Agricultural and Fishery Cooperatives Savings Insurance Act

(Act No. 53 of July 16, 1973)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is, in order to protect the depositors, etc. of agricultural or fishery cooperative and to secure the settlement of funds relating to agricultural or fishery cooperative in financial difficulties, to provide for the payment of insurance proceeds, etc. and the purchase of claims on savings, etc. as necessary in the event that an agricultural or fishery cooperative suspends the withdrawal of savings, etc., and to establish a system of appropriate financial assistance for mergers, etc. relating to agricultural or fishery cooperative in financial difficulties, management by administrators, measures to deal with financial crises, and measures for the orderly processing of assets and liabilities of The Norinchukin Bank, contributing to the maintenance of credit order thereby.

(Definitions)

Article 2 (1) The term "agricultural or fishery cooperative" as used in this Act means the following persons:

(i) an agricultural cooperative engaged in the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);

(ii) a federation of agricultural cooperatives engaged in the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act;

(iii) a fishery cooperative engaged in the business set forth in Article 11, paragraph (1), item (iv) of the Fishery Cooperatives Act (Act No. 242 of 1948);

(iv) a federation of fishery cooperatives engaged in the business set forth in Article 87, paragraph (1), item (iv) of the Fishery Cooperatives Act;

(v) a fishery processing cooperative engaged in the business set forth in Article 93, paragraph (1), item (ii) of the Fishery Cooperatives Act;

(vi) a federation of fishery processing cooperatives engaged in the business set forth in Article 97, paragraph (1), item (ii) of the Fishery Cooperatives Act;

(vii) The Norinchukin Bank.

(2) The term "savings, etc." as used in this Act means the following:

(i) savings (including deposits accepted by The Norinchukin Bank; the same applies hereinafter);

(ii) installment savings;

(iii) money received under a trust agreement pertaining to a money trust (including a loan trust) for which a contract for compensation of principal is concluded pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No. 43 of 1943); and

(iv) money paid in as a result of the issuance of Norinchukin Bank Bonds (limited to those issued pursuant to the provisions of Article 60 of the Norinchukin Bank Act (Act No. 93 of 2001), which are specified by Cabinet Order as those for which the right holder can be ascertained); the same applies hereinafter.

(3) The term "depositors, etc." as used in this Act means creditors relating to savings, etc.

(4) The term "credit business" as used in this Act means the following businesses conducted by an agricultural or fishery cooperative:

(i) businesses set forth in Article 10, paragraph (1), items (ii), and (iii) of the Agricultural Cooperatives Act and businesses set forth in item (iv) of the same paragraph which are specified in each item of paragraph (23) of the same Article (including businesses incidental to these businesses), and businesses set forth in paragraphs (6), (7), and (24) of the same Article;

(ii) businesses set forth in Article 11, paragraph (1), items (iii), and (iv) of the Fishery Cooperatives Act and businesses set forth in item (v) of the same paragraph which are specified in each item of Article 87, paragraph (3) of the same Act (including businesses incidental to these businesses), and businesses set forth in Article 11, paragraphs (3) through (5) of the same Act;

(iii) businesses set forth in Article 87, paragraph (1), items (iii) and (iv) of the Fishery Cooperatives Act and businesses set forth in item (v) of the same paragraph which are specified in each item of paragraph (3) of the same Article (including businesses incidental to these businesses), and businesses set forth in paragraphs (4) through (6) of the same Article;

(iv) businesses set forth in Article 93, paragraph (1), items (i) and (ii) of the Fishery Cooperatives Act and businesses set forth in item (iii) of the same paragraph which are specified in each item of paragraph (3) of Article 87 of the same Act (including businesses incidental to these businesses), and businesses set forth in Article 93, paragraphs (2) through (4) of the same Act; and

(v) businesses set forth in Article 97, paragraph (1), items (i) and (ii) of the Fishery Cooperatives Act and businesses set forth in item (iii) of the same paragraph which are specified in each item of paragraph (2) of the same Article (including businesses incidental to these businesses), and businesses set forth in paragraphs (3) through (5) of the same Article.

(5) The term "agricultural or fishery cooperative in financial difficulties" as used in this Act means agricultural or fishery cooperative (in the case of persons specified in paragraph (1), items (i), (iii), and (v), limited to those that reached these situations due to management difficulties arising mainly from the business pertaining to the credit business) that are likely to suspend the withdrawal of savings, etc. (meaning repayment of obligations relating to savings, etc. The same applies hereinafter) or suspended the withdrawal of savings, etc.

(6) The term "federation of agricultural or fishery cooperatives" as used in this Act means the following persons:

(i) a federation of agricultural cooperatives that concurrently conducts the businesses set forth in Article 10, paragraph (1), items (ii) and (iii) of the Agricultural Cooperatives Act;

(ii) a federation of fishery cooperatives that concurrently conducts the businesses set forth in Article 87, paragraph (1), items (iii) and (iv) of the Fishery Cooperatives Act; and

(iii) a federation of fishery processing cooperatives that concurrently conduct the businesses set forth in Article 97, paragraph (1), items (i) and (ii) of the Fishery Cooperatives Act.

(7) The term "subscription of preferred equity investment, etc." as used in this Act means the following actions:

(i) subscription of preferred equity investment (meaning preferred equity investment as prescribed in the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions (Act No. 44 of 1993); the same applies hereinafter); and

(ii) loans through subordinated loan (meaning money loan furnishing special agreement with subordinate treatment for the payment of principal and interest, which fall under the category of loans for money consumption prescribed by Cabinet Order as contributing to the enhancement of equity capital of an agricultural or fishery cooperative).

(8) The term "collateralization of damage" as used in this Act means, in the event that all or part of the obligation pertaining to a loan is not repaid, to make up a part of the amount that is not repaid to the creditor based on a contract concluded in advance.

(9) The term "transfer of insured savings" as used in this Act means the assumption of obligations related to savings, etc. of an agricultural or fishery cooperative in financial difficulties by another agricultural or fishery cooperative, which are obligations that include obligations related to the savings, etc. corresponding to amounts of insurance proceeds calculated under the provisions of Article 56, paragraphs (1) through (3) (including cases where the provisions of the same paragraphs are applied mutatis mutandis pursuant to Article 56-2, paragraph (2)) and Article 56-2, paragraph (1) (hereinafter referred to as the "insurance claim calculation provision") (excluding those associated with the transfer or assumption of credit business (hereinafter referred to as a "transfer of credit business, etc.")).

(10) The term "agricultural or fishery cooperative under management" as used in this Act means an agricultural or fishery cooperative that has become subject to an order to manage as prescribed in Article 83, paragraph (1) pursuant to the provisions of Article 83, paragraph (1) or (2) or Article 104, paragraph (1).

Chapter II Agricultural and Fishery Co-operatives Savings Insurance Corporation

Section 1 General Provisions

(Legal Personality)

Article 3 Agricultural and Fishery Co-operatives Savings Insurance Corporation (hereinafter referred to as the "SIC") is a corporation.

(Number)

Article 4 Only one SIC is to be established.

(Stated Capital)

Article 5 (1) The stated capital of the SIC is the total amount of capital contributions by the government, The Norinchukin Bank, and other non-governmental parties at the time of its establishment.

(2) SIC may, when necessary, increase its stated capital with the approval of the competent minister.

(3) Notwithstanding the provisions of Article 55 of the Norinchukin Bank Act, The Norinchukin Bank may make capital contributions to the SIC.

(Name)

Article 6 (1) The SIC must use the words "Agricultural and Fishery Co-operative Savings Insurance Corporation" in its name.

(2) A person that does not belong to the SIC must not use the words "Agricultural and Fishery Co-operative Savings Insurance Corporation" in its name.

(Registration)

Article 7 (1) The SIC must be registered as specified by Cabinet Order.

(2) Particulars that must be registered pursuant to the provisions of the preceding paragraph may not be asserted against the third party until after registration.

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

Article 8 The provisions of Article 4 and Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) applies mutatis mutandis to the SIC.

Section 2 Establishment

(Founder)

Article 9 In order to establish the SIC, seven or more persons who have specialized knowledge and experience in agriculture or fisheries and finance are required to be founders.

(Preparation of Articles of Incorporation)

Article 10 (1) The founders must promptly prepare the articles of incorporation of the SIC and solicit capital contributions in the SIC from persons other than the Government.

(2) The articles of incorporation set forth in the preceding paragraph must contain the following particulars:

(i) purpose;

(ii) name;

(iii) location of the office;

(iv) particulars concerning stated capital and capital contribution;

(v) particulars concerning the management committee;

(vi) particulars concerning officers;

(vii) particulars concerning the business and its execution;

(viii) particulars concerning finance and accounting;

(ix) particulars concerning amendments to the articles of incorporation; and

(x) method of public notice.

(Authorization for Establishment)

Article 11 The founder must promptly submit the articles of incorporation to the competent minister and apply for authorization of the establishment when the solicitation set forth in paragraph (1) of the preceding Article has been completed.

(Succession of Business)

Article 12 (1) When the founders have been granted authorization set forth in preceding Article, they must, without delay, hand over their functions to the person who is to become the president of the SIC.

(2) When the functions under the preceding paragraph have been handed over to the person who is to become the president of the SIC, that person, without delay, must request payment for capital subscriptions from the government and from the non-government persons that have responded to the solicitation of capital contributions.

(Registration of Establishment)

Article 13 (1) When capital contributions are paid in under the provisions of paragraph (2) of the preceding Article, the person who is to become the president of the SIC must register its establishment without delay pursuant to Cabinet Order provisions.

(2) The SIC is established upon the registration of its establishment.

Section 3 Management Committee

(Establishment)

Article 14 The management committee (hereinafter referred to as the "committee") is established within the SIC.

(Authority)

Article 15 In addition to what is provided for in the following Chapter through Chapter 5 and Chapter 7 through Chapter 8, the following particulars require a resolution by the committee:

(i) amendment of the articles of incorporation;

(ii) preparation of and amendments to the operational method statement;

(iii) budget and funding plans;

(iv) settlement of accounts; and

(v) other particulars found particularly necessary by the committee.

(Organization)

Article 16 (1) The committee is composed of not more than seven members, plus the president and directors of the SIC.

(2) The committee has a chairperson, who is the president of the SIC.

(3) The chairperson presides over the operations of the committee.

(4) The committee must designate in advance, from among its members and the directors of the SIC, a person who performs the duties of the chairperson in their place in the event that the chairperson is unable to attend to their duties.

(Appointment of Members)

Article 17 Members are appointed from among persons with experience and expertise in agriculture or fisheries and finance by the president of the SIC, with the authorization of the competent minister.

(Term of Office of Members)

Article 18 (1) The term of office of members is one year; provided, however, that the term of office of a member who fills a vacancy is the remaining term of their predecessor.

(2) Members may be reappointed.

(Dismissal of Members)

Article 19 The president of the SIC may dismiss a member with the authorization of the competent minister that has come to fall under any of the following items:

(i) the member has received a ruling for the commencement of bankruptcy proceedings;

(ii) the member has been sentenced to imprisonment without work or a heavier punishment;

(iii) the member is found unable to carry out their duties due to a mental or physical disability; or

(iv) the member has breached their obligations in the course of their duties.

(Remuneration of Members)

Article 20 Members do not receive any remuneration; provided, however, that they are paid travel expenses and other actual expenses incurred in connection with carrying out their duties.

(Method of Resolution)

Article 21 (1) The committee may not convene a meeting or deliberate on a resolution unless the chairperson or the person who performs the duties of the chairperson prescribed in Article 16, paragraph (4) and four members or more of the members and directors of the SIC is present.

(2) Decisions of the committee are made through a majority of the votes of the chairperson, members, and directors of the SIC who are present. In the event of a tie, the chairperson casts the deciding vote.

(3) Staff members appointed by the competent minister may attend the meeting prescribed in paragraph (1) and express their opinions.

(Obligation of Members to Maintain Confidentiality)

Article 22 Members must not divulge any secret which may have come to their knowledge in the course of their duties. The same applies after they have left their position.

(Status of Members as Public Officials)

Article 23 Members are deemed to be public officials engaging in public duties pursuant to the provisions of laws and regulations with regard to the application of the Penal Code (Act No. 45 of 1907) and other penal provisions.

Section 4 Officers

(Officers)

Article 24 The SIC has one president, one director, and one inspector as its officers.

(Duties and Authority of Officers)

Article 25 (1) The president represents the SIC and presides over its operations.

(2) The director, in accordance with decisions made by the president, represent the SIC, assist the president in administrating the operations of the SIC, perform the duties of the president in their place in the event that the president is unable to attend to their duties, and perform the duties of the president when the post is vacant.

(3) An inspector audits the operations of the SIC.

(4) When an inspector finds it necessary based on the audit results, they may submit their opinion to the president or the competent minister.

(Appointment of Officers)

Article 26 (1) A president and an inspector are appointed by the competent minister.

(2) A director is appointed by a president with the authorization of the competent minister.

(Term of Office of Officers)

Article 27 (1) The term of office of a president is three years and that of a director or inspector is two years.

(2) Officers may be reappointed.

(Ineligibility of Officers)

Article 28 No employee of the government or a local public entity (excluding part-time employees) is eligible to become an officer.

(Dismissal of Officers)

Article 29 (1) The competent minister or president must dismiss an officer if that officer pertaining to their appointment has come to fall under the preceding Article.

(2) The competent minister or president may dismiss an officer if that officer pertaining to their appointment comes to fall under any of the items of Article 19 or if the person otherwise finds that it is inappropriate for the officer to remain in office.

(Prohibition of the Concurrent Holding of Positions by Officers)

Article 30 No officer may take office as an officer of a for-profit organization or personally engage in for-profit business; provided, however, that this does not apply when approval from the competent minister has been obtained.

(Restrictions on the Right to Represent)

Article 31 The president or a director does not have the right to represent with regard to any particulars for which the interests of the SIC and those of the president or a director conflict with each other. In this case, an inspector represents the SIC.

(Appointment of Staff)

Article 32 Staff of the SIC will be appointed by the president.

(Obligation of Officers to Maintain Confidentiality)

Article 33 The provisions of Article 22 and Article 23 apply mutatis mutandis to officers and staff members.

Section 5 Operations

(Scope of Operations)

Article 34 The SIC conducts the following operations in order to achieve the purpose prescribed in Article 1:

(i) collection of insurance premiums under the provisions of Section 2 of the following Chapter;

(ii) payment of insurance proceeds and provisional payment under the provisions of Section 3 of the following Chapter;

(iii) financial assistance under the provisions of Section 4 of the following Chapter;

(iv) loan of funds under the provisions of Article 69-3;

(v) purchase of savings and other claims under the provisions of Chapter IV;

(vi) investment in an agreed claims collection company pursuant to the provisions of Chapter V and other duties pursuant to the provisions of same Chapter;

(vii) duties of an administrator or an administrator's representative pursuant to the provisions of Article 86, paragraph (2);

(viii) subscription of preferred equity investment, etc. under the provisions of Chapter VII and other duties under the provisions of the same Chapter

(ix) special monitoring under the provisions of Chapter VII-2 and other business under the provisions of the same Chapter;

(x) loan of funds under the provisions of Article 69-3 as applied mutatis mutandis pursuant to Article 111 or Article 112 or the provisions of Article 127-2 and purchase of assets under the provisions of Article 112-2;

(xi) submission of the saver table and other affairs under these provisions under the provisions of Chapter II and Chapter III of the Act on Special Provisions for Rehabilitation Proceedings of Agricultural and Fishery Cooperatives (Act No. 95 of 2000);

(xii) business incidental to that specified in the preceding items.

(Entrustment of Business)

Article 35 (1) With the authorization of the competent minister, the SIC may entrust part of its operations to an agricultural or fishery cooperative or other financial institution or a claims collection company (meaning a claims collection company prescribed in Article 2, paragraph (3) of the Act on Special Measures Concerning Claim Management and Collection Businesses (Act No. 126 of 1998); the same applies hereinafter).

(2) Notwithstanding the provisions of other Acts, agricultural or fishery cooperative and other financial institutions may receive entrustment under the provisions of the preceding paragraph and conduct the business concerned.

(3) The provisions of Article 23 apply mutatis mutandis to officers or employees of an agricultural or fishery cooperative, other financial institution or claims collection company entrusted pursuant to the provisions of paragraph (1) who is engaged in the business concerned.

(Statement of Business Procedures)

Article 36 (1) The SIC must prepare an operational method statement when commencing operations and obtain the authorization of the competent minister. The same applies when the SIC intends to amend the statement.

(2) The operational method statement prescribed in the preceding paragraph must state particulars concerning insurance premiums and other particulars specified by order of the competent ministry.

(Request for Submission of Reports or Materials)

Article 37 (1) When the SIC finds it necessary for conducting the business, it may request agricultural or fishery cooperative to submit reports or materials with regard to the status of its business and assets.

(2) An agricultural or fishery cooperative must submit reports or materials without delay when requested to do so under the preceding paragraph.

(3) If the SIC finds it necessary for conducting its business, it may inquire with, or request the cooperation of government agencies, public entities, or any other relevant person.

(4) The national or prefectural government may deliver relevant materials to the SIC or make them available for inspection by the SIC if it finds it particularly necessary to do so for conducting its business and makes a request for delivery or inspection.

Section 6 Finance and Accounting

(Business Year)

Article 38 The business year of the SIC is from April 1 to March 31 of the following year.

(Approval of Budgets)

Article 39 The SIC must prepare a budget and funding plan for each business year and obtain the authorization of the competent minister before the start of that business year. The same applies when the SIC intends to amend the budget or funding plan.

(Financial Statements)

Article 40 (1) The SIC must prepare an inventory of assets, a balance sheet, and a profit and loss statement (hereinafter referred to as "financial statements") for each business year and submit the financial statements for approval to the competent minister within three months of the end of that business year.

(2) When submitting financial statements to the competent minister under the preceding paragraph, the SIC must attach thereto a business report, statement of accounts prepared according to the classification of budget, and written opinions of the inspector on the financial statements and statement of accounts for that business year.

(3) Upon obtaining approval from the competent minister pursuant to the provisions of paragraph (1), the SIC must give public notice of the financial statements in the Official Gazette without delay, keep at each of the SIC 's offices the financial statements and annexed detailed statements, business reports, statement of accounts, and written opinions of the inspector prescribed in the preceding paragraph, and make them available for public inspection for a period specified by order of the competent ministry.

(Separate Accounting)

Article 40-2 The SIC must separate the accounting and prepare separate accounts for each of the following:

(i) business specified in each item of Article 34 (excluding those specified in the following item); and

(ii) the business prescribed in Article 74 (limited to the business pertaining to the purchase of assets under the provisions of Article 112-2, paragraph (1)), business pertaining to the subscription of preferred equity investment, etc. under the provisions of Article 101, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 110-14, paragraph (5)), business pertaining to collection of charges to be borne under the provisions of Article 107, paragraph (1), loan of funds and guarantee of debts under the provisions of Article 110-12, paragraph (1), business pertaining to the collection of specified charges to be borne (meaning the specified charges to be borne prescribed in paragraph (2) of the same Article; the same applies in Article 106, Article 108 and Article 109) under the provisions of Article 110-17, paragraph (1), and the purchase of assets under the provisions of Article 112-2, paragraph (1) and business incidental to these businesses.

(Accumulation of Actuarial Reserves)

Article 41 At the end of each business year, the SIC must calculate the actuarial reserve for the general account (meaning the account in relation to operations specified in item (i) of the preceding Article; the same applies hereinafter) to be set aside pursuant to the provisions of order of the competent ministry.

(Borrowings)

Article 42 (1) The SIC, with the authorization of the competent minister, may borrow funds (including refinancing) from The Norinchukin Bank or other financial institutions (excluding the Bank of Japan) or other persons specified by Cabinet Order when the SIC finds it necessary for conducting the business specified in Article 40-2, item (i).

(2) The SIC, with the authorization of the competent minister, may borrow funds (including refinancing) from the Bank of Japan when the SIC finds it necessary for temporary cash flow in the event of conducting the business prescribed in the preceding paragraph.

(3) The total of the current amount of borrowing carried out under paragraph (1) and the current amount of borrowing carried out under the preceding paragraph must not exceed the limit specified by Cabinet Order.

(4) Notwithstanding the provisions of Article 54, paragraph (3) of the Norinchukin Bank Act, The Norinchukin Bank may lend funds prescribed in paragraph (1) to the SIC without obtaining the authorization of the Minister of Agriculture, Forestry and Fisheries and the Prime Minister under the paragraph.

(5) Notwithstanding the provisions of Article 43, paragraph (1) of the Bank of Japan Act (Act No. 89 of 1997), the Bank of Japan may lend funds prescribed in paragraph (2) to the SIC.

(Government Guarantees)

Article 42-2 Notwithstanding the provisions of Article 3 of the Act on Restrictions on Government Financial Assistance to Corporations (Act No. 24 of 1946), the government may provide guarantees for obligations in relation to the borrowing by the SIC under paragraph (1) or (2) of the preceding Article within the limit of the amount approved by the Diet.

(Investment of Surplus Funds)

Article 43 The SIC must not invest surplus funds in the course of business other than by the following means:

(i) holding of Japanese government bonds or other securities designated by the competent minister;

(ii) depositing in the financial institutions designated by the competent minister; or

(iii) other means specified by order of the competent ministry.

(Delegation to Order of the Competent Ministry)

Article 44 Beyond what is provided for in this Act, necessary particulars for the finance and accounting of the SIC are specified by order of the competent ministry.

Section 7 Supervision

(Supervision)

Article 45 (1) The SIC is supervised by the competent minister.

(2) The competent minister, when the minister finds it necessary for the enforcement of this Act, may give the SIC orders necessary for the supervision of its operations.

(Reports and Inspections)

Article 46 (1) The competent minister, when the minister finds it necessary for the enforcement of this Act, may have the SIC or a person entrusted under Article 35, paragraph (1) (hereinafter referred to as a "trustee") report on its operations or have their officials enter the office of the SIC or the trustee to inspect books, documents and other articles; provided, however, for the trustee, it is limited to the scope of the relevant entrusted business.

(2) When conducting on-site inspections under the preceding paragraph, the officials must carry a certificate of identification and produce it to those concerned.

(3) The authority for conducting on-site inspections prescribed in paragraph (1) must not be construed as given for any criminal investigation.

Section 8 Auxiliary Provisions

(Amendment of Articles of Incorporation)

Article 47 No amendment of the articles of incorporation is effective unless authorized by the competent minister.

(Dissolution)

Article 48 (1) If, upon dissolution of the SIC and payment of all its obligations, there are any residual assets, the assets are distributed to each capital contributor of the SIC up to the amount of each contributor's capital contributions.

(2) Beyond what is provided for in the preceding paragraph, the dissolution of the SIC will be prescribed separately by an Act.

Chapter III Agricultural and Fishery Cooperatives Savings Insurance

Section 1 Insurance Relationship

Article 49 (1) When an agricultural or fishery cooperative conducts its business, an insurance relationship will be formed between the SIC, the agricultural or fishery cooperative, and depositors, etc. whereby each of the depositors, etc. is repaid within a specified limit by virtue of the obligations in relation to the savings, etc. assumed by the agricultural or fishery cooperative.

(2) Under the insurance relationship prescribed in the preceding paragraph, the insured amount is taken as a claim in relation to the savings, etc. and either of the following is construed as an insured event:

(i) suspension of the refunding of the savings, etc. by an agricultural or fishery cooperative (hereinafter referred to as "category-one insured event"); and

(ii) authorization relating to a resolution on dissolution of an agricultural or fishery cooperative, ruling for the commencement of bankruptcy proceedings, order for dissolution, or the occurrence of an event of dissolution as provided in Article 64, paragraphs (5) through (7) (excluding item (i)) of the Agricultural Cooperatives Act, paragraph (5) of Article 68 (including the case where it is applied mutatis mutandis pursuant to Article 96, paragraph (5) of the same Act) of the Fishery Cooperatives Act, item (vi) of paragraph (1) of Article 91 of the same Act, or item (ii) or (iii) (including the case where these provisions are applied mutatis mutandis in Article 100, paragraph (5) of the same Act) of paragraph (5) of the Article (hereinafter referred to as "category-two insured event").

Section 2 Payment of Insurance Premiums

(Payment of Insurance Premiums)

Article 50 (1) An agricultural or fishery cooperative must submit to the SIC documents specified by the order of competent ministry and pay insurance premiums by June 30 for each business year.

(2) Notwithstanding the provisions of the preceding paragraph, the SIC, pursuant to the provisions of the articles of incorporation, may exempt an agricultural or fishery cooperative falling under any of the following items from paying insurance premiums:

(i) if an insured event has occurred: the agricultural or fishery cooperative in relation to the insured event;

(ii) if certification of eligibility, etc. prescribed in Article 66, paragraph (1) is given: the agricultural or fishery cooperative with management difficulties in relation to the certification of eligibility, etc.; and

(iii) if an order to manage prescribed in Article 83, paragraph (1) is issued: the agricultural or fishery cooperative under management in relation to the order to manage.

(3) The SIC, following a resolution of the committee and based on the conditions specified by the committee in advance, may return to an agricultural or fishery cooperative part of the insurance premiums that have been paid pursuant to paragraph (1).

(4) If the SIC intends to return part of the insurance premiums that have been paid pursuant to paragraph (1), it must obtain the authorization of the competent minister.

(Amount of Insurance Premiums for General Savings)

Article 51 (1) The amount of insurance premiums in relation to savings, etc. (limited to those that are not savings for settlement purposes (meaning the savings for settlement purposes prescribed in paragraph (1) of the following Article; the same applies in the following paragraph) but excluding foreign currency savings, etc. and other savings, etc. specified by Cabinet Order; hereinafter referred to as "general savings, etc.") is the amount calculated for each agricultural or fishery cooperative by multiplying the average total amount of general savings, etc. for each day (excluding Sundays and other days specified by Cabinet Order.; the same applies in paragraph (1) of the following Article) during the period from April 1 of the business year immediately preceding the business year including the day on which the relevant insurance premiums are to be paid to March 31 of the latter year by a rate determined by the SIC following a resolution by the committee (hereinafter referred to as "insurance premiums rate" in this Article).

(2) The insurance premiums rate must be established such that the SIC's long-term finances will be balanced in light of the estimated amount of expenses (excluding those in relation to savings for settlement purposes) to be incurred through payment of insurance proceeds, financial assistance and other operations of the SIC (except those specified in Article 40-2, item (ii)) and that no specific agricultural or fishery cooperative will be subject to any discriminatory treatment (excluding those done in accordance with the soundness of the management of an agricultural or fishery cooperative).

(3) When the SIC finds it difficult to repay any funds borrowed under Article 42, paragraph (1) or (2) immediately, the SIC is to change the insurance premiums rate following a resolution by the committee.

(4) When the SIC intends to establish or change the insurance premiums rate, the SIC must obtain the authorization of the competent minister.

(5) Upon receiving the authorization set forth in the preceding paragraph, the SIC must give public notice of the insurance premiums rate in relation to the authorization without delay.

(Amount of Insurance Premiums for Savings for Settlement Purposes)

Article 51-2 (1) The amount of insurance premiums in relation to savings that satisfy all of the following requirements (excluding foreign currency savings and other savings specified by Cabinet Order; hereinafter referred to as "savings for settlement purposes") is the amount calculated for each agricultural or fishery cooperative by multiplying the average total amount of savings for settlement purposes for each day during the period from April 1 of the business year immediately preceding the business year including the day on which the relevant insurance premiums are to be paid to March 31 of the latter year by a rate determined by the SIC following a resolution by the committee:

(i) the savings can be used for a transaction specified by Cabinet Order as prescribed in Article 69-2, paragraph (1) based on the contract or practice of the transaction;

(ii) the savings are refundable to their depositors on request; and

(iii) the savings bear no interest.

(2) The provisions of paragraphs (2) through (5) of the preceding Article apply mutatis mutandis to the rate prescribed in the preceding paragraph. In this case, the term "excluding those in relation to" in paragraph (2) of the preceding Article is replaced with "limited to those in relation to".

(Demand and Disposition for Delinquency)

Article 52 (1) If any agricultural or fishery cooperative is delinquent in payment of insurance premiums, the SIC may demand by designating the payment due date in the written demand.

(2) The payment due date to be designated in the written demand set forth in the preceding paragraph must be the day on which 10 days or more have elapsed from the day the written demand is delivered.

(3) In the case where the demand pursuant to the provisions of paragraph (1) is made, if the agricultural or fishery cooperative subject to such demand does not pay in full the insurance premiums pertaining to the delinquency and the penal interest set forth in paragraph (1) of the following Article pertaining thereto by the due date specified in the written demand, the SIC may request the collection to the municipality (including special wards; the same applies hereinafter) where the domicile or property of the agricultural or fishery cooperative is located.

(4) When a municipality receives a request pursuant to the provisions of the preceding paragraph, it may dispose of it in accordance with the example of disposition of delinquency of municipal taxes. In this case, the SIC must deliver to the municipality an amount equivalent to four percent of the amount collected.

(5) When a municipality fails to start the disposition within 30 days or complete it within 90 days from the day of receiving a request pursuant to the provisions of paragraph (3), the SIC, with the approval of the competent minister, may dispose of it in accordance with the examples of national tax delinquency dispositions.

(Arrears)

Article 53 (1) When the SIC demands the payment pursuant to the provisions of paragraph (1) of the preceding Article, the government collects the arrears calculated based on the number of days from the day following the payment due date to the day preceding the day on which the payment is made in full or on which the properties are attached, at a rate of 14.5% per annum on the amount of the insurance premiums.

(2) In the case referred to in the preceding paragraph, if the amount of the labor insurance premiums is partially paid, the amount of the insurance premiums to be the basis of calculation of the amount of the arrears pertaining to the period on and after the day on which the partial payment is made, is to be the amount after deducting the amount of the insurance premiums paid.

(Statutory Lien)

Article 54 The order of statutory lien assigned to money collected pursuant to the provisions of Article 52, paragraphs (4) and (5) come after the national tax and local tax.

Section 3 Payment of Insurance Proceeds

(Payment of Insurance Proceeds)

Article 55 (1) If an insured event has occurred, the SIC is to pay insurance proceeds to depositors, etc. in relation to the insured event based on a request by the depositors, etc.; provided, however, that any payment of claims for category-one insured event is conditional upon a decision by the SIC to pay the amounts under the provisions of Article 58, paragraph (1).

(2) The insured event prescribed in the preceding paragraph is not to include any other insured event occurring thereafter (in the event that the proviso to the preceding paragraph applies, after the SIC has made a decision referred to in the proviso) in relation to the relevant insured event with respect to the agricultural or fishery cooperative subject to the relevant insured event (hereinafter referred to as "related insurance event").

(3) If an insured event has occurred, the SIC, based on a request by depositors, etc. in relation to the relevant insured event, may make a provisional payment to the depositors, etc. in accordance with Cabinet Order within an amount specified by Cabinet Order.

(4) The request prescribed in paragraph (1), or the preceding paragraph may only be made within the payment period for which public notice was given under Article 59, paragraph (1), (2), or (4); provided, however, that this does not apply at the time of a natural disaster or when the SIC finds any other unavoidable reason for the failure to make the request within the payment period.

(Amount of Insurance Proceeds Related to General Savings)

Article 56 (1) The amount of insurance proceeds in relation to the general savings, etc. (excluding those held under the name of another person and other general savings, etc. specified by Cabinet Order; hereinafter referred to as "covered general savings, etc.") of each of the depositors, etc. in an agricultural or fishery cooperative subject to a single insured event will be an amount equivalent to the aggregate amount (if there is more than one aggregate amount for the same person, the total of the amounts) of the principal (in the case of Norinchukin Bank Bonds, the amount of money paid in for the issue thereof; the same applies hereinafter) and interest, etc. (meaning the portion that is not the principal but the interest and other items specified by Cabinet Order; the same applies hereinafter) of the claims in relation to the covered general savings, etc. actually held by this person in the relevant agricultural or fishery cooperative on the day of occurrence of the insured event (limited to those actually held by the person at the time of making a request under paragraph (1) of the preceding Article and including those no longer held due to the provisional payment under paragraph (3) of the preceding Article (limited to those in relation to the covered general savings, etc.; hereinafter the same applies in this Article) or refunding the covered general savings, etc. in relation to the loan under Article 69-3, paragraph (1) or as applied mutatis mutandis pursuant to Article 111; the same applies in the following paragraph).

(2) If the amount of principal (if there is more than one amount for the same person, the total of the amounts) under the preceding paragraph exceeds an amount specified by Cabinet Order (hereinafter referred to as "base insurance amount"), the amount of insurance proceeds in relation to the covered general savings, etc. will be the total of the base insurance amount and the amount of interest, etc. in relation to the principal corresponding to the base insurance amount. In this case, if there are more than one amount of principal for the same person, the principal corresponding to the base insurance amount is the total of the amounts of principal prescribed in the following items up to the base insurance amount:

(i) if there are claims in relation to the covered general savings, etc., some of which are the subject of a security interest and others are not, the principal in relation to those that are not the subject of a security interest is to have priority;

(ii) if two or more claims in relation to the covered general savings, etc., which are not the subject of a security interest, are held by the same person, the principal in relation to those with an earlier due date is to have priority;

(iii) in the case referred to in the preceding item, if two or more claims with the same due date in relation to the covered general savings, etc. are held by the same person, the principal in relation to those with a lower interest rate (meaning the rate of interest and other similar particulars specified by Cabinet Order; the same applies in the following item) is to have priority;

(iv) in the case referred to in the preceding item, if two or more claims with the same interest rate in relation to the covered general savings, etc. are held by the same person, the principal in relation to those designated by the SIC is to have priority; and

(v) if two or more claims in relation to the covered general savings, etc., which are the subject of a security interest, are held by the same person, the principal in relation to those designated by the SIC is to have priority.

(3) Notwithstanding the provisions of the preceding two paragraphs, in the event that any of the depositors, etc. in relation to an insured event has received provisional payment under paragraph (3) of the preceding Article or refund of the covered general savings, etc. in relation to the loan under Article 69-3, paragraph (1) as applied mutatis mutandis pursuant to Article 111 with respect to the relevant insured event, the amount of insurance proceeds for the covered general savings, etc. of the person will be reduced by the amount of the relevant provisional payment and refund of the covered general savings, etc. in relation to the loan under Article 69-3, paragraph (1) as applied mutatis mutandis pursuant to Article 111 (excluding any amount to be repaid to the SIC under the following paragraph) pursuant to the provisions of Cabinet Order concerning the amounts prescribed in these provisions.

(4) If the amount of provisional payment made under paragraph (3) of the preceding Article to any of the depositors, etc. in relation to an insured event exceeds an amount calculated pursuant to the provisions of Cabinet Order within the amounts of insurance proceeds prescribed in paragraphs (1) and (2), the relevant persons must repay to the SIC the amount of the excess.

(Amount of Insurance Proceeds Regarding Savings for Settlement)

Article 56-2 (1) The amount of insurance proceeds in relation to savings for settlement purposes (excluding those held under the name of another person and other savings for settlement purposes specified by Cabinet Order; hereinafter referred to as "covered savings for settlement") of each of the depositors in an agricultural or fishery cooperative subject to a single insured event will be an amount equivalent to the amount of principal (if there is more than one amount for the same person, the total of the amounts) of the claims in relation to covered savings for settlement actually held by the depositors, etc. in the relevant agricultural or fishery cooperative on the day of occurrence of the insured event (limited to those actually held by the depositors at the time of making a request under Article 55, paragraph (1) and including those no longer held due to the provisional payment under Article 53, paragraph (3) (limited to those in relation to covered savings for settlement; the same applies in the following paragraph) or refund of the covered savings for settlement in relation to the loan under Article 69-3, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 111; the same applies in the following paragraph)).

(2) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to cases where the depositors in relation to an insured event have received, with regard to the covered savings for settlement held thereby, the provisional payment under Article 55, paragraph (3) or refund of the covered savings for settlement in relation to the loan under Article 69-3, paragraph (1) with respect to the relevant insured event. In this case, the terms "Notwithstanding the provisions of the preceding two paragraphs" and "these provisions" in paragraph (3) of the preceding Article is replaced with "Notwithstanding the provisions of Article 56-2, paragraph (1)" and "the relevant provisions".

(Special Provisions for Savings Regarding Defined Contribution Pensions)

Article 56-3 (1) In the event that any of the depositors, etc. of an agricultural or fishery cooperative subject to a single insured event is an asset management institution (limited to the trustee of a trust prescribed in Article 8, paragraph (1), item (i) of the Defined Contribution Pension Act (Act No. 88 of 2001)) prescribed in Article 2, paragraph (7), item (i), (b) of the same Act, an association prescribed in Article 2, paragraph (5) of the same Act, or a trustee (limited to trust companies (including the financial institutions engaged in trust business)) of particulars prescribed in Article 61, paragraph (1), item (iii) of the same Act (hereinafter referred to as "asset management institution, etc."), the amount of insurance proceeds of the relevant person is, notwithstanding the provisions of the insurance claim calculation provision, to be the remaining amount after deducting the amount specified in item (ii) from the amount specified in item (i), adding thereto the amount specified in item (iii).

(i) with regard to claims in relation to covered savings, etc. (meaning the covered general savings, etc. or covered savings for settlement; the same applies hereinafter) of the relevant asset management institution, etc. (limited to those actually held by the depositors, etc. holding the covered savings, etc. at the time of making a request under Article 55, paragraph (1) and including those no longer held due to the provisional payment under paragraph (3) of the same Article or refund of the covered savings, etc. in relation to the loan under Article 69-3, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 111); hereinafter the same applies in this Article) that pertain to the fund management of defined contribution pensions (meaning the reserves prescribed in Article 8, paragraph (1) of the Defined Contribution Pension Act; hereinafter the same applies in this Article), the total of the amounts that are deemed to be the amount of insurance proceeds for each of the subscribers, etc. (meaning the subscribers, etc. prescribed in Article 2, paragraph (7), item (i), (a) of the same Act; hereinafter the same applies in this Article) that has instructed the relevant investment, when the insurance claim calculation provision is applied in the event that, within the claims in relation to covered savings, etc. actually held by the asset management institution, etc. in the relevant agricultural or fishery cooperative on the day of occurrence of the relevant insured event (hereinafter referred to as "insured event date" in this paragraph), those portions that are equivalent to the amount of managed assets per individual (meaning the amount of managed assets per individual prescribed in Article 2, paragraph (13) of the same Act) of the relevant subscribers, etc. (referred to as "deposit claims equivalent to amount of managed assets per individual" in the following paragraph) are deemed to be claims in relation to covered savings, etc. of the relevant subscribers, etc.;

(ii) the total of the amounts of insurance proceeds under the insurance claim calculation provision with respect to each of the claims in relation to covered savings, etc. actually held by the relevant subscribers, etc. in the relevant agricultural or fishery cooperative on the insured event date; and

(iii) the amount of insurance proceeds under the insurance claim calculation provision other than those in relation to the investment of the reserves of defined contribution pensions, within the claims in relation to covered savings, etc. actually held by the asset management institution, etc. in the relevant agricultural or fishery cooperative on the insured event date.

(2) In the event that the provisions of Article 56, paragraph (2) are applied under item (i) of the preceding paragraph, the principal corresponding to base insurance amount is the total of the amounts of principal prescribed in the following items up to the base insurance amount:

(i) if there are deposit claims equivalent to amount of managed assets per individual of subscribers, etc., within the claims in relation to covered savings, etc. of the relevant subscribers, etc. and those of the relevant asset management institution, etc. before the application of the provisions of item (i) of the preceding paragraph, the principal of the claims in relation to covered savings, etc. of the relevant subscribers, etc. is to have priority; and

(ii) if there are two or more deposit claims equivalent to amount of managed assets per individual of subscribers, etc. within the claims in relation to covered savings, etc. of the relevant asset management institution, etc., the principal in relation to those designated by the SIC is to have priority.

(3) In the case referred to in paragraph (1), if the payment of insurance proceeds is made to an asset management institution, etc. under Article 55, paragraph (1), the amount after deducting the amount specified in paragraph (1), item (ii) from the amount specified in paragraph (1), item (i) in relation to subscribers, etc. within the insurance proceeds will be deemed to be reserved in the managed assets per individual (meaning the managed assets per individual prescribed in Article 2, paragraph (12) of the Defined Contribution Pension Act) of the relevant subscribers, etc.

(4) For the application of the provisions of Article 2, paragraph (9) in the case referred to in paragraph (1), the term "and Article 56-2, paragraph (1)" in Article 2, paragraph (9) is replaced with ", Article 56-2, paragraph (1), and Article 56-3, paragraphs (1) and (2)".

(Notice of an Insured Event)

Article 57 (1) An agricultural or fishery cooperative must immediately notify the SIC upon the occurrence of an insured event in relation to the agricultural or fishery cooperative.

(2) Upon receiving notice under the preceding paragraph (1), when an insured event relating to the notice was category-one insured event, the SIC must immediately report this to the competent minister (when the notice relates to an agricultural or fishery cooperative pertaining to the supervision of a prefectural governor, the competent minister and the prefectural governor).

(3) The competent minister or the prefectural governor must immediately notify the SIC upon the occurrence of any of the following events:

(i) if they have passed a resolution on the authorization to dissolve or issued an order to dissolve an agricultural or fishery cooperative under their supervision;

(ii) if they have received notice under the provisions of the second sentence of Article 64, paragraph (5), or paragraph (8) of the Agricultural Cooperatives Act or Article 68, paragraph (6) (including the case as applied mutatis mutandis pursuant to Article 96, paragraph (5) of the same Act) or Article 91, paragraph (6) (including the cases as applied mutatis mutandis pursuant to Article 100, paragraph (5) of the same Act) of the Fishery Cooperatives Act from an agricultural or fishery cooperative under their supervision;

(iii) if they have conducted disposition set forth in Article 64, paragraph (7), item (ii) of the Agricultural Cooperatives Act or Article 91, paragraph (5), item (ii) of the Fishery Cooperatives Act (including cases where it is applied mutatis mutandis pursuant to Article 100, paragraph (5) of the Act) with respect to the federation of agricultural or fishery cooperatives under their supervision;

(iv) if they have received a notice under the provisions of Article 118-2, paragraph (1) from a court clerk.

(4) Upon receiving notice under paragraph (1) or the preceding paragraph, the SIC must immediately report this to the Minister of Finance.

(Ascertaining Amount of Claims Pertaining to Savings)

Article 57-2 (1) Upon becoming aware that an agricultural or fishery cooperative has become subject to an insured event, the SIC must promptly ascertain the amount of claims in relation to savings, etc. actually held in the relevant agricultural or fishery cooperative as of the day of the occurrence of the relevant insured event by each of the depositors, etc. of the relevant agricultural or fishery cooperative.

(2) If the SIC finds it necessary for promptly ascertaining the amount of claims in relation to savings, etc. prescribed in the preceding paragraph, the SIC may, by clearly indicating to that effect, request an agricultural or fishery cooperative to submit materials concerning the names and addresses of the depositors, etc., details of claims in relation to savings, etc. and other particulars specified by order of the competent ministry.

(3) An agricultural or fishery cooperative, if requested to submit materials under the preceding paragraph, must submit them without delay using electronic data processing systems or magnetic tapes (including any other medium in which certain particulars can be securely recorded by similar means) pursuant to the provisions of order of the competent ministry.

(4) An agricultural or fishery cooperative must prepare a database in relation to savings, etc. (meaning the collection of information in relation to savings, etc. that is systematically organized so that the information may be retrieved by using computers) and electronic data processing systems and take any other measures necessary for submitting materials under the preceding paragraph.

(Decisions on Payment)

Article 58 (1) If any of the events specified in the following items occurs, following a resolution by the committee, the SIC must decide whether to pay insurance proceeds with respect to the insured event prescribed in each of the following items within one month of the day specified in the items:

(i) if a notice is received under Article 57, paragraph (1) concerning the category-one insured event: the day on which the notice is received;

(ii) beyond the case referred to in the preceding item, if the SIC has become aware that the category-one insured event has occurred: the day on which the SIC has become aware of the occurrence;

(iii) if notice is received under Article 67, paragraph (1) to the effect that the resolution or consent prescribed in Article 67, paragraph (1) has failed to be obtained for a merger, the transfer of credit business, etc., transfer of insured savings involving the agricultural or fishery cooperative subject to the category-one insured event as a party thereto: the day on which the notice is received; and

(iv) beyond the case referred to in the preceding item, if the SIC has become aware that the resolution or consent prescribed in Article 67, paragraph (1) has failed to be obtained for a merger, transfer of credit business, etc. transfer of insured savings involving the agricultural or fishery cooperative subject to the category-one insured event as a party thereto: the day on which the SIC has become aware of the fact.

(2) In the event that the SIC applies for an extension of the time limit under the preceding paragraph following a resolution of the committee, the competent minister may grant the extension for a period not exceeding one month.

(3) If any of the events specified in the following items occurs, following a resolution of the committee, the SIC must decide whether to make a provisional payment under Article 55, paragraph (3) with respect to an insured event prescribed in each of the following items within one week of the day specified in the items:

(i) if a notice is received under Article 57, paragraph (1) or (3) concerning an insured event: the day on which the notice is received;

(ii) beyond the case referred to in the preceding item, if the SIC has become aware that an insured event has occurred: the day on which the SIC has become aware of the occurrence;

(iii) if a notice is received under Article 67, paragraph (1) to the effect that the resolution or consent prescribed in Article 67, paragraph (1) has failed to be obtained for a merger, transfer of credit business, etc., transfer of insured savings involving an agricultural or fishery cooperative subject to the category-one insured event as a party thereto: the day on which the notice is received; and

(iv) beyond the case referred to in the preceding item, if the SIC has become aware that the resolution or consent prescribed in Article 67, paragraph (1) has failed to be obtained for a merger, transfer of credit business, etc., transfer of insured savings involving an agricultural or fishery cooperative subject to the category-one insured event as a party thereto: the day on which the SIC has become aware of the fact.

(4) Upon making a decision under paragraph (1) or the preceding paragraph, the SIC must immediately report particulars in relation to the decision to the competent minister (to the competent minister and the prefectural governor if the decision relates to an agricultural or fishery cooperative pertaining to supervision by a prefectural governor).

(Public Notice of Payment)

Article 59 (1) Following a resolution of the committee, the SIC must promptly determine the period, place, and method of payment of insurance proceeds and other particulars specified by Cabinet Order and give public notice thereof in the following cases:

(i) if the SIC has made a decision under paragraph (1) of the preceding Article to pay insurance proceeds in relation to the category-one insured event;

(ii) if the SIC has received notice under Article 57, paragraph (1) or (3) concerning the category-two insured event (excluding the related insured event; the same applies in the following item); and

(iii) beyond the case referred to in the preceding item, if the SIC has become aware that the category-two insured event has occurred.

(2) If the SIC has made a decision pursuant to the provisions of paragraph (3) of the preceding Article to make provisional payment under Article 55, paragraph (3), following a resolution by the committee, the SIC must promptly determine the period, place, and method of payment of the relevant provisional payment and other particulars specified by Cabinet Order and give public notice thereof.

(3) If, after giving public notice under the preceding two paragraphs, there is public notice under Article 197, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 209, paragraph (3) of the same Act) of the Bankruptcy Act (Act No. 75 of 2004), notice under Article 118-2, paragraph (2), or any other event specified by Cabinet Order with respect to the relevant agricultural or fishery cooperative, pursuant to the provisions of Cabinet Order, the SIC may change the payment period that was publicly announced.

(4) When the SIC has changed the payment period under the preceding paragraph, the SIC must give public notice of particulars in relation to the change without delay.

(5) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to cases where the particulars prescribed in paragraph (1) or (2) have been decided and where the payment period has been changed under paragraph (3).

(6) The SIC may pay insurance proceeds by depositing with an agricultural or fishery cooperative or other financial institutions an amount equivalent to the insurance proceeds of each of the depositors, etc. in relation to the relevant insured event and by transferring the claims in relation to the relevant savings to the relevant depositors, etc.

(Acquisition of Claims)

Article 60 (1) If a request is made for the payment of insurance proceeds under Article 55, paragraph (1), the SIC may, pursuant to the provisions of Cabinet Order, acquire claims in relation to the covered savings, etc. held in an agricultural or fishery cooperative by the depositors, etc. in relation to the relevant request, according to the amount of insurance proceeds that are required to be paid to the relevant depositors, etc. under the insurance claim calculation provision.

(2) If the claims in relation to covered savings, etc. acquired under the preceding paragraph include any claim that is subject to a security interest, pursuant to cabinet order provisions the SIC may defer the payment of insurance proceeds up to an amount equivalent to the claim in relation to covered savings, etc. (limited to the portion that has been acquired by the SIC ) that are subject to the relevant security interest until the extinction of the secured claim in relation to the relevant security interest.

(3) When the SIC has made provisional payment to the depositors, etc. under Article 55, paragraph (3), the SIC, according to the amount of the payment (excluding the amount to be repaid to the SIC under Article 56, paragraph (4)), is to acquire claims in relation to covered savings, etc. held in an agricultural or fishery cooperative by the relevant depositors, etc. pursuant to the provisions of Cabinet Order.

(Taxation)

Article 60-2 (1) In the event that depositors, etc. receive payment of insurance proceeds in connection with claims in relation to covered savings, etc. (excluding those in relation to Norinchukin Bank Bonds issued by means of a discount, among those specified in Article 2, paragraph (2), item (iv)) held by the depositors, etc. (hereinafter referred to as "claims of covered savings, etc." in this paragraph), when the claims of covered savings, etc. acquired by the SIC according to the amount of insurance proceeds for which the payment is received include any interest, etc., an amount equivalent to the relevant interest, etc. will be deemed to be the amount prescribed in each of the following items according to the category of the covered savings, etc. in relation to relevant claims of covered savings, etc. prescribed in each respective item, in applying the provisions of the Income Tax Act (Act No. 33 of 1965) and other laws and regulations concerning income tax:

(i) savings: interest on the relevant savings;

(ii) installment savings: compensation money for benefits (meaning the compensation money for benefits specified in Article 174, item (iii) of the Income Tax Act) based on contracts for the relevant installment savings;

(iii) the money specified in Article 2, paragraph (2), item (iii): distribution of profit from the money trust prescribed in the item pertaining to the money; and

(iv) money specified in Article 2, paragraph (2), item (iv): interest on Norinchukin Bank Bonds (excluding those issued by way of discount).

(2) In the event that the provisions of the preceding paragraph apply, any necessary matters for the application of special provisions for Article 4-2 and Article 4-3 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) and other provisions of the preceding paragraph are specified by Cabinet Order.

(Measures for Payment of Insurance Proceeds Regarding Savings)

Article 60-3 (1) An agricultural or fishery cooperative must develop electronic data processing systems and take any other measures specified by order of the competent ministry in order to secure the smooth implementation of the payment of insurance proceeds in relation to covered savings, etc. or refund thereof and any other measures necessary for dealing with an insured event in the event of occurrence of an insured event.

(2) The competent minister, when finding that the measures prescribed in the preceding paragraph have not been taken, may order the agricultural or fishery cooperative to take the relevant measures to the extent necessary, within a specified time period.

Section 4 Financial Assistance

(Application for Financial Assistance)

Article 61 (1) An agricultural or fishery cooperative undertaking a merger, etc. that is not an agricultural or fishery cooperative in financial difficulties (hereinafter referred to as an "assuming agricultural or fishery cooperative") may apply to have the SIC take the following measures (hereinafter referred to as "financial assistance") to support the merger, etc.:

(i) donation of money;

(ii) loan or depositing of funds;

(iii) purchase of assets;

(iv) guarantee of obligations;

(v) assumption of obligations;

(vi) subscription of preferred equity investment, etc.;

(vii) collateralization of damage.

(2) The term "merger, etc." as used in the preceding paragraph means the following:

(i) a merger in which an agricultural or fishery cooperative that merges with an agricultural or fishery cooperative in financial difficulties survives;

(ii) a merger in which an agricultural or fishery cooperative is established through the merger of an agricultural or fishery cooperative in financial difficulties and another agricultural or fishery cooperative;

(iii) a transfer of credit business, etc. in which an agricultural or fishery cooperative in financial difficulties transfers its credit business to another agricultural or fishery cooperative (in the case of a transfer of a part of the credit business, the transfer is limited to the assumption of obligations pertaining to savings, etc. of an agricultural or fishery cooperative in financial difficulties, which include obligations pertaining to savings, etc. corresponding to the amount of insurance proceeds calculated according to the insurance proceeds calculation rules); and

(iv) transfer of insured savings.

(3) the application prescribed in paragraph (1), if there are two or more assuming agricultural or fishery cooperatives involved in the merger of agricultural or fishery cooperatives as set forth in item (ii) of the preceding paragraph, must be made in the joint names of the two or more assuming agricultural or fishery cooperatives.

(4) The purchase of assets specified in paragraph (1), item (iii) is to be conducted with respect to the assets of an agricultural or fishery cooperative in financial difficulties, etc. in relation to a merger, etc. (meaning the merger, etc. prescribed in paragraph (2); the same applies hereinafter) or assets specified in each of the following items according to the category of merger, etc. specified in the item; provided, however, that if the financial assistance in relation to the application prescribed in paragraph (1) includes the purchase of assets of an agricultural or fishery cooperative in financial difficulties, etc. in relation to a merger, etc., the application prescribed in the paragraph is to be made in the joint names of assuming agricultural or fishery cooperative relating to the merger, etc. and the relevant agricultural or fishery cooperative in financial difficulties:

(i) a merger specified in paragraph (2), item (i): the assets of the agricultural or fishery cooperative surviving through the merger (limited to those that were the assets of the agricultural or fishery cooperative in financial difficulties prior to the merger);

(ii) a merger specified in paragraph (2), item (ii): the assets of the agricultural or fishery cooperative that will be established by the merger (limited to those that were the assets of the agricultural or fishery cooperative in financial difficulties prior to the merger); and

(iii) a transfer of the credit business, etc. specified in paragraph (2), item (iii): the assets of another agricultural or fishery cooperative prescribed in the same item that have been received through the relevant transfer of the credit business, etc.

(5) The collateralization of damage specified in paragraph (1), item (vii) is to be performed with respect to the loan claims that are the assets specified in the items according to the category of merger, etc. prescribed in each of the items of the preceding paragraph.

(6) An agricultural or fishery cooperative that has made an application under paragraph (1) must promptly report to that effect to the prefectural governor (to the competent minister in the case of an agricultural or fishery cooperative under the supervision of the competent minister).

Article 61-2 (1) An assuming agricultural or fishery cooperative undertaking a merger, etc. (among the credit business transfer, etc. specified in paragraph (2), item (iii) of the preceding Article, limiting to those in which an agricultural or fishery cooperative in financial difficulties transfers a part of its credit business to another agricultural or fishery cooperative or transfer of insured savings) may apply to have the SIC conduct financial assistance (limited to those listed in paragraph (1), item (i) of the same Article) to the agricultural or fishery cooperative in financial difficulties to achieve equity among the creditors thereof.

(2) An application pursuant to the preceding paragraph is to be made in the joint names with an agricultural or fishery cooperative in financial difficulties relating to the merger, etc.

(3) The provisions of paragraph (6) of the preceding Article applies mutatis mutandis to an assuming agricultural or fishery cooperative and an agricultural or fishery cooperative in financial difficulties which have made an application pursuant to the preceding two paragraphs.

Article 62 (1) In the event that a federation of agricultural or fishery cooperatives (limited to those which are not agricultural or fishery cooperative in financial difficulties) or The Norinchukin Bank (hereinafter referred to as the "federation of agricultural or fishery cooperatives, etc.") provides loans or other assistance for mergers, etc. or measures to restructure the credit business (referring to measures prescribed by order of the competent ministry to be taken by an agricultural or fishery cooperative in financial difficulties to restore sound and appropriate management of business pertaining to credit business. The same applies hereinafter) by a mutual assistance arrangements relating to agricultural or fishery cooperatives, the federation of agricultural or fishery cooperatives, etc. concerned may apply to the SIC to give the financial support (limited to those specified in Article 61, paragraph (1), item (i), item (ii), or item (iv)) for the assistance.

(2) Mutual assistance arrangements relating to agricultural or fishery cooperatives set forth in the preceding paragraph mean those specified in any of the following items:

(i) prescribe that arrangements be made by agricultural or fishery cooperatives for a nationwide area, aiming to contribute to the mutual assistance of agricultural cooperatives, fishery cooperatives, and fishery processing cooperatives, which are agricultural or fishery cooperatives, which are to prescribe to lend funds or provide other assistance (including the purchase of assets and other assistance that the federation of agricultural or fishery cooperatives, etc. has its subsidiaries (meaning a subsidiary prescribed in Article 11-2, paragraph (2) of the Agricultural Cooperatives Act, Article 11-8, paragraph (2) of the Fishery Cooperatives Act as applied mutatis mutandis pursuant to Article 92, paragraph (1) or Article 100, paragraph (1) thereof or Article 24, paragraph (4) of the Norinchukin Bank Act) or an agreed claims collection company (meaning an agreed claims collection company prescribed in Article 74, item (i); the same applies in the following item) ) to conduct to agricultural cooperatives, fishery cooperatives or fishery processing cooperatives that are assuming agricultural or fishery cooperatives, agricultural or fishery cooperatives in financial difficulties or agricultural or fishery cooperatives to be established through mergers, establishing as the source savings and other funds deposited by agricultural cooperatives, fishery cooperatives or fishery processing cooperatives in the federation of agricultural or fishery cooperatives, etc. for that purpose;

(ii) arrangements made by the federation of agricultural or fishery cooperatives and The Norinchukin Bank for a nationwide area, aiming to contribute to the mutual assistance of federations of agricultural or fishery cooperatives, which is to prescribe to lend funds or provide other assistance (including the purchase of assets and other assistance that The Norinchukin Bank has its subsidiaries (meaning subsidiaries prescribed in Article 24, paragraph (4) of the Norinchukin Bank Act) or agreed claims collection company conduct) to federation of agricultural or fishery cooperatives that are assuming agricultural or fishery cooperative, agricultural or fishery cooperative in financial difficulties or agricultural or fishery cooperative to be established through mergers; and

(iii) arrangements equivalent to the arrangements specified in the preceding two items that conform to the requirements specified by order of the competent ministry.

(3) The federation of agricultural or fishery cooperatives, etc. that has made an application pursuant to the provisions of paragraph (1) must promptly report this to the competent minister.

Article 62-2 (1) In the event that a designated support corporation (meaning the designated support corporation provided in Article 32, paragraph (2) of the Act on Restructuring and Enhancement of Credit Business by The Norinchukin Bank and Specified Agricultural and Fishery Cooperatives (Act No. 118 of 1996, hereinafter referred to as the "Restructuring and Enhancement Act"); the same applies hereinafter) performs the services provided for in Article 33 of the Restructuring and Enhancement Act with regard to a merger, etc. (excluding transfer of insured savings; the same applies in Article 64, paragraph (4)) conducted based on the guidance of The Norinchukin Bank under Article 3 of the Restructuring and Enhancement Act, the designated support corporation may apply to the SIC for financial support (limited to those specified in Article 61, paragraph (1), item (i), item (ii), or item (iv)) for the services.

(2) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to a designated support corporation that has made an application pursuant to the provisions of the preceding paragraph.

(Certification of Eligibility)

Article 63 (1) With respect to a merger, etc. pertaining to an application pursuant to the provisions of Article 61, paragraph (1), Article 61-2, paragraph (1), Article 62, paragraph (1) or paragraph (1) of the preceding Article, the agricultural or fishery cooperative conducting that merger, etc., by the time the application pursuant to these provisions is made, must obtain the certification of the prefectural governor (in the case where an agricultural or fishery cooperative that survives after a merger or is established as a result of a merger, an agricultural or fishery cooperative that takes over all or part of the credit business, or an agricultural or fishery cooperative that receives a transfer of insured savings is subject to the supervision of the competent minister, the competent minister; the same applies in paragraph (7) and paragraphs (1), (6), and (7) of the following Article) in relation to the merger, etc. must obtain the certification of the prefectural governor by the time the application under the provisions of the paragraph is made.

(2) With respect to the measures to restructure the credit business pertaining to the application under the provision of Article 62, paragraph (1), the agricultural or fishery cooperative in financial difficulties pertaining to those measures and the federations of agricultural or fishery cooperatives, etc. which provide assistance for the measures pursuant to the provisions of the paragraph must obtain the certification of the prefectural governor (in the event that the agricultural or fishery cooperative in financial difficulties is under the supervision of the competent minister, the competent minister) in relation to the relevant measures by the time the application under the provisions of the paragraph is made.

(3) An application for the certification set forth in the preceding two paragraphs must be filed, in the case of paragraph (1), in the joint names of the agricultural or fishery cooperative that conduct the merger, etc. set forth in the paragraph, and in the case of the preceding paragraph, in the joint names of the agricultural or fishery cooperative in financial difficulties and the federation of agricultural or fishery cooperatives, etc. set forth in the paragraph.

(4) The certification set forth in paragraphs (1) and (2) may be made only when all of the following requirements are met:

(i) the merger, etc. or the measures to restructure the credit business contributes to the protection of the depositors, etc. and other creditors;

(ii) the financial assistance by the SIC is indispensable for carrying out the merger, etc. or the measures to restructure the credit business; and

(iii) if the merger, etc. or the measures to restructure the credit business is not carried out for the agricultural or fishery cooperative in financial difficulties pertaining thereto and the agricultural or fishery cooperative in financial difficulties ceases all its business or is dissolved, it is likely to cause considerable detriment to the smooth supply and request of funds and convenience of consumers in the region or fields in which the relevant agricultural or fishery cooperative in financial difficulties conducts its credit business; and

(iv) financial assistance provided by the SIC (in the case of financial assistance under Article 62, paragraph (1), the assistance prescribed in that paragraph pertaining to the financial assistance; in the case of financial assistance under paragraph (1) of the preceding Article, the services prescribed in that paragraph pertaining to the financial assistance; the same applies in paragraph (1) of the following Article) survives as a result of a merger, or it is deemed certain that the financial assistance will be utilized for the sound and appropriate operation of the business pertaining to the credit business of an agricultural or fishery cooperative that survives as a result of a merger, an agricultural or fishery cooperative that transfers the whole or a part of its credit business, an agricultural or fishery cooperative that receives transfer of insured savings, or an agricultural or fishery cooperative in financial difficulties related to the measures to restructure the credit business.

(5) A prefectural governor must obtain the approval of the competent minister when the governor gives the certification set forth in paragraph (1) or paragraph (2).

(6) When the competent minister grants the certification set forth in paragraph (1) to an agricultural or fishery cooperative pertaining to the supervision of a prefectural governor, the competent minister must consult with the prefectural governor.

(7) In granting the certification set forth in paragraph (1), the prefectural governor must clarify which of the agricultural or fishery cooperative pertaining to the certification is an agricultural or fishery cooperative in financial difficulties.

(8) When a prefectural governor or the competent minister has given a certification under paragraph (1) or (2), the governor must notify the SIC to that effect.

(Mediation of Mergers)

Article 64 (1) Even in cases where no application is being made under paragraph (3) of the preceding Article pertaining to the certification set forth in paragraph (1) of that Article, if the prefectural governor finds that an agricultural or fishery cooperative falls under the category of an agricultural or fishery cooperative in financial difficulties, and the relevant agricultural or fishery cooperative in financial difficulties satisfies the requirements specified in paragraph (4), item (iii) of the preceding Article, the prefectural governor, may provide measures for mediation in writing with regard to the merger, etc. (limited to cases where the merger, etc. falls under the requirements specified in item (i) of the paragraph and the financial assistance by the SIC falls under the requirements specified in items (ii) and (iv) of that paragraph) for the relevant agricultural or fishery cooperative in financial difficulties and another agricultural or fishery cooperative.

(2) The agricultural or fishery cooperative prescribed in the preceding paragraph that underwent the mediation under the preceding paragraph, notwithstanding the provisions of paragraph (1) of the preceding Article, may make an application under Article 61, paragraph (1) or Article 61-2, paragraph (1).

(3) A federation of agricultural or fishery cooperatives, etc., which loans funds or provides other assistance with respect to a merger, etc. to another agricultural or fishery cooperative set forth in paragraph (1) that underwent the mediation under the same paragraph, notwithstanding the provisions of paragraph (1) of the preceding Article, may make an application under Article 62, paragraph (1).

(4) In the event that the designated support corporation performs the services provided in Article 33 of the Restructuring and Enhancement Act with respect to a merger, etc. to another agricultural or fishery cooperative under the same paragraph which underwent the mediation under paragraph (1), that designated support corporation notwithstanding the provisions of paragraph (1) of the preceding Article, may make an application under Article 62-2, paragraph (1).

(5) The provisions of paragraphs (5) through (8) of the preceding Article apply mutatis mutandis to cases where the mediation is conducted under paragraph (1).

(6) A prefectural governor, when finding it necessary for conducting mediation set forth in paragraph (1), within the limit of that necessity, may deliver material related to the status of business and assets of an agricultural or fishery cooperative in financial difficulties or an agricultural or fishery cooperative recognized as having a high probability of becoming the agricultural or fishery cooperative in financial difficulties to another agricultural or fishery cooperative and make any other preparations for the relevant mediation.

(7) A prefectural governor may request necessary cooperation from the SIC for the mediation under paragraph (1) or preparations under the preceding paragraph.

(Financial Assistance)

Article 65 (1) Upon receiving an application under Article 61, paragraph (1), Article 61-2, paragraph (1), Article 62, paragraph (1) or Article 62-2, paragraph (1), the SIC, following a resolution of the committee, must decide whether to grant the financial assistance to the agricultural or fishery cooperative or designated support corporation that has made the application or to an agricultural or fishery cooperative to be established through a merger without delay.

(2) When making a decision under the preceding paragraph, the committee must take into consideration the financial conditions of the SIC, expected costs (including expenses expected to be required for the smooth implementation of the merger, etc.) required for the financial assistance in relation to the relevant decision, and expected costs required for the payment of insurance proceeds with respect to an insured event of the agricultural or fishery cooperative in financial difficulties in relation to the relevant financial assistance, and give due consideration to the efficient use of the SIC's assets.

(3) In the case of the total abolition or dissolution of the business pertaining to the credit business without mergers, etc. or measures to restructure the credit business with respect to an agricultural or fishery cooperative in financial difficulties (limited to that is a federation of agricultural or fishery cooperatives), if it is recognized that there is a possibility that a Class I insurance accident pertaining to the agricultural or fishery cooperative which is a member of the agricultural or fishery cooperative in financial difficulties may occur, the expenses expected to be required for the payment of insurance proceeds for relevant Class I insurance accident are deemed to be the expected costs required for the payment of insurance proceeds prescribed in the preceding paragraph.

(4) When the SIC intends to make a decision pursuant to the provisions of paragraph (1), it must obtain the authorization of the competent minister.

(5) Upon making a decision as prescribed in paragraph (1) pertaining to a merger, etc. or measures to restructure the credit business to which an agricultural or fishery cooperative under the supervision of a prefectural governor is a party, the SIC must immediately report the particulars pertaining to the decision to the prefectural governor.

(6) In the event that the SIC has made a decision to provide financial assistance pursuant to paragraph (1), it is to conclude an agreement with respect to the financial assistance for an agricultural or fishery cooperative or designated support corporation and the relevant agricultural or fishery cooperative or the relevant designated support corporation or the agricultural or fishery cooperative to be established as a result of a merger that has made an application for financial assistance pursuant to Article 61, paragraph (1), Article 61-2, paragraph (1), Article 62, paragraph (1) or Article 62-2, paragraph (1).

(7) When the financial assistance in relation to the contract prescribed in the preceding paragraph includes the collateralization of damage, the agricultural or fishery cooperative in relation to the relevant contract is to stipulate therein that, if profits are accrued with respect to loan claims in relation to the collateralization of damage, it is to pay part of the relevant profits to the SIC.

(Financial Assistance Regarding Subscription for Preferred Equity Investment)

Article 65-2 (1) When an application is made under Article 61, paragraph (1) for the subscription for preferred equity investment, etc., the assuming agricultural or fishery cooperative in relation to the relevant application must submit to the SIC a plan setting forth the plan as measures specified by Cabinet Order to ensure sound financial conditions, etc. at the time of making the application under the provisions of the relevant paragraph.

(2) When a resolution made under paragraph (1) of the preceding Article relates to an application for the subscription for preferred equity investment, etc. the committee may adopt a resolution to the effect to carry out the relevant subscription for preferred equity investment, etc. unless in light of the adequacy of equity capital of the assuming agricultural or fishery cooperative in relation to the relevant application, the relevant subscription for preferred shares, etc. exceed the scope necessary for the smooth implementation of the relevant merger, etc. and only if conforms to other standards prescribed and issued by the competent minister.

(3) In the event that an application is made under Article 61, paragraph (1) for the subscription for preferred equity investment, etc., if the SIC intends to make a decision to provide the financial assistance, following a resolution prescribed in the preceding paragraph, it must obtain prior approval from the competent minister.

(4) Until the SIC disposes or receives repayment of all acquired preferred equity investment by subscription for preferred equity investment etc. or loan claims made based on the decision set forth in paragraph (1) of the preceding Article, the SIC may request assuming agricultural or fishery cooperative relating to the relevant preferred equity investment or loan claims to report the status of implementation of the plan that was submitted under the provisions of paragraph (1) and make the report public.

(Reporting of Agreements for Mergers or Measures to Restructure the Credit Business)

Article 66 (1) Upon concluding an agreement for merger, etc. in relation to the certification of eligibility, etc., or an agreement for assistance pertaining to the measures to restructure the credit business (hereinafter referred to as "specified assistance" in this paragraph) pertaining to the certification of eligibility, etc., an agricultural or fishery cooperative that has received the certification under Article 63, paragraph (1) or paragraph (2) or the mediation under Article 64, paragraph (1) (hereinafter referred to as "certification of eligibility, etc.") must immediately report to that effect to the prefectural governor or the competent minister who confirmed the eligibility and submit the contract for merger, etc. or specified assistance (in the case of an assuming agricultural or fishery cooperative which has concluded an agreement with SIC under Article 65, paragraph 6, the contract for the merger, etc. and a document describing the contents of the agreement under that paragraph, and in the case of a federation of agricultural or fishery cooperatives, etc. which has concluded an agreement with SIC under that paragraph, the contract for the specified assistance and a document describing the contents of the agreement under the paragraph).

(2) When a prefectural governor receives a report as prescribed in the preceding paragraph, the governor must report this to the competent minister and send a copy of the contract or document set forth in the paragraph.

(Reporting of Resolutions of Meetings)

Article 67 (1) In the event that an agricultural or fishery cooperative which has obtained the certification of eligibility, etc. obtains or fails to obtain the necessary number of affirmative votes in the resolution of the general meeting or the general meeting of representatives required for the merger, etc. pertaining to the relevant certification of eligibility, etc. pursuant to the provisions of the Agricultural Cooperatives Act, the Fishery Cooperatives Act, the Restructuring and Strengthening Act, or the articles of incorporation, it must immediately report to the prefectural governor (in the case of an agricultural or fishery cooperative under the supervision of the competent minister, the competent minister; the same applies in the following paragraph) to that effect, must submit the minutes of the general meeting or general meeting of representatives and other documents specified by Cabinet Order (including those prepared in the form of an electronic or magnetic record (meaning a record created by an electronic method, a magnetic method, or any other method that cannot be recognized by human perception and that is specified by order of the competent ministry as being used for information processing by computer)) and, at the same time, must notify the SIC to that effect.

(2) In the event that an agricultural or fishery cooperative which has obtained the certification of eligibility, etc. set forth in the preceding paragraph attempts to credit a business transfer, etc. by obtaining permission from a court in lieu of a resolution of the general meeting or the general meeting of representatives pursuant to the provisions of Article 94 paragraph (1) of the Act or Article 8, paragraph (1) of the Act on Special Provisions for Rehabilitation Proceedings of Agricultural and Fishery Cooperatives, and fails to obtain the permission, it must immediately report to that effect to the prefectural governor and also notify the SIC to that effect.

(3) When a prefectural governor receives a report as prescribed in the preceding two paragraphs, the governor must report this to the competent minister.

(Special Provisions for Continuation of Business pertaining to The Norinchukin Bank)

Article 68 (1) In the event that The Norinchukin Bank that has received certification of eligibility, etc. has, through a merger in relation to the relevant certification of eligibility, etc., succeeded to the rights and obligations in relation to a contract belonging to any business affairs that are prohibited from carrying out or being restricted by the Norinchukin Bank Act or other laws and regulations concerning the business of The Norinchukin Bank, The Norinchukin Bank may continue to conduct the business concerning the contract until the period of contract expires, if the contract prescribes a period, and for a period limited to two years from the date of succession, if the contract does not prescribe a period.

(2) The Norinchukin Bank that has received certification of eligibility, etc., in the event that there are special circumstances in light of the convenience of the users of the business in relation to the contract prescribed in the preceding paragraph, etc., may prepare a plan as to how the relevant business is to be concluded within a specified period of time, and if the relevant plan is approved by the competent minister, may continue the relevant business affairs in accordance with the relevant plan and within a scope not exceeding the total amount of the relevant contract as of the date of the merger, etc. by renewing the contract following the expiration of the period prescribed in the preceding paragraph or beyond the period prescribed in the preceding paragraph.

(3) The provisions of Article 19, paragraphs (2) through (4) inclusive of the Restructuring and Enhancement Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Restructuring and Enhancement Act ) do not apply to The Norinchukin Bank which has obtained certification of eligibility, etc.

(Additional Financial Assistance)

Article 69 (1) In the event that, after the merger, etc. pertaining to the financial assistance, an application for additional financial assistance is received from the assuming agricultural or fishery cooperative pertaining to the financial assistance or the agricultural or fishery cooperative established by the merger pertaining to the financial assistance, when it finds it necessary, the SIC may provide the additional financial assistance (referred to as "additional financial assistance" in paragraph (4)) to the agricultural or fishery cooperative that has made the relevant application.

(2) The purchase of assets in relation to the application under the preceding paragraph will be conducted with respect to assets of the agricultural or fishery cooperative in financial difficulties in relation to a merger, etc. (limited to the transfer of business, etc. specified in Article 61, paragraph (2), item (iii) in which an agricultural or fishery cooperative in financial difficulties transfers part of its business to another agricultural or fishery cooperative, the transfer of insured savings; hereinafter the same applies in this paragraph and paragraph (4)) or assets prescribed in each of the following items according to the category of merger, etc. or credit business transfer, etc. specified in each of the following item, and the assuming agricultural or fishery cooperative in relation to a merger, etc., if the financial assistance in relation to the application under provisions of the preceding paragraph includes the purchase of assets of an agricultural or fishery cooperative in financial difficulties in relation to the merger, etc., is to apply to the SIC for the purchase of the relevant assets in the joint names with the relevant agricultural or fishery cooperative in financial difficulties:

(i) a merger specified in Article 61, paragraph (2), item (i): the assets of the agricultural or fishery cooperative surviving through the merger (limited to those that were the assets of the agricultural or fishery cooperative in financial difficulties prior to the merger);

(ii) a merger specified in Article 61, paragraph (2), item (ii): the assets of the agricultural or fishery cooperative established by the merger (limited to those that were the assets of the agricultural or fishery cooperative in financial difficulties prior to the merger); and

(iii) a transfer of credit business, etc. specified in Article 61, paragraph (2), item (iii): the assets of other agricultural or fishery cooperative prescribed in that Article that have been received through the transfer of credit business, etc.

(3) The mortgage of damage in relation to the application under paragraph (1) will be conducted with respect to loan claims that are the assets prescribed in each item according to the category of a merger or the transfer of credit business, etc. specified in each item of the preceding paragraph.

(4) The provisions of Article 61, paragraph (6), Article 65 and Article 65-2 apply mutatis mutandis to the application pursuant to the provisions of paragraph (1) or paragraph (2); the provisions of Article 61-2 apply mutatis mutandis to the assuming agricultural or fishery cooperative which conducted a merger, etc. pertaining to the financial assistance; and the provisions of the preceding Article apply mutatis mutandis to the additional financial assistance. In this case, the term "and expected costs for the payment of insurance proceeds with respect to an insured event of the agricultural or fishery cooperative in financial difficulties in relation to the relevant financial assistance" in Article 65, paragraph (2) is replaced with "and expected costs of the financial assistance in relation to the decision of the committee made prior to the relevant decision with respect to the agricultural or fishery cooperative in financial difficulties in relation to the relevant financial assistance and expected costs for the payment of insurance proceeds with respect to an insured event of the agricultural or fishery cooperative in financial difficulties", and any other necessary technical replacement of terms are specified by Cabinet Order.

Chapter III-2 Protection of Creditors Concerning Settlement of Funds

(Protection of Settlement Obligations)

Article 69-2 (1) With regard to obligations borne by an agricultural or fishery cooperative with regard to exchange transactions and other transactions specified by Cabinet Order as transactions in relation to the settlement of funds undertaken by an agricultural or fishery cooperative (excluding those for which payment is made in a foreign currency, and limited to those resulting from entrustment by an agricultural or fishery cooperative and by other persons that engage in financial business other than persons specified by order of the competent ministry and to those specified by Cabinet Order; hereinafter referred to as "settlement obligations"), other than those that is extinguished if there is refund of the covered savings for settlement (hereinafter referred to as "specified settlement obligations"), the specified settlement obligations are deemed to be obligations in relation to the covered savings for settlement, claims in relation to the specified settlement obligations are deemed to be claims in relation to the covered savings for settlement, creditors in relation to the specified settlement obligations are deemed to be the depositors, etc., the amount of the specified settlement obligations is deemed to be the amount of the covered savings for settlement, and the repayment of the specified settlement obligations is deemed to be refunding the covered savings for settlement, for the purpose of applying the provisions of this Act (excluding Article 60-2, this Chapter, Article 73, and Article 111 and penal provisions pertaining thereto). In this case, the term "insurance premiums in relation to savings that satisfy all of the following requirements (excluding foreign currency savings and other savings specified by Cabinet Order; hereinafter referred to as "savings for settlement purposes")" in Article 51-2, paragraph (1) is replaced with "insurance premiums in relation to the specified settlement obligations", the term "insurance proceeds in relation to the savings for settlement purposes (excluding those held under the name of another person and other savings for settlement purposes specified by Cabinet Order; hereinafter referred to as "covered savings for settlement")" in Article 56-2, paragraph (1) is replaced with "insurance proceeds in relation to the specified settlement obligations", and the term "the amount of principal ... of" is replaced with "the amount ... of", the term "the covered savings for settlement held thereby" in paragraph (2) of the Article is replaced with "the claims in relation to the specified settlement obligations held thereby", the term "savings, etc." in Article 57-2, paragraph (4) is replaced with "specified settlement obligations", and the term "covered savings, etc." in Article 60-3, paragraph (1) is replaced with "specified settlement obligations".

(2) Where the settlement obligations will be extinguished if there is refund of the general savings, etc., the general savings, etc. whose amount is equivalent to the amount of the relevant settlement obligations are deemed to be the savings for settlement purposes.

(Lending of Funds for the Repayment of Settlement Obligations)

Article 69-3 (1) In the event that the SIC receives from any of the following persons an application for a loan of funds necessary for the repayment of the settlement obligations (limited to those conducted with respect to covered saving for settlement or specified settlement obligations corresponding to the amount of insurance proceeds calculated pursuant to the provisions of Article 56, paragraph (3) as applied mutatis mutandis pursuant to Article 56-2, paragraph (1) and paragraph (2) of the same Article), the SIC, when it finds it necessary, and following a resolution of the committee, may decide to make a loan in relation to the relevant application up to the total amount of insurance proceeds calculated under the provisions of Article 56-2, paragraph (1) and Article 56, paragraph (3) as applied mutatis mutandis pursuant to the Article, paragraph (2) in relation to the relevant settlement obligation:

(i) an agricultural or fishery cooperative that has become subject to an order to manage under the provisions of Article 83, paragraph (1) or (2);

(ii) a person that has become subject to a ruling for the commencement of bankruptcy proceedings (limited to a person that was an agricultural or fishery cooperative prior to becoming subject to the relevant ruling for the commencement of bankruptcy proceedings);

(iii) an agricultural or fishery cooperative in financial difficulties that has become subject to an order to manage by a temporary administrator under the provisions of Article 91, paragraph (1) of the Bankruptcy Act;

(iv) an agricultural or fishery cooperative in financial difficulties that has become subject to an order to manage by a trustee under the provisions of Article 64, paragraph (1) of the Civil Rehabilitation Act (Act No. 225 of 1999); or

(v) an agricultural or fishery cooperative in financial difficulties that has become subject to an order to manage by a temporary administrator under Article 79, paragraph (1) of the Civil Rehabilitation Act.

(2) The provisions of Article 65, paragraph (4) apply mutatis mutandis to the cases where a decision is made under the preceding paragraph, the provisions of paragraph (5) of the Article apply mutatis mutandis to the cases where a decision is made under the preceding paragraph, and the provisions of paragraph (6) of the Article apply mutatis mutandis to the cases where the decision to provide a loan is made pursuant to the provisions of the preceding paragraph. In this case, the term "pertaining to a merger, etc. or measures to restructure the credit business to which ... is a party" in Article 64, paragraph (5) is replaced with "pertaining to".

(3) The loan provided under paragraph (1) to a person specified in each of the following items, in relation to creditors other than the SIC in bankruptcy proceedings or rehabilitation proceedings in relation to the relevant agricultural or fishery cooperative, is deemed to be provided prior to the decision prescribed in each respective item:

(i) a person specified in paragraph (1), item (ii): the decision of the commencement of bankruptcy proceedings; and

(ii) an agricultural or fishery cooperative in financial difficulties that has received the decision of the commencement of rehabilitation proceedings: the decision of the commencement of the rehabilitation proceedings.

(4) The expected costs of the loan of funds provided pursuant to a decision under paragraph (1) will be deemed to be the expected costs of the financial assistance prescribed in Article 65, paragraph (2) with respect to the application of that paragraph.

(5) The person specified in paragraph (1), item (ii) is deemed to be an agricultural or fishery cooperative for the purpose of the application of this Act in relation to the loan prescribed in the paragraph.

(Special Provisions of the Bankruptcy Act Regarding Settlement Obligations)

Article 69-4 (1) In the event that an agricultural or fishery cooperative that owes the settlement obligations and settlement creditors (meaning other agricultural or fishery cooperative and other financial institutions (including other persons that have acquired from relevant agricultural or fishery cooperative and other financial institutions the claims in relation to the relevant settlement obligations or assumed the relevant other settlement obligations) that hold claims in relation to the relevant settlement obligations and also owe other settlement obligations to the relevant financial institution (including other persons that have acquired from the relevant other financial institutions the claims in relation to the relevant settlement obligations or assumed the relevant other settlement obligations); hereinafter the same applies in this paragraph) have, prior to the occurrence of an insured event in relation to the relevant agricultural or fishery cooperative, concluded a contract, under which the whole or part of the settlement obligations owed to each other will be extinguished by way of continuous set-off thereof, if the settlement obligations subject to the relevant contract arose after the relevant agricultural or fishery cooperative's insolvency, etc. (meaning insolvency (meaning the condition in which the relevant agricultural or fishery cooperative, due to the lack of ability to pay, is generally and continuously unable to pay its debts as they become due), suspension of payments, or a petition for the commencement of bankruptcy proceedings, commencement of rehabilitation proceedings; hereinafter the same applies in this paragraph) and there has been a decision in relation to the relevant agricultural or fishery cooperative for the provisions of a loan under paragraph (1) of the preceding Article (including cases where it is applied mutatis mutandis pursuant to Article 111), notwithstanding the provisions of Article 71 and Article 72 of the Bankruptcy Act, and Article 93 and Article 93-2 of the Civil Rehabilitation Act, the relevant settlement creditors may set off the settlement obligations specified in the following items that are owed by the relevant agricultural or fishery cooperative in relation to claims held by the creditors against the settlement obligations owed by the creditors prescribed in the item:

(i) the settlement obligations that arose prior to the insolvency, etc.: the settlement obligations owed to the relevant agricultural or fishery cooperative (excluding those based on a cause that arose prior to the relevant insolvency, etc.) that arose between the time of the insolvency, etc. and the decision of the commencement of bankruptcy proceedings or the decision of the commencement of rehabilitation proceedings (hereinafter referred to as "the decision of commencement of bankruptcy proceedings, etc." in this item) in relation to the relevant insolvency, etc., or the settlement obligations owed to the relevant agricultural or fishery cooperative that arose after the decision of commencement of bankruptcy proceedings, etc.; and

(ii) the settlement obligations that arose after the relevant insolvency, etc.: the settlement obligations owed to the relevant agricultural or fishery cooperative.

(2) The provisions of Article 653 of the Civil Code (Act No. 89 of 1896) do not apply to a consignment contract concluded by the relevant agricultural or fishery cooperative in relation to the settlement obligations.

Chapter IV Purchase of Savings and Other Claims

(Purchase of Savings and Other Claims)

Article 70 (1) In the cases specified in each of the following items, following a resolution by the committee, the SIC may decide to purchase savings, etc. and other claims (meaning claims in relation to the savings, etc. held by the depositors, etc. in the agricultural or fishery cooperative subject to the insured event (excluding the savings, etc. specified by Cabinet Order) that are not subject to security right; the same applies hereinafter) in relation to an insured event prescribed in each item of Article 59, paragraph (1):

(i) cases where category-one insured event has occurred and if the payment of the insurance proceeds set forth in Article 58, paragraph (1) has been decided, or it is otherwise found to be necessary for the protection of the depositors, etc.; and

(ii) cases specified in Article 59, paragraph (1), item (ii) or item (iii).

(2) The purchase under the preceding paragraph will be made within the purchase period publicly announced under Article 72, paragraph (1) or (3), upon request by the depositors, etc. that hold savings, etc. and other claims (excluding the portion acquired by the SIC as a result of a request for payment of insurance proceeds) in relation to the insured event prescribed in the preceding paragraph based on an approximate estimate of the relevant savings, etc. and other claims; provided, however, that in the event that the SIC has collected the savings, etc. and other claims in relation to the purchase, if an amount obtained by deducting the amount collected from the amount of costs specified by Cabinet Order as being required for the relevant purchase exceeds the amount equivalent to estimated proceeds payment in relation to the relevant purchase, the SIC is to pay the excess to the relevant depositors, etc.

(3) The amount of estimated proceeds payment prescribed in the preceding paragraph is calculated by deducting the amount of savings, etc. and other claims to be purchased by the SIC from the depositors, etc. the amount of interest and any other amount equivalent thereto specified by Cabinet Order corresponding to the period between the date of the insured event and the date of the relevant purchase, and multiplying the amount calculated by a rate determined by the SIC under paragraph (1) of the following Article (hereinafter referred to as "estimated proceeds payment rate").

(4) When the SIC finds that the depositors, etc. did not make a request within the purchase period prescribed in paragraph (2) due to natural disaster or any other unavoidable reason, notwithstanding the provisions of paragraph (2), the SIC may purchase savings, etc. and other claims of the relevant depositors, etc. even after the lapse of the relevant purchase period.

(Estimated Proceeds Payment Rate)

Article 71 (1) In making a decision under paragraph (1) of the preceding Article, the SIC, following a resolution of the committee, is to specify the estimated proceeds payment rate for the purchase in relation to the relevant decision and must obtain the authorization of the competent minister for the relevant decision.

(2) When making a decision on the estimated proceeds payment rate under the preceding paragraph, the committee must take into consideration, in light of the financial conditions of the agricultural or fishery cooperative in relation to the decision under paragraph (1) of the preceding Article, the expected amount of payment to be received for savings, etc. and other claims in relation to the relevant agricultural or fishery cooperative in the event that it becomes subject to bankruptcy proceedings, and must give due consideration to the efficient use of the SIC's assets.

(3) When granting the authorization set forth in paragraph (1) to an agricultural or fishery cooperative pertaining to the supervision of a prefectural governor, the competent minister must consult with the relevant prefectural governor.

(Public Notices of Purchases)

Article 72 (1) Upon receiving the authorization set forth in paragraph (1) of the preceding Article, following a resolution by the committee, the SIC must promptly specify the period, location, and method of the estimated proceeds payment in relation to the purchase of savings, etc. and other claims and other particulars specified by Cabinet Order and must give public notice thereof together with the estimated proceeds payment rate in relation to the relevant authorization.

(2) If, after giving a public notice under the provisions of preceding paragraph, there is a public notice under Article 197, paragraph (1) of the Bankruptcy Act (including cases where it is applied mutatis mutandis pursuant to Article 209, paragraph (3) of the relevant Act), the notice under the provisions of Article 118-2, paragraph (2), or any other event specified by Cabinet Order with respect to the relevant agricultural or fishery cooperative, pursuant to Cabinet Order provisions, the SIC may change the purchase period that was publicly announced under the provisions of the preceding paragraph.

(3) If the SIC has changed the payment period under the preceding paragraph, the SIC must give public notice of particulars in relation to the relevant change without delay.

(4) When making payment under the proviso to Article 70, paragraph (2), the SIC, following a resolution of the committee, must specify the amount and period of payment and other particulars specified by Cabinet Order and give public notice thereof in advance.

(5) The provisions of Article 58, paragraph (4) apply mutatis mutandis to cases where the SIC has specified the particulars prescribed in paragraph (1), changed the purchase period under paragraph (2), and specified the particulars prescribed in the preceding paragraph.

(6) The provisions of Article 59, paragraph (6) apply mutatis mutandis to the payment of the amount (hereinafter referred to as "estimated proceeds payment") equivalent to the amount of estimated proceeds pertaining to the purchase pursuant to the provisions of Article 70, paragraph (2).

(Taxation)

Article 73 (1) In the event that depositors, etc. have received the estimated proceeds payment for the savings, etc. and other claims which they hold (excluding those in relation to the Norinchukin Bank Bonds issued by means of a discount, among those specified in Article 2, paragraph (2), item (iv); hereinafter the same applies in this Article), if the amount of the relevant estimated proceeds payment (hereinafter referred to as "amount of estimated proceeds payment" in this Article) is equal to or less than the amount specified by Cabinet Order as the amount of principal of the relevant savings, etc. and other claims on the date of the relevant estimated proceeds payment (hereinafter referred to as "amount of principal on the reference date" in this Article), the amount of estimated proceeds payment will be deemed to be the amount of principal to be repaid with respect to the relevant savings, etc. and other claims, and in the event that the amount of estimated proceeds payment exceeds the amount of principal on the reference date, the portion of the relevant amount of estimated proceeds payment equivalent to the relevant amount of principal on the reference date will be deemed to be the amount of principal to be repaid with respect to the relevant savings, etc. and other claims, and the portion of the relevant amount of estimated proceeds payment that exceeds the relevant amount of principal on the reference date will be deemed to be the amount prescribed in each of the following items according to the category of the savings, etc. in relation to the relevant savings, etc. and other claims prescribed in each respective item, in applying the provisions of the Income Tax Act and other laws and regulations concerning income tax:

(i) savings: interests on the relevant savings;

(ii) installment savings: compensation money for benefits (meaning the compensation money for benefits specified in Article 174, item (iii) of the Income Tax Act) based on contracts for the relevant installment savings;

(iii) money specified in Article 2, paragraph (2), item (iii): distribution of profits under money trusts prescribed in Article 2, paragraph (2), item (iv) in relation to the relevant money; and

(iv) money specified in Article 2, paragraph (2), item (iv): interests on the Norinchukin Bank Bonds (excluding those issued by means of a discount).

(2) In the event that the depositors, etc. have received payment under the proviso to Article 70, paragraph (2), the amount of money received for savings, etc. and other claims in relation to the relevant payment (hereinafter referred to as the "amount of settlement payment" in this paragraph) is deemed to be the amount prescribed in each of the following items according to the category prescribed in the item, in applying the provisions of the Income Tax Act and other laws and regulations concerning income tax:

(i) in the event that the total amount of the amount of settlement payment and the amount of estimated proceeds payment in relation to the relevant savings, etc. and other claims (referred to as "total amount of settlement and estimated proceeds payments" in the following items) is equal to or less than the amount of principal on the reference date in relation to the relevant savings, etc. and other claims: the amount of principal to be repaid with respect to the relevant savings, etc. and other claims;

(ii) in the event that the total amount of settlement and estimated proceeds payments exceeds the amount of principal on the reference date in relation to the relevant savings, etc. and other claims, and the amount of estimated proceeds payment in relation to the relevant savings, etc. and other claims is equal to or less than the relevant amount of principal on the reference date: the amount prescribed in each of the following according to the category of amount of settlement payment specified therein:

(a) within the relevant amount of settlement payment, an amount corresponding to the balance after deducting the relevant amount of estimated proceeds payment from the relevant amount of principal on the reference date: an amount of principal to be repaid with respect to the relevant savings, etc. and other claims; and

(b) within the relevant mount of settlement payment, an amount corresponding to the balance after deducting the amount of principal on the relevant reference date from the sum of the amount of settlement payment and the amount of estimated payment: the sum of the amount specified in the relevant each item according to the category specified in each item of the preceding paragraph of savings, etc. relating to the relevant savings, etc. and other claims

(iii) in the case where the amount of the estimated payment relating to the relevant savings, etc. and other claims exceeds the principal amount on the relevant reference date relating thereto: the amount of those specified in the relevant each item according to the category specified in each item of the preceding paragraph of savings, etc. relating to the relevant savings, etc. and other claims.

(3) Special provisions of the provisions of Article 4-2 and Article 4-3 of the Act on Special Measures Concerning Taxation in the case where the provisions of the preceding two paragraphs apply, and other necessary particulars concerning the application of the provisions of the preceding two paragraphs are specified by Cabinet Order.

Chapter V Agreed Claims Collection Company

(Business Pertaining to the Agreed Claims Collection Company)

Article 74 The SIC may conclude an agreement (hereinafter referred to as the "agreement") with a claims collection company concerning collection services (meaning to manage and dispose of assets purchased under entrustment pursuant to the provisions of Article 77, paragraph (1); the same applies hereinafter) and perform the following services in order to implement that agreement:

(i) to make investment of funds necessary for the smooth implementation of collection operations as stipulated in the agreement to the claims collection company with which an agreement has been concluded (hereinafter referred to as the "agreed claims collection company");

(ii) to make up losses pursuant to the provisions of Article 78 or loaning pursuant to the provisions of Article 79, paragraph (1) to the agreed claims collection company, or guaranteeing the debt pursuant to the provisions of the paragraph pertaining to the borrowing of funds by the agreed claims collection company;

(iii) to collect money to be paid by the agreed claims collection company pursuant to the provisions of paragraph (1), item (ii) of the following Article;

(iv) to provide guidance and advice necessary for the implementation of collection operations by the agreed claims collection company;

(v) to conduct investigation necessary for the operations referred to in item (i), item (ii), or the preceding item; and

(vi) to perform businesses incidental to the businesses set forth in the preceding items.

(Agreement)

Article 75 (1) An agreement must include the following particulars:

(i) where the agreed claims collection company has received an offer from SIC for entrustment of purchase of assets pursuant to the provisions of Article 77, paragraph (1), when it has concluded an entrustment agreement with SIC pertaining to the offer, it purchases the assets pertaining to such entrustment on behalf of the SIC and conducts collection operations pertaining to the purchased assets;

(ii) each business year, the agreed claims collection company pays to the SIC an amount equivalent to the amount of profit, if any, calculated pursuant to the provisions of Cabinet Order as the amount of profit arising from the business pursuant to the provisions of the agreement;

(iii) when the agreed claims collection company intends to conclude an agreement on the purchase of assets pursuant to the provisions of item (i) or an agreement on the borrowing of funds subject to the guarantee of debts prescribed in Article 79, paragraph (1), it obtains approval from the SIC in advance for the content of the agreement that it intends to conclude;

(iv) when the agreed claims collection company has conducted the purchase of assets pursuant to the provisions of item (i), it promptly prepares an implementation plan and a funding plan for collection operations pertaining to the purchase of assets, and obtains approval from the SIC;

(v) when the agreed claims collection company intends to change the implementation plan or the fund plan set forth in the preceding item, it obtains approval from the SIC in advance;

(vi) when the agreed claims collection company intends to submit a business report to the Minister of Justice pursuant to the provisions of Article 21 of the Act on Special Measures Concerning Claim Management and Collection Businesses, the company also submits this report to the SIC; and

(vii) when an obstacle arises in the implementation of collection operations pursuant to the provisions of the agreement, the agreed claims collection company promptly reports to the SIC in order to receive guidance or advice therefrom.

(2) When the SIC intends to conclude an agreement, it must determine the details of the agreement and obtain the authorization of the competent minister following a resolution of the committee.

(3) Where an application for the authorization set forth in the preceding paragraph is filed, the competent minister must not grant the authorization unless the minister finds that the details of the agreement pertaining to the application conform to the provisions of laws and regulations and that the claims collection company that intends to conclude an agreement with the SIC will be able to conduct collection operations appropriately in accordance with the provisions of the agreement.

(Investment)

Article 76 When the SIC intends to make a capital contribution as prescribed in Article 74, item (i), it must determine the amount to be contributed through a resolution of the committee and obtain the authorization of the competent minister.

(Entrustment of Purchase of Assets)

Article 77 (1) The SIC may entrust an agreed claims collection company to purchase assets on behalf of the SIC in the following cases:

(i) when making a decision to provide financial assistance including purchase of assets pursuant to the provisions of Article 65, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 69, paragraph (4)); and

(ii) when making a decision to purchase the assets of The Norinchukin Bank pursuant to the provisions of Article 112-2, paragraph (3).

(2) When making an offer of entrustment pursuant to the provisions of the preceding paragraph, the SIC, through a resolution of the committee, is to determine the price of the purchase of the assets relating to the decision set forth in the items of the paragraph, the compensation for losses prescribed in the following Article, and other conditions concerning the entrustment, and present them to the agreed claims collection company.

(3) When the SIC has concluded an agreement with an agreed claims collection company concerning the entrustment of the purchase of assets pursuant to the provisions of paragraph (1), it must immediately report the details of the agreement to the competent minister.

(4) When the SIC concluded a contract on the entrustment set forth in the preceding paragraph with an agreed claims collection company, the agreed claims collection company, notwithstanding the provisions of Article 65, paragraph (6) (including the cases where it is applied mutatis mutandis pursuant to Article 69, paragraph (4)) and Article 112-2, paragraph (5), is to conclude an agreement on the purchase of assets with the agricultural or fishery cooperative holding the asset (meaning an agricultural or fishery cooperative in financial difficulties, an agricultural or fishery cooperative that has acquired the assets of an agricultural or fishery cooperative in financial difficulties through merger, etc., or The Norinchukin Bank relating to the designation of special monitoring prescribed in Article 110-3 paragraph (2), that holds the assets; the same applies in the following paragraph).

(5) When an agreed claims collection company concludes an agreement of the paragraph with the agricultural or fishery cooperative holding the asset (limited to an agricultural or fishery cooperative in financial difficulties or an agricultural or fishery cooperative that has acquired the assets of an agricultural or fishery cooperative in financial difficulties through a merger, etc.) pursuant to the provisions of the preceding paragraph, the SIC is deemed to have concluded the contract with the agricultural or fishery cooperative holding that asset pursuant to the provisions of Article 65, paragraph (6) for the purpose of applying the provisions of Article 66 paragraph (1).

(Compensation for Loss)

Article 78 The SIC may compensate the agreed claims collection company for the loss within the scope of the amount calculated pursuant to the provisions of Cabinet Order as the amount of losses caused to the agreed claims collection company as a result of the implementation of the services pursuant to the provisions of the agreement.

(Loan of Funds and Guarantee of Obligations)

Article 79 (1) In the event that the SIC has received an application from an agreed claims collection company for a loan of funds required for the purchase of assets as stipulated in the agreement and other funds required for the smooth implementation of collection operations as stipulated in the agreement or for a guarantee of obligations pertaining to the borrowing of such funds by the agreed claims collection company, if it finds it necessary, the SIC may provide the loan or guarantee of obligations, following a resolution by the committee.

(2) When the SIC has concluded a contract with the agreed claims collection company under the preceding paragraph relating to a loan or guarantee of obligations prescribed therein, the SIC must immediately report the details of the contract to the competent minister.

(Mediation of Accommodating Funds)

Article 80 The SIC is to endeavor to mediate the accommodating funds necessary for the smooth implementation of collection operations by the agreed claims collection company pursuant to the provisions of the agreement.

Article 81 Deletion

(Requests for Reports)

Article 82 The SIC, when it finds it necessary for carrying out the operations prescribed in Article 74, may request the agreed claims collection company to report on the implementation of the agreement or financial conditions in connection therewith.

Chapter VI Management by Administrators

(Disposition Ordering to Manage Business and Assets)

Article 83 (1) In the case where a prefectural governor (in the case where the agricultural or fishery cooperative pertaining to the order as prescribed in this paragraph is under the supervision of the competent minister, the competent minister; the same applies in the following paragraph, paragraph (4) (including cases where it is applied mutatis mutandis pursuant to paragraph (2) of the following Article), paragraph (5), paragraph (1) of the Article, Article 85, paragraphs (2) through (4), Article 87, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 87, paragraph (3)), Article 88, Article 92, paragraph (1), and Article 96) finds that an agricultural or fishery cooperative is unable to satisfy its obligations in full with its assets, or that, in light of the status of its business or assets, an agricultural or fishery cooperative is likely to suspend refund of savings, etc. or an agricultural or fishery cooperative has suspended refund of savings, etc., and that any of the following requirements is satisfied, the prefectural governor may order that the business and assets of the relevant agricultural or fishery cooperative be placed under the management of an administrator (hereinafter referred to as "disposition ordering to manage"):

(i) the operation of business of the relevant agricultural or fishery cooperative (in the case of persons set forth in Article 2, paragraph (1), item (i), item (iii), and item (v), limited to those pertaining to credit business; the same applies in the following item) is particularly inappropriate; or

(ii) if a merger, etc. is not carried out for the relevant agricultural or fishery cooperative and it discontinues all of its business or is dissolved, it is likely to cause considerable detriment to the smooth supply and demand of funds and convenience of consumers in the region or fields in which the relevant agricultural or fishery cooperative conducts its business.

(2) Upon receiving notification from an agricultural or fishery cooperative that a situation is likely to arise in which it is unable to satisfy its obligations in full with its assets, when a prefectural governor finds that the relevant situation is likely to arise and any of the requirements specified in the preceding paragraph are satisfied, the governor may issue a disposition ordering to manage to the relevant agricultural or fishery cooperative.

(3) An agricultural or fishery cooperative (in the case of persons set forth in Article 2, paragraph (1), items (i), (iii), and (v), limited to those whose management difficulties arise mainly from operations related to credit business, excluding an agricultural or fishery cooperative in financial difficulties) that has received the disposition ordering to manage is deemed to be an agricultural or fishery cooperative in financial difficulties for the purpose of the application of this Act in the cases where a disposition ordering to manage has been issued under the provisions of the preceding two paragraphs.

(4) If a prefectural governor has issued the disposition ordering to manage, the governor must give public notice thereof in the Official Gazette.

(5) If an agricultural or fishery cooperative is unable to satisfy its obligations in full with its assets or is likely to suspend the refunding of savings, etc. in light of the status of its business or assets, the cooperative must give written notification of the fact and reasons thereof to the prefectural governor.

(Rescission of Disposition Ordering to Manage)

Article 84 (1) A prefectural governor must rescind the disposition ordering to manage when the governor finds that there is no longer any need for the relevant disposition ordering to manage.

(2) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to the case referred to in the preceding paragraph.

(Appointment of Administrators)

Article 85 (1) When an disposition ordering to manage has been issued, the right to represent an agricultural or fishery cooperative under management, conduct its business, and manage and dispose of its assets will be vested exclusively in an administrator. The same applies to the rights of directors (including management committee members of agricultural cooperatives, federation of agricultural cooperatives, fishery cooperatives, federation of fishery cooperatives, and The Norinchukin Bank. The same applies hereinafter in this chapter, except for Article 94, paragraph (4)) pursuant to the provisions of Article 828, paragraphs (1) (limited to the part pertaining to item (i)) and (2) (limited to the part pertaining to item (i)) of the Companies Act (Act No. 86 of 2001) as applied mutatis mutandis pursuant to Article 63-2 of the Agricultural Cooperatives Act and Article 67-2 of the Fishery Cooperatives Act (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (4), Article 96, paragraph (4), and Article 100, paragraph (4) of the Act), the provisions of Article 828, paragraphs (1) (limited to the part pertaining to item (v)) and (2)(limited to the part pertaining to item (v)) of the Companies Act as applied mutatis mutandis pursuant to Article 50, paragraph (3) (including the cases as applied mutatis mutandis pursuant to Article 50-2, paragraph (4) and Article 50-4, paragraph (4) of the Act) of the Agricultural Cooperatives Act, Article 54, paragraph (3) (including the cases as applied mutatis mutandis pursuant to Article 54-2, paragraph (6) (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the Act), Article 54-4, paragraph (3) (including the cases as applied mutatis mutandis pursuant to Article 96, paragraph (3) of the Act), Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the Act) of the Fishery Cooperatives Act, Article 30 of the Restructuring and Enhancement Act, and Article 53, paragraph (3) of the Norinchukin Bank Act, the provision of Article 828, paragraphs (1)(limited to the part pertaining to item (vii) and item (viii)) and (2)(limited to the part pertaining to item (vii) and item (viii)) of the Companies Act as applied mutatis mutandis pursuant to Article 69 of the Agricultural Cooperatives Act, Article 73 (including the case as applied mutatis mutandis pursuant to Article 92, paragraph (5), Article 96, paragraph (5), and Article 100, paragraph (5) of the Act) of the Fishery Cooperatives Act, and Article 22, paragraph (1) of the Restructuring and Enhancement Act, and the provision of Article 831 of the Companies Act as applied mutatis mutandis pursuant to Article 47 of the Agricultural Cooperatives Act, Article 51 (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3)) of the Fishery Cooperatives Act, and Article 50 of the Norinchukin Bank Act.

(2) A prefectural governor, must appoint one or more administrators at the time of disposing ordering to manage.

(3) The prefectural governor, when finding it necessary, may appoint another administrator after the appointment of an administrator under the preceding paragraph, or, when finding that the administrator has failed to properly manage the business and assets of the agricultural or fishery cooperative under management, may dismiss the administrator.

(4) The prefectural governor, if they have appointed an administrator under the preceding two paragraphs or dismissed the person under the preceding paragraph, must notify the agricultural or fishery cooperative under management to that effect and must give public notice thereof in the Official Gazette.

(5) The provisions of Article 60, Article 61, paragraph (1), Article 70, and Article 71 of the Civil Rehabilitation Act apply mutatis mutandis to an administrator, and the provisions of Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations apply mutatis mutandis to an agricultural or fishery cooperative under management. In this case, the term "the court" in Article 61, paragraph (1) of the Civil Rehabilitation Act is replaced with "the prefectural governor (in the case where the agricultural or fishery cooperative under the management of that administrator is under the supervision of the competent minister, the competent minister; the same applies hereinafter)", the term " with permission of the court, they may perform their duties independently or" in the proviso to Article 70, paragraph (1) of the Act is replaced with "with the approval of the prefectural governor,", the term "trustee representatives" in Article 71, paragraph (1) of the Act is replaced with "administrator representatives," and the term "permission of the court" in paragraph (2) of the Article is replaced with "approval of the prefectural governor", and the term "representative director or other representatives" in Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations is replaced with "administrator".

(Corporations that May Be Appointed as an Administrator)

Article 86 (1) A corporation may be appointed as an administrator or an administrator representative.

(2) The SIC may be appointed as an administrator or an administrator representative and carry out the business thereof.

(3) A federation of fishery cooperatives engaged in the business set forth in Article 87, paragraph (1), item (xi) of the Fishery Cooperatives Act may conduct the business provided for in the paragraph and of the Article, paragraph (8), and become an administrator or an administrator representative in addition to conducting its business.

(4) A federation of fishery processing cooperatives engaged in the business set forth in Article 97, paragraph (1), item (vii) of the Fishery Cooperatives Act may conduct the business provided for set forth in the paragraph, and become an administrator or an administrator representative in addition to conducting its business.

(Notice and Registration)

Article 87 (1) When a prefectural governor has issued the disposition ordering to manage or rescinded the disposition ordering to manage, they must immediately notify the district court which has jurisdiction over the location of the principal office of the agricultural or fishery cooperative under management to that effect, attach a transcript of the written order to a written commission, and commission its registration in the registry office which has jurisdiction over the location of the principal office of the agricultural or fishery cooperative under management.

(2) The registration under the preceding paragraph must include the name and address of an administrator.

(3) The provisions of paragraph (1) apply mutatis mutandis to cases where any changes occur to the particulars specified in the preceding paragraph.

(Submission of Reports or Materials)

Article 88 A prefectural governor, if the governor finds it necessary, may request the administrator to submit reports or materials with regard to the status of business and assets, etc. of an agricultural or fishery cooperative under management or order the administrator to prepare and submit a plan for its management and take other necessary measures.

(Investigation of Administrators)

Article 89 (1) The administrator may request directors, inspectors (in the event that the agricultural or fishery cooperative under management is a cooperative with an accounting auditor as set forth in Article 37-2, paragraph (3) of the Agricultural Cooperatives Act, a cooperative with an accounting auditor as set forth in Article 41-2, paragraph (3) (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the Act) of the Fishery Cooperatives Act (hereinafter collectively referred to as the "cooperative with an accounting auditor"), or The Norinchukin Bank, the inspector and accounting auditor and the member who should perform the duty), counselors and other employees of the agricultural or fishery cooperative under management, and persons who used to be one of these persons to report on the status of business and assets (in the case of a person who used to be one of these persons, limited to particulars that could have only been known during the period when the person was engaged in the business of the relevant agricultural or fishery cooperative under management) of the agricultural or fishery cooperative under management, or inspect books, documents, and other objects of the agricultural or fishery cooperative under management.

(2) If it is necessary for carrying out their duty, an administrator may inquire with, or request the cooperation of, government agencies, public entities, or any other person.

(Obligation of Confidentiality of Administrators)

Article 90 (1) An administrator and an administrator representative (hereinafter referred to as "administrator, etc." in this Article) must not divulge any secret which has come to their knowledge in the course of their duty. The same applies after an administrator, etc. resigns from office.

(2) If an administrator, etc. is a corporation, their officers and staff who are engaged in the duties of an administrator, etc. must not divulge any secret which has come to their knowledge in the course of their duties. The same applies after the relevant officers or staff members are no longer engaged in the duties of an administrator, etc..

(Measures to Clarify the Management Responsibility of Directors of the Agricultural or Fishery Cooperative under Management)

Article 91 (1) An administrator, in order to have a director, or inspector of an agricultural or fishery cooperative under management (an inspector, or accounting auditor in the event that the agricultural or fishery cooperative is a cooperative with an accounting auditor or The Norinchukin Bank; the same applies in Article 94) or a person who used to be one of these persons perform civil responsibilities based on a breach of obligations in the course of duties, must file an action or take other necessary measures.

(2) An administrator, if when by carrying out their duties they believe that an offense has been committed, must take necessary measures toward filing an accusation.

(Transactions between an Administrator and an Agricultural or Fishery Cooperative Under Management)

Article 92 (1) An administrator must obtain approval from the prefectural governor when carrying out, for themselves or for a third party, any transaction with an agricultural or fishery cooperative under management. In this case, Article 108 of the Civil Code does not apply.

(2) An act will be null and void if the approval set forth in the preceding paragraph has not been obtained; provided, however, that it may not be duly asserted against a third party without knowledge of the requirement to obtain the approval.

(Special Provisions on Special Resolutions of General Meetings)

Article 93 (1) Resolutions of an agricultural or fishery cooperative under management pursuant to the provisions of Article 46 of the Agricultural Cooperatives Act (including the cases as applied mutatis mutandis pursuant to Article 48, paragraph (7) of the Act and Article 9, paragraph (4) of the Restructuring and Enhancement Act (including the case as applied mutatis mutandis pursuant to Article 25, paragraph (2) of the Restructuring and Enhancement Act) of the Restructuring and Enhancement Act), Article 50 of the Fishery Cooperatives Act (including the cases as applied mutatis mutandis pursuant to Article 52, paragraph (6) (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act), Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the Act and Article 9, paragraph (4) of the Restructuring and Enhancement Act (including the case where it is applied mutatis mutandis pursuant to Article 25, paragraph (2) of the Act)), and Article 49, paragraph (1) of the Norinchukin Bank Act (including the case as applied mutatis mutandis pursuant to Article 51, paragraph (2) of the same Act), notwithstanding these provisions, may be made provisionally by two-thirds or more of the votes held by cooperative members, members or representatives (referred to as "cooperative members, etc." in the following paragraph) present.

(2) If a resolution is provisionally made under the preceding paragraph (hereinafter referred to as "provisional resolution" in this Article), the agricultural or fishery cooperative under management must notify its cooperative members, etc. of the purpose of the relevant provisional resolution and must call a subsequent general meeting or member representatives meeting within one month from the date of adoption of the relevant provisional resolution.

(3) If a provisional resolution is approved by a majority as prescribed in paragraph (1) at a general meeting or a member representatives meeting under the preceding paragraph, a resolution in relation to the matters of the relevant provisional resolution, etc. is deemed to have existed when the relevant approval was given.

(Permission in Lieu of Special Resolution at a General Meeting)

Article 94 (1) In the event that an agricultural or fishery cooperative under management is unable to satisfy its obligations in full with its assets, notwithstanding the provisions of Article 46 of the Agricultural Cooperatives Act (including the case where it is applied mutatis mutandis pursuant to Article 9, paragraph (4) of the Restructuring and Enhancement Act as applied mutatis mutandis pursuant to Article 25, paragraph (2) of the Restructuring and Enhancement Act) and Article 50-2, paragraph (1) of the Agricultural Cooperatives Act, the provisions of Article 50 of the Fishery Cooperatives Act (including cases where the provisions are applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) of the Act, and Article 9, paragraph (4) of the Restructuring and Enhancement Act as applied mutatis mutandis pursuant to Article 25, paragraph (2) of the Restructuring and Enhancement Act) and Article 54-2 paragraph (1) of the Fishery Cooperatives Act (including the cases where the provisions are applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the Act), the provisions of Article 45 paragraph (1) of the Agricultural Cooperatives Act and Article 49, paragraph (1) of the Fishery Cooperatives Act (including cases where the provisions are applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3)) as applied mutatis mutandis pursuant to Article 26, paragraph (3) of the Restructuring and Enhancement Act, and the provisions of Article 49, paragraph (1) of the Norinchukin Bank Act, the cooperative may carry out the following particulars (in the case of a person specified in Article 2, paragraph (1), item (i), item (iii) or item (v), limited to the particulars specified in item (ii)) with the permission of the court.

(i) dissolution; and

(ii) transfer of credit business.

(2) An administrator, notwithstanding the provisions of Article 34, paragraphs (7) through (9) of the Agricultural Cooperatives Act, Article 339 of the Companies Act and Article 38 of the Agricultural Cooperatives Act as applied mutatis mutandis pursuant to Article 37-3, paragraph (1) of the Act, Article 38, paragraphs (7) through (9) of the Fishery Cooperatives Act (including the cases where these provisions are applied mutatis mutandis under Article 92, paragraph (3) of the same Act), Article 339 of the Companies Act and Article 42 of the Fishery Cooperatives Act (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act), as applied mutatis mutandis pursuant to Article 41-3, paragraph (1) of the Act (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act), and Article 38 and Article 38-2, paragraph (1)of the Norinchukin Bank Act, the directors or inspectors of an agricultural or fishery cooperative under management may be dismissed with the permission of the court.

(3) In the event that the administrator intends to dismiss the directors or inspectors of the agricultural or fishery cooperative under management pursuant to the provisions of the preceding paragraph, and if the number of directors or inspectors fails to meet the number prescribed by an Act or by the articles of incorporation, an administrator may appoint a director or inspector of the agricultural or fishery cooperative under management with permission from the court, notwithstanding the provisions of Article 30, paragraphs (4) and (10), Article 30-2, paragraph (6) of the Agricultural Cooperatives Act, Article 329, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 37-3, paragraph (1) of the Act, Article 34, paragraphs (4) and (9) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act) of the Fishery Cooperatives Act, Article 34-2, paragraph (5) (including the case where it is applied mutatis mutandis pursuant to Article 92, paragraph (3) of the same Act) of the Act and Article 329, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 41-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the Act) of the Act, and Article 22, paragraph (1), Article 23, paragraph (1), Article 24, paragraph (1), and Article 24-2, paragraph (1) of the Norinchukin Bank Act. In this case, the provisions of Article 30, paragraphs (11) through (14) of the Agricultural Cooperatives Act, Article 34, paragraphs (10) of the Fishery Cooperatives Act (including the cases where it is applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act), paragraphs (11), (12), and (13) (including the cases where it is applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act) of the Act, and Article 24, paragraph (3) of the Norinchukin Bank Act does not apply.

(4) The director who was appointed pursuant to the provisions of the preceding paragraph (in the case where the relevant agricultural or fishery cooperative under management is a cooperative with business management committee members as set forth in Article 30-2, paragraph (5) of the Agricultural Cooperatives Act, or a cooperative with business management committee members as set forth in Article 34-2, paragraph (4) of the Fishery Cooperatives Act (including the case as applied mutatis mutandis pursuant to Article 92, paragraph (3) of the same Act) (hereinafter collectively referred to as the "cooperative with business management committee members" in this paragraph), or The Norinchukin Bank, business management committee members) and the inspector of the cooperative under management appointed under the provisions of the preceding paragraph will resign at the conclusion of the ordinary general meeting (if a general meeting of representatives is established and the election of officers can be held at the general meeting of representatives, the ordinary general meeting of representatives) convened first after the conclusion of the management by the administrator and the director (limited to the case where the agricultural or fishery cooperative under management is a cooperative with management committee members or The Norinchukin Bank) will resign at the conclusion of the business management committee convened first after the conclusion of the ordinary general meeting.

(5) When the permission prescribed in paragraphs (1) through (3) (hereinafter referred to as "substituted permission" in this Article and the following Article) has been granted , it is deemed that a resolution of a general meeting, member representatives meeting, or business management committee has been adopted concerning particulars in relation to the relevant substituted permission.

(6) The district court which has jurisdiction over the location of a principal office of the relevant agricultural or fishery cooperative under management has jurisdiction over cases in relation to the substituted permission.

(7) The court, when it has made a substituted permission, must serve a written decision thereof on an agricultural or fishery cooperative under management and give public notice of the outline of the decision.

(8) The public notice under the preceding paragraph will be published in the Official Gazette.

(9) A decision on the substituted permission takes effect as of the time of service thereof on an agricultural or fishery cooperative under management under paragraph (7).

(10) Cooperative members or members may make an immediate appeal against a decision on the substituted permission within an unextendible period of two weeks from the date of the public notice set forth in paragraph (7). In this case, if the immediate appeal is against a decision on the substituted permission in relation to dissolution, it has the effect of a stay of execution.

(11) The provisions of Article 5, Article 6, Article 7, paragraph (2), Article 40, Article 41, Article 56, paragraph (2), and Article 66, paragraphs (1) and (2) of Non-Contentious Cases Procedures Act (Act No. 51 of 2011) do not apply to cases in relation to the substituted permission.

(Special Provisions for Registration Regarding Substituted Permission)

Article 95 In the case of a substituted permission in relation to particulars specified in paragraph (1), item (i), paragraph (2), or paragraph (3) of the preceding Article, a transcript or extract of a written decision of the relevant substituted permission must be attached to a written application for registration in relation to the relevant particulars.

(Conclusion of Management)

Article 96 An administrator is to conclude the management of an agricultural or fishery cooperative under management by transferring its credit business or taking other measures within one year from the date of the disposition ordering to manage; provided, however, that in cases where it is impossible to conclude the management within the period due to unavoidable circumstances, the period may be extended up to two times per year with approval from the prefectural governor.

Chapter VII Responses to the Financial Crisis

(Certification of Necessity for Measures Against a Financial Crisis)

Article 97 (1) When the competent minister recognizes it may seriously hinder maintaining an orderly credit system in Japan or in a certain region where the relevant agricultural or fishery cooperative conducts its business if the measures specified in each of the following items are not taken with respect to the agricultural or fishery cooperative specified in each respective item, the minister may certify the necessity to take the relevant measures (hereinafter referred to as a "certification" in this Chapter, following deliberation by a council for financial crises (hereinafter referred to as the "council" in this Chapter through Chapter VIII):

(i) agricultural or fishery cooperative (excluding the agricultural or fishery cooperative specified in the following item): the subscription for preferred equity investment, etc. by the SIC for the purpose of enhancing the adequacy of equity capital of the relevant agricultural or fishery cooperative (hereinafter referred to as the "measures under item (i)" in this Chapter); and

(ii) an agricultural or fishery cooperative in financial difficulties or an agricultural or fishery cooperative that is unable to satisfy its obligations in full with its assets: the financial assistance for an amount that is expected to exceed the expected costs for the payment of insurance proceeds with respect to an insured event of the relevant agricultural or fishery cooperative (hereinafter referred to as the "measures under item (ii)" in this Chapter).

(2) If the competent minister intends to give certification in respect to the agricultural and fishery cooperative pertaining to the supervision of a prefectural governor, the minister must hear the opinions of the prefectural governor in advance.

(3) When giving certification in relation to the measures under item (i), the competent minister must specify a period of time within which an application under Article 100, paragraph (1) can be made by an agricultural or fishery cooperative subject to the relevant certification.

(4) Upon giving certification, the competent minister must announce that fact and, if the certification is in relation to the measures under item (i), the period of time specified under the preceding paragraph, to the agricultural or fishery cooperative subject to the relevant certification and the SIC and must give public notice thereof in the Official Gazette.

(5) Upon giving certification, the competent minister must report the details of the relevant certification to the Diet.

(Rescission of Certification Regarding Measures Under Item (i))

Article 98 (1) If, between the time of certification in relation to the measures under item (i) and the decision under Article 100, paragraph (3), an agricultural or fishery cooperative subject to the relevant certification comes to fall under the agricultural or fishery cooperative specified in paragraph (1), item (ii) of the preceding Article, the competent minister, following deliberation by the Council, is to rescind the relevant certification.

(2) The provisions of paragraphs (2), (4), and (5) of the preceding Article apply mutatis mutandis to the rescission of the certification under the preceding paragraph.

(Submission of Plans Specifying Measures to Enhance the Adequacy of Equity Capital)

Article 99 (1) An agricultural or fishery cooperative subject to certification in relation to the measures under item (i), must submit a plan to the competent minister within the period prescribed in Article 97, paragraph (3), setting forth measures to enhance the adequacy of equity capital by means other than the measures under item (i), if that cooperative does not make an application prescribed in paragraph (1) of the following Article.

(2) If the competent minister finds that the plan submitted under the preceding paragraph by the agricultural or fishery cooperative prescribed in the same paragraph is appropriate, the minister, following deliberation by the council, is to rescind the certification in relation to the relevant agricultural or fishery cooperative.

(3) The provisions of Article 97, paragraphs (2), (4), and (5) apply mutatis mutandis to the rescission of the certification pursuant to the provisions of the preceding paragraph.

(4) In the event that an agricultural or fishery cooperative subject to certification in relation to the measures under item (i) has not made an application prescribed in paragraph (1) of the following Article within the period prescribed in Article 97, paragraph (3), if the relevant agricultural or fishery cooperative does not submit the plan prescribed in paragraph (1) within the relevant period, the competent minister is to rescind the relevant certification.

(5) If the competent minister finds that the plan submitted by an agricultural or fishery cooperative under the provisions of paragraph (1) is not appropriate, the minister is to rescind the relevant certification.

(6) If the competent minister intends to rescind the certification in relation to the measures under item (i) under the provisions of the preceding two paragraphs, the minister must hear the opinions of the Minister of Finance in advance.

(7) The provisions of Article 97, paragraphs (2), (4), and (5) apply mutatis mutandis to the rescission of the certification in relation to the measures under item (i) under paragraphs (4) or (5).

(8) In the event that certification in relation to the measures under item (i) has been rescinded under paragraph (4) or (5), when a situation is likely to arise in which the agricultural or fishery cooperative subject to the relevant rescission is unable to satisfy its obligations in full with its assets, notwithstanding the provisions of Article 97, paragraph (1), the competent minister, following deliberation by the council, may give the certification in relation to the measures under item (ii) with respect to the relevant agricultural or fishery cooperative.

(9) The provisions of Article 97, paragraphs (2), (4), and (5) apply mutatis mutandis to the certification in relation to the measures under item (ii) pursuant to the provisions of the preceding paragraph.

(Decisions on Subscription for Preferred Equity Investment)

Article 100 (1) In the event that certification in relation to the measures under item (i) has been given, when the SIC has received an application in relation to the measures under item (i) from the agricultural or fishery cooperative subject to the relevant certification within the period prescribed in Article 97, paragraph (3), the SIC must request a decision from the competent minister in the joint names with the relevant agricultural or fishery cooperative as to whether or not to implement the measures under item (i) in relation to the relevant application.

(2) An agricultural or fishery cooperative that has made an application as set forth in the preceding paragraph must submit to the competent minister, a plan for the soundness of its management that sets forth measures for the streamlining of its management and other measures specified by Cabinet Order.

(3) The competent minister is to make a decision to carry out measures under item (i) in relation to an application prescribed in paragraph (1), only if all of the following requirements are satisfied:

(i) there are no serious difficulties associated with the disposal of acquired preferred equity investment (meaning preferred equity investment acquired by the SIC by measures under item (i); the same applies hereinafter in this chapter) or acquired loan claims (meaning loan claims acquired by the SIC by measures under item (i); the same applies hereinafter in this chapter) acquired by the SIC in connection with the application under item (i): and

(ii) the agricultural or fishery cooperative is expected to implement the following measures through the reliable execution, etc. of management soundness improvement plan as prescribed in the preceding paragraph:

(a) measures to ensure the rational management of business; and

(b) measures to clarify management responsibilities;

(4) The competent minister must obtain consent from the Minister of Finance when making a decision under the preceding paragraph.

(5) Upon making a decision under paragraph (1), the competent minister must report the effect to the relevant agricultural or fishery cooperative and the SIC.

(6) In the event that a decision is made not to implement the measures under item (i) pertaining to the application set forth in paragraph (1), the competent minister is immediately to rescind the certification pertaining to the measures under item (i) subscribed by the agricultural or fishery cooperative that made the relevant application.

(7) The provisions of paragraphs (6) through (9) of the preceding Article apply mutatis mutandis to the rescission of certification in relation to the measures under item (i) under the provisions of the preceding paragraph.

(Subscription for Preferred Equity Investment by SIC)

Article 101 (1) When a decision is made under the provisions of paragraph (3) of the preceding Article, the SIC is to carry out subscription of preferred equity investment, etc. in accordance with the relevant decision.

(2) The SIC, when it has carried out subscription of preferred equity investment, etc. under the provisions of the preceding paragraph, must promptly report the details thereof to the competent minister (in the case where SIC has conducted the subscription of preferred equity investment, etc. from an agricultural or fishery cooperative pertaining to the supervision of a prefectural governor, the competent minister and the prefectural governor).

(Special Provisions for Issuance of Preferred Equity Investments)

Article 101-2 (1) For the application of the provisions of Article 4, paragraph (2) of the Act on Preferred Equity Investment by Cooperative Financial Institutions, it is deemed that no preferred equity investments have been issued in accordance with a decision under the provisions of under Article 100, paragraph (3) by an agricultural or fishery cooperative that is subject to the certification in relation to the measures under item (i).

(2) In the event that preferred equity investments have been issued in accordance with a decision under the provisions of Article 100, paragraph (3) by the agricultural or fishery cooperative referred to in the preceding paragraph, registration to that effect must be made pursuant to Cabinet Order provisions in registering a change resulting from the issuance of the relevant preferred equity investments.

(Publication of Plans)

Article 102 (1) The competent minister, upon making a decision under the provisions of Article 100, paragraph (3), is to make public the plan submitted under the provisions of paragraph (2) of the same Article; provided, however, that this does not apply to particulars that may damage credit order, may divulge any secret of depositors, etc. or business customers of an agricultural or fishery cooperative that submitted the relevant plan and may bring undue disadvantage to the conduct of business by the relevant agricultural or fishery cooperative.

(2) Until the time when the SIC makes disposal or receives repayment with respect to the whole of acquired preferred equity investment or acquired loan claims, the competent minister may request the agricultural or fishery cooperative pertaining to the acquired preferred equity investment or acquired loan claims to report the status of implementation of the plan submitted under Article 100, paragraph (2), and may make the report public.

(Disposal of Acquired Preferred Equity Investment or Acquired Loan Claims)

Article 103 (1) If the SIC intends to transfer or dispose of acquired preferred equity investment or acquired loan claims, it must obtain approval from the competent minister.

(2) Upon making a disposal as prescribed in the preceding paragraph, the SIC must promptly report the details thereof to the competent minister (in the case where the agricultural or fishery cooperative pertaining to the relevant disposal is under the supervision of a prefectural governor, the competent minister and the relevant prefectural governor).

(Special Provisions for Disposition Ordering to Manage and Financial Assistance)

Article 104 (1) When certification in relation to the measures under item (ii) is given under Article 97, paragraph (1) or Article 99, paragraph (8) (including cases where it is applied mutatis mutandis pursuant to Article 100, paragraph (7)), notwithstanding the provisions of Article 83, paragraphs (1) and (2), the competent minister is to immediately issue the disposition ordering to manage with respect to the agricultural or fishery cooperative subject to the relevant certification.

(2) With regard to applying this Act in the event that the disposition ordering to manage is issued under the preceding paragraph, the agricultural or fishery cooperative subject to the relevant disposition ordering to manage (excluding agricultural or fishery cooperative in financial difficulties) is deemed to be an agricultural or fishery cooperative in financial difficulties.

(3) For the application of the provisions of Chapter III, Section 4 (excluding Article 63, paragraph (6) and Article 65, paragraph (5)) in the event that the disposition ordering to manage is issued under the paragraph (1), the agricultural or fishery cooperative subject to the relevant disposition ordering to manage (excluding those pertaining to the supervision of the competent minister) is deemed to be an agricultural or fishery cooperative pertaining to the supervision of the competent minister.

(4) The provisions of Article 65, paragraph (2) do not apply to cases where a resolution by the committee prescribed in paragraph (1) of the Article is deliberated with respect to the financial assistance related to a merger, etc. in which an agricultural or fishery cooperative that is subject to a disposition ordering to manage under the provisions of paragraph (1) is deemed to be the agricultural or fishery cooperative in financial difficulties. In this case, when the committee finds, in light of the financial conditions of the relevant agricultural or fishery cooperative, that the financial assistance does not exceed the scope necessary to carry out the merger, etc., it may adopt a resolution to provide financial assistance.

(Crisis Management Accounts)

Article 105 (1) If financial assistance is provided pursuant to a resolution under paragraph (4) of the preceding Article, the SIC is to transfer from an account (hereinafter referred to as "crisis management account") related to operations specified in Article 40-2, item (ii) (hereinafter referred to as "crisis management operations") to a general account the amount remaining after deducting expected costs for the payment of insurance proceeds with respect to an insured event of the agricultural or fishery cooperative in relation to the relevant financial assistance from the expected costs of the relevant financial assistance.

(2) Any transfer from the crisis management account to the general account under the preceding paragraph is deemed to be crisis management operations.

(Decisions on Contributions or Specified Contributions)

Article 106 (1) Within three months of the end of each business year, the SIC must report the following to the competent minister with regard to income and expenditure in the crisis management account during the relevant business year:

(i) the amount transferred from the crisis management account to the general account under the provisions of paragraph (1) of the preceding Article;

(ii) the amount of loss arising from the transfer of acquired preferred equity investment or acquired loan claims or of acquired specified preferred equity investment (meaning the acquired specified preferred equity investment prescribed in Article 110-14, paragraph (4), item (i); the same applies in the following item) or acquired specified loan claims (meaning the acquired specified loan claims prescribed in item (i) of the same paragraph; the same applies in the following item) below their acquisition value or other causes;

(iii) the amount of profit arising from the transfer of acquired preferred equity investment or acquired loan claims or of acquired specified preferred equity investment or acquired specified loan claims above their acquisition value and other causes;

(iv) the amount of contributions or the amount of specified contributions that have been received; and

(v) other particulars specified by Cabinet Order.

(2) In the event that a report prescribed in the preceding paragraph is received, the competent minister, when they find it necessary, must prescribe a contribution rate and payment period related to contributions to be paid by an agricultural or fishery cooperative under paragraph (1) of the following Article (hereinafter referred to as "contributions" in this paragraph and the following paragraph) or specified contributions to be paid by The Norinchukin Bank, etc. (referred to as The Norinchukin Bank or its member agricultural or fishery cooperative; the same applies hereinafter.) under Article 110-17, paragraph (1) in each business year following the business year that includes the time of receipt of the relevant report (hereinafter referred to as the "time of report" in this paragraph); provided, however, that in any business year preceding the business year in which the time of report falls, when a contribution rate and payment period for the contributions or specified contributions in each business year after the business year in which the time of report falls are prescribed, the contribution rate and payment period for the contributions or specified contributions in each business year after the business year in which the relevant time of report falls will be prescribed by changing the contribution rate and payment period.

(3) The contribution rate and payment period must be established by taking the following particulars into consideration and in a manner that covers loss in the crisis management account with the contributions or specified contributions and does not subject any specific agricultural or fishery cooperative or The Norinchukin Bank, etc. to discriminatory treatment:

(i) particulars specified in each item of paragraph (1) in the business year in relation to the relevant report prescribed in paragraph (1); and

(ii) the financial conditions of the agricultural or fishery cooperative or The Norinchukin Bank, etc.

(4) Upon prescribing a contribution rate and payment period under paragraph (2), the competent minister must give public notice thereof in the Official Gazette.

(5) When the competent minister finds it necessary, the minister may request the SIC to state its opinion or submit reports or materials in order to prescribe the contribution rate and payment period under paragraph (2).

(Payment of Contributions)

Article 107 (1) When a public notice is given under the provisions of paragraph (4) of the preceding Article (including cases where it is applied mutatis mutandis pursuant to paragraph (3) of the following Article), an agricultural or fishery cooperative, during the payment period related to the relevant public notice, must submit the documents specified by order of the competent ministry by June 30 of each year included in the payment period pertaining to the public notice and pay contributions to the SIC to cover the costs incurred in carrying out the crisis management operations (excluding those related to The Norinchukin Bank related to the specified certification prescribed in Article 110-2, paragraph (1)).

(2) The amount of the contributions to be paid by the agricultural or fishery cooperative (excluding Article 110-17, paragraphs (1) and (2), hereinafter referred to as the "contributions") pursuant to the provisions of the preceding paragraph is the amount of the liabilities (excluding those specified by order of the competent ministry) as of March 31 of the year that includes the day on which such contributions are to be paid with respect to each agricultural or fishery cooperative, multiplying by the contribution rate specified pursuant to the provisions of paragraph (2) of the preceding Article.

(3) The provisions of Article 50, paragraph (2) and Articles 52 to 54 apply mutatis mutandis to contributions.

(Change of Contribution Rates)

Article 108 (1) When it becomes evident that there will be an excess or deficiency in the contributions or specified contributions due to fluctuations in interest on the borrowings of the SIC, government subsidies prescribed in paragraph (1) of the following Article, or other causes (excluding related to items specified in each item of paragraph (1) of the Article 106), the SIC must report to that effect to the competent minister.

(2) The competent minister may change the contribution rate and payment period prescribed under the provisions of Article 106, paragraph (2) to the extent necessary to make adjustments for any excess or deficiency in the contributions or specified contributions in relation to the report prescribed in the preceding paragraph.

(3) The provisions of Article 106, paragraphs (4) and (5) apply mutatis mutandis to cases where the competent minister changes a contribution rate and payment period under the preceding paragraph.

(Government Subsidies)

Article 109 (1) The government may provide subsidies to the SIC for part of the costs required for the crisis management operations within the limit specified in a budget, only when it is found that, if the costs of the operations are to be funded solely with the contributions or specified contributions, the financial conditions of the agricultural or fishery cooperative or The Norinchukin Bank, etc. would deteriorate significantly and it may seriously hinder maintaining an orderly credit system in Japan or cause severe disruption in the financial market or any other financial system in Japan.

(2) In any business year in which no contributions or specified contributions are paid (limited to the business year following the business year that includes the day on which a government subsidy is received under the preceding paragraph), if there is any amount calculated as profit in the crisis management account resulting from the settlement of profits and losses pursuant to order of the competent ministry, the SIC must pay the relevant amount to the national treasury after deducting the amount already paid to the national treasury under this paragraph from the total amount of government subsidies already received under the preceding paragraph.

(3) Procedures for payment and other necessary particulars concerning the payment amount prescribed in the preceding paragraph will be specified by Cabinet Order.

(Borrowings)

Article 110 (1) The SIC, when it finds it necessary for carrying out the crisis management operations, may borrow funds (including refinancing) from the Bank of Japan, a financial institution, or any other person up to the amount specified by Cabinet Order with authorization from the competent minister.

(2) The provisions of Article 42, paragraphs (4) and (5) and Article 42-2 apply mutatis mutandis to cases where the SIC borrows funds under the provisions of the preceding paragraph.

Chapter VII-2 Measures for Orderly Processing of Assets and Liabilities of The Norinchukin Bank for Ensuring Financial System Stability

(Certification of the Necessity of Measures for Orderly Processing of Assets and Liabilities of The Norinchukin Bank for Ensuring Financial System Stability)

Article 110-2 (1) If the competent minister finds that, if special monitoring prescribed in paragraph (1) of the following Article and the loan of funds, etc. prescribed in Article 110-12, paragraph (1) conducted as necessary in light of the financial conditions of The Norinchukin Bank or the subscription of preferred equity investment, etc. pursuant to provisions of Article 101, paragraph (1) as applied mutatis mutandis pursuant to Article 110-14, paragraph (5) (hereinafter referred to as "specified measures") are not taken with respect to The Norinchukin Bank, it may cause severe disruption in Japan's financial market and any other financial systems, the minister, following deliberation by the council, may certify the necessity to take the relevant measures (hereinafter referred to as "specified certification" in this Chapter and the following Chapter); provided, however, that this does not apply where The Norinchukin Bank is unable to pay its debts in full with its assets.

(2) If the competent minister has given the specified certification, and the minister finds it necessary to enhance the adequacy of equity capital of The Norinchukin Bank, the minister must specify a period of time within which an application under Article 110-14, paragraph (1) may be made by The Norinchukin Bank.

(3) Upon giving the specified certification, the competent minister must announce to that effect and, the period of time specified under the provisions of the preceding paragraph to The Norinchukin Bank and the SIC, and give public notice thereof in the Official Gazette.

(4) Upon giving the specified certification, the competent minister must report the details of the relevant specified certification to the Diet.

(Special Monitoring by the SIC)

Article 110-3 (1) If the specified certification has been given, the competent minister is to immediately designate The Norinchukin Bank as the person whose execution of business, and management and disposal of assets will be monitored by the SIC (referred to as "special monitoring" in Article 110-6 and Article 110-7, paragraph (3)).

(2) When the designation under the preceding paragraph (hereinafter referred to as "designation of special monitoring") has been made, the SIC may give necessary advice, instructions, or recommendations and other necessary advices for ensuring the implementation of the plan prepared pursuant to the provisions of paragraph (5) (hereinafter referred to as "advice, etc." in this paragraph) and any other necessary advice, etc. to The Norinchukin Bank with regard to the execution of its business, and management and disposal of its assets.

(3) Upon making designation of special monitoring, if the competent minister finds it necessary for avoiding the risk of severe disruption being caused to the financial system in Japan , the minister may order necessary measures to The Norinchukin Bank with regard to the execution of its business, and management and disposal of its assets while specifying the time limit by which the measures should be taken.

(4) Upon making designation of special monitoring, the competent minister must notify The Norinchukin Bank and the SIC to that effect and give public notice thereof in the Official Gazette.

(5) The competent minister, when finding it necessary in the case of making designation of special monitoring, may request The Norinchukin Bank to submit reports or materials with regard to the status of business and assets, etc. to the competent minister and the SIC or order to prepare a plan for its management and submit it to the competent minister and the SIC.

(Special Monitoring Agents)

Article 110-4 (1) In the event that designation of special monitoring has been made, when the SIC finds necessary, it may entrust the whole or part of implementation of monitoring in relation to the relevant designation of special monitoring to a third party.

(2) With regard to entrustment under the preceding paragraph, the approval of the competent minister must be obtained.

(3) A special monitoring agent (meaning the third party to that entrustment was made pursuant to paragraph (1); the same applies in Article 110-11 and Article 123-2) may receive advance payments of costs as well as remuneration determined by the competent minister.

(Revocation of Designation of Special Monitoring)

Article 110-5 (1) The competent minister must rescind the designation of special monitoring, when finding that there is no longer any need for the relevant designation of special monitoring.

(2) The provisions of Article 110-3, paragraph (4) apply mutatis mutandis to the case referred to in the preceding paragraph.

(Conclusion of Special Monitoring)

Article 110-6 (1) The SIC is to conclude special monitoring of The Norinchukin Bank taking necessary measures or other related measures for avoiding the risk of severe disruption being caused to the financial system in Japan and other related measures within one year from the date of the designation of special monitoring; provided, however, that in cases where it is impossible to conclude the special monitoring within the relevant period due to unavoidable circumstances, the relevant period may be extended up to two times per year with the approval of the competent minister.

(2) Upon concluding special monitoring pursuant to the preceding paragraph, the SIC must notify The Norinchukin Bank to that effect and give public notice thereof.

(Special Provisions for Dismissal and Appointment of Officers)

Article 110-7 (1) In the event that The Norinchukin Bank related to the designation of special monitoring is likely to be unable to satisfy its obligations in full with its assets or has suspended payment of obligations or is likely to suspend payment of obligations, when the SIC finds it to be inappropriate to have the director, management committee member, inspector, or accounting auditor (hereinafter referred to as the "officer, etc." in this Article) of The Norinchukin Bank continue to carry out their duties, the SIC, notwithstanding the provisions of Article 38 and Article 38-2 paragraph (1) of the Norinchukin Bank Act, may dismiss the officers, etc. of The Norinchukin Bank with the permission of the court.

(2) In the event that the SIC intends to dismiss any officer, etc. of The Norinchukin Bank under the provisions of the preceding paragraph, when the number of officers, etc. fails to meet the number prescribed by an Act or by the articles of incorporation by dismissal, the SIC, notwithstanding the provisions of Article 22, paragraph (1), Article 23, paragraph (1), Article 24, paragraph (1) and Article 24-2, paragraph (1) of the Norinchukin Bank Act, may appoint an officer, etc. of The Norinchukin Bank with the permission of the court. In this case, the provisions of Article 24, paragraph (3) of the Act do not apply.

(3) The officer, etc. (excluding the director; the same applies hereinafter in this paragraph) of The Norinchukin Bank appointed under the preceding paragraph will resign at the conclusion of the ordinary general meeting (if a general meeting of representatives is established, at which it is possible to appoint officers, etc., the ordinary general meeting of representatives), convened first after the conclusion of the special monitoring, and a director will resign at the completion of the first meeting of the management committee held after the conclusion of the relevant ordinary general meeting.

(4) When the permission prescribed in paragraph (1) or (2) (hereinafter referred to as "substituted permission" in this paragraph and the following paragraph) has been granted, it is deemed that there has been a resolution by the general meeting or member representatives meeting or business management committee with respect to the matters pertaining to the relevant substituted permission.

(5) The provisions of Article 94, paragraphs (6) through (9), the first sentence of paragraph (10) and paragraph (11) and Article 95 apply mutatis mutandis to the substituted permission. In this case, the term "the relevant agricultural or fishery cooperative under management" in Article 94, paragraph (6) and the term "an agricultural or fishery cooperative under management" in paragraphs (7) and (9) of the same Article is replaced with "The Norinchukin Bank", and the term "paragraph (1), item (i), paragraph (2), or paragraph (3) of the preceding Article" in Article 95 is replaced with "Article 110-7, paragraph (1) or paragraph (2)".

(Requests for the Suspension of the Collection of Claims)

Article 110-8 When the SIC finds that orderly resolution of assets and liabilities of The Norinchukin Bank is likely to be hindered, if an agricultural or fishery cooperative (limited to those that are members of The Norinchukin Bank) that is a creditor of The Norinchukin Bank related to the designation of special monitoring collects claims from The Norinchukin Bank or exercises the right as a creditor specified by order of the competent ministry, the SIC must request the relevant agricultural or fishery cooperative to refrain from exercising the relevant right until necessary measures for avoiding the risk of severe disruption being caused to the financial system in Japan are taken.

(Opinions of the Competent Minister Regarding a Petition for the Commencement of Bankruptcy Proceedings)

Article 110-9 When a petition has been filed against The Norinchukin Bank pertaining to a designation of special supervision for commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or recognition of foreign insolvency proceedings, before a ruling is given on the relevant petition, the competent minister may state that measures for orderly resolution of assets and liabilities of The Norinchukin Bank have been taken, and state any other particulars concerning The Norinchukin Bank, and express opinions on the timing of the relevant ruling and other particulars to the court.

(Retention of Assets Within Japan)

Article 110-10 The competent minister may order The Norinchukin Bank to retain part of its assets specified by Cabinet Order, within Japan, pursuant to the provisions of the Cabinet Order, when and to the extent that they find it necessary for smoothly implementing the orderly resolution of assets and liabilities of The Norinchukin Bank subject to the specified certification.

(Application Mutatis Mutandis of Provisions Concerning Administrators)

Article 110-11 The provisions of Article 90 apply mutatis mutandis to a special monitoring agent, and the provisions of Article 93 apply mutatis mutandis to The Norinchukin Bank pertaining to a designation of special monitoring (limited to the case that is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations).

(Loan of Funds Necessary for Avoiding the Risk of Severe Disruption Being Caused to the Financial System)

Article 110-12 (1) In the event that the SIC receives from The Norinchukin Bank that is subject to the specified certification, an application for loan of funds, etc. (meaning the loan of funds necessary for avoiding the risk of severe disruption being caused to the financial system in Japan or guarantee of obligations necessary for avoiding the risk of severe disruption being caused to the financial system in Japan), when the SIC finds it necessary, and following a resolution of the committee, it may decide to provide the loan or the guarantee of obligations in relation to the relevant application within the limit necessary.

(2) When a loan under the preceding paragraph has been provided or when the obligations in relation to guarantee of obligations under the same paragraph have been paid, the SIC has the right to have its claims satisfied out of the assets of The Norinchukin Bank in relation to the right to reimbursement based on the relevant loan or the relevant guarantee of obligations in preference over other creditors.

(3) The order of the statutory lien under the preceding paragraph is to be next to the general statutory lien under the provisions of the Civil Code.

(Submission of Plans Specifying Measures to Enhance the Adequacy of Equity Capital)

Article 110-13 (1) If The Norinchukin Bank subject to the specified certification does not make an application under the provisions of paragraph (1) of the following Article, it must submit a plan to the competent minister within the period prescribed in Article 110-2, paragraph (2), setting forth measures to enhance the adequacy of equity capital by means other than subscription of preferred equity, etc. investment pertaining to the specified measures.

(2) If the competent minister finds that the plan submitted under the preceding paragraph by The Norinchukin Bank is appropriate, the minister, following deliberation by the council, may rescind the specified certification.

(3) In the event that The Norinchukin Bank has not made an application pursuant to the provisions of paragraph (1) of the following Article within the time limit set pursuant to the provisions of Article 110-2, paragraph (2), if The Norinchukin Bank does not submit the plan prescribed in paragraph (1) within the relevant period, the competent minister may rescind the specified certification.

(4) If the competent minister finds that the plan submitted by The Norinchukin Bank under paragraph (1) is not appropriate, the minister may rescind the specified certification.

(5) If the competent minister intends to rescind the specified certification under the provisions of the preceding two paragraphs, the minister must hear the opinion of the Minister of Finance in advance.

(6) The provisions of Article 110-2, paragraphs (3) and (4) apply mutatis mutandis to the rescission of the specified certification pursuant to the provisions of paragraphs (2) through (4).

(Decisions on Subscription for Preferred Equity Investment)

Article 110-14 (1) The Norinchukin Bank subject to the specified certification may apply to the SIC to carry out a subscription of preferred equity investment, etc. of The Norinchukin Bank to enhance the adequacy of equity capital of the Bank; provided, however, that this does not apply where The Norinchukin Bank has suspended payment of debts.

(2) When the SIC has received an application under the preceding paragraph, the SIC must request a decision from the competent minister in the joint names with The Norinchukin Bank as to whether or not to carry out the subscription of preferred equity investment, etc. in relation to the relevant application.

(3) The Norinchukin Bank that has made an application under the provisions of paragraph (1) must submit to the competent minister, a management soundness improvement plan setting forth measures to streamline the management and other measures specified by Cabinet Order.

(4) The competent minister is to make a decision to carry out the subscription of preferred equity investment, etc. in relation to specified measures in relation to an application prescribed in paragraph (1) only if all of the following requirements are satisfied:

(i) there are no serious difficulties associated with the disposal of acquired specified preferred equity investment (meaning preferred equity investment acquired by the SIC through the subscription of preferred equity investment, etc. pertaining to specified measures; the same applies in paragraph (2) of the following Article and Article 110-16, paragraph (1)) or acquired specified loan claims (meaning loan claims acquired by SIC through the subscription of preferred equity investment, etc. pertaining to specified measures; the same applies in paragraph (2) of the following Article and Article 110-16, paragraph (1)) pertaining to an application under the provisions of paragraph (1) by the SIC;

(ii) The Norinchukin Bank is expected to implement the following measures through the reliable execution, etc. of the plan prescribed in the preceding paragraph.

(a) measures to ensure the rational management of business;

(b) measures to clarify management responsibilities.

(5) The provisions of Article 100, paragraph (4) apply mutatis mutandis to the case of making a decision under the preceding paragraph; the provisions of paragraph (5) of the same Article apply mutatis mutandis to the case of having made a decision under paragraph (2); the provisions of paragraph (6) of the same Article apply mutatis mutandis to the case where a decision is made not to carry out subscription of preferred equity investment, etc. in relation to the application prescribed in paragraph (1); the provisions of paragraph (7) of the same Article apply mutatis mutandis to rescission of the specified certification under the provisions of paragraph (6) of the same Article as applied mutatis mutandis pursuant to this paragraph; the provisions of Article 101 apply mutatis mutandis to the case where the SIC carries out a subscription of preferred equity investment, etc. in accordance with a decision under the preceding paragraph; and the provisions of Article 101-2 apply mutatis mutandis to preferred equity investment that has been issued in accordance with a decision under the relevant paragraph by The Norinchukin Bank. In this case the term "the relevant agricultural or fishery cooperative" in Article 100, paragraph (5) is replaced with "The Norinchukin Bank"; the term "certification pertaining to the measures under item (i)" in paragraph (6) of the same Article is replaced with "specified certification (referring to the specified certification prescribed in Article 110-2, paragraph (1))"; the term "is" in paragraph (6) of the same Article is replaced with "may"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Publication of Plans Regarding a Subscription of Preferred Equity Investments)

Article 110-15 (1) Upon making a decision under paragraph (4) of the preceding Article, the competent minister is to make public the plan submitted under the provisions of paragraph (3) of the same Article; provided, however, that this does not apply to information whose disclosure is likely to cause disruption to the financial system, particulars which are likely to lead to the divulgence of any secret of creditors or any other business customers of The Norinchukin Bank and matters which are likely to bring undue disadvantage to the conduct of business by The Norinchukin Bank.

(2) Until the time when the SIC makes a disposal or receives repayment with respect to the whole of acquired preferred equity investments or acquired specified loan claims, the competent minister may request The Norinchukin Bank to report the status of implementation of the plan submitted under the provisions of paragraph (3) of the preceding article and make the report public.

(Disposal of Acquired Specified Preferred Equity Investments or Acquired Specified Loan Claims)

Article 110-16 (1) If the SIC intends to transfer or make any other disposal of acquired specified preferred equity investments or acquired specified loan claims, it must obtain approval from the competent minister.

(2) Upon making a disposal prescribed in the preceding paragraph, the SIC must promptly report the details thereof to the competent minister.

(Payment of Specified Contributions)

Article 110-17 (1) When the public notice is given under Article 106, paragraph (4) (including cases where it is applied mutatis mutandis pursuant to Article 108, paragraph (3)), during the payment period specified in the relevant public notice, The Norinchukin Bank, etc. must submit documents specified by order of the competent ministry and pay contributions to the SIC by June 30 of each year included in the payment period pertaining to the relevant public notice in order to cover the costs incurred in carrying out the crisis management operations (limited to those in relation to The Norinchukin Bank subject to the specified certification).

(2) The amount of the contribution to be paid (hereinafter referred to as the "specified contribution" in this paragraph and the following paragraph) by The Norinchukin Bank, etc. pursuant to the provisions of the preceding paragraph is calculated for each Norinchukin Bank, etc. by multiplying the total amount of its liabilities as of March 31 of the year (excluding that specified by order of the competent ministry) that includes the day on which the specified contribution is to be paid by a contribution rate determined pursuant to the provisions of Article 106, paragraph (2).

(3) The provisions of Article 50, paragraph (2) and Articles 52 through 54 apply mutatis mutandis to the specified contribution. In this case, the term "an agricultural or fishery cooperative" in the same paragraph is to be replaced with "The Norinchukin Bank, etc. (meaning The Norinchukin Bank, etc. as prescribed in Article 106, paragraph (2); the same applies hereinafter), and the term "agricultural or fishery cooperative" in Article 52, paragraphs (1) and (3) is to be replaced with "The Norinchukin Bank, etc."

Chapter VIII Miscellaneous Provisions

(Loan of Funds for Refunding Savings)

Article 111 The provisions of Article 69-3 apply mutatis mutandis to cases where an application is received from a person specified in each item of the Article, paragraph (1) for the loan of funds necessary for refunding of savings, etc. subject to payment, etc. (limited to the repayment for savings, etc. subject to payment, etc. corresponding to the amount of insurance proceeds calculated under the insurance proceeds calculation provisions). In this case, the term "the provisions of Article 56-2, paragraph (1) and Article 56, paragraph(3) as applied mutatis mutandis pursuant to the Article , paragraph (2) in relation to the relevant settlement obligations" of the same paragraph is to be replaced with "insurance proceeds calculation provisions in relation to the relevant covered savings, etc."

(Loan of Funds to Prevent Decline in Asset Value)

Article 112 The provisions of Article 69-3 (excluding paragraphs (3) and (4)) apply mutatis mutandis to cases where an application is received from a person specified in each item of Article 69-3, paragraph (1) (in the case of any person specified in item (i) of the same paragraph, limited to the time after a petition is filed for the commencement of bankruptcy proceedings or commencement of rehabilitation proceedings) for the loan of funds necessary to prevent a decline in the value of loan claims or other assets held by the person. In this case, the term "up to the total amount of insurance proceeds calculated under the provisions of Article 56-2, paragraph (1) and Article 56, paragraph (3) as applied mutatis mutandis pursuant to the Article, paragraph (2) in relation to the relevant settlement obligations" of the same paragraph is to be replaced with "within the limit necessary".

(Purchase of Assets)

Article 112-2 (1) Beyond cases prescribed in Section 4 of Chapter III, the SIC may purchase assets held by The Norinchukin Bank pertaining to designation of special monitoring.

(2) In cases where the SIC purchases assets under the preceding paragraph, it must comply with standards prescribed and publicize in advance by the competent minister.

(3) Upon receiving an application under paragraph (1) for the purchase of assets from The Norinchukin Bank, following a resolution of the committee, the SIC must decide without delay whether or not to carry out the purchase of assets in relation to the relevant application.

(4) Upon making a decision under the preceding paragraph, the SIC must immediately report particulars in relation to the decision to the competent minister.

(5) Upon making a decision to purchase assets under paragraph (3), the SIC is to conclude a contract for the purchase of the relevant assets with The Norinchukin Bank.

(Special Provisions for Convocation Procedures for General Meetings of Agricultural or Fishery Cooperative)

Article 113 (1) The general meeting of an agricultural or fishery cooperative that has received certification of eligibility, etc. to vote on the transfer of credit business, etc. and on any amendment to its article and rules of the relevant agricultural or fishery cooperative necessary for the implementation may be held without going through the procedures for convocation, if all members or all partners consent, notwithstanding the provisions of Article 43-6 of the Agricultural Cooperatives Act, Article 47-5 of the Fishery Cooperatives Act (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of the same Act), Article 10 of the Restructuring and Enhancement Act as applied mutatis mutandis pursuant to Article 25, paragraph (2) and Article 26, paragraph (4) of the Restructuring and Enhancement Act and Article 46-3 of the Norinchukin Bank Act.

(2) The provisions of the preceding paragraph apply mutatis mutandis to a general meeting of representatives for the purpose of deliberating a resolution to approve the matters prescribed in the preceding paragraph. In this case, the term "all members or all partners" in the paragraph is replaced with "all member representatives" and the term "Article 43-6 of the Agricultural Cooperatives Act, Article 47-5 of the Fishery Cooperatives Act (including cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3) of the same Act)" is replaced with "Article 43-6 of the Agricultural Cooperatives Act as applied mutatis mutandis pursuant to Article 48, paragraph (7) of same Act, Article 47-5 of the Fishery Cooperatives Act as applied mutatis mutandis pursuant to Article 52, paragraph (6) (including cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3) of the same Act) of the same Act".

(Special Provisions for Procedures for Protection of Creditors in the Transfer of Credit Business)

Article 114 (1) When a decision to provide financial assistance is made under the provisions of Article 65, paragraph (1) for the purpose of supporting the transfer of credit business, etc. prescribed in Article 61, paragraph (2), item (iii) or a transfer of insured savings, the assumption of obligations in relation to a specified credit business transfer, etc. (meaning the transfer of credit business, etc. prescribed in that item or a transfer of insured savings and including any transfer of assets associated therewith; hereinafter the same applies in this Article) and transfer of the contractual status may be carried out without consent from creditors in relation to obligations to be assumed by an assuming agricultural or fishery cooperative through the relevant specified credit business transfer, etc. and the counterparty to the contract in relation to the contractual status which an assuming agricultural or fishery cooperative is to receive.

(2) The provisions of Article 466, paragraph (3) and Article 466-5, paragraph (1) of the Civil Code do not apply to the transfer of claims for which a manifestation of intention to restrict assignment (meaning the manifestation of intention to restrict assignment prescribed in Article 466, paragraph (2) of the same Code; the same applies in paragraphs (4) and (7)) pertaining to the specified credit business transfer, etc. pertaining to the decision in the event that the decision set forth in the preceding paragraph is made.

(3) The provisions of Articles 49 and 50 of the Agricultural Cooperatives Act as applied mutatis mutandis pursuant to Article 50-2 paragraph (4) of the Act, Article 53 and Article 54 of the Fishery Cooperatives Act as applied mutatis mutandis pursuant to Article 54-2, paragraph (6) of the Act (including cases as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3) of the Act), Article 12 of the Restructuring and Enhancement Act as applied mutatis mutandis pursuant to Article 27 of the Restructuring and Enhancement Act and Article 50-2, paragraph (6) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) do not apply to specified credit business transfer, etc. pertaining to the decision in the event that the decision set forth in paragraph (1) is made.

(4) Upon being executed the specified credit business transfer, etc. in relation to a decision made under paragraph (1), the agricultural or fishery cooperative in financial difficulties and the assuming agricultural or fishery cooperative must, within two weeks of the day of the relevant execution, publish a notice in the Official Gazette to the effect that the creditors should object within a specified period of time, for those that have objections to the outline of the details of the specified credit business transfer, etc. and such details, the counterparty to the contract pertaining to the contractual status and the debtors pertaining to the claim for which the manifestation of intention to restrict assignment has been expressed and give notice individually to each of the following persons that are known.

(i) creditors other than depositors, etc. or any other creditors specified by Cabinet Order, or the counterparty to the contract in relation to the contractual status; and

(ii) debtors in relation to claims for which the manifestation of intention to restrict assignment has been made.

(5) The period under the preceding paragraph cannot be less than one month.

(6) Notwithstanding the provisions of paragraph (4), if an agricultural or fishery cooperative in financial difficulties and an assuming agricultural or fishery cooperative give public notice under the provisions of that paragraph by means of public notice specified in any of the following items as prescribed in the articles of incorporation, beyond the Official Gazette, the individual notice under the provisions of that paragraph is not required:

(i) by publication in a daily newspaper that publishes particulars concerning current affairs; and

(ii) by an electronic public notice (among the methods of the public notice, meaning a method of taking measures prescribed in the item, which is the measure where information that should be made public is left to be provided with unspecified number of persons by electronic or magnetic means (meaning the electronic or magnetic means prescribed in Article 2, item (xxxiv) of the Companies Act); the same applies in paragraph (4) of the following Article)

(7) In the event that a creditor in relation to obligations that are to be assumed by an assuming agricultural or fishery cooperative, the counterparty to the contract in relation to contractual status that is to be received by an assuming agricultural or fishery cooperative and the debtors in relation to claims for which the manifestation of intention to restrict assignment has been made by an assuming agricultural or fishery cooperative (hereinafter referred to as the "transferred creditors, etc." in this paragraph) through the specified credit business transfer, etc. in relation to a decision made under paragraph (1) state objections within the period under paragraph (4), the assumption of obligations in relation to the specified credit business transfer, etc. related to transferred creditors, etc., transfer of contractual status and transfer of claims for which the manifestation of intention to restrict assignment has been made (hereinafter referred to as the "assumption of obligations, etc." in this paragraph) will lose its effect retroactively as of the time of the relevant assumption of obligations, etc.; provided, however, that this does not prejudice the rights of a third party.

(8) In the event that creditors of an agricultural or fishery cooperative in financial difficulties (limited to creditors in relation to the obligations of the agricultural or fishery cooperative in financial difficulties other than those assumed by the assuming agricultural or fishery cooperative due to the specified credit business transfer, etc.) state objections within the period under paragraph (4), when any amount is owed to creditors with respect to their claims that can no longer be satisfied due to the specified credit business transfer, etc., creditors may claim the payment of the relevant amount from the assuming agricultural or fishery cooperative.

(9) In the event that creditors of an assuming agricultural or fishery cooperative (limited to creditors in relation to the obligations of the assuming agricultural or fishery cooperative other than those assumed by the assuming agricultural or fishery cooperative through a specified credit business transfer, etc.) state objections within the period under paragraph (4), the assuming agricultural or fishery cooperative must make payment or provide equivalent security to the creditors or entrust equivalent assets to a trust company or financial institutions that conducts trust business for the purpose of ensuring that the creditors receive the payment; provided, however, that this does not apply when the specified credit business transfer, etc. are unlikely to be detrimental to the creditors.

(Special Provisions for Procedures for Changing Trustees in the Succession of Trust Business)

Article 115 (1) Notwithstanding the provisions of Article 56, paragraph (1) and Article 57, paragraphs (1) (2) of the Trust Act (Act No. 108 of 2006) and Article 7 of the Act on Charitable Trusts (Act No. 62 of 1922), when there is a decision to provide financial assistance under Article 65, paragraph (1) to support the transfer of credit business of an agricultural or fishery cooperative in financial difficulties that conducts trust business under Article 1, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions to an agricultural or fishery cooperative that conducts trust business under Article 1, paragraph (1) of the same Act, the agricultural or fishery cooperative in financial difficulties may effect a change of trustees for trusts that have been assumed under a contract for the transfer of credit business with an assuming agricultural or fishery cooperative in relation to the financial assistance (hereinafter referred to as "new trustee" in this Article).

(2) If a change of trustee is effected under the preceding paragraph, the new trustee must immediately give public notice in the Official Gazette to the effect that any settlors of a trust subject to the change (hereinafter referred to as "transferred settlors" in this Article) or beneficiaries (hereinafter referred to as "transferred beneficiaries" in this Article) that have any objection thereto should state the objection within a specified period of time, and must also give notice of the same to all known transferred settlors and transferred beneficiaries individually other than transferred settlors and transferred beneficiaries in relation to loan trusts and other trusts specified by Cabinet Order as trust in relation to standard trust contracts (referred to as "standard trusts" in paragraph (5)).

(3) The period under the preceding paragraph must not be less than one month.

(4) Notwithstanding the provisions of paragraph (2), if the new trustee gives public notice under the provisions of that paragraph by means of public notice specified in any of the following items as prescribed in the articles of incorporation, beyond the Official Gazette, the individual notice under the provisions of that paragraph is not required:

(i) by publication in a daily newspaper that publishes particulars concerning current affairs; and

(ii) by an electronic public notice.

(5) The transfer beneficiaries of loan trusts, etc. (meaning the standard trusts specified by Cabinet Order as those to which settlors are entitled to all profits derived therefrom) that have raised objections within the period under paragraph (2) may request that the new trustee purchase the beneficiary rights of the relevant transfer beneficiaries at a fair price to which they would have been entitled if the change prescribed in paragraph (1) had not occurred.

(6) If a request is made under the preceding paragraph, the new trustee must purchase beneficiary rights subject to the relevant request with the new trustee's own assets. In this case, Article 11 of the Loan Trust Act (Act No. 195 of 1952) does not apply.

(7) The provisions of Article 75, paragraph (1), Article 76 and Article 77 of the Trust Act apply mutatis mutandis to cases where the change prescribed in paragraph (1) is made, and the provisions of Article 103, paragraph (6) and (7), Article 104, paragraphs (1) through (11), Article 262, paragraph (1) and (2), Article 263, and Article 264 of the same Act apply mutatis mutandis to the purchase request of own beneficiary rights under paragraph (5). In this case, any necessary technical replacement of terms will be specified by Cabinet Order.

(Submission of Reports or Materials)

Article 116 (1) The competent minister or a prefectural governor, when finding it necessary to ensure the smooth implementation of this Act, may require an agricultural or fishery cooperative to submit reports or materials with regard to the status of its business and assets.

(2) The competent minister or a prefectural governor, when and to the extent that they find it particularly necessary to ensure the smooth implementation of this Act, may require a subsidiary company of an agricultural or fishery cooperative (meaning a subsidiary company (including a company deemed to be a subsidiary company) prescribed in Article 11-2, paragraph (2) of the Agricultural Cooperatives Act in the case where the agricultural or fishery cooperative is an agricultural cooperative or a federation of agricultural cooperatives, in Article 11-8, paragraph (2) of the Fishery Cooperatives Act (including the cases as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1) of the same Act) in the case where it is the fishery cooperative, a federation of fishery cooperatives, a fishery processing cooperative, or a federation of fishery processing cooperatives, and in Article 24, paragraph (4) of the Norinchukin Bank Act in the case where it is The Norinchukin Bank; the same applies in the following paragraph and following Article) or a person to that business has been entrusted by an agricultural or fishery cooperative to submit reports or materials as a reference with regard to the status of business and assets of the relevant agricultural or fishery cooperative.

(3) A subsidiary company of an agricultural or fishery cooperative or a person to that business has been entrusted by an agricultural or fishery cooperative, if there are justifiable grounds, may refuse to submit reports or materials under the provisions of the preceding paragraph.

(On-Site Inspections)

Article 117 (1) The competent minister or a prefectural governor, when finding it necessary to ensure the smooth implementation of this Act, may authorize their officials to enter an office or any other facilities of an agricultural or fishery cooperative and ask questions on the status of its business and assets or inspect books, documents, and other items.

(2) In the event that the competent minister or the prefectural governor deems it particularly necessary in the case of on-site inspection, questioning or inspection pursuant to the provisions of the preceding paragraph, they may, to the extent necessary, authorize their officials to enter the office of the subsidiary company of the agricultural or fishery cooperative or other facilities and to ask concerning particulars necessary for questions or the inspection to the agricultural or fishery cooperative or to inspect books, documents, and other items.

(3) In the case referred to in the preceding two paragraphs, the officials must carry identification and present it when requested to do so by the relevant persons.

(4) The authority under paragraphs (1) and (2) must not be construed as being granted for criminal investigation purposes.

(5) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to questions and inspections of a subsidiary company of an agricultural or fishery cooperative or a person that has been entrusted with the business by an agricultural or fishery cooperative pursuant to paragraph (2).

(6) The competent minister or the prefectural governor, when finding it necessary, may authorize the SIC to conduct the entry, questioning, or inspection (limited to those conducted to investigate the following particulars) under paragraph (1) or (2); in this case, the SIC is to authorize its officials to conduct the relevant entry, questioning, or inspection:

(i) that the payment of insurance premiums under Article 50, paragraph (1) has been made appropriately;

(ii) that measures prescribed in Article 57-2, paragraph (4) and Article 60-3, paragraph (1) have been taken; and

(iii) the expected amount of payment to be received for savings, etc. and other claims prescribed in Article 71, paragraph (2).

(7) The provisions of paragraphs (3) through (5) apply mutatis mutandis to the entry, questioning, or inspection under the preceding paragraph.

(Order Against Agricultural or Fishery Cooperative)

Article 118 In the event that an agricultural or fishery cooperative has suspended or is likely to suspend the withdrawal of savings, etc., and the competent minister or a prefectural governor finds it particularly necessary for the proper and smooth implementation of SIC's business, they may order the agricultural or fishery cooperative to take necessary measures to deal with the situation.

(Notice of the Commencement of Bankruptcy Proceedings of Agricultural or Fishery Cooperative)

Article 118-2 (1) If a ruling for the commencement of bankruptcy proceedings is made with respect to an agricultural or fishery cooperative, the court clerk must notify the competent authority prescribed in Article 2, paragraph (4) of the Act on Special Provisions for Rehabilitation Proceedings of Agricultural and Fishery Cooperatives to that effect.

(2) In bankruptcy proceedings of an agricultural or fishery cooperative, when notice is given under Article 197, paragraph (1) of the Bankruptcy Act (including cases where it is applied mutatis mutandis pursuant to Article 209, paragraph (3) of the same Act) or Article 204, paragraph (2) of the Bankruptcy Act, or permission is granted under Article 208, paragraph (1) of the same Act, a bankruptcy trustee must notify the SIC to that effect.

(Effect of Cancellation of Contract)

Article 118-3 (1) When giving the certification prescribed in Article 97, paragraph (1) or specified certification, the competent minister, following deliberation by the council, with regard to The Norinchukin Bank in relation to the relevant certification or specified certification, may make a decision that the clause providing for the specified cancellation, etc. of a contract (limiting to, with regard to The Norinchukin Bank which is a party to the contract or a person specified in the contract, those which agree that the specific cancellation, etc. will take effect based on the reason that a related measure, etc. has been taken and which pertains to transactions specified by order of the competent ministry among those associated with financial market or any other financial system in Japan) based on the reason that a related measure, etc. (meaning measures related to the relevant certification or specified certification, or designation of special monitoring or other relevant certification or specified certification; hereinafter the same applies in this paragraph) has been taken, to the extent necessary to avoid the risk of significant disruption to the Japanese financial system, does not become effective during the period specified by the competent minister (hereinafter referred to as the "period for implementing a measure" in this Article) as a period necessary for implementing necessary measures for avoiding the risk of severe disruption being caused to the financial system in Japan.

(2) The "specified cancellation, etc." set forth in the preceding paragraph means termination or cancellation of a contract, arising of a right to cancel a contract, forfeiture of the benefit of time with regard to claims in relation to a contract, the close-out netting prescribed in Article 2, paragraph (6) of the Act on Close-Out Netting of Specified Financial Transactions Conducted by Financial Institutions (Act No. 108 of 1998) with regard to transactions in relation to a contract, and other effects specified by order of the competent ministry as being equivalent thereto.

(3) A decision under paragraph (1) takes effect as of the time of the relevant decision.

(4) Upon making a decision under the provisions of paragraph (1), the competent minister must immediately give public notice of the fact and the period for implementing a measure in the Official Gazette, and notify the SIC and The Norinchukin Bank.

(5) During the period for implementing a measure, the provisions of Article 58 of the Bankruptcy Act as applied mutatis mutandis pursuant to Article 51 of the Civil Rehabilitation Act do not apply to the contract for which a decision under the provisions of paragraph (1) has been made.

(6) For the application of the provisions of Article 3 of the Act on Close-Out Netting of Specified Financial Transactions Conducted by Financial Institutions to a contract for which a decision under the provisions of paragraph (1) has been made, during the period for implementing a measure, close-out netting event prescribed in Article 2, paragraph (4) of the same Act are deemed to have not come into effect.

(Order for Smoothly Implementing the Orderly Resolution of Assets and Liabilities of The Norinchukin Bank)

Article 118-4 When a need for orderly resolution of assets and liabilities of The Norinchukin Bank arises and the competent minister finds that measures necessary for the smooth implementation thereof have not been taken, the minister may order The Norinchukin Bank to take the relevant measures to the extent necessary by a specified time.

(Instructions and Advice)

Article 118-5 The SIC is to give necessary instructions and advice to agricultural or fishery cooperative with respect to the implementation of measures for the enhancement of equity capital and ensuring the soundness of management of an agricultural or fishery cooperative specified by order of the competent ministry as those that are experiencing problems in ensuring the soundness of management.

(International Cooperation)

Article 118-6 The SIC, when there is a need to carry out its operations in international cooperation, must exchange information with foreign governments, foreign local public entities, foreign central banks, international organizations, and other bodies equivalent thereto, along with conducting other necessary operations.

(Competent Minister)

Article 119 (1) The competent ministers in this Act are the Minister of Agriculture, Forestry and Fisheries, the Minister of Finance, and the Prime Minister; provided, however, that the competent ministers set forth in Article 57, paragraphs (2) and (3), Section 4 of Chapter 3 (excluding Article 65, paragraph (4) , Article 65-2, paragraphs (2) and (3) (including cases where these provisions are applied mutatis mutandis to Article 69, paragraph (4))), Chapter 6, Chapter 7 (excluding Article 101, paragraph (2), Article 103, Article 106, Article 52, paragraph (5) as applied mutatis mutandis to Article 107, paragraph (3), Article 108 and Article 110, paragraph (1)), Chapter 7-2 (excluding Article 101, paragraph (2) as applied mutatis mutandis to Article 110-14, paragraph (5), Article 110-16, and Article 52, paragraph (5) as applied mutatis mutandis to Article 110-17, paragraph (3)), Article 116, paragraphs (1) and (2), Article 117, paragraphs (1), (2), and (6), Article 118, Article 118-3, paragraphs (1) and (4), and Article 118-4 are the Minister of Agriculture, Forestry and Fisheries and the Prime Minister.

(2) The Prime Minister delegates the authority (excluding those specified by Cabinet Order) under this Act to the Commissioner of the Financial Services Agency.

(3) The orders of the competent ministries in this Act are the Order of the Ministry of Agriculture, Forestry and Fisheries, the Order of the Ministry of Finance, and the Order of the Cabinet Office.

(Delegation to Cabinet Order)

Article 120 Beyond what is provided for in this Act, necessary particulars for the implementation of this Act are specified by Cabinet Order.

(Category of Business Duties)

Article 121 Duties that are to be processed by prefectures pursuant to the provisions of this Act are item (i) statutory entrusted functions prescribed in Article 2, paragraph (9), item (i) of the Local Autonomy Act (Act No. 67 of 1947).

(Transitional Measures)

Article 122 When enacting, revising, or rescinding an order pursuant to this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be provided for by that order, to the extent considered reasonably necessary for its enactment, revision, or discontinuation.

Chapter IX Penal Provisions

Article 123 (1) Any administrator or administrator representative that has accepted, solicited, or promised to accept a bribe in connection with their duties is subject to imprisonment for not more than three years or a fine of up to one million yen.

(2) When any administrator or administrator representative is a corporation, any officer or staff member of the administrator or administrator representative who has accepted, solicited, or promised to accept a bribe in connection with their duties is subject to imprisonment for not more than three years or a fine of up to one million yen. The same applies when, in the event that any administrator or administrator representative is a corporation, any officer or staff thereof has caused the administrator or administrator representative to accept, solicit an offer of, or promise of a bribe in connection with the duties of any administrator or administrator representative.

(3) Any bribe accepted by an offender or administrator or administrator representative that has juridical personality will be confiscated. If it is not possible to confiscate the whole or part of the bribe, an equivalent value thereof will be collected.

Article 123-2 (1) Any special monitoring agent that has accepted, solicited, or promised to accept a bribe in connection with their duties is subject to imprisonment for not more than three years or a fine of up to one million yen.

(2) If a special monitoring agent is a corporation, any officer or staff member of the special monitoring agent who has accepted, solicited, or promised to accept a bribe in connection with their duties is subject to imprisonment for not more than three years or a fine of up to one million yen. The same applies in the event that when a special monitoring agent is a corporation, any officer or staff thereof that has caused the special monitoring agent or SIC representative to accept or solicit an offer of or promise of a bribe in connection with the duties of the special monitoring agent.

(3) Any bribe accepted by an offender or special monitoring agent that is a corporation will be confiscated. If it is not possible to confiscate the whole or part of the bribe, an equivalent value thereof will be collected.

Article 124 Any person that has given, or offered or promised to give the bribe prescribed in Article 123, paragraph (1) or (2) or paragraph (1) or (2) of the preceding Article is subject to imprisonment for not more than three years or a fine of up to one million yen.

Article 124-2 In the case that falls under any of the following items, the person that has committed the relevant violation is subject to imprisonment for not more than one year or a fine of up to three million yen, or both:

(i) violating an order under Article 110-3, paragraph (3); or

(ii) violating an order under Article 110-10.

Article 125 (1) Any person that has failed to submit reports or materials under Article 116, paragraph (1) or (2) or submitted false reports or materials is subject to an imprisonment for not more than one year or a fine of up to three million yen.

(2) The provisions of the preceding paragraph apply to any person who has refused to answer questions or has given false answers to the officials or staff of the SIC under Article 117, paragraph (1), (2), or (6) or has refused, obstructed, or avoided any inspection under these provisions.

Article 126 Any person who has violated the provisions of Article 22 (including cases where it is applied mutatis mutandis pursuant to Article 33) or Article 90 (including cases where it is applied mutatis mutandis pursuant to Articles 110-11) is subject to imprisonment for not more than one year or a fine of not more than five hundred thousand yen.

Article 127 When any director of an agricultural or fishery cooperative under management (including business management committee members of an agricultural cooperative, federation of agricultural cooperatives, fishery cooperative, federation of fishery cooperatives, and The Norinchukin Bank; the same apply in Article 132 paragraphs (1) and (2)), inspector (in the case where an agricultural or fishery cooperative under management is a cooperative with an accounting auditor or The Norinchukin Bank, the inspector or accounting auditor or the member who is to perform the duties of the accounting auditor), or counselor or any other employee or those who were any of these of the cooperative under management has failed to submit reports or submitted false reports under Article 89, paragraph (1) or refused, obstructed, or avoided any inspection under the Article 89, paragraph (1), the person is subject to imprisonment for not more than one year or a fine of not more than five hundred thousand yen.

Article 128 In any of the following cases, the person that has committed the violation is punished by a fine of not more than 500,000 yen:

(i) in the case where a person has failed to submit reports under the provisions of Article 65-2, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 69, paragraph (4)), Article 82, Article 102, paragraph (2), or Article 110-15, paragraph (2) or has submitted false reports; and

(ii) in the case where a person has failed to submit reports or materials under the provisions of Article 88 or Article 110-3, paragraph (5) or has submitted false reports or materials.

Article 129 (1) In any of the following cases, the SIC or a trusted officer or staff who has committed the violation is punished by a fine of not more than 500,000 yen:

(i) in the case of failing to make a report pursuant to the provisions of Article 46, paragraph (1) or making a false report, or refusing, obstructing, or avoiding an inspection pursuant to the provisions of the same paragraph; and

(ii) in the case of failing to make a report pursuant to the provisions of Article 58, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 59, paragraph (5) and Article 72, paragraph (5)), Article 65, paragraph (5) (including the cases as applied mutatis mutandis pursuant to Article 69, paragraph (4) and Article 69-3, paragraph (2) (including the cases as applied mutatis mutandis in Article 111 and Article 112)), Article 77, paragraph (3), Article 79, paragraph (2), Article 101, paragraph (2) (including the cases as applied mutatis mutandis pursuant to Article 110-14, paragraph (5)), Article 103, paragraph (2), Article 106, paragraph (1), Article 110-16, paragraph (2), or Article 112-2, paragraph (4) or making a false report.

(2) Any officer of the SIC who has made a decision pursuant to the provisions of Article 65, paragraph (1), Article 69, paragraph (1) or Article 69-3, paragraph (1) (including the cases as applied mutatis mutandis in Article 111 and Article 112) without obtaining the authorization of the competent minister as prescribed in Article 65, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 69, paragraph (4) and Article 69-3, paragraph (2) (including the cases as applied mutatis mutandis in Article 111 and Article 112)) is punished by a fine of not more than 500,000 yen.

Article 130 In any of the following cases, the person that has committed the violation is punished by a fine of not more than 300,000 yen;

(i) when a person failed to submit reports or materials pursuant to the provisions of Article 37, paragraph (1), or has submitted false reports or materials; and

(ii) when a person has failed to submit materials pursuant to the provisions of Article 57-2, paragraph (2), or has submitted false materials.

Article 131 (1) If a representative (including an administrator of an association, etc. without legal personality) of a corporation (including an association or foundation which is not a corporation but for which a representative or an administrator has been designated (hereinafter referred to as an "association, etc. without legal personality" in this Article); hereinafter the same applies in this paragraph) or an agent, employee, or other worker of a corporation or individual has committed any violation specified in each of the following items with regard to the business or assets of the corporation or individual, not only the offender is punished, but the relevant corporation is also subject to the fine set forth in each respective item and the relevant individual is subject to the fine prescribed in the respective Articles:

(i) Article 124-2 or Article 125: a fine of not more than two hundred million yen; and

(ii) Article 127 (limited to the part in relation to a cooperative with an accounting auditor or an accounting auditor who is a corporation of The Norinchukin Bank), Article 128 or the preceding Article: the fine prescribed in the respective Articles:

(2) In the event that the provisions of the preceding paragraph apply to an association, etc. without legal personality, its representative or administrator represents the association, etc. without legal personality in its procedural act, and the provisions of laws concerning criminal proceedings in the cases where a corporation is accused or suspected will be applied.

Article 131-2 (1) The crimes set forth in Article 123 or Article 123-2 apply to any person that has committed these crimes outside Japan.

(2) The crimes set forth in Article 124 (limited to the part in relation to Article 123, paragraph (1) or (2)) is governed by Article 2 of the Penal Code.

Article 132 (1) Any director of an agricultural or fishery cooperative who has committed any of the following violations is subject to a civil fine of not more than one million yen; provided, however, that this does not apply when the act is made subject to a criminal punishment:

(i) if they have failed to give public notice, report, notice, or request prescribed in this Act or have given a wrongful public notice, report, or notice;

(ii) if they have violated an order under Article 60-3, paragraph (2) or Article 118-4;

(iii) if they have failed to provide notification or provided false notification in violation of the provisions of Article 83, paragraph (5);

(iv) if they fail to transfer the duties to an administrator that has been appointed under the provisions of Article 85, paragraph (2);

(v) if they have failed to register in violation of the provisions of Article 101-2, paragraph (2) (including the case as applied mutatis mutandis pursuant to Article 110-14, paragraph (5)); or

(vi) if they have failed to make payment, provide security, or entrust assets under the provisions of Article 114, paragraph (9).

(2) If an administrator fails to transfer their duties to a director or liquidator of an agricultural or fishery cooperative under management despite the rescission of an order to manage under the provisions of Article 84, paragraph (1), the person is subject to a civil fine of not more than one million yen; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question.

(3) An administrator of the agricultural or fishery cooperative specified in following items is subject to a civil fine of not more than one million yen if they fall under any of the provisions prescribed in each respective item; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question:

(i) The Norinchukin Bank: each item of Article 100, paragraph (1) of the Norinchukin Bank Act or each item of Article 47 of the Restructuring and Enhancement Act

(ii) agricultural cooperatives, federations of agricultural cooperatives, fishery cooperatives, federations of fishery cooperatives, fishery processing cooperatives, or federations of fishery processing cooperatives: each item of Article 47 of the Restructuring and Enhancement Act

(4) The administrator of an agricultural cooperative or a federation of agricultural cooperatives which is an agricultural or fishery cooperative is punished by a civil fine of not more than 500,000 yen if the person falls under any of the items of Article 101, paragraph (1) of the Agricultural Cooperatives Act; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question.

(5) The administrator of a fishery cooperative, a federation of fishery cooperatives, fishery processing cooperative, or a federation of fishery processing cooperatives which is an agricultural or fishery cooperative is punished by a civil fine of not more than 500,000 yen in the event that the person falls under any of the items of paragraph (1) of Article 130 of the Fishery Cooperatives Act; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question.

Article 133 In cases falling under any of the following items, the officer of corporation who has committed the violation is punished by a civil fine of not more than 200,000 yen:

(i) when they are required under this Act to obtain the authorization (excluding those under the provisions of Article 65, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 69, paragraph (4) and Article 69-3, paragraph (2) (including the cases as applied mutatis mutandis in Article 111 and Article 112))) or approval of the competent minister but have failed to obtain the authorization or approval;

(ii) if they have failed to make a registration in violation of the Cabinet Order prescribed in Article 7, paragraph (1);

(iii) if they have carried out duties other than those prescribed in Article 34;

(iv) if they have failed to keep documents or make them available for public inspection in violation of the provisions of Article 40, paragraph (3);

(v) if they have failed to calculate or set aside policy reserve in violation of the provisions of Article 41;

(vi) if they have invested surplus funds from operations in violation of the provisions of Article 43;

(vii) if they have violated an order of the competent minister under Article 45, paragraph (2); or

(viii) if they have failed to give a notice under the provisions of Article 57, paragraph (4) or have given a wrongful notice.

Article 134 Any person who has violated the provisions of Article 6, paragraph (2) or any officer of an agricultural or fishery cooperative who has failed to comply with an order pursuant to the provisions of Article 118 is punished by a civil fine of not more than 200,000 yen.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Act comes into force as of the day of promulgation.

(Transitional Provision)

Article 2 (1) The provisions of this Act do not apply to an agricultural or fishery cooperative where an insured event occurred at the time of the establishment of the SIC or any other agricultural or fishery cooperative specified by Cabinet Order as equivalent thereto.

(2) With respect to the agricultural or fishery cooperative prescribed in the preceding paragraph which is designated by the competent minister and whose business and property conditions are deemed to have become normal again after the establishment of the SIC, the provisions of this Act apply from the day of such designation.

(Exception to Amount of Insurance Proceeds)

Article 6-2 (1) Notwithstanding the provisions of Article 56, paragraphs (1) through (3), the amount of insurance proceeds are, limited to insured event (excluding insured event pertaining to a decision to provide special financial assistance prescribed in Article 7, paragraph (5) of the Supplementary Provisions or a decision to make a special purchase of claims of savings, etc. prescribed in Article 8, paragraph (4) of the Supplementary Provisions in the case where such decision had been made) that occurred during the period from April 1, 2001 to March 31, 2003, to each depositor, etc. of the agricultural or fishery cooperative society in which the insurance accident occurred, the amount equivalent to the aggregate amount specified in the following items among the claims (limited to those (including those that they did not actually have as a result of the payment of a provisional payment set forth in paragraph (3) of the Article or the refund of savings, etc. pertaining to a loan set forth in paragraph (1) of Article 111) actually held by the person at the time of making the request set forth in Article 55, paragraph (1); the same applies hereinafter in this paragraph) pertaining to savings, etc. (excluding foreign currency savings, etc. and other savings, etc. specified by Cabinet Order; the same applies hereinafter in this Article) which the person actually holds to the agricultural or fishery cooperative association as of the date of occurrence by the category of savings, etc. specified in the following items.

(i) savings among savings, etc. which are specified by Cabinet Order as being used for exchange transactions (hereinafter referred to as "specified savings" in this Article): the total amount of the of principal and the amount of interest, etc. of claims pertaining to the specified savings (in the case where the aggregate amount is two or more for the same person, the total amount); and

(ii) savings, etc. other than specified savings (hereinafter referred to as "other savings, etc." in this Article): the total of the amount of the principal and the amount of interest, etc. of the claims pertaining to the other savings, etc. (in the case where there are two or more such total amounts for the same person, the total amount)

(2) If the amount of the principal prescribed in item (ii) of the preceding paragraph (or the total amount thereof if there are two or more such amounts for the same person) exceeds the base insurance amount, the amount of insurance proceeds is the total of the base insurance amount and the amount of interest, etc. pertaining to the principal corresponding to the base insurance amount. In this case, if the amount of the principal is two or more for the same person, the principal corresponding to the base insurance amount is the principal in the case where the amount of the principal prescribed in each item of Article 56, paragraph (2) is totaled up to the base insurance amount as prescribed in the respective items of Article 56, paragraph (2) for the other savings, etc.

(3) In the case where the depositors, etc., pertaining to an insured event received payment of provisional payment set forth in Article 55, paragraph (3) or received refund of savings, etc. pertaining to the loan set forth in Article 111, paragraph (1) with respect to such insured event, the amount of insurance proceeds for the person, notwithstanding the provisions of the preceding two paragraphs, is the amount equivalent to the amount of the insurance proceeds, the amount equivalent to the amount obtained by deducting the amount of the provisional payment, and the amount of refund of the savings, etc. pertaining to the loan set forth in paragraph (1) of the Article pursuant to the provisions of Cabinet Order from the amount pursuant to the provisions of the preceding two paragraphs, for each category of savings, etc. specified in the items of paragraph (1).

(4) For the application of the provisions prescribed in the items in the cases specified in the following respective items, the term "Article 56, paragraphs (1) through (3)" in the relevant provisions is replaced with "Article 6-2, paragraphs (1) through (3) of the Supplementary Provisions"

(i) in the case where another agricultural or fishery cooperative assumes the obligations pertaining to savings, etc. of an agricultural or fishery cooperative in financial difficulties pertaining to an insured event prescribed in paragraph (1): Article 2, paragraph (9);

(ii) in the case where a request is made for payment of insurance proceeds prescribed in Article 55, paragraph (1) pertaining to the insured event prescribed in paragraph (1) has been made: Article 60, paragraph (1);

(iii) in the case where an agricultural or fishery cooperative in financial difficulties pertaining to an insured event prescribed in paragraph (1) transfers a part of the credit business to another agricultural or fishery cooperative: Article 61, paragraph (2); and

(iv) in the case of receiving an application for a loan of funds necessary for the refund of savings, etc. from the agricultural or fishery cooperative specified in the items of Article 111, paragraph (1) pertaining to the insured event prescribed in paragraph (1): the same paragraph.

(5) For the application of the provisions of Article 56-2 in the case where the insured event prescribed in paragraph (1) has occurred, the term "paragraph (1) through (3) of the preceding Article" in paragraph (1) of the same Article is replaced with "Article 6-2, paragraph (1) through (3) of the Supplementary Provisions", and the term "paragraph (2) of the preceding Article" in paragraph (2) of the same Article is replaced with "Article 6-2, paragraph (2) of the Supplementary Provisions".

(Exception to the Amount of Insurance Premiums)

Article 6-3 (1) Notwithstanding the provisions of Article 51, paragraph (1), the amount of insurance premiums payable by June 30, 2001 is the sum of the total amount of savings specified by Cabinet Order as being used for exchange transactions among savings, etc. (excluding foreign currency savings and other savings, etc. (hereinafter referred to as "specified savings" in this Article) specified by Cabinet Order; the same applies hereinafter in this Article) as of March 31 of the same year for each agricultural or fishery cooperative with respect to savings, etc. and the total amount of savings, etc. (hereinafter in this Article referred to as "other savings, etc.") other than the specified savings, multiplied by the rate determined separately for specified savings and other savings, etc. by a resolution of the Commission.

(2) For the application of the provisions of the preceding paragraph for the persons specified in Article 2, paragraph (1), items (ii), (iv), (vi), and (vii) (in the case of any person listed in item (iv) of the paragraph, excluding those that have taken over the business set forth in Article 11, paragraph (1), item (ii) of the Fishery Cooperatives Act from the person specified in item (iii) of the paragraph), the term "the calculated amount" in the same paragraph is replaced with "the amount obtained by dividing the calculated amount by twelve and multiplying it by nine".

(3) Notwithstanding the provisions of Article 51, paragraph (1), the amount of insurance premiums payable on or before June 30, 2002 is the amount obtained by the sum, for each agricultural or fishery cooperative, by multiplying the average of the total amount of the specified savings and the total amount of other savings, etc. as of each day (excluding Sunday and other days specified by Cabinet Order) during the period from April 1, 2001 to March 31, 2002, by the rate determined separately for specified savings and other savings, etc. by the SIC by the resolution of the committee.

(Special Provisions for Savings for Settlement Purposes)

Article 6-3-2 Specified savings (meaning the specified savings prescribed in Article 6-2, paragraph (1), item (i) of the Supplementary Provisions) which do not fall under the category of savings for settlement purposes is deemed to be savings for settlement purposes during the period from April 1, 2003 to March 31, 2005. In this case, for the application of the provisions of Article 56-2, paragraph (1), the term "the amount of the principal (the amount" in the paragraph is replaced with "the total amount of the principal and the amount of interest, etc. (the total amount".

(Exception of Business)

Article 6-4 For the time being, the SIC may provide financial assistance under the provisions of the following Article through Article 6-10 of the Supplementary Provisions, in addition to the business prescribed in Article 34.

(Application for Financial Assistance Related to Specified Merger)

Article 6-5 (1) An agricultural or fishery cooperative in financial difficulties which has undergone mediation under Article 6-3, paragraph (1) (hereinafter referred to as the "mediation of a specified merger") of the Supplementary Provisions of the Agricultural and Fishery Cooperation Savings Insurance Act prior to the revision under the provisions of Article 1 of the Act for Partial Revision of the Agricultural and Fishery Cooperatives Savings Insurance Act and Act on Merger Between The Norinchukin Bank and the Credit Federation of Agricultural Cooperatives (Act No. 94 of 2000) may apply so that the SIC provides financial assistance to support the specified merger (meaning a merger in which two or more agricultural or fishery cooperatives in financial difficulties are all parties, and in which an agricultural or fishery cooperative is established as a result of the merger; the same applies hereinafter) pertaining to such mediation, only within one year from the date of such mediation.

(2) An application pursuant to the preceding paragraph must be made in the joint names with the agricultural or fishery cooperative in financial difficulties that conducts the specified merger set forth in the paragraph.

(3) The provisions of Article 61, paragraph (6), Article 65 and Article 65-2 apply mutatis mutandis to the application under the provisions of paragraph (1).

Article 6-6 (1) In the case where a federation of agricultural or fishery cooperatives, etc. provides a loan of funds or other assistance in a specified merger pursuant to the mutual assistance arrangements pertaining to the agricultural or fishery cooperative prescribed in Article 62 paragraph (1), the federation of agricultural or fishery cooperatives, etc., within one year from the day the mediation of the specified merger was conducted, may apply so that the SIC provides financial assistance (limited to those listed in Article 61, paragraph (1), item (i), item (ii), or item (iv)) to support the specified merger.

(2) The provisions of Article 62, paragraph (3) and Article 65 apply mutatis mutandis to the application under the preceding paragraph.

(Approval of the Prefectural Governor)

Article 6-7 (1) With respect to a specified merger pertaining to an application pursuant to the provisions of Article 6-5 paragraph (1) of the Supplementary Provisions or paragraph (1) of the preceding Article, an agricultural or fishery cooperative in financial difficulties which conducts the specified merger, by the time an application is made pursuant to these provisions, must formulate a plan to implement particulars specified by order of the competent ministry as particulars necessary to ensure sound and appropriate operation of the business pertaining to the credit business of the agricultural or fishery cooperative established by the specified merger and obtain the approval of the prefectural governor.

(2) An application for the approval set forth in the preceding paragraph must be made in the joint names of the agricultural or fishery cooperative in financial difficulties that conduct the specified merger set forth in the paragraph.

(3) The provisions of Article 63, paragraphs (6) and (8) apply mutatis mutandis to the case where the approval set forth in paragraph (1) is given.

(Report on the Contract of a Specified Merger)

Article 6-8 (1) In the event that an agricultural or fishery cooperative in financial difficulties which underwent mediation for a specified merger concludes a contract for the specified merger pertaining to the mediation, it must immediately report to that effect to the prefectural governor or the competent minister who conducted the mediation, and must submit a written contract for the specified merger (in the case of an agricultural or fishery cooperative in financial difficulties which has concluded a contract with the SIC as set forth in Article 65, paragraph (6) as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) of the Supplementary Provisions, a written contract for the specified merger and a document describing the contents of the contract set forth in the same paragraph).

(2) The provisions of Article 66, paragraph (2) apply mutatis mutandis to the report set forth in the preceding paragraph.

(Mutatis Mutandis)

Article 6-9 The provisions of Article 67 apply mutatis mutandis to an agricultural or fishery cooperative that has received mediation for a specified merger. In this case, the term "the merger, etc. pertaining to the certification of the eligibility, etc." in paragraph (1) of Article 67 is to be replaced with "the specified merger pertaining to the mediation of the specified merger."

(Application of This Act)

Article 6-10 In the case where the financial assistance of the SIC prescribed in Article 6-4 of the Supplementary Provisions is provided, the following provisions apply:

(i) for the application of the provisions of Article 15, the term "Chapter 7 and Chapter 8" in the same Article is replaced with "Chapter 7, Chapter 8, and Article 65, paragraph (1) as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions;

(ii) for the application of the provisions of Article 40-2, item (i), the term "exclude.)" in the item is replaced with " exclude.) and financial assistance prescribed in Article 6-4 of the Supplementary Provisions";

(iii) for the application of the provisions of Article 42, the term "business" in paragraph (1) of the Article is replaced with "business and financial assistance prescribed in Article 6-4 of the Supplementary Provisions";

(iv) for the application of the provisions of Article 50, paragraph (2), item (ii), the term "prescribed certification of eligibility, etc." in the same item is replaced with "prescribed certification of eligibility, etc. or the approval set forth in Article 6-7 paragraph (1) of the Supplementary Provisions," and the term "the relevant certification of eligibility, etc." in the same item is replaced with "the relevant certification of eligibility, etc. or the relevant approval".

(v) for the application of the provisions of Article 58, paragraph (1), item (iii) and paragraph (3), item (iii), the term "some parties" in these provisions is replaced with "all or some of the parties," the term "Article 67, paragraph (1)" is replaced with "Article 67, paragraph (1) (including the cases as applied mutatis mutandis pursuant to replacing in Article 6-9 of the Supplementary Provisions); the same applies hereinafter in this item)";

(vi) for the application of the provisions of Article 58, paragraph (1), item (iv) and paragraph (3), item (iv), the term "some parties" in these provisions is replaced with "all or some parties," and the term "Article 67, paragraph (1)" is replaced with "Article 67, paragraph (1) (including the cases where it is applied mutatis mutandis upon reading the same in Article 6-9 of the Supplementary Provisions). (2) The term "Article 67, paragraph (1)" is replaced with "Article 67, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to replacing in Article 6-9 of the Supplementary Provisions).

(vii) for the application of the provisions of Article 69, paragraph (2), the term "specified merger" in item (ii) of the paragraph is replaced with "specified merger or specified merger prescribed in Article 6-5, paragraph (1) of the Supplementary Provisions", and the term "the relevant merger" is replaced with "the relevant merger or specified merger".

(viii) for the application of the provisions of Article 129, the term "Article 112, paragraph (2)" in paragraph (1), item (ii) of the Article is replaced with "Article 112, paragraph (2) and Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions", and the term "Article 65, paragraph (4)" in paragraph (2) of the Article is replaced with "Article 65, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions)" and "paragraph (1) of the Article" is replaced with "Article 65, paragraph (1)(including the cases as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions).

(ix) for the application of the provisions of Article 133, the term "Article 65, paragraph (4)" in item (i) of the Article is replaced with "Article 65, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions)" and the term "business prescribed in Article 34" in item (iii) of the same Article is replaced with "business prescribed in Article 34 and financial assistance prescribed in Article 6-4 of the Supplementary Provisions.

(Special Measures for Financial Assistance)

Article 7 (1) In the case where an application has been made pursuant to the provisions of Article 61, paragraph (1) or Article 62, paragraph (1), or Article 6-5, paragraph (1) or Article 6-6, paragraph (1) of the Supplementary Provisions, up to March 31, 2002, if the SIC finds that the expenses expected to be required for the financial assistance pertaining to such application are more than the costs expected to be required for the payment of insurance proceeds (meaning based on the amount of the insurance proceeds calculated by applying the provisions of Article 56, paragraphs (1) through (3) and Article 56-2, paragraph (1) and (2)) related to the insured event of agricultural or fishery cooperative in financial difficulties pertaining to such financial assistance, it must report to that effect to the competent minister before the resolution of the committee set forth in Article 65, paragraph (1) (including the cases as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions; the same applies in paragraphs (5) and (6)) pertaining to the application.

(2) In cases where the competent minister has received a report as prescribed in the preceding paragraph, if the minister finds that there is a risk of serious hindrance to the maintenance of credit order unless the merger, etc., specified merger or measures to restructure the credit business pertaining to the reported application for financial assistance are implemented, the minister must certify that the merger, etc., specified merger or measures to restructure the credit business need to be implemented in order to maintain credit order and notify the SIC to that effect.

(3) The provisions of Article 63, paragraph (6) apply mutatis mutandis to the case where the certification set forth in the preceding paragraph is made.

(4) In granting the certification set forth in paragraph (2), the competent minister may request The Norinchukin Bank or the Bank of Japan for their opinions when the minister finds it necessary.

(5) The provisions of Article 65, paragraph (2) (including the cases as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions) do not apply where a resolution of the committee set forth in Article 65, paragraph (1) with regard to financial assistance pertaining to merger, etc. certified under paragraph (2), specified merger or measures to restructure the credit business (hereinafter referred to as "specified financial assistance"). In this case, if it finds that the specified financial assistance does not exceed the extent necessary for the merger, etc., the specified merger, or the measures to restructure the credit business to be implemented in light of the financial conditions of an agricultural or fishery cooperative in financial difficulties pertaining to the merger, etc., the specified merger, or the measures to restructure the credit business, the committee may make a resolution to provide such special financial assistance.

(6) The provisions of Article 65, paragraph (4) (including the cases as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) and Article 6-6, paragraph (2) of the Supplementary Provisions) do not apply where an order under the provisions of Article 65, paragraph (1) is made with regard to special financial assistance.

(7) The provisions of Article 104, paragraph (4) do not apply to financial assistance pertaining to the report made pursuant to the provisions of paragraph (1).

(Special Measures for Purchase of Claims of Savings)

Article 8 (1) When the SIC decides to purchase claims of savings, etc. pursuant to the provisions of Article 70, paragraph (1) up to March 31, 2002, the SIC must report to that effect to the competent minister in advance.

(2) If the competent minister has received a report pursuant to the provisions of the preceding paragraph, when the minister finds that there is a risk of serious hindrance to the maintenance of credit order if the estimated payment rate pertaining to the purchase of the reported claims of savings, etc. and is determined pursuant to the provisions of Article 71, paragraph (2), the minister must determine the estimated payment rate (hereinafter referred to as the "special refund rate") that is found necessary for the maintenance of credit order and notify the SIC of the determination.

(3) The provisions of Article 71, paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the case where the special refund rate set forth in the preceding paragraph is determined.

(4) The authorization pursuant to the provisions of Article 71, paragraph (1) is not required when the SIC has made a decision pursuant to the provisions of Article 70, paragraph (1) pertaining to the purchase of claims of savings, etc. for which the estimated payment ratio is the special refund ratio (hereinafter referred to as the "special purchase of claims of savings, etc.")

(Separate Accounting)

Article 9 (1) With regard to accounting for the following operations, the SIC must separate them from other accounting and establish a special account (hereinafter referred to as a "special account"):

(i) among the businesses specified in Article 34, item (iii) and the financial assistance prescribed in Article 6-4 of the Supplementary Provisions, special financial assistance;

(ii) among the businesses specified in Article 34, item (iv), the special purchase of claims of savings, etc.;

(iii) collection of the special insurance premiums prescribed in the following Article, paragraph (1); and

(iv) work incidental to the work specified in the preceding three items.

(2) In the event that the special financial assistance is provided, the SIC is to transfer from the general account an amount equivalent to expected costs for the payment of insurance proceeds (meaning payment based on the amount of the insurance proceeds calculated by applying the provisions of Article 56, paragraphs (1) through (3) and Article 56-2, paragraphs (1) and (2)) with respect to an insured event of an agricultural or fishery cooperative in financial difficulties pertaining to the special financial assistance to the special account.

(3) In the case where a special account is established pursuant to the provisions of paragraph (1), the term "collection of insurance premiums" in Article 34, item (i) is replaced with "collection of insurance premiums and collection of special insurance premiums pursuant to the provisions of Article 10 of the Supplementary Provisions", the term "the following item" in Article 40-2, item (i) is replaced with "the following item and each item of Article 9, paragraph (1) of the Supplementary Provisions", the term "cost required" in Article 51, paragraph (2) is replaced with "cost required (excluding cost required for the operations specified in the items of Article 9, paragraph (1) of the Supplementary Provisions (excluding those transferred from the general account to a special account pursuant to the provisions of paragraph (2) of the Article))" in paragraph (3) of the same Article (2) and the term "borrowing of funds" in paragraph 3 of the same Article in paragraph (3) of the Article is replaced with "borrowing of funds (excluding those to be accounted in the special account prescribed in Article 9, paragraph (1) of the Supplementary Provisions).

(Special Insurance Premiums)

Article 10 (1) In addition to the insurance premiums prescribed by Article 50, paragraph (1), an agricultural or fishery cooperative must pay to the SIC special insurance premiums from 1996 to 2001 to cover the costs required for the implementation of the businesses specified in each item of paragraph (1) of the preceding Article.

(2) The provisions of Article 50, Article 51, paragraph (1) and Articles 52 through 54 apply mutatis mutandis to the special insurance premiums set forth in the preceding paragraph. In this case, the term "the rate determined by the SIC by the resolution of the committee (hereinafter referred to as the "insurance premiums rate")" in Article 51, paragraph (1) is to be replaced with "the special insurance premiums rate prescribed by Article 10, paragraph (3) of the Supplementary Provisions".

(3) The special insurance premiums rate is to be determined by Cabinet Order by taking into consideration the expected amount of costs required for the services specified in each item of paragraph (1) of the preceding Article (excluding the amount of costs expected to be covered by the transfer from the general account to the special account pursuant to the provisions of paragraph (2) of the same Article) and the financial condition of the agricultural or fishery cooperative. In this case, the special insurance premiums rate specified by Cabinet Order must not be discriminatory against any specific agricultural or fishery cooperative.

(Abolition of a Special Account)

Article 11 The SIC is to abolish the special account at the end of 2002, and the assets and liabilities belonging to the special account at the time of abolition are attributed to the general account pursuant to the provisions of Cabinet Order.

(Competent Minister)

Article 12 Notwithstanding the provisions of the main clause of Article 119, paragraph (1), the competent minister provided for in Article 2, paragraph (2) of the Supplementary Provisions, Article 61, paragraph (6) as applied mutatis mutandis pursuant to Article 6-5, paragraph (3) of the Supplementary Provisions, Article 63, paragraphs (6) and (8) as applied mutatis mutandis pursuant to Article 6-7, paragraph (3) of the Supplementary Provisions, Article 6-8, paragraph (1) of the Supplementary Provisions, Article 66, paragraph (2) as applied mutatis mutandis pursuant to paragraph (2) of the Article, and Article 67 as applied mutatis mutandis by replacing Article 6-9 of the Supplementary Provisions are the Minister of Agriculture, Forestry and Fisheries and the Prime Minister.

(Penal Provision)

Article 13 Any officer or employee of the SIC who fails to make a report as prescribed in Article 7, paragraph (1) or Article 8, paragraph (1) of the Supplementary Provisions is punished by a fine of not more than 500,000 yen.

Article 14 A director of an agricultural or fishery cooperative who fails to make a report as prescribed in Article 6-8 paragraph (1) of the Supplementary Provisions or makes a wrongful report is punished by a civil fine of not more than 300,000 yen.

Supplementary Provisions [Act No. 55 of June 4, 2021 Extract] [Extract]

(Date of Enforcement)

Article 1 This Act comes into force from the date specified by Cabinet Order within a period not exceeding one year from the day of promulgation.