

Water Supply Act

(Act No. 177 of April 1, 2024)

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Chapter I General Provisions

(Purposes of this Act)

Article 1 The purpose of this Act is to promote public health and improve the living environment by ensuring the supply of clean, sufficient, and affordable water through the appropriate and reasonable construction and management of water supply systems, as well as by strengthening their infrastructure.

(Responsibilities)

Article 2 (1) Given that water supply systems are directly connected to the daily lives of the nation's people, are essential for protecting public health, and that water is a valuable resource, the national and local governments must take necessary measures to maintain the cleanliness of water sources, water supply facilities, and their surroundings, as well as to secure the appropriate and reasonable use of water.

- (2) The people of the nation must cooperate with the measures implemented by the national and local governments provided for in the preceding paragraph, and they must also personally strive for the maintenance of the cleanliness of water sources, water supply facilities, and their surroundings, as well as for the appropriate and reasonable use of water.

Article 2-2 (1) The National Government must formulate basic, comprehensive measures for strengthening the infrastructure of water supply systems, promote the measures, and strive to provide prefectures, municipalities, water suppliers, and wholesale water suppliers (referred to as "water suppliers and wholesale water suppliers" below) with necessary technical and financial assistance.

- (2) Prefectural governments must formulate measures to enhance the management of water supply systems, considering the natural and social conditions of their respective areas, including broad collaboration and cooperation among multiple water suppliers and wholesale water suppliers across municipal borders (meaning collaboration among water suppliers and wholesale water suppliers, as well as the integrated management of two or more water supply or wholesale water supply services; the same applies below), and must strive to implement these measures.
- (3) In accordance with the natural and social conditions of municipal areas, municipalities must formulate measures to promote collaboration and cooperation among water suppliers and wholesale water suppliers within their respective areas, as well as other measures to strengthen the infrastructure of water supply systems, and must endeavor to implement these measures.
- (4) Water suppliers and wholesale water suppliers must operate their services appropriately and efficiently and endeavor to enhance the infrastructure related to those services.

(Definition of Terms)

Article 3 (1) In this Act, the term "water supply systems" refers to entire facilities designed to supply water suitable for drinking through pipelines and other facilities; provided, however, that temporarily established facilities are excluded.

- (2) The term "water supply services" in this Act refers to public services for the supply of water through water supply systems to meet the general demand of a community; provided, however, that those services provided through water supply systems serving a population of 100 or fewer are excluded.
- (3) The term "small-scale water supply services" in this Act refers to public services for the supply of water through water supply systems serving a population of 5,000 or fewer.

- (4) The term "wholesale water supply services" in this Act refers to public services for the supply of water to a water supplier through water supply systems; provided, however, this does not apply to cases in which a water supplier or a person that installs specified privately owned water supply systems provides water to other water suppliers.
- (5) The term "water suppliers" in this Act refers to persons that manage water supply services after obtaining authorization in accordance with the provisions of Article 6, paragraph (1). The term "wholesale water suppliers" in this Act refers to persons that manage wholesale water supply services after obtaining authorization in accordance with the provisions of Article 26.
- (6) The term "specified privately owned water supply systems" in this Act refers to water supply systems that fall under any of the following items, excluding those used for public supply services, such as systems used for in-house water supply in dormitories, corporate houses, sanatoriums, and similar facilities; provided, however, that water supply systems, where the water source consists solely of water supplied from other water supply systems and the size of the water supply facilities, either underground or on the surface, is below the standard prescribed under Cabinet Order, are excluded:
- (i) water supply systems designed to serve more than 100 persons to supply water necessary for their living; or
 - (ii) water supply systems whose maximum daily volume of water supplied (meaning the maximum water volume that can be supplied per day; the same applies below) exceeds the standards set under Cabinet Order.
- (7) the term "specified building water supply systems with tank storage" in this Act refers to water supply systems, other than those used for public water supply services or specified privately owned water supply systems, where water is supplied exclusively from sources used for public water supply services; provided, however, that it excludes cases where the scale of facilities used for that purpose falls below the standards set under Cabinet Order.
- (8) The term "water supply facilities" in this Act refers to raw water intake facilities, raw water storage facilities, raw water transfer facilities, water treatment facilities, treated water transfer facilities, and treated water distribution facilities for water supply systems (including, in the case of specified privately owned water supply systems, facilities equivalent to those of water supply systems and excluding facilities installed within buildings or structures; the same applies below) that are managed by the water supplier, a wholesale water supplier, or a person that installs specified privately owned water supply systems.
- (9) The term "water feed system" in this Act refers to service pipes branching out from a distribution main pipe installed by a water supplier for the supply of water to consumers, as well as water supply fixtures and equipment directly

connected to the service pipes.

- (10) The term "construction of water supply facilities" in this Act refers to construction for the new installation of water supply facilities, as well as the construction for their expansion or alteration, as prescribed under Cabinet Order.
- (11) The term "water feed system construction" in this Act refers to construction for the installation or alteration of a water feed system.
- (12) The terms "service area," "population served," and "volume of water supplied" in this Act refer to the service area, population served, and volume of water supplied, respectively, as prescribed under business plans.

(Water Quality Standards)

Article 4 (1) Water to be supplied through water supply systems must satisfy the requirements stated in the following items:

- (i) water that does not contain organisms or substances that have been contaminated with or are suspected to have been contaminated with pathogenic organisms;
 - (ii) water that does not contain cyanide, mercury, or other toxic substances;
 - (iii) water that does not contain copper, iron, fluorine, phenol, or other substances that exceed acceptable levels;
 - (iv) water that does not have any abnormal acidity or alkaline nature;
 - (v) water that does not have any abnormal taste or odor; provided, however, that taste or odor arising from disinfection is excluded; and
 - (vi) water that is nearly clear and colorless in appearance.
- (2) Matters required for the standards shown in the respective items of the preceding paragraph are to be determined by the Order of the Ministry of the Environment.

(Facility Standards)

Article 5 (1) In accordance with the quality and quantity of raw water, geographical conditions, forms of the relevant water supply systems, and similar factors, water supply systems must have some or all of the following components: raw water intake facilities, raw water storage facilities, raw water transfer facilities, water treatment facilities, treated water transport facilities, and treated water distribution facilities. Each of these facilities must satisfy the requirements stated in the following items:

- (i) raw water intake facilities must have the capacity to take in the necessary volume of raw water, the quality of which is as high as possible;
- (ii) raw water storage facilities must have the reservoir capacity to supply the required amount of raw water, even during times of drought;
- (iii) raw water transfer facilities must include pumps, raw water transfer

- mains, and other equipment necessary to provide the required volume of raw water;
- (iv) water treatment facilities must include sedimentation basins, filtration basins, and other equipment required to obtain the necessary amount of treated water that meets the water quality standards specified in the previous Article, as well as disinfection facilities, in accordance with the quality and volume of raw water;
 - (v) treated water transfer facilities must include pumps, treated water transfer mains, and other equipment necessary to convey the required amount of treated water; and
 - (vi) treated water distribution facilities must include distribution reservoirs, pumps, distribution mains, and other equipment necessary to continuously supply the required amount of treated water at a fixed level of pressure or higher.
- (2) In determining the location and arrangement of water supply facilities, consideration must be given to securing construction, operation, and maintenance in the most economical and efficient manner, as well as to the reliability of the water supply.
- (3) With regard to structures and materials, water supply facilities must have sufficient durability to withstand relevant loads such as water pressure, earth pressure, seismic force and others, and must be free from any probabilities of water contamination or leakage.
- (4) In addition to the standards provided for in the preceding three paragraphs, technical standards required for water supply facilities are to be stipulated by the Order of the Ministry of Land, Infrastructure, Transport and Tourism (the technical standards necessary to obtain purified water that conforms to the water quality standards under the preceding article or to maintain the quality of the purified water are to be specified by the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment).

Chapter II Strengthening Infrastructure of Water Supply Systems

(Basic Policy)

- Article 5-2 (1) The Minister of Land, Infrastructure, Transport and Tourism is to prescribe the basic policy (referred to as "basic policy" below) for strengthening the infrastructure of water supply systems.
- (2) The following matters are to be specified in the basic policy:
- (i) basic matters related to strengthening the infrastructure of water supply systems;
 - (ii) matters related to the maintenance, management, and scheduled renewal of water supply facilities;

- (iii) matters related to securing sound financial management for water supply services and wholesale water supply services (referred to as "water supply services and wholesale water supply services" below);
 - (iv) matters related to ensuring human resources and human resource development required for the operation of water supply services and wholesale water supply services;
 - (v) matters related to the promotion of collaboration and cooperation among water suppliers and wholesale water suppliers; and
 - (vi) other matters related to strengthening the infrastructure of water supply systems.
- (3) If and when the Minister of Land, Infrastructure, Transport and Tourism has determined or has changed the basic policy, the Minister must disclose the determination or change without delay.

(Plan for Strengthening the Infrastructure of Water Supply Systems)

Article 5-3 (1) If a prefecture deems it necessary to strengthen the infrastructure of water supply systems, it may determine plans for strengthening the infrastructure of water supply systems (referred to as "plan for strengthening the infrastructure of water supply systems" in this Article below).

- (2) In a plan for strengthening the infrastructure of water supply systems, the target area (referred to as "planning area" in this Article below) is to be specified. In addition, the following matters are to be specified in that plan:
- (i) basic matters related to strengthening the infrastructure of water supply systems;
 - (ii) time frame established for the plan to strengthen the infrastructure of water supply systems;
 - (iii) current status of the water supply systems in the planning areas and objectives for strengthening the infrastructure of water supply systems within these areas;
 - (iv) matters concerning policies to be implemented by prefectures and municipalities for strengthening the infrastructure of water supply systems in the planning areas as well as measures to be taken by water suppliers and wholesale water suppliers for that purpose;
 - (v) areas subject to the promotion of collaboration and cooperation among water suppliers and wholesale water suppliers by prefectures and municipalities (limited to areas beyond the municipalities' own territories; referred to as "target areas designated for the promotion of collaboration and cooperation" in items (vi) and (vii) below);
 - (vi) matters related to collaboration and cooperation among water suppliers and wholesale water suppliers in target areas designated for the promotion of such collaboration and cooperation; and

- (vii) matters related to the development of facilities required for collaboration and cooperation among water suppliers and wholesale water suppliers in target areas designated for the promotion of such collaboration and cooperation.
- (3) A plan for strengthening the infrastructure of water supply systems is to be determined in accordance with the basic policy.
- (4) If a prefecture intends to prescribe a plan for strengthening the infrastructure of water supply systems, it must obtain the prior consent of the relevant municipalities within planning areas, the water suppliers whose planning areas are included in the service areas, and the wholesale water suppliers that provide wholesale water to the water suppliers.
- (5) Two or more municipalities seeking to promote broad collaboration and cooperation among water suppliers and wholesale water suppliers across their areas may jointly request the relevant prefecture to prescribe a plan for strengthening the infrastructure of water supply systems, in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism, upon obtaining prior consent from water suppliers whose planning areas are included in the service areas, as well as from the wholesale water supplier providing water to those water suppliers.
- (6) A prefecture is to prescribe a plan for strengthening the infrastructure of water supply systems when it deems necessary to do so, following any request made in accordance with the provisions of the preceding paragraph.
- (7) If a prefecture intends to prescribe a plan for strengthening the infrastructure of water supply systems, it must invite opinions in advance from the councils specified in Article 5-4, paragraph (1), if the planning area includes all or part of the areas corresponding to those councils.
- (8) When a prefecture has prescribed a plan for strengthening the infrastructure of water supply systems, it must report the plan to the Minister of Land, Infrastructure, Transport and Tourism and promptly notify the relevant municipalities within the planning area, water suppliers whose service area includes the planning area, and wholesale water suppliers that supply wholesale water to the water suppliers.
- (9) When a prefecture has prescribed a plan for strengthening the infrastructure of water supply systems, it must endeavor to make the plan public.
- (10) The provisions of paragraphs (4) through (9) are to apply *mutatis mutandis* to the modification of a plan for strengthening the infrastructure of water supply systems.

(Council for the Promotion of Broad Collaboration and Cooperation)

Article 5-4 (1) To facilitate necessary consultations regarding the promotion of broad collaboration and cooperation among water suppliers and wholesale

water suppliers across municipal borders, a prefecture may establish a council for the promotion of broad collaboration and cooperation (referred to as "council" in this Article below) in areas designated by the prefecture.

- (2) The council is to be composed of the following members:
 - (i) the prefecture mentioned in the preceding paragraph;
 - (ii) the relevant municipalities whose council areas are included within the municipality's areas;
 - (iii) a water supplier whose service area includes the areas of the council, and a wholesale water supplier from whom the water supplier receives wholesale water; and
 - (iv) persons with academic experience and other individuals whom the prefecture deems necessary.
- (3) On matters for which agreement is reached at the council, its members must respect the results of the deliberation.
- (4) In addition to the provisions stated in the preceding three paragraphs, necessary matters related to the operation of the council are to be determined by the council.

Chapter III Water Supply Services

Section 1 Authorization of Services and Related Matters

(Authorization of Services and the Management Entity)

Article 6 (1) The person that is planning to manage water supply services must be granted authorization from the Minister of Land, Infrastructure, Transport and Tourism.

- (2) Water supply services are to be managed by a municipality, in principle. A person other than a municipality may manage water supply services only if the consent of the relevant municipality including areas in which water is to be supplied has been obtained.

(Application for Authorization)

Article 7 (1) When applying for an authorization to operate water supply services, the applicant must submit an application form to the Minister, accompanied by a business plan, construction specifications, and other documents (including drawings) as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) The following matters must be stated in the application form mentioned in the preceding paragraph:
 - (i) the address and name of the applicant (and in the case of a corporation or an association/cooperative, the address and name of its principal office and the name of its representative); and

- (ii) the location of an office of water supply.
- (3) If changes have occurred to the information included in the application forms stated in the preceding paragraph, the water supplier must promptly send notice of the changes to the Minister of Land, Infrastructure, Transport and Tourism.
- (4) The business plan mentioned in paragraph (1) must include the following information:
 - (i) service areas, population served, and volume of water supplied;
 - (ii) an outline of water supply facilities;
 - (iii) scheduled date for the commencement of water supply;
 - (iv) the total planned amount of construction expenses and the planned source of funds;
 - (v) grounds for the calculation of population served and volume of water supplied;
 - (vi) estimated current account balance;
 - (vii) the rates, allocation of expenses for water feed system construction, and other service conditions; and
 - (viii) other information specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) The construction specifications mentioned in paragraph (1) must include the following information:
 - (i) maximum daily volume of water supplied and average daily volume of water supplied;
 - (ii) type of water sources and water intake points;
 - (iii) rough estimate of water quantity at water sources and results of water quality analysis;
 - (iv) location of water supply facilities (including elevation and water levels), as well as their scale and structure;
 - (v) water treatment process;
 - (vi) maximum hydrostatic pressure and minimum hydrodynamic pressure in distribution mains;
 - (vii) scheduled dates for the commencement and completion of construction; and
 - (viii) other information specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Standards for Authorization)

Article 8 (1) Authorization for the operation of water supply services must not be granted unless the applicant conforms to all of the requirements in the following items:

- (i) the commencement of corresponding water supply services conforms to

- general demand;
 - (ii) the plan for the corresponding water supply services is reliable and reasonable;
 - (iii) the design for construction of water supply facilities conforms to the facility standards in accordance with the provisions of Article 5;
 - (iv) service areas are not found overlapping with service areas of other water supply services;
 - (v) service conditions conform to requirements stated in each item of Article 14, paragraph (2); and
 - (vi) when an application for water supply services is made by a person other than a local government, the person must have a stable financial foundation to ensure the performance of such water supply services; and
 - (vii) in addition to the preceding requirements above, the commencement of corresponding water supply services is required from the viewpoint of public interest.
- (2) Detailed technical requirements for the application of standards provided for in each item of the preceding paragraph are to be determined by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Period or Conditions of Authorization)

- Article 9 (1) In cases where the Minister of Land, Infrastructure, Transport and Tourism grants authorization for the operation of water supply services to a person other than a local government, the Minister may impose requirements concerning a fixed time frame or other conditions as part of the authorization.
- (2) The requirement for a fixed time frame or conditions attached to the authorization in the preceding paragraph must be limited to those necessity for the enhancement of public interest or the enforcement of water supply services, and must not impose unreasonable duties on any applicable water supplier.

(Modification in Water Supply Services)

- Article 10 (1) If a water supplier intends to expand their service areas, increase the population served or the volume of water supplied, or change the types of water sources, water intake points, or water treatment processes (excluding the cases listed in the following items), the water supplier must obtain authorization from the Minister of Land, Infrastructure, Transport and Tourism. In such cases, if the expansion of the service areas includes areas from a different municipality, authorization may not be granted unless the consent of the relevant municipality is obtained:
- (i) if the relevant modification is classified as insignificant by Order of the Ministry of Land, Infrastructure, Transport and Tourism; and
 - (ii) if the relevant modification is incidental to the acceptance of the entire

water supply service from another water supplier.

- (2) The provisions of Articles 7 through 9 are to apply *mutatis mutandis* to the authorization in the preceding paragraph.
- (3) If a water supplier makes any modification that applies to any item of paragraph (1), the water supplier must notify the Minister of Land, Infrastructure, Transport and Tourism of the change in advance, in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Suspension and Discontinuation of Water Supply Services)

- Article 11 (1) Once water supply has commenced, a water supplier may not suspend or discontinue the corresponding water supply services, in whole or in part, unless the water supplier obtains permission from the Minister of Land, Infrastructure, Transport and Tourism, based on the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism. However, this does not apply to cases in which all water supply services are to be discontinued due to their transfer to a different water supplier that will perform the services.
- (2) If a water supplier, other than a local government (limited to cases where the population served exceeds the standards specified in Cabinet Order), intends to apply for permission as stated in the preceding paragraph, the water supplier must consult with the relevant municipality whose area is included in the service areas of the corresponding water supply services, in advance.
 - (3) In the case described in the proviso to paragraph (1), the relevant water supplier must notify the Minister of Land, Infrastructure, Transport and Tourism of the matter in advance.

(Supervision of Construction of Water Supply Facilities by Engineers)

- Article 12 (1) In cases where a water supplier undertakes the construction of water supply facilities (and, if the water supplier is a local government, this is limited to the construction of water supply facilities specified in the relevant municipal ordinances), either directly or by assigning the work to another party, the water supplier must designate an official or engage a third party to perform technical supervision of the construction.
- (2) Persons that perform the work stated in the preceding paragraph must have qualifications specified by Cabinet Order (or, if the water supplier is a local government, must have qualifications specified by the relevant ordinances of that local government, which consider the qualifications specified by Cabinet Order).

(Notification and Inspection before Commencement of Water Supply)

Article 13 (1) If a water supplier has newly established, expanded, or modified water supply facilities or distribution reservoirs other than water distribution facilities, and intends to commence water supply using the relevant newly established, expanded, or modified facilities, the water supplier must notify the Minister of Land, Infrastructure, Transport and Tourism of this intention in advance. Additionally, the water supplier must conduct water quality testing in accordance with the Order of the Ministry of the Environment and inspect the facilities in accordance with the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) If a water supplier has conducted water quality testing and facility inspections under provisions of the preceding paragraph, the water supplier must create and preserve the records of the testing and inspections for five (5) years from the date of the inspections.

Section 2 Services

(Terms of Service)

Article 14 (1) A water supplier must establish terms of service concerning rates, the allocation of expenses for water feed system construction, and other service conditions.

(2) The terms of service provided in the preceding paragraph must conform to the requirements stated in the following items:

- (i) rates are fair and reasonable to ensure sound financial management, taking into account appropriate costs under efficient management;
- (ii) rates are established clearly either on the basis of a fixed rate or fixed amount;
- (iii) matters related to responsibilities for water supply systems, the allocation of expenses for water feed system construction between the water supplier and customers of a water supply service, and the calculation methods for such expenses are appropriately and clearly stipulated; and
- (iv) unfair and discriminatory treatments are not applied to a specific person;
- (v) in cases where building water supply systems with tank storage (meaning water supply systems other than those used for public water supply services and specified privately owned water supply systems, whose water source is limited to that provided by public water supply services; the same applies in this item below) are established, matters concerning the responsibilities of the public water supplier and the establishing party regarding these building water supply systems with tank storage must be appropriately and clearly stipulated.

(3) Detailed technical requirements for the application of standards provided in any items of the preceding paragraph are to be stated by Order of the Ministry

of Land, Infrastructure, Transport and Tourism.

- (4) A water supplier must take measures to disseminate the relevant terms of service to the general public by the dates on which the regulations take effect.
- (5) If a water supplier is a local public government and changes have been made to rates among the matters regulated in the relevant terms of service, the water supplier must notify the Minister of Land, Infrastructure, Transport and Tourism of the change in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (6) If a water supplier is a person other than a local government, the water supplier must obtain authorization from the Minister of Land, Infrastructure, Transport and Tourism to change the service conditions stated in the relevant terms of service.
- (7) When the Minister of Land, Infrastructure, Transport and Tourism recognizes that an application for authorization stipulated in the preceding paragraph conforms to the requirements stated in each item of paragraph (2), the Minister must grant authorization for it.

(Obligation to Provide Water Service)

Article 15 (1) When a water supplier has received an application for a water service contract from a consumer living within a service area established in its business plan, the water supplier must not refuse the application unless the water supplier has justifiable reasons for refusing its acceptance.

- (2) A water supplier must supply water to persons receiving water via corresponding water supply systems at all times; provided, however, that if the water supplier receives water supply orders under the provision of Article 40, paragraph (1) or under unavoidable circumstances based on other legitimate grounds such as natural disasters and others, the water supplier may suspend water supply for some or all service areas during the period in which such circumstances are affecting those areas. In this case, except when unavoidable circumstances exist, the water supplier must take measures to notify the affected parties of the areas and periods during which water service will be suspended.
- (3) A water supplier may suspend the water supply to a receiver from the corresponding water supply systems, notwithstanding the provisions in the preceding paragraph, when the receiver has failed to pay the due charges, has rejected inspection of the water feed system without legitimate grounds, or when that water supplier finds other legitimate grounds, in accordance with the relevant terms of service, and for as long as the reason for suspension remains effective.

(Structures and Materials of a Water Feed System)

Article 16 If the structures and materials of the water feed system for receiving water from the corresponding water supply systems do not conform to the standards set by Cabinet Order, the water supplier may reject the applicant's request for a water service contract or may suspend water supply to the applicant until the water feed system meets the required standards, in accordance with the relevant terms of service.

(Water Feed System Construction)

Article 16-2 (1) To ensure that the structures and materials of the water feed system, for receiving water from corresponding water supply systems, conform to the standards set by Cabinet Order in accordance with the provisions of the preceding Article, the water supplier may designate an individual recognized as capable of appropriately carrying out water feed system construction in the supplier's service areas.

(2) When a water supplier has made the designation as referred to in the preceding paragraph, the supplier may include in their conditions of service that the water feed system for a receiver of water from the corresponding water supply systems, must be installed by the water supplier or a designated individual (referred to below as "designated contractor for water feed system construction").

(3) In the case stated in the preceding paragraph, if the water feed system for a receiver from the corresponding water supply systems is not related to the water feed system construction implemented by the water supplier or a designated contractor for water feed system construction, the water supplier may refuse the applicant's application for a water service contract or may suspend water supply to the applicant in accordance with the relevant terms of service. However, this does not apply in cases where the change to the water feed system is confirmed to be minor, as specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism, or in cases where the structures and materials of the water feed system are confirmed to conform to standards set by Cabinet Order, in accordance with the provisions of the preceding Article.

(Inspection of Water Feed System)

Article 17 (1) A water supplier, limited to the time from sunrise to sunset, may assign its staff to enter a land property or a building of a receiver of water from the corresponding water supply systems and inspect the relevant water feed system; provided, however, that when the staff member enters a building supervised by caretakers or used for residence, or any closed compounds, the consent by the caretakers, residents, or persons acting on their behalf must be obtained.

- (2) A staff member who performs the inspection of a water feed system in accordance with the provisions of the preceding paragraph must carry identification and present it upon the request of concerned persons.

(Request for Inspection)

Article 18 (1) A person receiving water supply via water supply services may request that the corresponding water supplier conduct an inspection of the water feed system and water quality testing of the supplied water.

- (2) Upon receiving the request stated in the preceding paragraph, a water supplier must promptly conduct the inspection or testing and notify the requesting person of the results.

(Technical Manager of Water Supply Systems)

Article 19 (1) A water supplier must appoint one technical manager of water supply systems so that the technical manager is to be in charge of technical services concerning the management of water supply systems; provided, however, that the water supplier must not be precluded from holding the position of a technical manager.

- (2) A technical manager of water supply systems must engage in the matters itemized as below and must supervise other staff members involved in these services:

(i) inspection to verify whether water supply facilities conform to the facility standards in accordance with the provisions of Article 5 (including inspections specified in Article 22-2, paragraph (2));

(ii) water quality testing and inspection of facilities in accordance with the provisions of Article 13, paragraph (1);

(iii) inspection to determine whether the structures and materials of a water feed system conform to the standards specified in Cabinet Order, in accordance with the provisions of Article 16;

(iv) water quality testing in accordance with the provisions of Article 20, paragraph (1);

(v) health checkups in accordance with the provisions of Article 21, paragraph (1);

(vi) hygiene measures in accordance with the provisions of Article 22;

(vii) creation of an inventory in accordance with Article 22-3, paragraph (1);

(viii) emergency suspension of water supply in accordance with the provisions of Article 23, paragraph (1); and

(ix) suspension of water supply in accordance with the provision in the first sentence of Article 37.

- (3) A technical manager of water supply systems must be a qualified person (and when the water supplier is a local government, must have qualifications

specified by the relevant ordinances of that local government, taking into account qualifications defined by Cabinet Order) in accordance with the regulations of Cabinet Order.

(Water Quality Testing)

Article 20 (1) A water supplier must conduct regular and extraordinary water quality testing in accordance with the provisions of the Order of the Ministry of the Environment.

(2) When a water supplier conducts water quality testing in accordance with the provisions of the preceding paragraph, the water supplier must record the testing information and maintain the record for five (5) years from the date of testing.

(3) A water supplier must establish testing facilities necessary for the implementation of the water quality testing in accordance with the provisions of paragraph (1); provided, however, that the same does not apply to cases in which implementation of the quality testing is consigned to an organ of local government or a person registered by the Minister of Land, Infrastructure, Transport and Tourism as well as the Minister of the Environment, based on the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Registration)

Article 20-2 The registration specified in Article 20, paragraph (3) must take place at the request of a person planning to conduct water quality testing in accordance with the provisions of the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

(Disqualification)

Article 20-3 None of the following persons may be registered as regulated under Article 20, paragraph (3):

- (i) a person that has violated this Act or an order under this Act, that has been sentenced to a criminal fine or greater, and that has completed enforcement of the sentence, where less than two (2) years have elapsed since the date of completion or discontinuation of enforcement;
- (ii) a person whose registration has been revoked in accordance with the provisions of Article 20-13, where less than two (2) years have elapsed since the date of the revocation of the registration; and
- (iii) a corporation that has an officer conducting services to which either of the previous two items applies.

(Registration Standards)

Article 20-4 (1) If an applicant for registration, as stipulated under Article 20-2, meets all of the following requirements, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment must register the applicant:

- (i) The applicant has the testing facilities necessary for conducting water quality testing specified in Article 20, paragraph (1), and conducts water quality testing using those facilities;
 - (ii) water quality testing is conducted by five (5) or more individuals with the knowledge and experience that meet any of the conditions described in Appended Table 1;
 - (iii) the following measures are taken to ensure the reliability of water quality testing:
 - (a) a full-time manager is assigned exclusively for conducting water quality testing;
 - (b) documentation regarding the operational management of water quality testing and the assurance of testing precision is prepared; and
 - (c) a department or section dedicated to duties related to the operational management of water quality testing and the assurance of testing precision is established in accordance with the documentation described in (b).
- (2) Registration is to be completed by entering the following information into the registry of a water quality testing body:
- (i) the date of registration and registration number;
 - (ii) the name and address of the registered applicant (and, in the case of a corporation, the name of its representative); and
 - (iii) the areas in which the registered applicant conducts water quality testing and the location(s) of the office(s) where the testing is conducted.

(Renewal of Registration)

- Article 20-5 (1) Unless registration specified in Article 20, paragraph (3) is renewed for each period stated in Cabinet Order that does not exceed three (3) years, the registration is to be void upon elapse of that period.
- (2) The provisions of the preceding three Articles are to apply mutatis mutandis to renewal for the registration stated in the preceding paragraph.

(Obligation for Entrustment)

- Article 20-6 (1) A person that has been registered under Article 20, paragraph (3) (referred to as "registered water quality testing body" below) may not refuse an application for entrustment of water quality testing stipulated in the same paragraph except where there exists legitimate grounds for the refusal.
- (2) A registered water quality testing body must carry out water quality testing fairly and in the manner stated in the Orders of the Ministry of Land,

Infrastructure, Transport and Tourism and the Ministry of the Environment.

(Notification for Change)

Article 20-7 If a registered water quality testing body intends to change its name, address, or areas of water quality testing, or office location, it must notify the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment of the change at least two (2) weeks before the scheduled date of the change.

(Operational Rules)

Article 20-8 (1) Prior to the commencement of water quality testing services, a registered water quality testing body must establish its operational rules for water quality testing (referred to as "operational rules for water quality testing" below) and notify the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment of the rules. The same applies to cases in which a registered water quality testing body intends to change the rules.

(2) Operational rules for water quality testing must include methods, charges, and other matters concerning water quality testing, as specified by the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

(Suspension and Abolishment of Services)

Article 20-9 If a registered water quality testing body intends to suspend or abolish its water quality testing services, in whole or in part, it must notify the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment at least two (2) weeks prior to the scheduled date of suspension or abolishment.

(Preparation and Access to Financial Statements and Related Records)

Article 20-10 (1) Within three (3) months after the end of each fiscal year, a registered water quality testing body must prepare an inventory of assets, a balance sheet, a profit and loss statement or income and expenditure statement, and a business report for that fiscal year. These documents, including electronic or magnetic records prepared in their place (meaning records in electronic, magnetic, or other forms not perceivable by human senses and intended for computerized data processing; the same applies below), are referred to as "financial statements and related records" in the following paragraph. The financial statements and related records must be retained at the office for five (5) years.

(2) A water supplier and other interested persons may make the following

requests at any time during the service hours of a registered water quality testing body; provided, however, that expenses determined by the registered water quality testing body must be paid if a request under item (ii) or (iv) is made:

- (i) if financial statements and related records have been prepared in writing, a request for viewing or copying the corresponding documents;
- (ii) a request for certified copies or abstracts of the documents stated in the preceding item;
- (iii) if financial statements and related records have been prepared via electronic or magnetic recording, a request for viewing or copying the recorded data may be made in the method specified by the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment; and
- (iv) a request for providing the data recorded via electronic or magnetic recording, as stated in the preceding item, through a method determined by the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment, or a request for the issuance of documents containing that information.

(Order for Conformity)

Article 20-11 If the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment deem that any item of Article 20-4, paragraph (1) does not apply to a registered water quality testing body, the Minister of Land, Infrastructure, they may order the institution to take the necessary measures to comply with those provisions.

(Order for Improvement)

Article 20-12 The Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may order a registered water quality testing body to accept a request for entrustment of water quality testing or to take any measures to improve the methods for water quality testing and other service-related methods when it is deemed that the institution has violated the provisions stated in paragraph (1) or (2) of Article 20-6.

(Cancellation of Registration)

Article 20-13 In the event that any of the following items apply to a registered water quality testing body, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may revoke its registration, or order the institution to suspend water quality testing services, either in whole or in part, by specifying a reasonable period of suspension:

- (i) in cases where item (i) or (iii) of Article 20-3 applies;

- (ii) in the case of a violation of any provision of Articles 20-7 through 20-9, Article 20-10, paragraph (1), or Article 20-14;
- (iii) in cases where a registered water quality testing body has refused to respond to any request stated in any item of Article 20-10, paragraph (2) without legitimate grounds;
- (iv) in cases where a registered water quality testing body has violated an order under Article 20-11 or Article 20-12; or
- (v) in cases where a registered water quality testing body has been registered as described in Article 20, paragraph (3), by illicit means.

(Furnishing of Books)

Article 20-14 A registered water quality testing body must furnish and maintain books in the manner specified by the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment, including items related to water quality testing in accordance with the provisions of these Orders.

(Requirement of Reports and On-site Inspection)

- Article 20-15 (1) If the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment deem it necessary to ensure the proper implementation of water quality testing, they may request a registered water quality testing body to report any necessary information on its service status or may authorize their officials to enter the office or place of business of the body to inspect its service status, testing facilities, books, documents, and other relevant items.
- (2) An official who conducts an on-site inspection in accordance with the provisions of the preceding paragraph must carry an identification document, and must present the document upon request by a concerned person.
 - (3) Authority stipulated in paragraph (1) may not be construed as being granted for criminal investigation purposes.

(Public Notice)

Article 20-16 The Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment must make a public notice in the following cases:

- (i) in cases where the registration stated in Article 20, paragraph (3) has taken place;
- (ii) in cases where notification has been made in accordance with the provisions of Article 20-7;
- (iii) in cases where notification has been made in accordance with the provisions of Article 20-9; and

- (iv) in cases where the registration specified in Article 20, paragraph (3) has been revoked or an order for the suspension of water quality testing services has been issued pursuant to the provisions of Article 20-13.

(Health Checkups)

- Article 21 (1) A water supplier must conduct regular and occasional health checkups for persons engaged in services at water intake stations, water treatment plants, and distribution reservoirs for water supply systems, as well as for persons residing at the locations of those facilities, in accordance with the provisions of the Order of the Ministry of the Environment.
- (2) When a water supplier implements health checkups in accordance with the provisions of the preceding paragraph, the water supplier must prepare records concerning the health checkups and keep the records for one (1) year from the dates of the health checkups.

(Hygiene Measures)

- Article 22 Concerning the management and operation of water supply facilities, a water supplier must perform disinfection or take other hygiene measures as required under the provisions of the Order of the Ministry of the Environment.

(Maintenance and Repair of Water Supply Facilities)

- Article 22-2 (1) Subject to the standards set in the Order of the Ministry of Land, Infrastructure, Transport and Tourism, a water supplier must maintain and repair water supply facilities to ensure that they are kept in good condition.
- (2) The standards stated in the preceding paragraph are to include standards related to checks that allow water supply facilities to be efficiently repaired.

(Inventory of Water Supply Facilities)

- Article 22-3 (1) A water supplier must prepare and keep an inventory of water supply facilities.
- (2) Matters described in the inventory in accordance with the preceding paragraph and other matters necessary for its preparation and keeping are to be determined under Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Planned Renewal of Water Supply Facilities and Related Matters)

- Article 22-4 (1) From a long-term point of view, in light of general water demand in service areas, a water supplier must endeavor to plan a systematic renewal of water supply facilities.
- (2) Subject to the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism, a water supplier must prepare a written estimate of

income and expenditure related to its services, including expenses required for the renewal of water supply facilities, and must endeavor to make the estimate public.

(Emergency Suspension of Water Supply)

Article 23 (1) When a water supplier becomes aware that the water they supply may cause harm to human health, the water supplier must immediately suspend the water supply and take measures to notify the affected parties of the danger posed by the use of the water.

(2) Any person that has become aware that water supplied by a water supplier may cause harm to human health must immediately notify the water supplier to that effect.

(Fire Hydrants)

Article 24 (1) A water supplier must install hydrants for public firefighting in their corresponding water supply systems.

(2) A municipality must provide suitable compensation to a water supplier that has installed fire hydrants within its management areas. This compensation covers the expenses incurred for installing and managing the fire hydrants, as well as for installation and management of expanded water supply facilities required due to the additional use of the water supply systems for firefighting purposes, as determined through consultations with the water supplier.

(3) A water supplier may not collect fees for water used for public firefighting purposes.

(Release of Relevant Information)

Article 24-2 A water supplier must provide consumers with information about the water supply services, including the test results of water quality testing and other information provided in Article 20, paragraph (1), in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Consignment of Services)

Article 24-3 (1) In accordance with provisions of Cabinet Order, a water supplier may consign all or some technical services concerning the management of water supply systems to another water supplier, a wholesale water supplier, or a person to which requirements specified by the Cabinet Order as being capable of appropriately and reliably implementing the services.

(2) When a water supplier has consigned services to another water supplier, a wholesale water supplier, or a person described in the preceding paragraph, the water supplier must promptly report the specified matters to the Minister

of Land, Infrastructure, Transport and Tourism, as prescribed in the Order of the Ministry of Land, Infrastructure, Transport and Tourism. The same applies in cases where a consignment agreement has become invalid.

- (3) A person entrusted with services in accordance with the provisions of paragraph (1) (referred to as "person entrusted with water supply systems management" below) must appoint a single entrusted technical manager of water supply systems to oversee the technical services concerning the management of water supply systems.
- (4) An entrusted technical manager of water supply systems must engage in the matters described in each item of Article 19, paragraph (2), within the scope of the services entrusted under the provisions of paragraph (1), and must supervise other staff members involved in these matters.
- (5) An entrusted technical manager of water supply systems must be a person qualified as regulated under Cabinet order.
- (6) In the case of technical services related to the management of water supply systems consigned in accordance with the provisions of paragraph (1), within the scope of the consigned services, a person entrusted with water supply systems management is deemed to be a water supplier, and an entrusted technical manager of water supply systems is deemed to be a technical manager of water supply systems. The provisions of Article 13, paragraphs (1) (limited to the portions related to the implementation of water quality testing and inspection of facilities) and (2), Article 17, Article 20 through Article 22-3, Article 23, paragraph (1), Article 25-9, Article 36, paragraph (2), and Article 39 (excluding paragraphs (2) and (3)), including the penal provisions related to these provisions, are applicable. However, within the scope of the consigned services, those provisions do not apply to a water supplier or a technical manager of water supply systems.
- (7) In applying the provisions of Article 25-11, paragraph (1), where the provisions of Article 25-9 are deemed applicable based on the assumption that a person entrusted with water supply systems management is a water supplier in accordance with the preceding paragraph, the term "water supplier" in item (v) of the paragraph is to be read as "a person entrusted with water supply systems management".
- (8) In the case of technical services related to the management of water supply systems consigned under the provisions of paragraph (1), the provisions of Article 19, paragraph (2) do not apply to an entrusted technical manager of water supply systems, within the scope of the consigned services. Furthermore, if an entrusted technical manager of water supply systems performs all duties related to the matters specified in each item of that paragraph and supervises other staff members involved in those duties, the provisions of Article 19, paragraph (1) do not apply to the water supplier.

(Permission for Establishment of the Rights to Operate a Water Supply Facility)

- Article 24-4 (1) Subject to the provisions of Article 19, paragraph (1) of the Act on Promotion of Private Finance Initiative (Act No. 117 of 1999; referred to as "PFI Act" below), if a water supplier that is a local government intends to establish the rights to operate public facilities and related assets (referred to as "rights to operate water supply facilities" below) as defined in Article 2, paragraph (7) of the PFI Act, in relation to the operation of water supply facilities and associated activities (meaning the operation, management, or maintenance of water supply facilities in whole or in part, as defined in Article 2, paragraph (6) of the PFI Act, where fees related to the use of the water supply facilities (referred to as "usage fees" below) are to be collected by the operator as their own revenue; the same applies below), the water supplier must obtain prior permission from the Minister of Land, Infrastructure, Transport and Tourism. In this case, notwithstanding the provisions of Article 11, paragraph (1), the water supplier is not required to obtain the permission stipulated in that paragraph (limited to permission related to the suspension of water supply services).
- (2) The operation of water supply facilities and associated activities may only be conducted if a water supplier, as a local government, has established the rights to operate water supply facilities in accordance with the provisions of Article 19, paragraph (1) of the PFI Act.
- (3) In cases where a person with the rights to operate water supply facilities (referred to as "operation rights holder of water supply facilities" below) conducts the operation of water supply facilities and associated activities, no authorization for the operation of water supply services is required, notwithstanding the provisions of Article 6, paragraph (1).

(Application for Permission)

- Article 24-5 (1) To apply for the permission stipulated in the first sentence of Article 24-4, paragraph (1), an applicant must submit an application form, accompanied by a service implementation plan for the operation of water supply facilities and associated activities, along with any other documents (including drawings) specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism, to the Minister of Land, Infrastructure, Transport and Tourism.
- (2) An application form mentioned in the preceding paragraph must include the following items:
- (i) the location and name of the applicant's principal office, as well as the name of the applicant's representative;

- (ii) the location and name of the principal office, as well as the name of the representative for the appointed business referred to in Article 2, paragraph (5) of the PFI Act, for which the applicant intends to establish the rights to operate water supply facilities (simply referred to as "appointed business" in Article 24-5 and Article 24-6, paragraph (1) below); and
 - (iii) the location of the water supply office of the appointed business.
- (3) A service implementation plan for the operation of water supply facilities and associated activities, as stated in paragraph (1) must include information on the following matters:
- (i) the name and location of the water supply facilities subject to operation and associated activities;
 - (ii) the nature of the operation of water supply facilities and their associated activities;
 - (iii) duration of the rights to operate the water supply facility;
 - (iv) scheduled dates for the commencement of the operation of water supply facilities and their associated activities;
 - (v) measures to be taken by a water supplier to establish appropriate conditions for the operation of water supply facilities and associated activities to be conducted by the appointed business;
 - (vi) measures to continue water supply services in the event of a disaster or other emergency situations;
 - (vii) measures to be taken in cases where continuing the operation of water supply facilities and associated activities becomes difficult;
 - (viii) balance of current accounts (income and expenses) for the appointed business;
 - (ix) usage fee for water supply facilities subject to operation and associated activities, which the appointed business intends to collect as its own revenue; and
 - (x) other matters specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Standards for Permission)

Article 24-6 (1) Permission described in the first sentence of Article 24-4, paragraph (1) must not be granted unless the relevant application meets all of the conditions outlined in the following items:

- (i) the plan for the operation of water supply facilities and associated activities is reliable and reasonable; and
- (ii) if the provisions of Article 14, paragraph (2) (limited to the portions related to items (i), (ii), and (iv); the same applies in this item below) are read in conjunction with the provisions of Article 24-8, paragraph (1), assuming that the appointed business is an operation rights holder of water supply facilities,

the usage fees for water supply facilities subject to the operation of the corresponding water supply facilities and associated activities must conform to the requirements specified in Article 14, paragraph (2); and

(iii) the infrastructure of water supply systems is expected to be strengthened through the operation of the corresponding water supply facilities and associated activities.

- (2) Detailed technical requirements for the application of the standards provided for in each item of the preceding paragraph are to be determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Technical Manager for the Operation of Water Supply Facilities and Associated Activities)

Article 24-7 (1) An operation rights holder of water supply facilities must appoint a single technical manager for the operation of water supply facilities and associated activities, who will be responsible for overseeing these technical services.

- (2) A technical manager for the operation of water supply facilities and associated activities must engage in the matters described in each item of Article 19, paragraph (2), within the scope of the services, and supervise other staff members involved in these matters.

- (3) A technical manager for the operation of water supply facilities and associated activities must meet the qualifications specified in the Cabinet Order under Article 24-3, paragraph (5).

(Special Provisions Relating to the Operation of Water Supply Facilities and Associated activities)

Article 24-8 (1) In applying the provisions of Articles 14, paragraphs (1), (2), and (5), Article 15, paragraphs (2) and (3), Article 23, paragraph (2), Article 24, paragraph (3), and Article 40, paragraphs (1), (5), and (8), in cases where an operation rights holder of water supply facilities conducts the operation of water supply facilities and associated activities, the term "rates" in Article 14, paragraph (1) is to be understood as "fees" (including fees related to the use of water supply facilities, referred to as "usage fees related to an operation rights holder of water supply facilities" in the following paragraph). These fees are to be obtained by an operation rights holder of water supply facilities, as stated in Article 24-4, paragraph (3) (referred to as "operation rights holder of water supply facilities" in Article 14, paragraph (2), Article 15, paragraph (2), and Article 23, paragraph (2) below) and in Article 24-4, paragraph (3). The same applies to Article 14, paragraph (2), items (i) and (ii) and paragraph (5), Article 15, paragraph (3), and Article 24, paragraph (3)). Furthermore, the phrase "the following" in Article 14, paragraph (2) is to be interpreted as "in relation to a

usage fee related to an operation rights holder of water supply facilities, with a clear provision that an operation rights holder of water supply facilities is entitled to directly claim payment from consumers for water supply systems. The phrase "have been received" in the proviso to Article 15, paragraph (2) is to be interpreted as "have been received (including in cases where an operation rights holder of water supply facilities has received the water supply orders)". The phrase "by a water supplier" in Article 23, paragraph (2) is to be understood as "by a water supplier (including an operation rights holder of water supply facilities; the same applies in this paragraph and Article 24, paragraph (3) below)". The phrase "or a wholesale water supplier" in Article 40, paragraphs (1) and (5) is to be interpreted as "or a wholesale water supplier or an operation rights holder of water supply facilities". Finally, the term "wholesale water supplier" in Article 40, paragraph (8) is to be understood as "a wholesale water supplier or an operation rights holder of water supply facilities". In such cases, an operation rights holder of water supply facilities is entitled to, as a matter of course, enjoy the benefits arising from a water service contract (limited to the portions related to the rights to claim payment of usage fees for water supply facilities subject to the operation of water supply facilities and associated activities).

- (2) In cases where an operation rights holder of water supply facilities conducts the operation of water supply facilities and associated activities within the scope of the services, assuming the operation rights holder is a water supplier and the technical manager for the services is a technical manager of water supply systems, the provisions (including penal provisions related to these provisions) of Article 12, Article 13, paragraphs (1) (limited to the portions related to water quality testing and inspection of facilities) and (2), Article 17, Articles 20 through Article 22-4, Article 23, paragraph (1), Article 25-9, Article 36, paragraphs (1) and (2), Article 37, and Article 39 (excluding paragraphs (2) and (3)) apply. However, the provisions concerning the water supplier and the technical manager of water supply systems do not apply within the scope of the services. The term "renewal" in Article 22-4, paragraph (1) is to be interpreted as "renewal (limited to renewal as defined in Article 2, paragraph (6) of the Act on Promotion of Private Finance Initiative (Act No. 117 of 1999); the same applies to the following paragraph)".
- (3) Regarding the application of the provisions of Article 25-11, paragraph (1) in cases where the provisions of Article 25-9 become applicable based on the assumption that an operation rights holder of water supply facilities is a water supplier in accordance with the preceding paragraph, the term "water supplier" in Article 25-11, paragraph (1), item (v) is to be read as "operation rights holder of water supply facilities".
- (4) In cases where an operation rights holder of water supply facilities conducts

the operation of water supply facilities and associated activities within the scope of the services, the provisions of Article 19, paragraph (2) do not apply to a technical manager of water supply systems. Additionally, in cases where a technical manager for the operation of water supply facilities and associated activities engages in all matters described in each item of Article 19, paragraph (2) and supervises other staff members involved in those matters, the provisions of Article 19, paragraph (1) do not apply to the water supplier.

(Notification of Commencement of Operation of Water Supply Facilities and Associated Activities)

Article 24-9 In cases where an operation rights holder of water supply facilities has notified a water supplier, which is a local government, of the commencement of the operation of the corresponding water supply facilities and associated activities, as regulated under Article 21, paragraph (3) of the PFI Act, the water supplier must notify the Minister of Land, Infrastructure, Transport and Tourism of this without delay.

(Notification of Modification Regarding an Operation Rights Holder of Water Supply Facilities)

Article 24-10 If changes are made to the following matters, the operation rights holder of water supply facilities must notify the water supplier—the local government that established the operation right—and the Minister of Land, Infrastructure, Transport and Tourism of these changes without delay:

- (i) the location and name of principal office of the operation rights holder of water supply facilities and name of the representative of that person; and
- (ii) location of the office of water supply of the operation rights holder of water supply facilities.

(Consultation on the Transfer of the Rights to Operate Water Supply Facilities)

Article 24-11 When a water supplier that is a local government intends to grant permission under Article 26, paragraph (2) of the PFI Act for the operation of water supply facilities and associated activities, the water supplier must first consult with the Minister of Land, Infrastructure, Transport and Tourism.

(Request for Revocation, Suspension, or Termination of the Rights to Operate Water Supply Facilities)

Article 24-12 If an operation rights holder of water supply facilities has violated the provisions of this Act or any orders based on this Act, the Minister of Land, Infrastructure, Transport and Tourism may request that a water supplier, which is a local government that has established the rights to operate water supply facilities, take action in accordance with the provisions of Article 29,

paragraph (1) of the PFI Act. This applies when the circumstances described in Article 29, paragraph (1), item (i) (limited to the provisions related to sub-item (g)) of the PFI Act are applicable.

(Notification of Revocation, Suspension, or Termination of the Rights to Operate Water Supply Facilities)

Article 24-13 In cases where the following items are applicable, the relevant water supplier, which is a local government, must notify the Minister of Land, Infrastructure, Transport and Tourism of that effect without delay:

- (i) in cases where the rights to operate water supply facilities has been revoked, an order for the suspension of the exercise of that right has been issued, or the suspension has been terminated in accordance with the provisions of Article 29, paragraph (1) of the PFI Act; and
- (ii) in cases where the rights to operate water supply facilities has expired pursuant to the provisions of Article 29, paragraph (4) of the PFI Act, or have become extinct because the holder of the operation rights for water supply facilities has waived the rights.

(Special Provisions Related to Small-Scale Water Supply Services)

Article 25 (1) Regarding small-scale water supply services, in cases where the corresponding water supply systems do not require water treatment facilities other than disinfection facilities and allow water supply through natural gravity flow alone, the provisions of Article 19, paragraph (3) do not apply.

- (2) Notwithstanding the provisions of Article 24, paragraph (1), it may be acceptable for a water supplier that manages small-scale water supply services serving a population of 2,000 or fewer may, upon consultation with the head of municipality subject to Article 7 of the Fire and Disaster Management Organization Act (Act No. 226 of 1947), be exempted from installing fire hydrants in the corresponding water supply systems.

Section 3 Designated Contractor for Water Feed System Construction

(Application of Designation)

Article 25-2 (1) The designation specified in Article 16-2, paragraph (1), is to be implemented through an application by a person engaging in water feed system construction.

- (2) A person intending to seek the designation stipulated in Article 16-2, paragraph (1) must submit an application form, in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism, to a water supplier. The application must include the following information:

- (i) the name and address of the person, and if the person is a corporation, the name of its representative;
- (ii) the name and location of the office conducting water feed system construction in the service areas of the corresponding water supplier (simply referred to as "office" in this Section below), as well as the name of the chief engineer for water feed system construction to be appointed for each office in accordance with the provisions of Article 25-4, paragraph (1); and
- (iii) the names, performance, and quantity of machinery/equipment intended for conducting water feed system construction;
- (iv) other matters as determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Designation Standards)

Article 25-3 (1) If a water supplier determines that an applicant for designation, as stated in Article 16-2, paragraph (1), meets all the requirements outlined in the following items, the water supplier must grant the designation:

- (i) the applicant assigns a person to be appointed as the chief engineer for water feed system construction in accordance with the provisions of Article 25-4, paragraph (1) in each office;
- (ii) the applicant has the machinery/equipment specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism;
- (iii) none of the following applies to the applicant:
 - (a) a person specified in an Order of the Ministry of Land, Infrastructure, Transport and Tourism that is unable to appropriately conduct water feed system construction due to a mental or physical disorder;
 - (b) a person for whom the restoration of rights is not applicable after a decision to commence bankruptcy proceedings;
 - (c) a person that has been sentenced to punishment for violation of this Act and has completed enforcement of the sentence, or where less than two (2) years have elapsed since the completion or discontinuance of the enforcement;
 - (d) a person whose designation has been revoked in accordance with the provisions of Article 25-11, paragraph (1) and where less than two (2) years have elapsed since the revocation of the designation;
 - (e) a person with reasonable cause to believe that there is a likelihood the person is engaging in an unlawful or unfaithful act in relation to their services;
 - (f) a person that is a corporation and to which any one of (a) through (e) applies to any officer of that person.
- (2) If the designation stated in Article 16-2, paragraph (1) applies to a water supplier, the supplier must inform the general public of this designation

without delay.

(Renewal of Designation)

Article 25-3-2 (1) Unless renewal takes place every five (5) years, the designation stated in Article 16-2, paragraph (1) becomes invalid on the elapse of that period.

- (2) If an application for renewal has been submitted in accordance with the preceding paragraph, and a decision regarding the application has not been made by the expiration of the period specified in that paragraph (referred to as "effective period for designation" in this and the following paragraphs), the previous designation remains valid until a decision is made, even after the expiration of the effective period for designation.
- (3) In the cases described in the preceding paragraph, if the designation has been renewed, the effective period of the designation is to be calculated from the day following the expiration of the previous effective period.
- (4) The provisions of the preceding two Articles are to apply *mutatis mutandis* to the renewal of the designation described in paragraph (1).

(Chief Engineer for Water Feed System Construction)

Article 25-4 (1) A designated contractor for water feed system construction must appoint, in each office, a chief engineer for water feed system construction from among those who have been issued a chief engineer license for water feed system construction, to carry out the duties specified in each item of paragraph (3) in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) If a designated contractor for water feed system construction appoints a chief engineer for water feed system construction, the designated contractor must notify the water supplier of this without delay. The same applies to cases where the chief engineer for water feed system construction is dismissed.
- (3) The chief engineer for water feed system construction must diligently perform the following duties:
 - (i) technical management for water feed system construction;
 - (ii) technical guidance and supervision for those engaged in water feed system construction;
 - (iii) confirmation of whether the structures and materials of a water feed system related to water feed system construction conform to the standards set by Cabinet Order in accordance with the provisions of Article 16; and
 - (iv) other duties specified in an Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) A person engaged in water feed system construction must follow the guidance provided by the chief engineer for water feed system construction while on duty.

(Chief Engineer License for Water Feed System Construction)

- Article 25-5 (1) The Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment are to issue a chief engineer license for water feed system construction to a person who has passed the examination for chief engineer for water feed system construction.
- (2) The Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may decide not to issue the chief engineer license for water feed system construction to a person to whom either of the following items applies:
- (i) a person that has been ordered to return the chief engineer license for water feed system construction in accordance with the provisions of the following paragraph, and for whom one (1) year has not elapsed since the date of return; or
 - (ii) a person that has been sentenced to punishment for a violation of this Act and has completed its enforcement, or for whom two (2) years have not elapsed since the completion or discontinuance of its enforcement.
- (3) If a person issued a chief engineer license for water feed system construction violates this Act, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may order the person to return the license.
- (4) The issuance, renewal, reissuance, and return of a chief engineer license for water feed system construction is to be administered by the Minister of Land, Infrastructure, Transport and Tourism.
- (5) In addition to the provisions of the preceding paragraphs, matters required for the issuance, renewal, reissuance, and return of the chief engineer license for water feed system construction is to be determined by Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

(Examination for a Chief Engineer for Water Feed System Construction)

- Article 25-6 (1) The examination for a chief engineer for water feed system construction is to be conducted by the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment, with a focus on the knowledge and techniques required for the role.
- (2) Only a person with at least three (3) years of practical experience in water feed system construction is eligible to take the examination for a chief engineer for water feed system construction.
- (3) The examination subjects, procedures, and other details for the examination of a chief engineer for water feed system construction are to be determined by the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and

the Ministry of the Environment.

(Notification of Modifications and Other Relevant Matters)

Article 25-7 In cases where there has been a modification concerning the name or location of the office of a designated contractor for water feed system construction, or other matters determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism, or when a designated contractor for water supply system construction has abolished, suspended, or resumed a business related to water feed system construction, the designated contractor must notify the relevant water supplier of this effect in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Business Standards)

Article 25-8 A designated contractor for water feed system construction must endeavor to conduct business in accordance with the standards for such operations as regulated by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Presence of the Chief Engineer for Water Feed System Construction)

Article 25-9 When a water supplier inspects a water feed system in accordance with the provisions of Article 17, paragraph (1), the supplier may request that the designated contractor for water feed system construction, who performed the related construction, invite the chief engineer for the construction at the relevant office to attend the inspection.

(Submission of Reports and Materials)

Article 25-10 A water supplier may request that a designated contractor for water feed system construction submit reports or materials related to construction performed within their service area.

(Revocation of Designation)

Article 25-11 (1) If any of the following items apply to a designated contractor for water feed system construction, a water supplier may revoke the designation pursuant to Article 16-2, paragraph (1):

- (i) when a designated contractor for water feed system construction is no longer in compliance with any item of Article 25-3, paragraph (1);
- (ii) when a designated contractor for water feed system construction violates any provision of Article 25-4, paragraph (1) or (2);
- (iii) when a designated contractor for water feed system construction fails to provide notification in accordance with Article 25-7 or makes a false

- statement;
- (iv) when it is deemed impossible for a designated contractor for water feed system construction to conduct business operations in accordance with the standards specified in Article 25-8;
 - (v) when a designated contractor for water feed system construction fails to respond to a request from a water supplier in accordance with Article 25-9 without legitimate grounds;
 - (vi) when a designated contractor for water feed system construction fails to respond to a request from a water supplier in accordance with the preceding Article without legitimate grounds, or submits a false statement or material;
 - (vii) when water feed system construction performed by a designated contractor has caused a failure in the system's functions or is highly likely to cause such a failure; or
 - (viii) when a designated contractor for water feed system construction has been designated under Article 16-2, paragraph (1), by illicit means.
- (2) The provisions of Article 25-3, paragraph (2) are to apply *mutatis mutandis* to the cases stated in the preceding paragraph.

Section 4 Designated Examination Body

(Designation of Designated Examination Body)

- Article 25-12 (1) The Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may designate a person (referred to as "designated examination body" below) to conduct affairs (referred to as "examination affairs" below) related to the implementation of the examination for a chief engineer in water feed system construction.
- (2) The designation of a designated examination body is to be made upon application by a person intending to perform examination affairs.

(Designation Standards)

- Article 25-13 (1) Unless no other person has been designated and the application submitted under Article 25-12, paragraph (2), is deemed to meet the following requirements, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment are not to designate the applicant as a designated examination body:
- (i) the relevant plan for the implementation of examination affairs, including staff members, facilities, methods of implementation, and other matters, is appropriate for the proper and reliable execution of examination affairs;
 - (ii) the applicant possesses the financial and technical foundation necessary for proper and reliable execution of the plan for implementing examination affairs stated in the previous item; and

- (iii) in the event that an applicant has performed services other than examination affairs, it is unlikely that conducting such services would cause the examination affairs to be unfair.
- (2) In the event that any of the following items apply to an applicant that has made an application as regulated under Article 25-12, paragraph (2), the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment must not designate the applicant as a designated examination body:
 - (i) a person other than a general incorporated association or a general incorporated foundation;
 - (ii) an applicant whose designation has been revoked in accordance with the provisions of Article 25-24, paragraph (1) or (2), and with respect to whom less than two (2) years have elapsed since the date of the revocation;
 - (iii) when an officer of an applicant is subject to any of the following items:
 - (a) an officer who has been sentenced to punishment for violation of this Act and has completed the enforcement of the sentence, or with respect to whom less than two (2) years have elapsed since the completion or discontinuance of the enforcement; or
 - (b) an officer who has been dismissed by an order specified in the provisions of Article 25-15, paragraph (2), and with respect to whom less than two (2) years have elapsed since the date of dismissal.

(Public Notice for Designation and Other Related Matters)

- Article 25-14 (1) When the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment have granted designation as regulated under article 25-12, paragraph (1), the Ministers must give public notice of the name, location of the principal office, and the date of the designation of a designated examination body.
- (2) In cases where a designated examination body intends to change its name or the location of its principal office, the designated examination body must notify the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment of the change at least two (2) weeks prior to the intended date of the change.
 - (3) In cases where notification specified in the provisions of the preceding paragraph has been made, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment must give public notice to that effect.

(Appointment and Dismissal of an Officer)

- Article 25-15 (1) Appointment and dismissal of an officer of a designated examination body does not become effective unless the Minister of Land,

Infrastructure, Transport and Tourism and the Minister of the Environment authorize it.

- (2) In cases where an officer of a designated examination body has taken an action in violation of this Act (including an order or disposition based on this Act), has violated the implementation rules for examination affairs stated in Article 25-18, paragraph (1), or has taken a significantly inappropriate action in relation to examination affairs, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may order the designated examination body to dismiss the officer.

(Examination Committee Members)

- Article 25-16 (1) In examination affairs, if a designated examination body conducts matters related to determining whether a candidate possesses the knowledge and skills required to be a chief engineer for water feed system construction, the body must have examination committee members carry out such affairs.
- (2) In cases where a designated examination body intends to appoint examination committee members, it must select them from among those who meet the requirements established by Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.
- (3) In cases where a designated examination body has appointed examination committee members, it must notify the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment, in accordance with the provisions of Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment, without delay. The same applies to cases in which examination committee members have been changed.
- (4) The provisions of Article 25-15, paragraph (2) apply mutatis mutandis to dismissal of examination committee members.

(Confidentiality Obligations and Other Related Matters)

- Article 25-17 (1) An officer or a staff member of a designated examination body (including examination committee members; the same applies in the paragraph below) or a former officer or a former staff member of it must not leak secrets that may come to their knowledge related to examination affairs.
- (2) In relation to application of the Penal Code (Act No. 45 of 1907) and other penal provisions, an officer or a staff member of a designated examination body engaging in examination affairs is to be deemed to be a staff member engaging in public services under relevant laws and regulations.

(Implementation Rules for Examination Affairs)

Article 25-18 (1) A designated examination body must state the regulations relating to implementation of examination affairs (referred to as "operational rules for examination affairs" below) prior to commencement of examination affairs and must obtain permission from the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment. The same is to apply to cases in which the implementation rules for examination affairs are changed.

(2) Matters determined under the implementation rules for examination affairs are to be regulated under the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

(3) If the implementation rules for examination affairs authorized under paragraph (1) are deemed inappropriate during the proper and assured implementation of those affairs, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may order a designated examination body to amend the regulations.

(Authorization for Business Plans and Related Documents)

Article 25-19 (1) A designated examination body is to create a business plan and an income and expenditure budget each fiscal year (and, in relation to a fiscal year in which the day of receipt of designation under the provisions of Article 25-12, paragraph (1) falls, without delay following the designation). The business plan and the income and expenditure budget must be authorized by the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment prior to the commencement of that fiscal year. The same applies to cases in which the business plan and the income and expenditure budget are changed.

(2) A designated examination body is to create a business report and a statement of accounts each fiscal year and must submit the business report and statement of accounts to the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment within three (3) months following completion of the fiscal year.

(Furnishing of Books)

Article 25-20 A designated examination body must furnish and maintain books, including matters related to examination affairs as specified in the provisions of the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

(Order for Supervision)

Article 25-21 If the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment deem it necessary to ensure the proper

implementation of examination affairs, they may issue an order to a designated examination body as part of their supervision of the examination affairs.

(Reporting, Inspection, and Related Matters)

Article 25-22 (1) If the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment deem it necessary to ensure the proper implementation of examination affairs, they may request a designated examination body to report any necessary information regarding the status of its examination affairs or may authorize their officials to enter its office to inspect the status of examination affairs, facilities, books, documents, and other relevant items.

(2) An official who conducts an on-site inspection in accordance with the provisions of the preceding paragraph must carry a certificate demonstrating their status. At the request of a concerned person, the official must present the certificate to them.

(3) Authority stipulated in paragraph (1) may not be construed as being granted for criminal investigation purposes.

(Suspension and Abolishment of Examination Affairs)

Article 25-23 (1) A designated examination body must not suspend or abolish examination affairs, in whole or in part, without obtaining permission from the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment.

(2) Unless it is determined that suspending or abolishing examination affairs, in whole or in part, by a designated examination body will not hinder the proper and reliable implementation of examination affairs, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may not grant the designated examination body the permission specified in the provisions of the preceding paragraph.

(3) When the permission stated in the provisions of paragraph (1) has been granted, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment must make public notice to the effect.

(Revocation of Designation and Related Matters)

Article 25-24 (1) In cases where any of Article 25-13, paragraph (2), item (i) or (iii) apply to a designated examination body, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment must revoke the designation.

(2) In cases where any of the following items apply to a designated examination body, the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment may revoke the designation or may order the

designated examination body to suspend examination affairs either in whole or in part, establishing a reasonable period for such suspension:

- (i) in cases where it is recognized that any requirement of each item of Article 25-13, paragraph (1) is no longer being satisfied;
 - (ii) in cases where a designated examination body has violated an order issued in accordance with Article 25-15, paragraph (2) (including cases where the provisions are applied *mutatis mutandis* pursuant to Article 25-16, paragraph (4)), Article 25-18, paragraph (3), or Article 25-21;
 - (iii) in the case of a violation of the provisions of Article 25-16, paragraph (1), Article 25-19, Article 25-20, or Article 25-23, paragraph (1);
 - (iv) in cases where examination affairs have been performed not in accordance with the implementation rules for examination affairs authorized under the provisions of Article 25-18, paragraph (1); or
 - (v) in cases where designation of a designated examination body has been granted by illicit means.
- (3) In cases where the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment have revoked the designation in accordance with the provisions of the preceding two paragraphs, or have ordered the suspension of examination affairs, either in whole or in part, in accordance with the provisions of the preceding paragraph, the Ministers must issue a public notice to that effect.

(Conditions for Designation, Authorization, and Permission)

- Article 25-25 (1) It may be possible to attach relevant conditions to designation, authorization, or permission, or to change the relevant conditions stated in the provisions of Article 25-12, paragraph (1), Article 25-15, paragraph (1), Article 25-18, paragraph (1), Article 25-19, paragraph (1), or Article 25-23, paragraph (1).
- (2) Conditions stated in the preceding paragraph must be limited to minimum required conditions for attempting assured implementation of matters related to a corresponding designation, authorization, or permission and must not impose unreasonable obligations on a person that receives the designation, authorization, or permission.

(Implementation of Examination Affairs by the Minister of Land,

- Infrastructure, Transport and Tourism and the Minister of the Environment)
- Article 25-26 (1) When the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment grant designation to a designated examination body, no examination affairs are to be performed by the Ministers.
- (2) If a designated examination body has suspended examination affairs, in whole

or in part, in response to the permission stated in Article 25-23, paragraph (1), or if suspension of examination affairs, in whole or in part, has been ordered to the body in accordance with Article 25-24, paragraph (2), or if it has become difficult for the body to implement examination affairs due to a disaster or other reasons, and if the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment deem it necessary, they are to perform the examination affairs, in whole or in part.

- (3) If the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment intend to perform examination affairs, in whole or in part, on their own in accordance with the provisions of the preceding paragraph, or if they decide not to perform examination affairs, in whole or in part, on their own, they must make a public notice to that effect.

(Delegation of Authority to Orders Issued by the Ministry of Land,

Infrastructure, Transport and Tourism and the Ministry of the Environment)
Article 25-27 In addition to the provisions under this Act, matters necessary in relation to a designated examination body, examination affairs conducted by them, as well as transfer of examination affairs are to be determined under the Orders of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

Chapter IV Wholesale Water Supply Services

(Authorization of Services)

Article 26 If a person intends to manage wholesale water supply services, they must obtain authorization from the Minister of Land, Infrastructure, Transport and Tourism.

(Application for Authorization)

Article 27 (1) To apply for authorization to operate wholesale water supply services, an applicant must submit an application form, along with a business plan, construction specifications, and other documents (including drawings) specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism to the Minister of Land, Infrastructure, Transport and Tourism.

- (2) The following information must be included in the application form specified in the preceding paragraph:

- (i) the address and name of the applicant (in the case of a corporation, association, or cooperative, the address and name of the principal office and the name of its representative); and
- (ii) the location of the water supply office.

- (3) If there have been changes to the matters stated in the application forms

stated in the preceding paragraph, a wholesale water supplier must promptly notify the Minister of Land, Infrastructure, Transport and Tourism of those changes.

- (4) The business plan mentioned in paragraph (1) must include the following information:
- (i) water supply targets and volume of water supplied;
 - (ii) an outline of water supply facilities;
 - (iii) scheduled date for the commencement of water supply;
 - (iv) scheduled total amount of construction expenses and their planned funding sources;
 - (v) balance of current accounts (income and expenses); and
 - (vi) other matters determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) The construction specifications mentioned in paragraph (1) must include the following matters:
- (i) maximum daily volume of water supplied and average daily volume of water supplied;
 - (ii) type of water sources and water intake points;
 - (iii) rough estimate of water quantity at water sources and results of water quality analysis;
 - (iv) the location of water supply facilities (including elevation and water levels), as well as their scales and structure;
 - (v) water treatment process;
 - (vi) scheduled dates for the commencement and completion of construction; and
 - (vii) other matters as determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Standards for Authorization)

Article 28 (1) A license to operate wholesale water supply services must not be granted unless the related application satisfies all requirements stated in the following items:

- (i) a plan for the corresponding wholesale water supply services is reliable and reasonable;
- (ii) the design for the construction of water supply facilities satisfies the facility standards in accordance with the provisions of Article 5;
- (iii) if wholesale water supply services are applied for by a person other than a local government, the person must possess a sufficient financial foundation to perform the services; and
- (iv) in addition to the preceding items, the commencement of the corresponding wholesale water supply services is required from the perspective of public interest.

- (2) The detailed technical requirements for the application of standards provided for in the respective items of the preceding paragraph are to be determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Conditions for Authorization)

Article 29 (1) In cases where the Minister of Land, Infrastructure, Transport and Tourism grants authorization for the operation of wholesale water supply services to a person other than a local government, the Minister may impose relevant conditions regarding the operation.

- (2) The provisions of Article 9, paragraph (2) are to apply *mutatis mutandis* to conditions stated in the preceding paragraph.

(Modification in Wholesale Water Supply Services)

Article 30 (1) If a wholesale water supplier intends to increase its water supply targets or volume of water supplied, or to change the types of water sources, water intake points, or water treatment processes (excluding cases stated in the following items), the wholesale water supplier must obtain authorization from the Minister of Land, Infrastructure, Transport and Tourism:

- (i) if the modification is limited to minor changes, as classified by the Order of the Ministry of Land, Infrastructure, Transport and Tourism; and
- (ii) if the modification is incidental to the total acceptance of wholesale water supply services from another entity.

- (2) The provisions of the preceding three Articles apply *mutatis mutandis* to the authorization stated in the preceding paragraph.

- (3) If a wholesale water supplier makes any modification stated in any item of paragraph (1), the wholesale water supplier must notify the Minister of Land, Infrastructure, Transport and Tourism of that modification in advance, in accordance with the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(*Mutatis Mutandis* Application)

Article 31 The provisions of Article 11, paragraphs (1) and (3), Article 12, Article 13, Article 15, paragraph (2), Article 19 (excluding paragraph (2), item (iii)), Articles 20 through 23, Article 24-2, Article 24-3 (excluding paragraph (7)), Article 24-4, Article 24-5, Article 24-6 (excluding paragraph (1), item (ii)), Article 24-7, Article 24-8 (excluding paragraph (3)), and Articles 24-9 through 24-13 are to apply *mutatis mutandis* to a wholesale water supplier. In this case, in relation to the provisions included in the left column of the following table, expressions included in the middle column of the table below are to be read as expressions in the right column of the relevant Table.

Article 11, paragraph (1)	"the corresponding water supply services, in whole or"	"the corresponding wholesale water supply services, in whole or "
Provision of Article 11, paragraph (1)	"of the water supply services"	"of the wholesale water supply services"
	"the services"	"the services"
Article 15, paragraph (2)	"water to persons receiving water ... at all times"	"wholesale water to a water supplier receiving wholesale water, in accordance with the provisions of a water service contract"
Article 15, paragraph (2)	"service areas"	"target service areas"
	"the areas and"	"the target areas and"
	"notify the affected parties of"	" the wholesale water supplier must notify the water supplier providing wholesale water"
Article 19, paragraph (2)	"matters"	"matters (excluding matters described in item (iii))"
Article 22-4, paragraph (1)	"service areas"	"service areas of a water supplier to whom a wholesale water supplier supplies wholesale water"
Article 23, paragraph (1)	"to notify the affected parties"	"the wholesale water supplier must notify the water supplier to whom it provides wholesale water"
Article 24-2	""	"A water supplier whose water is supplied by a wholesale water supplier must provide consumers with information about"
	"about the water supply services"	"about the wholesale water supply services"
Article 24-3, paragraph (4)	"each item of Article 19, paragraph (2)"	"each item of Article 19, paragraph (2) (excluding item (iii))"
Article 24-3, paragraph (6)	"Article 17, Article 20"	"Article 20"
	"Article 25-9, Article 36, paragraph (2)"	"Article 36, paragraph (2)"

Article 24-3, paragraph (8)	"each item of that paragraph"	"each item of that paragraph (excluding item (iii))"
Article 24-4, paragraph (1)	"of water supply services"	"of wholesale water supply services"
Article 24-4, paragraph (3)	"Article 6, paragraph (1)"	"Article 26"
	"the operation of water supply services"	"theoperation of wholesale water supply services"
Article 24-5, paragraph (3), item (vi)	"water supply services"	"wholesale water supply services"
Article 24-7, paragraph (2)	"each item of Article 19, paragraph (2)"	"each item of Article 19, paragraph (2) (excluding item (iii))"
Article 24-8, paragraph (1)	"Articles 14, paragraphs (1), (2), and (5), Article 15, paragraphs (2) and (3)"	"Article 15, paragraph (2)"
	"Article 24, paragraph (3), and"	"and"

	<p>"Article 24, paragraph (3)...the term "rates" in Article 14, paragraph (1) is to be understood as "fees" (including fees related to the use of water supply facilities, referred to as "usage fees related to an operation right holder of water supply facilities" in the following paragraph). These fees are to be obtained by an operation right holder of water supply facilities, as stated in Article 24-4, paragraph (3) (referred to as an "operation right holder of water supply facilities" in Article 14, paragraph (2), Article 15, paragraph (2), and Article 23, paragraph (2) below) and in Article 24-4, paragraph (3). The same applies to Article 14, paragraph (2), items (i) and (ii) and paragraph (5), Article 15, paragraph (3), and Article 24, paragraph (3)).</p> <p>Furthermore, the phrase "the following" in Article 14, paragraph (2) is to be interpreted as "in relation to a usage fee related to an operation right holder of water supply facilities, with a clear provision that an operation right holder of water supply facilities is entitled to directly claim payment from consumers for water supply systems. The phrase "have been received" in the proviso of Article 15, paragraph (2)"</p>	<p>"The following phrase "have been received" in the proviso of Article 15, paragraph (2)"</p>
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	"(...an operation right holder of water supply facility"	"an operation right holder of water supply facility stated in Article 24-4, paragraph (3) (referred to as "operation right holder of water supply facility" in Article 23, paragraph (2) below)"
	"a water supplier (including an operation right holder of water supply facility; the same applies hereinafter in this paragraph and Article 24-9, paragraph (3))"	"a wholesale water supplier (including an operation right holder of water supply facility; the same applies in this paragraph below"
	In such cases, an operation right holder of water supply facilities is entitled to, as a matter of course, enjoy the benefits arising from a water service contract (limited to the portions related to the right to claim for payment of usage fees for water supply facilities subject to the operation of water supply facilities and associated activities).	"."
Article 24-8, paragraph (2)	"Article 17, Article 20"	"Article 20"
	"Article 23, paragraph (1), Article 25-9"	"Article 23, paragraph (1)"

Chapter V Specified Privately Owned Water Supply Systems

(Confirmation)

Article 32 A person intending to construct specified privately owned water supply systems must, before commencing construction, obtain confirmation from the prefectural governor that the design for the planned construction complies with the facility standards specified in Article 5.

(Application for Confirmation)

Article 33 (1) To apply for the confirmation stated in the previous Article, an applicant must submit an application form to the competent prefectural

governor, accompanied by construction specifications and other documents (including drawings) as specified in the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) The following matters must be included in the application form stated in the preceding paragraph:
 - (i) the address and name of the applicant (in the case of a corporation or an association/cooperative, the address and name of principal office, and the name of its representative); and
 - (ii) the location of the water supply office.
- (3) If any changes occur to the matters stated in the application forms specified in the preceding paragraph, the person responsible for installing specified privately owned water supply systems must promptly notify the competent prefectural governor of such changes.
- (4) The construction specifications mentioned in paragraph (1) must include information on the following matters:
 - (i) maximum daily volume of water supplied and average daily volume of water supplied;
 - (ii) type of water sources and water intake points;
 - (iii) rough estimate of water quantity at water sources and results of water quality analysis;
 - (iv) outline of water supply facilities;
 - (v) location of water supply facilities (including elevation and water levels), their scales and structure;
 - (vi) water treatment process;
 - (vii) scheduled dates for the commencement and completion of construction; and
 - (viii) other matters as determined by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) When the competent prefectural governor receives an application stated in paragraph (1), and it is confirmed that the design of the proposed construction conforms to the facility standards specified in Article 5, the governor must notify an applicant of this conformation. If it is determined that the design of the proposed construction does not conform to the facility standards, or if it is not possible to determine conformity based on the documents attached to the application form, the governor must notify the applicant accordingly, specifying the points of nonconformance or explaining the reasons for the inability to make a determination.
- (6) The notification described in the preceding paragraph must be provided in writing within thirty (30) days from the date of recipient of the application referred to in paragraph (1).

(Mutatis Mutandis Application)

Article 34 (1) The provisions of Article 13, Article 19 (excluding paragraph (2), items (iii) and (vii)), Articles 20 through 22-2, Articles 23, and Article 24-3 (excluding paragraph (7)) are to apply mutatis mutandis to a person that installs specified privately owned water supply systems. In this case, in relation to the provisions included in the left column of the following table, expressions included in the middle column of the relevant table are to be read as expressions in the right column of the relevant table.

Article 13, paragraph (1)	"the Minister of Land, Infrastructure, Transport and Tourism"	"the competent prefectural governor"
Article 19, paragraph (2)	"matters"	"matters (excluding those described in items (iii) and (vii))"
Article 24-3, paragraph (2)	"the Minister of Land, Infrastructure, Transport and Tourism"	"the competent prefectural governor"
Article 24-3, paragraph (4)	"each item of Article 19, paragraph (2)"	"each item of Article 19, paragraph (2) (excluding items (iii) and (vii))"
Article 24-3, paragraph (6)	"Article 17, Article 20 through Article 22-3"	"Articles 20 through Article 22-2"
	"Article 25-9, Article 36, paragraph (2), and Article 39 (...paragraphs (2))"	"Article 36, paragraph (2), and Article 39 (...paragraphs (1))"
Article 24-3, paragraph (8)	"each item of that paragraph"	"each item of that paragraph (excluding those described in items (iii) and (vii))"

(2) With regard to specified privately owned water supply systems whose maximum daily water supply is 1,000 cubic meters or less, if the systems do not require water treatment facilities other than disinfection facilities and supply water solely through natural gravity flow, the provision of Article 19, paragraph (3) does not apply mutatis mutandis, notwithstanding the provisions of the preceding paragraph.

Chapter VI Specified Building Water Supply Systems with Tank Storage

Article 34-2 (1) A person that installs specified building water supply systems with tank storage must manage the systems in accordance with the standards set by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) A person that installs specified building water supply systems with tank storage is subject to regular inspections conducted by a local government agency or a person registered by the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment. These inspections, regarding the management of the systems, must be carried out in accordance with the Order of the Ministry of Land, Infrastructure, Transport and Tourism and the Order of the Ministry of the Environment for matters concerning the inspection of the quality of water supplied through specified building water supply systems with tank storage.

(Obligation to Conduct Inspection)

Article 34-3 If a person registered under Article 34-2, paragraph (2) has been requested to inspect the management of specified building water supply systems with tank storage, the person must do so without delay, unless there are legitimate grounds for doing otherwise.

(Mutatis Mutandis Application)

Article 34-4 The provisions of Articles 20-2 through 20-5 are to apply mutatis mutandis to registration stated in Article 34-2, paragraph (2); the provisions of Article 20-6, paragraph (2) are to apply mutatis mutandis to inspections of the management of specified building water supply systems with tank storage; and the provisions of Articles 20-7 through 20-16 are to apply mutatis mutandis to a person registered under Article 34-2, paragraph (2), respectively. In this case, with regard to the provisions in the left column of the following Table, the words and phrases/expressions in the middle column are to be read as the words and phrases/expressions in the right column of the table.

Article 20-2	"water quality testing"	"inspections for the management of specified building water supply systems with tank storage"
Article 20-4, paragraph (1), item (i)	"water quality testing specified in Article 20, paragraph (1)"	"inspections for the management of specified building water supply systems with tank storage"
	"the testing facilities"	"the testing equipment"
	"water quality testing using"	"inspections for the management of a specified building water supply system with tank storage using"
Article 20-4, paragraph (1), item (ii)	"Appended Table 1"	"Appended Table 2"

	"water quality testing"	"an inspection for the management of specified building water supply systems with tank storage"
	"five (5) or more individuals"	"three (3) or more individuals"
Article 20-4, paragraph (1), item (iii)	"water quality testing"	"inspections for the management of specified building water supply systems with tank storage"
Article 20-4, paragraph (2)	"the registry of a water quality testing body"	"the registry of a testing body for specified building water supply systems with tank storage"
Article 20-4, paragraph (2), item (iii)	"water quality testing"	"inspections for the management of specified building water supply systems with tank storage"
Article 20-6, paragraph (2)	"A registered water quality testing body"	"A person registered under Article 34-2, paragraph (2)"
Article 20-7	"water quality testing"	"inspection for the management of specified building water supply systems with tank storage"
Article 20-8, paragraph (1)	"water quality testing"	"an inspection for the management of specified building water supply systems with tank storage" * 「業務」の訳であるservices は削除する。
	"operational rules for water quality testing"	"operational rules for the inspection of specified building water supply systems with tank storage"
Article 20-8, paragraph (2)	"operational rules for water quality testing"	"operational rules for the inspection of specified building water supply systems with tank storage"
	"concerning water quality testing"	"concerning the inspection"
	"concerning water quality testing" * 上と同じ個所	"concerning the inspection" * 上と同じ個所
Article 20-9	"its water quality testing"	"its inspection for the management of specified building water supply systems with tank storage" * 「業務」の訳であるservices は削除する。

Article 20-10, paragraph (2)	"A water supplier and other interested persons"	"A person that has established specified building water supply systems with tank storage, along with other interested persons"
Article 20-12	"paragraph (1) or (2) of Article 20-6"	"paragraph (2) of Article 20-6 or Article 34-3"
	"accept a request for entrustment of water quality testing"	"undertake an inspection for the management of specified building water supply systems with tank storage,"
	"the methods for water quality testing"	"the inspection methods"
Article 20-13	"water quality testing"	"inspections for the management of specified building water supply systems with tank storage" * 「業務」の訳であるservices は削除する。
Article 20-13, item (v)	"Article 20, paragraph (3)"	"Article 34-2, paragraph (2)"
Article 20-14	"related to water quality testing"	"related to inspections for the management of specified building water supply systems with tank storage,"
Article 20-15, paragraph (1)	"of water quality testing"	"of inspections for the management of specified building water supply systems with tank storage"
	"testing facilities"	"testing equipment"
Article 20-16, item (i)	"Article 20, paragraph (3)"	"Article 34-2, paragraph (2)"
Article 20-16, item (iv)	"Article 20, paragraph (3)"	"Article 34-2, paragraph (2)"
	"water quality testing"	"inspections for the management of specified building water supply systems with tank storage" * 「業務」の訳であるservices は削除する。

Chapter VII Supervision

(Revocation of Authorization)

Article 35 (1) In cases where a water supplier or a wholesale water supplier has not commenced construction within one (1) year following the elapse of the scheduled commencement date specified in the construction specifications attached to the application form for service authorization, without legitimate

grounds; or has not completed the construction within one (1) year following the scheduled completion date; or has not commenced water supply within one (1) year following the scheduled commencement date of water supply included in its business plan, the Minister of Land, Infrastructure, Transport and Tourism may revoke the service authorization. In such cases, if construction has been partially completed at the time of the expiration of the one-year period following the scheduled dates, the Minister may also revoke the service authorization for the portions where construction has not been completed.

- (2) In cases where a reason stated in the preceding paragraph applies to a water supplier other than a local government, the municipality whose service area for the corresponding water supply services is included in the areas of the municipality may request that the Minister of Land, Infrastructure, Transport and Tourism take the action stipulated in the paragraph.
- (3) In order for the Minister of Land, Infrastructure, Transport and Tourism to carry out a disposition stated in paragraph (1) concerning a water supplier that is a local government or a wholesale water supplier, the Minister must provide the water supplier with an opportunity for explanation. In this case, the Minister must notify the water supplier in writing beforehand of the date, time, and location of the explanation, as well as the reason for the disposition.

(Instruction for Improvement and Changes)

- Article 36 (1) If the Minister of Land, Infrastructure, Transport and Tourism determines that the water supply facilities related to water supply services or wholesale water supply services no longer comply with the facility standards stated in Article 5, or if the competent prefectural governor determines that the water supply facilities related to specified privately owned water supply systems no longer comply with those standards, and if the Minister or the competent prefectural governor deems it urgently necessary to protect citizens' health and safety, they may instruct the relevant water supplier, wholesale water supplier, or person installing specified privately owned water supply systems to improve the facilities within a reasonable period.
- (2) If the Minister of Land, Infrastructure, Transport and Tourism (regarding water supply services and wholesale water supply services) or the competent prefectural governor (regarding specified privately owned water supply systems) has issued warning that a technical manager of water supply systems has neglected their duties, and the technical manager of water supply systems continues to neglect their duties, the Minister or the competent prefectural governor may recommend that the corresponding water supplier, wholesale water supplier, or person installing specified privately owned water supply systems change the technical manager of water supply systems.
 - (3) If the competent prefectural governor determines that the management of

specified building water supply systems with tank storage no longer complies with the relevant standards specified in the Order of the Minister of Land, Infrastructure, Transport and Tourism under Article 34-2, paragraph (1), the governor may instruct the person installing specified building water supply systems with tank storage to perform cleaning or take other necessary measures related to the management of those systems.

(Order to Suspend Water Supply)

Article 37 If a water supplier or a wholesale water supplier fails to follow the instructions stated in the provisions of paragraph (1) or (3) of the preceding Article (where the Minister of Land, Infrastructure, Transport and Tourism is responsible), or if a person installing specified privately owned water supply systems or a person installing specified building water supply systems with tank storage fails to follow those instructions (where the competent prefectural governor is responsible), and if the Minister of Land, Infrastructure, Transport and Tourism or the competent prefectural governor deems that continuing the water supply would hinder the benefits to users of the corresponding water supply systems, the Minister or the competent prefectural governor may order the suspension of water supply until the matters related to the instructions are addressed. The same applies in cases of noncompliance with recommendations under paragraph (2) of the relevant Article, when continuing the water supply is deemed to hinder the benefits to users of the corresponding water supply systems.

(Change in Service Conditions)

Article 38 (1) If the Minister of Land, Infrastructure, Transport and Tourism determines that the rates, allocation of expenses for water feed system construction, or other service conditions of a water supplier, other than a local government, have become significantly inappropriate due to changes in social and economic conditions or other factors, and that this hinders the promotion of the public interest, the Minister may order the water supplier to apply for authorization to change the service conditions within a reasonable period.

(2) If a water supplier does not apply for authorization stated in the preceding paragraph during the period determined under the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may change relevant service conditions.

(Requirement of Reports and On-Site Inspection)

Article 39 (1) If the Minister of Land, Infrastructure, Transport and Tourism deems it necessary to ensure the proper implementation of construction or management of water supply systems (limited to those used for water supply

services and wholesale water supply services; the same applies in this paragraph below) or to maintain the appropriateness of water supply services or wholesale water supply services, the Minister may require a water supplier or a wholesale water supplier to report on the status of construction or service implementation. The Minister may also authorize officials to enter a construction site for the water supply systems, an office, or locations where water supply facilities are located, to inspect the status of construction, water supply facilities, water quality, water pressure, water quantity, or required books and documents (including electronic or magnetic records prepared in place of such documents, if any; the same applies in paragraph (2) and Article 40, paragraph (8) below).

- (2) If the competent prefectural governor deems it necessary to ensure the proper construction or management of water supply systems (except those used for water supply services and wholesale water supply services; the same applies in this paragraph below), the governor may require the person responsible for installing such systems to report on the status of construction or management of specified privately owned water supply systems. The governor may also authorize prefectural government officials to enter construction sites, offices, or locations where water supply facilities are located to inspect the status of construction, water supply facilities, water quality, water pressure, water quantity, or required books and documents.
- (3) If the competent prefectural governor deems it necessary to ensure the proper management of specified building water supply systems with tank storage, the governor may require the person responsible for installing such systems to report on their management status. The governor may also authorize prefectural government officials to enter locations where these systems are situated or the offices of the responsible person to inspect the facilities, water quality, and required books and documents.
- (4) An official who conducts an on-site inspection in accordance with the provisions of the preceding three paragraphs must carry a certificate demonstrating his or her status. At the request of a concerned person, the employee must present the certificate to them.
- (5) Authority stipulated in paragraph (1), (2), or (3) for an on-site inspection may not be construed as being granted for criminal investigation purposes.

Chapter VIII Miscellaneous Provisions

(Ensured Collaboration and Cooperation during Disasters and in Emergencies)

Article 39-2 The national, prefectural, and municipal governments, along with water suppliers, wholesale water suppliers, and other concerned parties must endeavor to cooperate and collaborate to ensure emergency water supply

during emergencies or disasters and to promptly restore water supply facilities.

(Emergency Assistance through Wholesale Water)

- Article 40 (1) If the competent prefectural governor deems an urgent supply of wholesale water necessary and appropriate to protect public interest, in the case of emergencies or disasters, the competent prefectural governor may order a water supplier or a wholesale water supplier to supply water taken within water supply facilities of the relevant entity to other water suppliers or wholesale water suppliers, by setting a reasonable period, water quantity, and relevant methods for it.
- (2) In relation to affairs that fall within the authority of the competent prefectural governor stated in the preceding paragraph, if the Minister of Land, Infrastructure, Transport and Tourism deems that such affairs may seriously influence citizens' life and health, the Minister may instruct that the competent prefectural governor conduct affairs stated in the preceding paragraph.
- (3) In the cases stated in paragraph (1), if the Minister of Land, Infrastructure, Transport and Tourism deems that the competent prefectural governor is unable to conduct affairs that fall within the authority of the competent prefectural governor as stated in paragraph (1), notwithstanding the provisions of that paragraph, the affairs are to be conducted by the Minister of Land, Infrastructure, Transport and Tourism.
- (4) In the cases stated in paragraphs (1) and (3), the compensation for supply is to be determined by mutual agreement between the concerned parties. If an agreement concerning the compensation for supply cannot be reached or is impossible between the concerned parties, the prefectural governor is to make a ruling based on the actual costs required for the supply.
- (5) In relation to affairs that fall within the authority of the competent prefectural governor as stated in paragraphs (1) and (4), if the competent prefectural governor, in accordance with the provisions of Article 48, differs from the competent prefectural governor responsible for a water supplier or a wholesale water supplier who is a consumer, and if the latter differ from the competent prefectural governor responsible for a water supplier or a wholesale water supplier who is a supplying party, notwithstanding the provisions of paragraphs (1) and (4), the Minister of Land, Infrastructure, Transport and Tourism is to conduct the affairs.
- (6) A party that has an objection to a decision as stated in paragraph (4) may claim an increase or decrease in compensation for supply by filing an action within six (6) months following the date of the decision.
- (7) In relation to filing for arbitration as stated in the preceding paragraph, another party related to supply is to be the defendant.

- (8) If the competent prefectural governor deems it necessary to conduct affairs specified in paragraphs (1) and (4), the governor may require a water supplier or a wholesale water supplier to report on the status of service implementation, or may authorize prefectural government officials to enter offices or locations where water supply facilities are located to inspect the water supply facilities, water quality, water pressure, water quantity, and required books and documents.
- (9) The provisions of Article 39, paragraphs (4) and (5) are to apply *mutatis mutandis* to affairs conducted by the competent prefectural governor in accordance with the provisions of the preceding paragraph. In this case, "the preceding three paragraphs" in paragraph (4) of the relevant Article and "paragraph (1), (2), or (3)" in paragraph (5) of the relevant Article is to be read as "Article 40, paragraph (8)."

(Recommendation for Rationalization)

Article 41 If the Minister of Land, Infrastructure, Transport and Tourism determines that the integration of operations or coordination of service areas among two or more water suppliers, among two or more wholesale water suppliers, or between a water supplier and a wholesale water supplier would be rational, considering service areas, population served, volume of water supplied, water source, and related factors, and would greatly enhance the public interest, the Minister may make recommendations to that effect to the parties concerned.

(Acquisition by Local Government)

- Article 42 (1) If a person other than a local government establishes service areas within the jurisdiction of a local government and manages water supply services in those areas, and the corresponding water supplier fails to follow instructions for facility improvements in accordance with the provisions of Article 36, paragraph (1), the following provisions apply: in cases where a municipality, whose administrative area includes the service area, requests the expansion of service areas due to public interest but the request is not adequately addressed, or in cases where it is deemed appropriate and reasonable for the local government to manage the water supply services within its jurisdiction to enhance the public interest, the local government may, with the authorization of the Minister of Land, Infrastructure, Transport and Tourism, purchase the related water supply facilities, including associated land, buildings, other items, and rights necessary for managing the water supply services from the water supplier.
- (2) If a local government intends to purchase water supply facilities and related assets in accordance with the provisions of the preceding paragraph, it must

consult with the relevant water supplier regarding the scope, price, and other conditions of the purchase.

- (3) If the consultations referred to in the preceding paragraph do not result in an amicable settlement, or if it is impossible for the local government to conduct such consultations, the Minister of Land, Infrastructure, Transport and Tourism is to arbitrate the matter. In such cases, purchase prices are to be determined based on market prices as the standard.
- (4) If the arbitration referred to in the preceding paragraph has been conducted, the effect of the ruling is to be governed by the provisions regarding arbitration effects under the Expropriation of Land Act (Act No. 219 of 1951).
- (5) If a person has an objection to the purchase prices determined through the arbitration referred to in paragraph (3), the person may file a claim for an increase or decrease within six (6) months following the arbitration.
- (6) In relation to filing for arbitration as referred to in the preceding paragraph, the other person involved in the purchase is to be the defendant.
- (7) In relation to a request for administrative review concerning the arbitration referred to in paragraph (3), objection to purchase prices may not serve as a basis for challenging the arbitration.

(Requests for the Prevention of Water Source Contamination)

Article 43 If deemed necessary for the preservation of the water quality in water sources, a water supplier or a wholesale water supplier may express its opinions on the prevention of water source contamination to the head of the relevant administrative agency or local government, or may request that the head take appropriate measures.

(Subsidies from the National Treasury)

Article 44 The National Government may, within the limits of its budget and pursuant to the provisions of Cabinet Order, partially subsidize local governments that operate water supply services or wholesale water supply services, for the expenses required for such services that are specified by Cabinet Order.

(Special Subsidies from the National Government)

Article 45 If a local government intends to undertake new construction, expansion, or remodeling of water supply facilities, or to restore water supply facilities damaged by a disaster, the National Government must endeavor to secure and mediate the necessary financing for these activities.

(Promotion of Research, Testing, and Surveys)

Article 45-2 The National Government is to strive to promote research on

facilities and technologies related to water supply systems, water quality testing and research, surveys and research on the appropriate and reasonable supply and use of water for daily life, and research, testing, and surveys related to other aspects of water supply systems.

(Charges)

- Article 45-3 (1) A person intending to receive the issuance, renewal, or reissuance of a certificate for the chief engineer license for water feed system construction must pay charges, determined under Cabinet Order, in an amount reflecting the actual costs to the National Government.
- (2) A person intending to take an examination for chief engineer for water feed system construction must pay to the National Government (or, if a designated examination body conducts the examination, the designated examination body) charges for the examination, as determined under Cabinet Order, in an amount reflecting the actual costs.
- (3) Charges paid to a designated examination body in accordance with the provisions of the preceding paragraph are to be revenue for a designated examination body.

(Opinion Hearing)

- Article 45-4 (1) The Minister of Land, Infrastructure, Transport and Tourism must, when intending to take any of the following actions, obtain the opinion of the Minister of the Environment regarding the preservation of water quality in water supply systems or the hygiene of those systems:
- (i) the provisions of Article 5, paragraph (4), Article 7, paragraph (1) or paragraph (5), item (viii), or Article 8, paragraph (2) (including cases where these provisions are applied mutatis mutandis pursuant to Article 10, paragraph (2)); the provisions of Article 10, paragraph (1), item (i) or paragraph (3), the provisions of Article 13, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 or Article 34, paragraph (1)); the provisions of Article 27, paragraph (1), or paragraph (5), item (vii), or Article 28, paragraph (2) (including cases where these provisions are applied mutatis mutandis under Article 30, paragraph (2)); the provisions of Article 30, paragraph (1), item (i) or paragraph (3); the provisions of Article 33, paragraph (1) or paragraph (4), item (viii) (including cases where these provisions are applied mutatis mutandis pursuant to Article 50, paragraph (3)); and the enactment, amendment, or abolition of the Order of the Ministry of Land, Infrastructure, Transport and Tourism prescribed in the provisions of Article 34-2;
- (ii) the formulation or modification of basic policy;
- (iii) authorization pursuant to the provisions of Article 6, paragraph (1), Article

- 10, paragraph (1), Article 26 or Article 30, paragraph (1); or
- (iv) notification pursuant to the provisions of Article 33, paragraph (5), as applied mutatis mutandis pursuant to Article 50, paragraph (3).
- (2) When the Minister of the Environment intends to establish, amend, or abolish Orders of the Ministry of the Environment under this Act, the Minister must consult with the Minister of Land, Infrastructure, Transport and Tourism.
- (3) When the Minister of Land, Infrastructure, Transport and Tourism receives a notification pursuant to the provisions of Article 10, paragraph (3), Article 13, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31), or Article 30, paragraph (3), or a notification pursuant to Article 13, paragraph (1) as applied mutatis mutandis pursuant to Article 34, paragraph (1), relating to specified privately owned water supply systems installed by the National Government, they must notify the Minister of the Environment of its contents without delay.
- (4) If the Minister of Land, Infrastructure, Transport and Tourism deems it necessary, they may request the Minister of the Environment to establish, amend, or abolish Orders of the Ministry of the Environment based on this Act.
- (5) If the Minister of the Environment deems it necessary to preserve the quality of water supplied by water supply systems or to maintain the hygiene of these systems, they may request the Minister of Land, Infrastructure, Transport and Tourism to take any of the following actions:
- (i) acts listed in paragraph (1), item (i) or item (ii);
 - (ii) with respect to a water supply service, wholesale water supply service, or specified privately owned water supply systems installed by the National Government, the following actions may be taken: instructions under Article 26, paragraph (1); recommendations under paragraph (2) of the same Article; orders under Article 37; or the requirement of reports or on-site inspections under Article 39, paragraph (1) or paragraph (2); and
 - (iii) with respect to specified building water supply systems with tank storage installed by the National Government, the following actions may be taken: instructions under Article 36, paragraph (3); orders under Article 37; or the requirement of reports or on-site inspections under Article 39, paragraph (3).

(Cooperation between the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment)

Article 45-5 The Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment are to exchange necessary information and otherwise work closely with each other in order to prevent the occurrence of hygiene hazards caused by water supply services.

(Affairs Handled by Prefectures)

Article 46 (1) Some of the affairs falling under the authority of the Minister of Land, Infrastructure, Transport and Tourism stated in this Act may be performed by the competent prefectural governor in accordance with provisions of Cabinet Order.

(2) Subject to the Local Autonomy Act (Act No. 67 of 1947), some of the affairs falling under the authority of the competent prefectural governor in accordance with the provisions of this Act (limited to Article 13, paragraph (1), Article 24-3, paragraph (2), Article 36, Article 37, and Article 39, paragraphs (2) and (3) as applied mutatis mutandis pursuant to Article 32, Article 33, paragraphs (1), (3), and (5), and Article 34, paragraph (1)) may be performed by the heads of the relevant towns or villages.

(Delegation of Authority)

Article 47 The authority of the Minister of Land, Infrastructure, Transport and Tourism under this Act may be partially delegated to the Director-General of the Regional Development Bureau or the Director-General of the Hokkaido Development Bureau, in accordance with the provisions of the Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(The Competent Prefectural Governor)

Article 48 Except for the provisions of Article 39 (limited to those related to on-site inspection) and Article 40, with regard to water supply services, specified privately owned water supply systems, and specified building water supply systems with tank storage, if the areas served by water supply services or water supply systems overlap across two or more prefectural areas, or in relation to wholesale water supply services where areas served by such services overlap across two or more prefectural areas (specifically where water is obtained for use in those services), the affairs that fall within the scope of the authority of the competent prefectural governor under the provisions of this Act or Cabinet Order are to be conducted by the governor of the relevant prefecture, subject to the provisions of Cabinet Order.

(Replacement of Terms Relating to a City or a Special Ward)

Article 48-2 (1) In relation to an area related to a city or a special ward, "the competent prefectural governor" of Article 13, paragraph (1), Article 24-3, paragraph (2), Article 36, Article 37, and Article 39, paragraphs (2) and (3) as applied apply mutatis mutandis pursuant to Article 32, Article 33, paragraphs (1), (3), and (5), Article 34, paragraph (1) is to be read as "the city mayor" or "the head of ward".

(2) In relation to the application of the provisions of the preceding Articles in the case of replacement of terms in accordance with the provisions of the preceding

paragraph, "the city mayor" or "the head of ward" for a special ward is to be replaced with "the competent prefectural governor", and "a city" or "a special ward" is to be replaced with a "prefecture".

(Request for Administrative Review)

Article 48-3 In relation to dispositions regarding examination affairs conducted by a designated examination body or its inaction, a request for administrative review may be made to the Minister of Land, Infrastructure, Transport and Tourism or the Minister of the Environment. In this case, for the application of the provisions of Article 25, paragraphs (2) and (3), Article 46, paragraphs (1) and (2), Article 47, and Article 49, paragraph (3) of the Administrative Complaint Review Act (Act No. 68 of 2014), the Minister of Land, Infrastructure, Transport and Tourism and the Minister of the Environment are to be deemed the higher administrative authorities of the designated examination body.

(Replacement of Terms Relating to a Special Ward)

Article 49 In an area where a special ward exists, the term "municipality" in this Act is to be read as "the Tokyo metropolitan area".

(Special Provisions Relating to Specified Privately Owned Water Supply Systems Established by the National Government)

- Article 50 (1) The provisions related to specified privately owned water supply systems under this Act are to also apply to specified privately owned water supply systems established by the National Government, except for the provisions of Articles 52, 53, 54, 55, and 56.
- (2) In relation to the construction of specified privately owned water supply systems performed by the National Government, if prior notification of the design has been submitted to the Minister of Land, Infrastructure, Transport and Tourism, and the Minister has notified that the design conforms to the facility standards specified in Article 5, then, notwithstanding the provisions of Article 32, the construction may commence.
- (3) The provisions of Article 33 are to apply mutatis mutandis to procedures for notification stated in the preceding paragraph, as well as to cases in which the notification has been received by the Minister of Land, Infrastructure, Transport and Tourism. In such cases, the term "an application form" in Article 33, paragraphs (2) and (3) is to be read as "written notification".
- (4) In relation to specified privately owned water supply systems established by the National Government, affairs falling under the authority of the competent prefectural governor, as stated in Article 13, paragraph (1) and Article 24-3, paragraph (2), as applied mutatis mutandis pursuant to Article 34, paragraph

(1), and as described in the previous Chapter (or, in cases where terms are replaced in accordance with the provisions of Article 48-2, paragraph (1), "the city mayor" or "the head of a special ward") are to be conducted by the Minister of Land, Infrastructure, Transport and Tourism.

(Special Provisions Relating to Specified Building Water Supply Systems with Tank Storage Established by the National Government)

Article 50-2 (1) The provisions related to specified building water supply systems with tank storage under this Act are to also apply to specified building water supply systems with tank storage established by the National Government, except for the provisions of Articles 53, 54, 55, and 56.

(2) In relation to specified building water supply systems with tank storage established by the National Government, affairs falling under the authority of the competent prefectural governor, as stated in Article 36, paragraph (3), Article 37, and Article 39, paragraph (3) (or, in cases where terms are replaced in accordance with the provisions of Article 48-2, paragraph (1), "the city mayor" or "the head of a special ward") are to be performed by the Minister of Land, Infrastructure, Transport and Tourism.

(Transitional Measures)

Article 50-3 When an order is established, amended, or abolished in accordance with the provisions of this Act, required transitional measures (including transitional measures related to penal provisions) within a scope deemed reasonably necessary to accompany the establishment, amendment, or abolishment of such an order may be determined.

Chapter IX Penal Provisions

Article 51 (1) A person that damages water supply facilities or impairs the functions of other water supply facilities, thereby obstructing the supply of water, is to be punished by imprisonment for up to five (5) years or by a fine of up to one (1) million yen.

(2) A person that operates water supply facilities without a valid reason, thereby obstructing the supply of water, is to be punished by imprisonment for up to two (2) years or by a fine of up to 500,000 yen.

(3) If actions corresponding to those mentioned in the preceding two paragraphs are punishable under the Penal Code, the perpetrator is to be punished in accordance with either the punitive measures of the preceding two paragraphs or Penal Code, whichever imposes the heavier penalty.

Article 52 A person that falls under any of the following items is to be punished

by imprisonment for up to three (3) years or by a fine of up to three (3) million yen:

- (i) a person that manages water supply services without obtaining authorization in accordance with the provision of Article 6, paragraph (1);
- (ii) a person that violates the provisions of Article 23, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1)); or
- (iii) a person that manages wholesale water supply services without obtaining authorization in accordance with the provisions of Article 26.

Article 53 A person that falls under any of the following items is to be punished by imprisonment for up to one (1) year or a fine of up to one (1) million yen:

- (i) a person that has violated the first sentence of Article 10, paragraph (1);
- (ii) a person that has violated the provisions of Article 11, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31);
- (iii) a person that has violated the provisions of Article 15, paragraph (1);
- (iv) a person that has failed to supply water in violation of Article 15, paragraph (2) (including cases where certain terms are replaced pursuant to Article 24-8, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31)) (including cases where it is applied mutatis mutandis pursuant to Article 31);
- (v) a person that has violated Article 19, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (vi) a person that has consigned services in violation of Article 24-3, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (vii) a person that has violated Article 24-3, paragraph (3) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (viii) a person that has violated Article 24-7, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31);
- (ix) a person that has violated Article 30, paragraph (1);
- (x) a person that has violated an order to suspend water supply issued in accordance with the provisions of Article 37; or
- (xi) a person that has violated an order issued in accordance with the provisions of Article 40, paragraphs (1) (including cases where certain terms are replaced pursuant to Article 24-8, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31)) and (3).

Article 53-2 A person that has violated an order for the suspension of services issued in accordance with the provisions of Article 20-13 (including cases where it is applied mutatis mutandis pursuant to Article 34-4) is to be punished by imprisonment for up to one (1) year or a fine of up to one (1) million yen.

Article 53-3 A person that has violated the provisions of Article 25-17, paragraph (1) is to be punished by imprisonment for up to one (1) year or a fine of up to one (1) million yen.

Article 53-4 An officer or staff member of a designated examination body who violates an order to suspend examination affairs issued in accordance with Article 25-24, paragraph (2), is to be punished by imprisonment for up to one (1) year or a fine of up to one (1) million yen.

Article 54 A person that falls under any of the following items is to be punished by a fine of up to one (1) million yen:

- (i) a person that has violated conditions attached to the authorization in accordance with Article 9, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 10, paragraph (2));
- (ii) a person that has failed to conduct water quality testing or facility inspections in violation of Article 13, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (iii) a person that has violated Article 20, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (iv) a person that has violated Article 21, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (v) a person that has violated Article 22 (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1));
- (vi) a person that has violated conditions attached to the authorization in accordance with Article 29, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 30, paragraph (2));
- (vii) a person that has commenced the construction of specified privately owned water supply systems without confirmation as required by Article 32; or
- (viii) a person that has violated Article 34-2, paragraph (2).

Article 55 A person that falls under any of the following items is to be punished by a fine of up to 300,000 yen:

- (i) a water supplier other than a local government that has received fees or

water feed system construction expenses not in accordance with the service conditions included in a business plan under Article 7, paragraph (4), item (vii) (or, in cases where authorization has been granted under Article 14, paragraph (6), the service conditions following the authorization; or, in cases of a change under Article 38, paragraph (2), the service conditions following the change);

- (ii) a person that has failed to provide notification in accordance with Article 10, paragraph (3), Article 11, paragraph (3) (including cases where it is applied mutatis mutandis pursuant to Article 31), Article 24-3, paragraph (2) (including cases where it is applied mutatis mutandis pursuant to Article 31 and Article 34, paragraph (1)), or Article 30, paragraph (3), or has made a false notification; or
- (iii) a person that has failed to make reports in accordance with Article 39, paragraphs (1), (2), and (3), or Article 40, paragraph (8) (including cases where certain terms are replaced pursuant to Article 24-8, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 31)), has made false reports, or has rejected, hindered, or avoided inspection by a staff member of a designated examination body.

Article 55-2 A person that falls under any of the following items is to be punished by a fine of up to 300,000 yen:

- (i) a person that has failed to provide notification in accordance with Article 20-9 (including cases where it is applied mutatis mutandis pursuant to Article 34-4) or has made a false notification;
- (ii) a person that has failed to furnish books in violation of Article 20-14 (including cases where it is applied mutatis mutandis pursuant to Article 34-4), has failed to include relevant information in the books, has made a false statement in the books, or has failed to maintain the books; or
- (iii) a person that has failed to make reports in accordance with Article 20-15, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 34-4), has made false reports, or has rejected, hindered, or avoided inspection by a staff member of a designated examination body.

Article 55-3 If any of the following items applies, an officer or a staff member of a designated examination body who has committed such an illegal act is to be subject to a fine of up to 300,000 yen:

- (i) in cases where an officer or staff member has failed to furnish books, failed to include relevant information in the books, made false statements in the books, or failed to maintain the books in violation of Article 25-20;
- (ii) at the request for reports in accordance with Article 25-22, paragraph (1), if an officer or a staff member has failed to make the reports, made false

- reports, or rejected, hindered, or avoided an on-site inspection in accordance with the paragraph; or
- (iii) if an officer or a staff member has entirely abolished examination affairs without obtaining the permission specified in Article 25-23, paragraph (1).

Article 56 If the representative of a corporation, a proxy of a corporation or individual, a servant, or any other employee commits an illegal act as specified in Articles 52 through 53-2 or Articles 54 through 55-2 in connection with services performed by the corporation or the individual, the person that actually committed the act is to be punished. In addition, the corporation or individual associated with the person is to be subject to fines prescribed in each relevant Article.

Article 57 If a person fails to return their chief engineer license for water feed system construction in violation of an order issued under Article 25-5, paragraph (3), without legitimate grounds, the person is to be punished by a civil fine of up to 100,000 yen.

Supplementary Provisions [Extract]

Appended Table 1 (Re: Art. 20-4)

- (i) a person who has graduated after completing courses in science, medicine, dentistry, pharmaceuticals, health science, hygiene, engineering, agricultural science, or veterinary medicine, or equivalent courses at a university (excluding junior colleges) under the School Education Act (Act No. 26 of 1947), a university established under the former University Order (Imperial Order No. 388 of 1918), or a vocational training school established under the former Professional Training College Order (Imperial Order No. 61 of 1903), and who has at least one year of experience in business practices related to water quality testing;
- (ii) a person who has graduated after completing courses in biology, industrial chemistry, or equivalent courses at a junior college or technical college under the School Education Act (including the junior division of a professional university under that Act) and, after graduation (or, in the case of the junior division of a professional university under that Act, after graduating from it), has at least two (2) years of practical experience in water quality testing;
- (iii) a person who holds a clinical laboratory technician license under Article 3 of the Act on Clinical Laboratory Technicians (Act No. 76 of 1958) and has at least a year of practical experience in water quality testing; or

- (iv) a person who has knowledge and experience equivalent to that of a person mentioned in any of the preceding three items.

Appended Table 2 (Re: Art. 34-4)

- (i) a person that is qualified as a technical manager of water supply systems under Article 19 (including cases where it is applied *mutatis mutandis* pursuant to Article 31 and Article 34, paragraph (1));
- (ii) a person that holds a license as a technical manager of environmental sanitation for buildings under Article 7 of the Act on Maintenance of Sanitation in Buildings (Act No. 20 of 1970);
- (iii) a person that has at least one year of experience assisting in inspecting the management of specified building water supply systems with tank storage under Article 34-2, paragraph (2); or
- (iv) a person who has knowledge and experience equivalent to that of a person mentioned in any of the preceding three items.