Regulation for Enforcement of the Act on Special Measures for the Reorganization Proceedings of Financial Institutions

(Cabinet Office Order No. 19 of March 28, 2003)

Pursuant to the provisions of the Article 83, paragraph (5) of the Corporate Reorganization Act (Act No. 154 of 2002) as applied mutatis mutandis pursuant to Articles 55 and 221 of the Act on Special Measures for the Reorganization Proceedings of Financial Institutions (Act No. 95 of 1996), the Regulation for Enforcement of the Act on Special Measures for the Reorganization Proceedings of Financial Institutions is established as follows.

(Evaluation of Assets)

Article 1 (1) With regard to the evaluation of assets to be specified or recorded in a balance sheet and inventory of assets referred to in Article 83, paragraph (4) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 55 of the Act on Special Measures for the Reorganization Proceedings of Financial Institutions (hereinafter referred to as the "Act"), the provisions specified in the following items apply mutatis mutandis according to the types of cooperative financial institution set forth in the items:

(i) credit cooperative: the provisions of Articles 36 and 37 of the Regulation for Enforcement of the Act on Financial Businesses by Cooperative (Ministry of Finance Order No. 10 of 1993);

(ii) Shinkin Bank: the provisions of Article 73 and 74 of the Regulation for Enforcement of the Shinkin Bank Act (Ministry of Finance Order No. 15 of 1982); and

(iii) labor bank: the provisions of Article 56 and 57 of the Regulation for Enforcement of the Labor Bank Act (Order of the Ministry of Finance and the Ministry of Labour No. 1 of 1982).

(2) In applying the provisions of Article 36 of the Regulation for Enforcement of the Act on Financial Businesses by Cooperative, Article 73 of the Regulation for Enforcement of the Shinkin Bank Act and Article 56 of the Regulation for Enforcement of the Labor Bank Act as applied mutatis mutandis pursuant to the preceding paragraph if there is any value evaluated pursuant to the provisions of Article 83, paragraph (1) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 55 of the Act with regard to the assets referred to in the preceding paragraph, the value evaluated pursuant to the provisions of Article 83, paragraph (1) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 55 of the Act is deemed to be the acquisition value.

(3) A reorganizing cooperative financial institution (meaning the reorganizing cooperative financial institution prescribed in Article 4, paragraph (7) of the Act; the same applies in the following Article and Article 3) may record goodwill in the assets section or the liabilities section of a balance sheet referred to in Article 83, paragraph (4) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 55 of the Act. In this case, the value of the goodwill must be indicated.

(Evaluation of Assets to Be Disposed of)

Article 2 Notwithstanding the provisions of the preceding Article, if a reorganization plan (meaning the reorganization plan prescribed in Article 4, paragraph (2) of the Act; the same applies in the following Article) specifies that assets of a reorganizing cooperative financial institution will be transferred and also specifies the value, the other party, and other particulars of the transfer, the disposal value may be indicated with regard to these assets.

(Evaluation in the Case of Discontinuation of the Entire Business of a Reorganizing Cooperative Financial Institution)

Article 3 Notwithstanding the provisions of the preceding two Articles, if a reorganization plan specifies the discontinuation of the entire business of a reorganizing cooperative financial institution, the disposal value must be indicated with regard to all of the assets belonging to the reorganizing cooperative financial institution.

(Evaluation of Assets)

Article 4 (1) With regard to the evaluation of assets to be specified or recorded in a balance sheet and inventory of assets referred to in Article 83, paragraph (4) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 221 of the Act, the provisions of Articles 24-3 and 24-4 of the Regulation for Enforcement of the Insurance Business Act (Ministry of Finance Order No. 5 of 1996) apply mutatis mutandis.

(2) In applying the provisions of Article 24-3 of the Regulation for Enforcement of the Insurance Business Act as applied mutatis mutandis pursuant to the preceding paragraph if there is any value evaluated pursuant to the provisions of Article 83, paragraph (1) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 221 of the Act with regard to the assets referred to in the preceding paragraph, the value evaluated pursuant to the provisions of Article 83, paragraph (1) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 221 of the Act is deemed to be the acquisition value.

(3) A reorganizing company (meaning the reorganizing company prescribed in Article 169, paragraph (7) of the Act; the same applies in the following Article and Article 6) may record goodwill in the assets section or liabilities section of a balance sheet referred to in Article 83, paragraph (4) of the Corporate Reorganization Act as applied mutatis mutandis pursuant to Article 221 of the Act. In this case, the value of the goodwill must be indicated.

(Evaluation of Assets to Be Disposed Of)

Article 5 Notwithstanding the provisions of the preceding Article, if a reorganization plan (meaning the reorganization plan prescribed in Article 169, paragraph (2) of the Act; the same applies in the following Article) specifies that assets of a reorganizing company will be transferred and also specifies the value, the other party, and other particulars of the transfer, the disposal value may be indicated with regard to these assets.

(Evaluation in the Case of Discontinuation of the Entire Business of a Reorganizing Company)

Article 6 Notwithstanding the provisions of the preceding two Articles, if a reorganization plan specifies the discontinuation of the entire business of a reorganizing company, the disposal value must be indicated with regard to all of the assets belonging to the reorganizing company.