Association Act, Securities and Exchange Act, Act on Non-Life Insurance Rating Organization of Japan, Fisheries Cooperative Association Act, Small and Medium-Sized Enterprise Cooperatives Act, Act on Financial Businesses by Cooperative, Shipowners Mutual Insurance Association Act, Securities Investment Trust Act, Shinkin Bank Act, Long-Term Credit Bank Act, Loan Trust Act, Medium and Small Fishery Loan Guarantee Act, Credit Guarantee Companies Act, Labor Bank Act, Foreign Exchange Bank Act, Act on Securing Compensation for Automobile Accidents, Agricultural Credit Guarantee Insurance Act, Act on Financial Institutions' Merger and Conversion, Act on Foreign Securities Brokers, Deposit Insurance Act, Act on the Promotion of Introduction of Business, etc. into Agricultural Regions, Agricultural and Fishery Cooperation Savings Insurance Act, Banking Act, Act on Controls, etc. on Money Lending, Act on Regulation, etc. on Investment Advisory Business Pertaining to Securities, Act on Regulation, etc. for Mortgage Corporations, Financial Futures Trading Act, Act on Regulation, etc. on Advanced Payment Certificate, Act on Regulation of Commodity Investment, Act on Special Provisions for the Narcotics and Psychotropics Control Act, etc. and Other Matters for the Prevention of Activities Encouraging Illicit Conduct and Other Activities Involving Controlled Substances through International Cooperation, Act on the Regulation of Business Pertaining to Specified Claims, etc., Act on Revision,



etc. of Related Acts for the Reform of Financial System and Securities Exchange System, Act on Preferred Equity Investment by Cooperative Structured Financial Institution, Act on Specified Joint Real Estate Ventures, Insurance Business Act, Act on Special Measures for the Reorganization Proceedings of Financial Institutions, Act on the Merger of the Norinchukin Bank and the Federation of Credit Agricultural Cooperatives, etc., Bank of Japan Act, or Act on Special Measures, etc. for Merger Procedures Pertaining to Banks, etc. for the Creation of Bank Holding Company (hereinafter referred to as "New Secured Bond Trust Act, etc.") amended by this Act.

(2) The application, notification and other acts that have been addressed to the Minister of Finance or other national government organs pursuant to the provisions of the Former Secured Bond Trust Act, etc. by the time when this Act comes into effect are deemed as application, notification and other acts addressed to the Prime Minister or other corresponding national government organs pursuant to the corresponding provisions of the New Secured Bond Trust Act, etc.

(3) The provisions of the New Secured Bond Trust Act, etc. are applied to the matters that must be reported, notified, submitted, or subject to other procedures addressed to the Minister of Finance or other national government organs pursuant to the provisions of the Former Secured Bond Trust Act, etc., for which the relevant procedure has not been completed by the date on which this Act comes into effect are deemed as matters that must be reported, notified, submitted or subject to other procedures addressed to the Prime Minister or other corresponding national government organs pursuant to the corresponding provisions of the New Secured Bond Trust Act, etc., for which the relevant procedure has not been completed.

(Transitional Measures Concerning Penal Provisions)

Article 5 With regard to the application of penal provisions to acts committed prior to the implementation of this Act, the provisions then in force remain applicable.

(Delegation to Cabinet Order)

Article 6 Beyond what is provided for in Article 2 through the preceding Article of the supplementary provisions, necessary transitional measures for the implementation of this Act are specified by Cabinet Order.

### **Supplementary Provisions [Act No. 121 of December 12, 1997] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as from the date on which the Act on the

Revision, etc. of Finance-Related Acts Accompanying the Lifting of Prohibition on the Incorporation of Holding Companies, etc. (Act No. 120 of 1997) comes into effect.

### **Supplementary Provisions [Act No. 107 of June 15, 1998] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as from 1 December 1998; provided, however, that the provisions listed in the following items come into effect as from the date specified in the relevant item:

(i) The provision adding a Chapter after Chapter IV of the Securities and Exchange Act (limited to the part pertaining to Article 79-29, paragraph (1)) and provision amending Article 189, paragraph (2) and (4) of the Act in Article 1, the provisions of Article 21, the provision amending Part II, Chapter X, Section 2, Subsection 1 of the Insurance Business Act (limited to the part pertaining to Article 265-6) in Article 22, the provisions of Article 23 and the provisions of Article 25, and the supplementary provisions of Article 40, Article 42, Article 58, Article 136, Article 140, Article 143, Article 147, Article 149, Article 158, Article 164, Article 187 (excluding the provision amending item (lxxix) of Article 4 of the Ministry of Finance Establishment Act (Act No. 144 of 1949)) and provisions of Articles 188 through 190: 1 July 1998.

(Effect of Dispositions)

Article 188 The dispositions, procedures or other acts carried out before this Act (or, for the provisions listed in the items of Article 1 of the supplementary provisions, those provisions) pursuant to the provisions of the respective Acts prior to the amendment (including any orders pursuant thereto; hereinafter the same applies in this Article), for which corresponding provisions of the respective Acts as amended exits, are deemed to have been carried out pursuant to the corresponding provisions of the respective Acts as amended, unless provided otherwise in the these supplementary provisions.

(Transitional Measures for Application of Penal Provisions)

Article 189 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (or, for the provisions listed in the items of Article 1 of the supplementary provisions, those provisions), and to acts committed subsequent to the enforcement of this Act where the provisions then in force remain applicable pursuant to the provisions of the these supplementary provisions, the provisions then in force remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 190 Beyond what is provided for in Article 2 through 146, Article 153 and Article 169 and the preceding Article of the supplementary provisions, necessary transitional measures for the implementation of this Act are specified by Cabinet Order.

(Review)

Article 191 (1) Subsequent to the enforcement of this Act, the government, when it finds it necessary, is to take necessary measures to maintain the credibility of the insurance industry, taking into consideration the implementation status of the system pertaining to special measures, etc. for the protection of policyholders, etc. under the New Insurance Business Act and the state of soundness of management of insurance companies.

(2) Beyond what is provided for in the preceding paragraph, the government, within five years from the implementation of this Act, is to review the financial systems after the amendment of this Act, taking into consideration the implementation status of the provisions amended by this Act and the changes of socioeconomic conditions surrounding the financial sector, and when it finds it necessary, take measures required based on the results of the review.

### **Supplementary Provisions [Act No. 131 of October 16, 1998]**

(Effective Date)

Article 1 This Act comes into effect as from the date on which the Act for Establishment of the Financial Reconstruction Commission (Act No. 130 of 1998) comes into effect.

(Transitional Measures)

Article 2 (1) The licensing, permission, authorization, approval, designation and other dispositions, or notice and other acts carried out by the Prime Minister or other national government organs pursuant to the provisions of the Secured Bond Trust Act, Trust Business Act, Norinchukin Bank Act, Mutual Loan Business Act, Act on Simplification of Banking Business Procedures, etc., Act on Engagement in Trust Business by Financial Institutions, Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Agricultural Cooperative Association Act, Securities and Exchange Act, Act on Non-Life Insurance Rating Organization of Japan, Fisheries Cooperative Association Act, Small and Medium-Sized Enterprise Cooperatives Act, Act on Financial Businesses by Cooperative, Shipowners Mutual Insurance Association Act, Local Tax Act, Act on Securities Investment Trust and Securities Investment Juridical Persons, Shinkin Bank Act, Long-Term Credit Bank Act, Loan Trust

Act, Medium and Small Fishery Loan Guarantee Act, Credit Guarantee Companies Act, Labor Bank Act, Act on Securing Compensation for Automobile Accidents, Agricultural Credit Guarantee Insurance Act, Act on Earthquake Insurance, Registration and License Tax Act, Act on Financial Institutions' Merger and Conversion, Act on Foreign Securities Brokers, Act on the Promotion of Introduction of Business, etc. into Agricultural Regions, Agricultural and Fishery Cooperation Savings Insurance Act, Banking Act, Act on Controls, etc. on Money Lending, Act on Regulation, etc. on Investment Advisory Business Pertaining to Securities, Act on Regulation, etc. of Mortgage Securities Business, Financial Futures Trading Act, Act on Regulation, etc. on Advanced Payment Certificate, Act on Regulation of Commodity Investment, Act on Special Provisions for the Narcotics and Psychotropics Control Act, etc. and Other Matters for the Prevention of Activities Encouraging Illicit Conduct and Other Activities Involving Controlled Substances through International Cooperation, Act on the Regulation of Business Pertaining to Specified Claims, etc., Act on Revision, etc. of Related Acts for the Reform of Financial System and Securities Exchange System, Act on Preferred Equity Investment by Cooperative Structured Financial Institution, Act on Specified Joint Real Estate Ventures, Insurance Business Act, Act on Special Measures for the Reorganization Proceedings of Financial Institutions, Act on the Merger of the Norinchukin Bank and the Federation of Credit Agricultural Cooperatives, etc., Bank of Japan Act, Act on Special Measures, etc. for Merger Procedures Pertaining to Banks, etc. for the Creation of Bank Holding Company, Act on the Liquidation of Specified Assets by Special Purpose Companies, or Act on Revision, etc. of Related Acts for the Financial System Reform (hereinafter referred to as "Former Secured Bond Trust Act, etc.") prior to amendment by this Act are deemed as licensing, permission, authorization, approval, designation and other dispositions, or notice and other acts carried out by the Financial Reconstruction Commission or other corresponding national government organs pursuant to the corresponding provisions of the Secured Bond Trust Act, Trust Business Act, Norinchukin Bank Act, Mutual Loan Business Act, Act on Simplification of Banking Business Procedures, etc., Act on Engagement in Trust Business by Financial Institutions, Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Agricultural Cooperative Association Act, Securities and Exchange Act, Act on Non-Life Insurance Rating Organization of Japan, Fisheries Cooperative Association Act, Small and Medium-Sized Enterprise Cooperatives Act, Act on Financial Businesses by Cooperative, Shipowners Mutual Insurance Association Act, Local Tax Act, Act on Securities Investment Trust and Securities Investment Juridical Persons, Shinkin Bank Act, Long-Term Credit Bank Act, Loan Trust Act, Medium and Small Fishery Loan Guarantee Act, Credit Guarantee

Companies Act, Labor Bank Act, Act on Securing Compensation for Automobile Accidents, Agricultural Credit Guarantee Insurance Act, Act on Earthquake Insurance, Registration and License Tax Act, Act on Financial Institutions' Merger and Conversion, Act on Foreign Securities Brokers, Act on the Promotion of Introduction of Business, etc. into Agricultural Regions, Agricultural and Fishery Cooperation Savings Insurance Act, Banking Act, Act on Controls, etc. on Money Lending, Act on Regulation, etc. on Investment Advisory Business Pertaining to Securities, Act on Regulation of Mortgage Securities Business, Financial Futures Trading Act, Act on Regulation, etc. on Advanced Payment Certificate, Act on Regulation of Commodity Investment, Act on Special Provisions for the Narcotics and Psychotropics Control Act, etc. and Other Matters for the Prevention of Activities Encouraging Illicit Conduct and Other Activities Involving Controlled Substances through International Cooperation, Act on the Regulation of Business Pertaining to Specified Claims, etc., Act on Revision, etc. of Related Acts for the Reform of Financial System and Securities Exchange System, Act on Preferred Equity Investment by Cooperative Structured Financial Institutions, Act on Specified Joint Real Estate Ventures, Insurance Business Act, Act on Special Measures for the Reorganization Proceedings of Financial Institutions, Act on the Merger of the Norinchukin Bank and the Federation of Credit Agricultural Cooperatives, etc., Bank of Japan Act, Act on Special Measures, etc. for Merger Procedures Pertaining to Banks, etc. for the Creation of Bank Holding Company, Act on the Liquidation of Specified Assets by Special Purpose Companies, or Act on Revision, etc. of Related Acts for the Financial System Reform (hereinafter referred to as "New Secured Bond Trust Act, etc.") amended by this Act.

(2) The application, notification and other acts that have been addressed to the Prime Minister or other national government organs pursuant to the provisions of the Former Secured Bond Trust Act, etc. at the time when this Act comes into effect are deemed as the application, notification and other acts addressed to the Financial Reconstruction Commission or other corresponding national government organs pursuant to the corresponding provisions of the New Secured Bond Trust Act, etc.

(3) The provisions of the New Secured Bond Trust Act, etc. apply to the matters that must be reported, notified, submitted, or subject to other procedures addressed to the Prime Minister or other national government organs pursuant to the provisions of the Former Secured Bond Trust Act, etc., for which the relevant procedure has not been completed by the date this Act comes into effect are deemed as matters that must be reported, notified, submitted, or subject to other procedures addressed to the Financial Reconstruction Commission or other corresponding national government organs pursuant to the corresponding provisions of the New Secured Bond Trust Act, etc., for

which the relevant procedure has not been completed.

Article 3 An order pursuant to the provisions of the Former Secured Bond Trust Act, etc. that are effective at the time when this Act comes into effect is to be effective as the order issued pursuant to the corresponding provisions of the New Secured Bond Trust Act, etc.

Article 4 With regard to the application of penal provisions to acts committed prior to the implementation of this Act, the provisions then in force remain applicable.

(Delegation to Cabinet Order)

Article 5 Beyond what is provided for in the preceding three Articles, necessary transitional measures for the implementation of this Act are specified by Cabinet Order.

#### **Supplementary Provisions [Act No. 102 of July 16, 1999] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as from the date on which the Act for Partial Revision of the Cabinet Act (Act No. 88 of 1999) comes into effect; provided, however, that the provisions listed in the following items come into effect as from the date specified in the relevant item:

(ii) The provisions of Article 10, paragraphs (1) and (5), Article 14, paragraph (3), Article 23, Article 28 and Article 30 of the supplementary provisions: the date of promulgation;

(Succession of the Status of Employee)

Article 3 An employee (excluding presidents, chairpersons and members of councils, etc. under Article 8 of the National Government Organization Act (Act No. 120 of 1948), committee members of the Central Disaster Prevention Council, chairperson and committee members of Japanese Industrial Standards Committee, and persons prescribed by Cabinet Order as being similar to these persons) of the former Prime Minister's Office, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fishery, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications, Ministry of Labour, Ministry of Construction or Ministry of Home Affairs (hereinafter referred to as "Former Office or Ministry" in this Article) at the time of the effective date of this Act is to be the corresponding employee of the Cabinet Office, Ministry of Internal Affairs and

Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fishery, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism or Ministry of Environment (hereinafter referred to as "New Office or Ministry" in this Article), or a bureau or institution established under the Current Office or Ministry prescribed by Cabinet Order as corresponding to the Former Office or Ministry, or a bureau or institution established after the enforcement of this Act under the Former Office or Ministry to which the employee belongs at the time of the effective date of this Act, with the same working conditions, provided that a separate letter of appointment has not been issued.

(Transitional Measures Specified Separately)

Article 30 Beyond what is provided for in Article 2 through the preceding Article, necessary transitional measures for the implementation of this Act are specified separately by other laws.

#### **Supplementary Provisions [Act No. 160 of December 22, 1999] [Extract]**

(Effective Date)

Article 1 This Act (excluding Article 2 and 3) comes into effect as from 6 January 2001; provided, however, that the provisions listed in the following items come into effect as from the date specified in the relevant item:

- (ii) The provisions of Chapter III (excluding Article 3) and the following Article:  
1 July 2000;