

# **Enforcement Order of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Tentative translation)**

(Cabinet Order No. 394 of December 23, 2022)

The Cabinet hereby enacts this Cabinet Order based on the provisions of Article 7, Article 16, paragraph (1), item (i) and paragraph (4), item (i), Article 26, items (v) and (viii), Article 28, paragraph (5), Article 30, paragraphs (1) through (3), and Article 34, paragraph (7) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022) and for the purpose of implementing the same Act.

(Designation of Specified Critical Products)

Article 1 The following products are designated as specified critical products based on the provisions of Article 7 of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (hereinafter referred to as the "Act" except in Article 3, item (xiii)):

- (i) antibiotics;
- (ii) fertilizers;
- (iii) permanent magnets;
- (iv) machine tools and industrial robots;
- (v) aircraft parts (limited to those constituting an aircraft engines or an airframes);
- (vi) semiconductor devices and integrated circuits;
- (vii) batteries;
- (viii) computer programs used for systems providing computers (including an input-output device) for another person's use for information processing via the Internet or any other advanced information and telecommunications network;
- (ix) combustible natural gas;
- (x) metallic mineral products (limited to manganese, nickel, chromium, tungsten, molybdenum, cobalt, niobium, tantalum, antimony, lithium, boron, titanium, vanadium, strontium, rare earth metals, platinum group metals, beryllium, gallium, germanium, selenium, rubidium, zirconium, indium, tellurium, cesium, barium, hafnium, rhenium, thallium, bismuth, graphite, fluorine, magnesium, silicon, and phosphorus); and
- (xi) marine equipment (limited to marine machinery, navigational instruments, and propelling gear).

(Designated Financial Institutions)

Article 2 The financial institution as provided by Cabinet Order referred to in Article 16, paragraph (1), item (i) of the Act is as follows:

- (i) a bank;
- (ii) a long term credit bank;
- (iii) a shinkin bank and a federation of shinkin banks;
- (iv) a credit cooperative and federation of credit cooperatives (limited to those engaged in both of the businesses set forth in Article 9-9, paragraph (1), item (i) and item (ii) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949));
- (v) a labor bank and federation of labor banks;
- (vi) an agricultural cooperative (limited to one that concurrently conducts the business referred to in Article 10, paragraph (1), item (ii) or (iii) of the Agricultural Co-operatives Act (Act No. 132 of 1947)) and a federation of agricultural cooperatives (limited to one that concurrently conducts the business referred to in item (ii) or (iii) of the same paragraph);
- (vii) a fishery cooperative association (limited to one that concurrently conducts the business referred to in Article 11, paragraph (1), item (iii) or (iv) of the Fishery Industry Cooperative Association Act (Act No. 242 of 1948)), a federation of fishery cooperative associations (limited to one that concurrently conducts the business referred to in Article 87, paragraph (1), item (iii) or (iv) of the same Act), a fishery processing cooperative association (limited to one that concurrently conducts the business referred to in Article 93, paragraph (1), item (i) or (ii) of the same Act), and a federation of fishery processing cooperative associations (limited to one that concurrently conducts the business referred to in Article 97, paragraph (1), item (i) or (ii) of the same Act);
- (viii) the Norinchukin Bank;
- (ix) the Shoko Chukin Bank, Ltd.; or
- (x) Development Bank of Japan Inc.

(Acts Which Forms a Basis for Designation as a Designated Financial Institutions)

Article 3 The Act as provided by Cabinet Order referred to in Article 16, paragraph (4), item (i) of the Act is any of the following:

- (i) the Agricultural Co-operatives Act;
- (ii) the Fishery Cooperative Act;
- (iii) the Small and Medium-Sized Enterprise Cooperatives Act;
- (iv) the Act on Financial Businesses by Cooperative (Act No. 183 of 1949);
- (v) the Shinkin Bank Act (Act No. 238 of 1951);

- (vi) the Long Term Credit Bank Act (Act No. 187 of 1952);
- (vii) the Labor Bank Act (Act No. 227 of 1953);
- (viii) the Banking Act (Act No. 59 of 1981);
- (ix) the Norinchukin Bank Act (Act No. 93 of 2001);
- (x) the Japan Finance Corporation Act (Act No. 57 of 2007);
- (xi) the Shoko Chukin Bank Limited Act (Act No. 74 of 2007);
- (xii) the Act on Development Bank of Japan Inc. (Act No. 85 of 2007); or
- (xiii) the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures.

(Application of the Enforcement Order of the Japan Finance Corporation Act)  
 Article 4 With regard to application of the provisions of Article 30, paragraph (1) and Article 31, paragraphs (1) and (2) of the Enforcement Order of the Japan Finance Corporation Act (Cabinet Order No. 143 of 2008) in the case where the operations to facilitate promotion of ensuring supply prescribed in Article 13, paragraph (1), item (i) of the Act is conducted, the phrase "Article 59, paragraph (1) of the Act" in Article 30, paragraph (1) of the same Order is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied pursuant to Article 25, paragraph (2) of the Act for the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022) following the deemed replacement of terms" and the phrase "Article 59, paragraph (1) of the Act" in the items of Article 31, paragraph (1) of the same Order and paragraph (2) of the same Article is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied pursuant to Article 25, paragraph (2) of the Act for the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures following the deemed replacement of terms".

(Scope of Small and Medium-Sized Enterprises)

Article 5 (1) The business categories provided by Cabinet Order and the amount of stated capital or the total amount of contributions and the number of regularly hired employees for each business category referred to in Article 26, item (v) of the Act are as shown in the following table:

	Business category	Amount of stated capital or total amount of contributions	Number of regularly hired employees

(i)	rubber products manufacturing industry (excluding the automobile or aircraft tire and tube manufacturing industry, and industrial belt manufacturing industry)	300,000,000 yen	900 employees
(ii)	software service industry or information processing service industry	300,000,000 yen	300 employees
(iii)	hotel business industry	50,000,000 yen	200 employees

(2) The partnerships or federations thereof as provided by Cabinet Order referred to in Article 26, item (viii) of the Act are as follows:

- (i) a business cooperative, a small business cooperative, and a federation of cooperatives;
- (ii) an agricultural cooperative and a federation of agricultural cooperatives;
- (iii) a fishery cooperative association, a federation of fishery cooperative associations, a fishery processing cooperative association, and a federation of fishery processing cooperative associations;
- (iv) a forestry cooperative and a federation of forestry cooperatives;
- (v) a commercial and industrial cooperative or a federation of commercial and industrial cooperatives;
- (vi) a shopping district promotion cooperative or a federation of shopping district promotion cooperatives;
- (vii) an environmental health industry cooperative, a small environmental health industry cooperative, or a federation of environmental health industry cooperatives, of which not less than two thirds of the direct or indirect members are corporations whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen (100,000,000 yen in the case of an enterprise whose principal business is the wholesale business), or those who regularly employ not more than 50 employees (100 employees in the case of an enterprise whose principal business is the wholesale business or the service business);
- (viii) a Sake brewer cooperative, a federation of Sake brewer cooperatives, or the Japan Sake and Shochu Makers Association, of which not less than two thirds of the direct or indirect members, which are Sake brewers, are corporations whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, or those who regularly employ not more than 300 employees, or a Sake merchant cooperative, a federation of Sake merchant cooperatives, or a Japan Sake merchant association, of which not less than two thirds of the direct or indirect members, which are Sake merchant businesses, are corporations whose amount of stated capital or

total amount of contributions is not more than 50,000,000 yen (100,000,000 yen in case of a Sake wholesale business), or those who regularly employ not more than 50 employees (100 employees in the case of a Sake wholesale business);

- (ix) a coastal shipping cooperative or a federation of coastal shipping cooperatives, of which not less than two thirds of the direct or indirect members, which are engaged in the coastal shipping business, are corporations whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, or those who regularly employ not more than 300 employees; and
- (x) a technology research cooperative of which not less than two thirds of the direct or indirect members fall under Article 26, items (i) through (vii) or (ix) of the Act.

(Insurance Premium Rate)

Article 6 The rate provided by Cabinet Order referred to in Article 28, paragraph (5) of the Act is 0.41% for the ordinary insurance prescribed in Article 3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950) and the unsecured insurance prescribed in Article 3-2, paragraph (1) of the same Act (0.35% in the case of a negotiable instrument discount special guarantee (meaning the negotiable instrument discount special guarantee prescribed in Article 2, paragraph (1) of the Enforcement Order of the Small and Medium-Sized Enterprise Credit Insurance Act (Cabinet Order No. 350 of 1950); hereinafter the same applies in this Article) and an overdraft special guarantee (meaning the overdraft special guarantee prescribed in Article 2, paragraph (1) of the same Order; hereinafter the same applies in this Article)), and 0.19% for the special petty insurance prescribed in Article 3-3, paragraph (1) of the same Act (0.15% in the case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowings (meaning the period of borrowing prescribed in Article 2, paragraph (1) of the same Order).

(Procedure for Requesting an Investigation)

Article 7 The competent minister is to, when making a request under the provisions of Article 30, paragraphs (1) through (3) of the Act, submit to the Minister of Finance evidence necessary for determining whether or not to initiate an investigation prescribed in Article 7, paragraph (6), Article 8, paragraph (5) or Article 9, paragraph (6) of the Customs Tariff Act (Act No. 54 of 1910). In this case, if the competent minister requests that all or part of the evidence be treated as confidential, a document stating to that effect and the reasons therefor shall also be submitted.

- (Procedure for Making a Payment under Article 34, Paragraph (6) of the Act)
- Article 8 (1) If a stable supply support corporation receives an order under Article 34, paragraph (6) of the Act, it must pay the national treasury the amount of the fund for stable supply support corporations prescribed in paragraph (1) of the same Article which the competent ministers provide as an amount that is found to be unnecessary for the stable supply support corporation to smoothly implement the operations pertaining to the fund stable supply support corporations, as a payment under paragraph (6) of the same Article (hereinafter referred to as the "payment" in this Article) by a date designated by the competent ministers.
- (2) When the competent ministers provide the amount of the payment pursuant to the provisions of the preceding paragraph, the competent ministers must consult the Minister of Finance in advance.
- (3) The payment (excluding the payment prescribed in the following paragraph) belongs to the general account.
- (4) The payment pertaining to the specified critical products set forth in Article 1, item (ix) belongs to the Account for Supply and Demand of Energy in the Special Account for Energy Measures.

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

(Effective Date)

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