

# **Act on Special Measures Concerning Freezing of Assets Implemented by Japan in Light of the United Nations Security Council Resolution 1267**

(Act No. 124 of November 27, 2014)

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## **Chapter I General Provisions**

(Purpose)

Article 1 The purpose of this Act is, in light of the fact that United Nations Security Council (UNSC) Resolution 1267, Resolution 1373, and any other resolutions condemn acts of international terrorism and require all Member States of the United Nations to take measures such as freezing of assets of persons who carry out or support such acts (referred to as "international terrorists" below) in order to prevent and suppress such acts, and that UNSC Resolution 1718, Resolution 2231, and any other resolutions require all Member States of the United Nations to take measures such as freezing of assets of persons who participate in or provide support for programs, etc. relating to the development, etc. of weapons of mass destruction, etc. (meaning the development, manufacture, possession, transfer, acquisition and use by a specific country or region of nuclear weapons, chemical warfare agents or military bacterial agents or devices for spraying the agents, or materials capable of transporting the agents; the same applies below) by the specific country or region (referred to as "persons involved in weapons of mass destruction programs and activities, etc." below), by providing necessary matters for measures such as freezing of assets to be taken by Japan, in

combination with measures under the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949), to actively and proactively contribute to the efforts of the international community to prevent and suppress acts of international terrorism and the development, etc. of weapons of mass destruction, etc., thereby contributing to the elimination of threats to the peace and security of the international community, including Japan.

(Responsibilities of the National Government)

Article 2 In order to ensure that measures pursuant to the provisions of the following Chapter and Chapter III are implemented appropriately and smoothly, the national government is to promote international information exchange and other cooperation concerning the prevention and suppression of acts of international terrorism and the development, etc. of weapons of mass destruction, etc., and is to endeavor to deepen citizens' understanding of the importance of the prevention and suppression of these acts.

## **Chapter II Public Notice and Designation**

(Public Notice of International Terrorists and Persons Involved in Weapons of Mass Destruction Programs and Activities, etc.)

Article 3 (1) If an international terrorist who is to be taken measures such as freezing of assets pursuant to UNSC Resolution 1267, Resolution 1333, and any other resolutions of the UNSC prescribed by Cabinet Order (referred to as "Resolution 1267, etc." below) has been listed on the list prepared by the committee established pursuant to Resolution 1267, Resolution 1988, or any other resolutions of the UNSC prescribed by Cabinet Order (referred to as the "international terrorist list" below) (including cases in which an international terrorist already listed on the international terrorist list is subject to measures such as freezing of assets pursuant to Resolution 1267 and any other resolutions), the National Public Safety Commission is to issue public notice of this information, the name of that person, and other matters prescribed by the Rules of the National Public Safety Commission in the Official Gazette without delay.

(2) If a person involved in a weapons of mass destruction program and activities who is to be taken measures such as freezing of assets pursuant to UNSC Resolution 1718, Resolution 2231, and any other resolutions of the UNSC prescribed by Cabinet Order (referred to as "Resolution 1718, etc." below) has been listed on the list of persons involved in weapons of mass destruction programs and activities, etc. prepared by the committee established pursuant to Resolution 1718, Resolution 1737, and any other resolutions of the UNSC prescribed by Cabinet Order (referred to as the "list of persons involved in

weapons of mass destruction programs and activities, etc." below) (including cases where persons involved in weapons of mass destruction program and activities, etc. who has already been included in the list of persons involved in weapons of mass destruction programs and activities is subject to measures such as freezing of assets pursuant to Resolution 1718, etc.), the National Public Safety Commission is to issue public notice of this information, the name of that person, and other matters prescribed by the Rules of the National Public Safety Commission in the Official Gazette without delay.

- (3) If the public notice has been issued pursuant to the provisions of the preceding two paragraphs and the whereabouts of the person subject to the public notice are known, the National Public Safety Commission is to notify the person of the matters of the public notice pursuant to Rules of the National Public Safety Commission.
- (4) If any matters covered by the public notice issued pursuant to the provisions of paragraph (1) or (2) changes, the National Public Safety Commission is to issue public notice of this change in the Official Gazette without delay. In this case, if the whereabouts of the person subject to the change are known, the National Public Safety Commission is to notify that person of the change pursuant to Rules of the National Public Safety Commission.
- (5) The preceding paragraph apply mutatis mutandis to cases where a person for whom public notice has been issued pursuant to the provisions of paragraph (1) or (2) is deleted from the international terrorist list or the list of persons involved in weapons of mass destruction programs and activities, etc., and cases where a United Nations Security Council resolutions (limited to the part relating to the measures such as freezing of assets of international terrorists or persons involved in weapons of mass destruction programs and activities, etc.) calling for measures such as freezing of assets against the person subject to the public notice has ceased to be effective.

(Designation as an International Terrorist)

Article 4 (1) In order for Japan to contribute to the efforts of the international community to prevent and suppress acts of international terrorism as prescribed in UNSC Resolution 1373 (referred to as "Resolution 1373" in this paragraph and Article 2 of the Supplementary Provisions below), the National Public Safety Commission is to designate a person falling under all of the following items (excluding a person that has been publicly notified pursuant to the provisions of paragraph (1) of the preceding Article (limited to a person who is currently listed on the international terrorist list and who is required to be subject to measures such as freezing of assets pursuant to Resolution 1267, etc.; the same applies in Article 9)) as an international terrorist who is to be taken measures such as freezing of assets pursuant to Resolution 1373, for a

specified period not exceeding three years:

- (i) a person who, on the assumption that the person is a resident or non-resident intending to make a payment from Japan to a foreign state, or a resident intending to make or receive a payment, etc. to or from a non-resident as prescribed in Article 16, paragraph (1) of the Foreign Exchange and Foreign Trade Act, will be obliged to obtain permission for the payment or payment, etc. pursuant to the provisions of the same paragraph on the grounds that it is necessary in order to faithfully perform Resolution 1373 (including a person who is actually obliged as a person who is required to be subject to measures such as freezing of assets pursuant to Resolution 1373);
- (ii) a person who falls under any of the following:
  - (a) a person who is found to have committed, attempted to commit or aided a criminal act for the purpose of intimidation of the public, etc. (meaning a criminal act for the purpose of intimidation of the public, etc. as prescribed in Article 1, paragraph (1) of Act on Punishment of Financing to Offences of Public Intimidation (Act No. 67 of 2002); the same applies below), and for whom there are sufficient grounds to find that there is a clear likelihood of the person committing or aiding another criminal act for the purpose of intimidation of the general public, etc. in the future;
  - (b) a person who falls under (a) or this (b) that have dominant influence over their activities through contribution, loan, business transaction or any other relationship, and who falls under the requirements specified in 1. or 2. below for the categories of the persons respectively stated in them:
    - 1. a natural person: there are sufficient grounds to find that there is a clear likelihood of the person committing or aiding in a criminal act for the purpose of intimidating the general public, etc.;
    - 2. a corporation or any other organization: there are sufficient grounds to find that there is a clear likelihood that an officer or employee (meaning a representative, chief officer or any other person engaged in the administrative affairs of the organization, irrespective of title; the same applies in Chapter V) or member of the organization committing or aiding in a criminal act for the purpose of intimidating the general public, etc. as an activity of the organization;
  - (c) Relating to measures such as freezing of assets of international terrorists as required by Resolution 1373, a person who has been taken those measures in accordance with laws and regulations of the relevant State equivalent to this Act, by any of those specified by Cabinet Order as a State that has a system recognized as being of an equivalent level to Japan's in terms of preventing and suppressing acts of international terrorism while giving consideration to the protection of the rights and interests of persons involved in those measures.

- (2) On finding it to be necessary to do so in order to make a designation under the provisions of the preceding paragraph (simply referred to as a "designation" below), the National Public Safety Commission may ask the Minister for Foreign Affairs; the competent ministers referred to in Article 16, paragraph (1) of the Foreign Exchange and Foreign Trade Act; any other head of an relevant administrative organ; or the head of a relevant local public entity, to provide materials or information, express opinions, or offer other necessary cooperation.
- (3) The Minister for Foreign Affairs, the competent ministers referred to in Article 16, paragraph (1) of the Foreign Exchange and Foreign Trade Act, any other head of a relevant administrative organ, or a relevant prefectural public safety commission may state an opinion about the designation to the National Public Safety Commission.
- (4) Notwithstanding the category of procedures for hearing statement of opinions under Article 13, paragraph (1) of the Administrative Procedure Act (Act No. 88 of 1993), before seeking to make a designation, the National Public Safety Commission must conduct a hearing.

(Public Notice of Designation)

Article 5 (1) If the National Public Safety Commission makes a designation, it is to issue public notice in the Official Gazette to that effect, of the name of the person subject to the designation, the effective period of the relevant designation, and of any other matters prescribed by the Rules of the National Public Safety Commission.

- (2) The designation becomes effective by the public notice under the provisions of the preceding paragraph.
- (3) Having made a designation and the whereabouts of the person designated being known, the National Public Safety Commission, pursuant to Rules of the National Public Safety Commission, is to notify that person of the designation, the effective period of the designation, and of any other matters prescribed by Rules of the National Public Safety Commission.
- (4) If a matter of which public notice has been issued pursuant to the provisions of paragraph (1) is changed, the National Public Safety Commission is to issue public notice to that effect in the Official Gazette. In this case, if the whereabouts of the person subject to the change are known, the National Public Safety Commission is to notify that person of the change pursuant to Rules of the National Public Safety Commission.

(Extension of the Effective Period of Designation)

Article 6 (1) If a person with a designation continues to fall under the requirements prescribed in Article 4, paragraph (1) at the end of the effective

period of the designation (including the effective period as extended pursuant to the provisions of this paragraph), the National Public Safety Commission is to extend the effective period of the designation by specifying a period not exceeding three years.

- (2) The provisions of Article 4, paragraphs (2) through (4), and paragraphs (1) through (3) of the preceding Article apply mutatis mutandis to the extension of the effective period under the preceding paragraph.

#### (Revocation of Designation)

Article 7 (1) If the National Public Safety Commission finds that a person with a designation has come to fall under any of the following items, it must revoke the designation, even if it is within the effective period:

- (i) when they become deceased, or disappear due to dissolution or for any other reason;
- (ii) when they no longer fall under the requirements prescribed in Article 4, paragraph (1).

- (2) The provisions of Article 4, paragraphs (2) and (3), and Article 5, paragraphs (1) through (3) apply mutatis mutandis to the revocation of a designation under the provisions of the preceding paragraph. In this case, the term ", of the effective period of the relevant designation, and of any other" in paragraphs (1) and (3) of that Article is to be replaced with "and of any other".

#### (Provisional Designation)

Article 8 (1) Notwithstanding the provisions of Article 4, paragraph (4), and Article 13, paragraph (1) of the Administrative Procedure Act, if the National Public Safety Commission finds that, due to the concealment of assets or other acts, it will be extremely difficult to reliably implement measures under the following Chapter once a designation has been made, it may make a provisional designation without hearing, or granting an opportunity for explanation.

- (2) The validity of a designation under the provisions of the preceding paragraph (referred to as a "provisional designation" below) is fifteen days from the day on which a public notice under the provisions of Article 5, paragraph (1) is issued with regard to the provisional designation (referred to as the "day of public notice" in the following paragraph).

- (3) Having made a provisional designation, the National Public Safety Commission must conduct a hearing of opinions within 15 days from the day of the public notice.

- (4) The provisions of Chapter III, Section 2 (excluding Article 28) of the Administrative Procedure Act apply mutatis mutandis to hearing of opinions under the preceding paragraph (simply referred to below as "hearing of opinions" in this article). In this case, the phrase "a reasonable period of time

before the date of the hearing" in Article 15, paragraph (1) of that Act is to be replaced with "promptly", and any other necessary technical replacement of terms is specified by Cabinet Order.

- (5) Notwithstanding the provisions of Article 4, paragraph (4) and the provisions of Article 13, paragraph (1) of the Administrative Procedure Act, if the National Public Safety Commission finds, as a result of hearing of opinions, that the provisional designation is not inappropriate, it may make the designation without hearing, or granting an opportunity for explanation.
- (6) If a designation is made pursuant to the provisions of the preceding paragraph to a person who has received a provisional designation, the relevant provisional designation ceases to be effective.
- (7) If the National Public Safety Commission finds a provisional designation to be inappropriate as a result of a hearing of opinions, it must immediately revoke the provisional designation.
- (8) Notwithstanding the provisions of paragraph (2), if a hearing of opinions is notified pursuant to the provisions of Article 15, paragraph (3) of the Administrative Procedure Act as applied mutatis mutandis pursuant to paragraph (4) due to the whereabouts of the person who has received the provisional designation being unknown, the validity of the provisional designation is until the date of the hearing of opinions related to the provisional designation.
- (9) Beyond what is prescribed in the preceding paragraphs, Rules of the National Public Safety Commission is to provide for the necessary matters in connection with provisional designation and the holding of hearing of opinions.

### **Chapter III Measures Such as Freezing of Assets of Persons Subject to Freezing of Assets**

#### **Section 1 Restrictions on Acts Relating to Assets Subject to Regulations**

(Restriction on Acts against Persons Subject to Freezing of Assets)

Article 9 A person subject to freezing of assets, etc. (meaning a person for whom public notice has been issued or who has been designated (including provisional designation; the same applies in Article 17, paragraph (6), and Article 24) pursuant to the provision of Article 3, paragraph (1) (collectively referred to as "international terrorists subject to public notice" below), or a person for whom public notice has been issued pursuant to the provisions of Article 3, paragraph (2) (limited to a person who is currently listed on the list of persons involved in weapons of mass destruction programs and activities, etc., and who is required to be subject to measures such as freezing of assets pursuant to Resolution 1718, etc.; referred to as "persons involved in weapons of mass destruction programs and activities, etc. subject to public notice, etc."

below); the same applies below) must obtain the permission of a prefectural public safety commission (referred to as a "public safety commission" below), if the person intends to engage in any of the following acts:

- (i) receiving gifts of money, securities (meaning securities as prescribed in Article 2, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948), including rights that are deemed to be securities pursuant to the provisions of paragraph (2) of that Article), precious metals, etc. (meaning precious metals, etc. as prescribed in Article 2, paragraph (2), item (xliii) of the Act on Prevention of Transfer of Criminal Proceeds (Act No. 22 of 2007)), land, buildings, automobiles (meaning automobiles as prescribed in Article 2, paragraph (2) of the Road Transport Vehicle Act (Act No. 185 of 1951); the same applies in Article 17, paragraph (1)), and other similar assets specified by Cabinet Order (limited to assets with a value exceeding the amount specified by Cabinet Order; referred to as "assets subject to regulations" below);
- (ii) receiving a loan of assets subject to regulations;
- (iii) receiving payment of consideration for the sale, loan or any other disposition of assets subject to regulations (excluding money; the same applies in Article 15, item (iii));
- (iv) accepting the performance of an obligation involving deposits, savings or any other obligation involving money or assets other than money with easily transferable financial values, which is specified by Cabinet Order (referred to as an "obligation involving deposits or savings, etc." in Article 15, item (iv)) (excluding an act that falls under any of the acts stated in the preceding three items);
- (v) transferring claim for which permission must be obtained to receive performance of obligations pursuant to the provisions of this Article (limited to the part relating to the preceding two items) (referred to as a "specified claim" below).

(Application for Permission)

Article 10 (1) If a person subject to freezing of assets, etc. seeks the permission referred to in the preceding Article, the person must submit a written application giving the following information to the public safety commission with jurisdiction over the place of domicile or residence of the relevant person subject to freezing of assets, etc. (for a corporation or other organization; the location of its principal office; referred to as the "domicile, etc." below) (if the person subject to freezing of assets, etc. has no domicile, etc. in Japan, the public safety commission with jurisdiction over the place most closely connected with the act for which the person is applying for the permission), pursuant to the Rules of the National Public Safety Commission:

- (i) the details of the relevant act;
  - (ii) the name and address of the other party to the relevant act, and in the case of a corporation; the name of its representative;
  - (iii) in cases when there is any assets to be acquired through the relevant act (referred to as the "acquired assets" below); the purpose of use of it;
  - (iv) for acts stated in item (v) of the preceding Article; appropriation of the specified claim relating to the acts to the performance of obligations against the other party of the relevant acts, or any other purpose of those acts;
  - (v) beyond what is stated in the preceding items, matters prescribed by the Rules of the National Public Safety Commission.
- (2) A document confirming that the acquired assets falls under any of the items of paragraph (1) of the following Article and other documents prescribed by the Rules of the National Public Safety Commission, must accompany the written application referred to in the preceding paragraph.

(Criteria for Permission)

Article 11 (1) If a person subject to freezing of assets, etc. files an application for the permission referred to in Article 9 for any of the acts stated in items (i) through (iv) of that Article, and the public safety commission finds that the acquired assets to which the application relates falls under any of the following items, it must grant the permission:

- (i) that it is appropriated for the payment of expenses normally required for the living of the relevant person subject to freezing of assets, etc., and the spouse or other relatives who have the same livelihood with the relevant person (including a person who has not made a notification of marriage with the relevant person but is in a de facto marital relationship with the relevant person, and the relatives of the relevant person);
- (ii) that it is appropriated for the payment of taxes and other public charges;
- (iii) that it is appropriated for the payment of costs in connection with a lawsuit involving a disposition under the provisions of this Act, or any other act involving the exercise of public authority;
- (iv) beyond what is stated in the preceding three items, there is no risk of it being used for the acts specified in (a) through (c) below according to the category of persons subject to freezing of assets, etc. stated in (a) through (c):
  - (a) international terrorists subject to public notice (excluding those stated in (c)): criminal acts for the purpose of intimidating the general public, etc.;
  - (b) persons involved in weapons of mass destruction programs and activities, etc., subject to public notice (excluding those stated in (c)): development, etc. of weapons of mass destruction, etc. (limited to those specified by Cabinet Order; the same applies in (c));
  - (c) international terrorists subject to public notice, and is also the persons

involved in weapons of mass destruction programs and activities, etc., subject to public notice: a criminal act for the purpose of intimidating the general public, etc. and the development, etc. of weapons of mass destruction, etc.

- (2) If a person subject to freezing of assets, etc. files an application as referred to in Article 9 for the permission referred to in item (v) of that Article in connection with an act stated in that item, and the public safety commission finds that the specified claim involved in that act will be appropriated to the performance of an undisguised obligation to the other party to that act, or finds that the action will not be done in order to evade restrictions on actions against the person subject to freezing of assets, etc. under the provisions of that Article (only the part that involves items (iii) and (iv)), the public safety commission must grant that permission.

(Conditions for Permission)

Article 12 (1) public safety commission may attach conditions to the permission referred to in Article 9 and change those conditions.

- (2) The conditions referred to in the preceding paragraph must constitute the minimum level of conditions necessary for ensuring the reliable implementation of restrictions on acts against a person subject to freezing of assets, etc. under the provisions of Article 9.

(Issuance of License Certificates)

Article 13 (1) Having granted the permission referred to in Article 9, the public safety commission must issue a license certificate, pursuant to Rules of the National Public Safety Commission.

- (2) If a license certificate issued to a person subject to freezing of assets, etc. is lost or destroyed, the person may apply to the public safety commission to have that license certificate reissued, pursuant to Rules of the National Public Safety Commission.
- (3) If a person subject to freezing of assets, etc. that has been issued a license certificate comes to fall under any of the following items, the person must return the license certificate (or the license certificate that was discovered or recovered, in the case referred to in item (iii)) to the public safety commission without delay, pursuant to Rules of the National Public Safety Commission:
- (i) if the permission referred to in Article 9 has been revoked pursuant to the provisions of the following Article;
  - (ii) if the person receiving the permission referred to in Article 9 has ceased to conduct the act for which the permission was obtained;
  - (iii) if the person is reissued a license certificate pursuant to the provisions of the preceding paragraph, and the lost license certificate is discovered or

recovered.

(Revocation of Permission)

Article 14 If a person that has been granted permission under Article 9 falls under any of the following items, a the public safety commission is to revoke the permission only before the person engages in the acts for which they have been granted permission:

- (i) when the public safety commission finds that the acquired assets relating to the relevant person has ceased to fall under any of the items of Article 11, paragraph (1);
- (ii) when the public safety commission discovers that the permission was granted by deception or other wrongful means.

(Restrictions on Acts Against a Person Subject to Freezing of Assets.)

Article 15 It is prohibited for any person to engage in an act stated in one of the following items with a person subject to freezing of assets, etc. as the counterparty; provided, however, that this does not apply if the other party presents a license certificate for the act prescribed in the relevant item:

- (i) providing gifts of assets subject to regulations: an act stated in Article 9, item (i);
- (ii) lending assets subject to regulations: an act stated in Article 9, item (ii);
- (iii) paying consideration for the sale, lending or any other disposal of assets subject to regulations: an act stated in Article 9, item (iii);
- (iv) performing obligations involving deposits or savings (excluding acts that fall under any of the acts stated in the preceding three items): an act stated in Article 9, item (iv);
- (v) accepting the assignment of a specified claim: an act stated in Article 9, item (v).

(Order Prohibiting Performance of Obligations with Regard to Specified Claims Against Attaching Creditors)

Article 16 (1) If an attachment order of seizure or a disposition to seize, through compulsory execution, is issued for a specified claim, and the claim held by the creditor effecting the seizure (referred to below as the "attaching creditor" in this Article) is found to have been falsified, or it is otherwise found that the attaching creditor has effected the seizure with the purpose of allowing the person subject to freezing of assets, etc. to evade restrictions on acts against the person subject to freezing of assets, etc. under the provisions of Article 9 (limited to the part that involves items (iii) and (iv)), the public safety commission with jurisdiction over the place of domicile, etc. of the person subject to freezing of assets, etc. (or, if the person has no place of domicile, etc.

in this country or the place of domicile, etc. in this country is unknown, the location of the execution court issuing the order of seizure, or the summary court to which the court clerk effecting the disposition to seize belongs) may order the obligor of the specified claim not to perform the obligations connected with the specified claim against the attaching creditor for a specified period of up to three months pursuant to Rules of the National Public Safety Commission. In this case, the public safety commission, pursuant to Rules of the National Public Safety Commission, must notify the attaching creditor to the effect that it has issued the order and of any other matters prescribed by Rules of the National Public Safety Commission.

- (2) If a public safety commission seeks to issue a notice under the second sentence of the preceding paragraph, but the whereabouts of the attaching creditor is unknown, it is to issue a public notice in the Official Gazette of the matters of which it is required to notify in lieu of issuing that notice.
- (3) A public safety commission must revoke an order under the provisions of paragraph (1) if a case falls under any of the following items:
  - (i) if a person subject to freezing of assets, etc. as referred to in paragraph (1) is no longer a person subject to freezing of assets, etc.;
  - (ii) if it is found, in light of the relationship between the person subject to freezing of assets, etc. referred to in paragraph (1) and the attaching creditor and other circumstances, that even if the attaching creditor receives performance of the obligations related to the relevant order, the assets that are the subject of the obligations are not likely to be used for the acts specified in (a) through (c) below for the categories of the person subject to freezing of assets, etc. stated respectively in (a) through (c) as follows:
    - (a) international terrorists subject to public notice (excluding those stated in (c)): criminal acts for the purpose of intimidating the general public, etc.;
    - (b) persons involved in weapons of mass destruction programs and activities, etc., subject to public notice (excluding those stated in (c)): development, etc. of weapons of mass destruction, etc. (limited to those specified by Cabinet Order; the same applies in (c));
    - (c) international terrorists subject to public notice, and is also the persons involved in weapons of mass destruction programs and activities, etc., subject to public notice : a criminal act for the purpose of intimidating the general public, etc. and the development, etc. of weapons of mass destruction, etc.

## **Section 2 Provisional Retention of Assets Subject to Regulations**

Article 17 (1) If a part of the assets subject to regulations (excluding land, buildings, automobiles and other assets specified by Cabinet Order as non-

portable assets; the same applies in this Article, Article 24, and Article 29, item (iii) below) in the possession of a person subject to freezing of assets, etc. is found not to fall under any of the items of Article 11, paragraph (1), the public safety commission with jurisdiction over the domicile, etc. of the person subject to freezing of assets, etc. (if the person has no domicile, etc. in Japan, or the domicile, etc. in Japan is unknown; the location of the assets subject to regulations) may order the relevant person subject to freezing of assets, etc. or the person managing the assets subject to regulations on behalf of the relevant person subject to freezing of assets, etc., to submit the part of the assets subject to regulations that does not fall under any of those items, and may provisionally retain the submitted assets subject to regulations, as prescribed by the Rules of the National Public Safety Commission.

- (2) If a public safety commission undertaking the provisional retention of assets subject to regulations under the provisions of the preceding paragraph or this paragraph discovers that the place of domicile, etc. of a person subject to freezing of assets, etc. who was in possession of the assets subject to regulations is within the jurisdictional district of another public safety commission, and finds it to be necessary in order for the return of the assets subject to regulations under the provisions of paragraph (4) or (5) to be implemented appropriately and smoothly, it may succeed the assets subject to regulations to the other relevant public safety commission pursuant to the Rules of the National Public Safety Commission. In this case, the public safety commission succeeding the assets subject to regulations is to continue to provisionally retain the relevant assets subject to regulation, and promptly notify the relevant person subject to freezing of assets, etc. of this, pursuant to the Rules of the National Public Safety Commission.
- (3) A person subject to freezing of assets, etc. who was in possession of assets subject to regulations in connection with provisional retention under the provisions of the preceding two paragraphs, may apply to the public safety commission that is provisionally retaining the relevant assets for the return of all or part of that assets, pursuant to the Rules of the National Public Safety Commission.
- (4) If a public safety commission receives an application under the provisions of the preceding paragraph and finds that all or part of the assets subject to regulations, to which the application relates, has come to fall under any of the items of Article 11, paragraph (1) due to a decrease in the assets subject to regulations held by a person subject to freezing of assets, etc., or due to any other change in circumstances after the provisional retention under the provisions of paragraph (1) has been carried out, it must return that part of the assets subject to regulations, pursuant to Rules of the National Public Safety Commission.

- (5) If a person subject to freezing of assets, etc. who was in possession of assets subject to regulations related to the provisional retention pursuant to the provisions of paragraph (1) or (2) ceases to be a person subject to freezing of assets, etc., the public safety commission implementing the relevant provisional retention must return the relevant assets subject to regulations to that person, other owners, or other persons with the right to have the assets subject to regulations returned, as pursuant to Rules of the National Public Safety Commission.
- (6) For cases referred to in the preceding paragraph, if the whereabouts of the person to whom the assets subject to regulations is to be returned are unknown even after one year has passed since the date of the public notice issued under Article 3, paragraph (4) as applied mutatis mutandis pursuant to paragraph (5) of that Article, the date of the expiration of the effective period of the designation, or the date of the public notice issued under Article 5, paragraph (1) as applied mutatis mutandis pursuant to Article 7, paragraph (2), or if it is unable to return the assets subject to regulations because the person does not retrieve it, the relevant assets subject to regulations is to be vested in the prefecture where the public safety commission that has provisionally retained the assets subject to regulation is established.
- (7) Notwithstanding the provisions of paragraph (5), if a public safety commission seeks to return assets subject to regulations to a person that has the right to have the assets subject to regulations returned other than a person that has ceased to be subject to freezing of assets, etc. pursuant to the provisions of that paragraph, and that person is subject to freezing of assets, etc., it is to continue to provisionally retain the part of the assets subject to regulations that is found to not fall under one of the items of Article 11, paragraph (1) with regard to that person, and is to return the other part of the assets subject to regulation to that person. In this case, the public safety commission is to notify that person that it will continue to provisionally retain that part of the assets subject to regulation, pursuant to the Rules of the National Public Safety Commission.
- (8) The provisions of paragraph (2) to the preceding paragraph apply mutatis mutandis to the provisional retention under the provisions of that paragraph (including as applied mutatis mutandis pursuant to this paragraph). In this case, the term "was in possession of" in paragraphs (2), (3), and (5) is to be replaced with "has the right to receive the return of", and any other necessary technical replacement of terms is specified by Cabinet Order.

### **Section 3 Consideration in Implementing Measures Such as Freezing of Assets**

(Consideration in Implementing Measures Such as Freezing of Assets)

Article 18 For measures provided for in the provisions of the preceding two Sections, the public safety commission must implement this under international cooperation, so that the effects of prevention and suppression of acts of international terrorism and the development, etc. of weapons of mass destruction, etc. are fully demonstrated, while giving due consideration to minimizing the impact of those measures on the national economy.

(Submission of Materials and Other Forms of Cooperation)

Article 19 On finding it to be necessary to do so in order to implement the measures under the provisions of the preceding two Sections, a public safety commission may ask the head of the relevant administrative organ, the head of a relevant local public entity, a relevant public or private organization, or any other relevant person to submit materials or otherwise provide the necessary cooperation.

(On-site Inspections)

Article 20 (1) On finding it to be necessary to do so in order to implement the measures under the provisions of the preceding two Sections, a public safety commission may request a person subject to freezing of assets, etc. to report or submit materials, and may have a police official enter the real assets that a person subject to freezing of assets, etc. owns or possesses, inspect books and documents and other necessary objects, or question the relevant persons.

(2) A police official who conducts an on-site inspection or asks questions pursuant to the provisions of the preceding paragraph, must carry an identification card and present it when requested by any person concerned.

(3) The authority to conduct an on-site inspection or ask questions under the provisions of paragraph (1) must not be construed as being granted for the purpose of a criminal investigation.

#### **Chapter IV Miscellaneous Provisions**

(Provision of Information)

Article 21 A public safety commission is to provide the necessary information, guidance, or advice regarding restrictions on actions under the provisions of Article 15 to business operators and other relevant persons that are violating or are likely to violate Article 15.

(Order Relating to Restriction of Acts Against a Person Subject to Freezing of Assets)

Article 22 (1) If a person that has been provided with information or received

guidance or advice under the preceding Article in violation of Article 15 violates Article 15 again and the public safety commission with jurisdiction over the place of domicile, etc. of the person committing the violation (or the place most closely connected with the violation, if the person has no place of domicile, etc. in Japan, or if the person's place of domicile, etc. in Japan is unknown; the same applies in the following paragraph) finds that the person is likely to violate Article 15 again, it may order the person not to engage in the violation of Article 15 again, pursuant to Rules of the National Public Safety Commission.

(2) In addition to the provisions of the preceding paragraph, if it is found that a person that has violated the provisions of Article 15 is likely to violate those provisions again, and the public safety commission with jurisdiction over the domicile, etc. of the person that has committed the violation finds it to be particularly necessary to do so in order to ensure the reliable implementation of restrictions on conduct in which a person subject to freezing of assets, etc. is the other party as under those provisions, the public safety commission with jurisdiction over the domicile, etc. of the person that has committed the violation may order the person not to engage in conduct in violation of those provisions again, pursuant to Rules of the National Public Safety Commission.

(Reporting to the National Public Safety Commission)

Article 23 If a public safety commission grants permission pursuant to Article 9; attaches or changes conditions pursuant to Article 12, paragraph (1); reissues a license certificate pursuant to Article 13, paragraph (2); revokes permission pursuant to Article 14; issues an order pursuant to Article 16, paragraph (1) or the preceding Article; revokes an order pursuant to Article 16, paragraph (3); provisionally retains a permit pursuant to Article 17, paragraph (1), the second sentence of paragraph (2), or paragraph (7) (including as applied *mutatis mutandis* pursuant to paragraph (8) of that Article); returns a permit pursuant to paragraph (4), (5), or (7) of that Article (including as applied *mutatis mutandis* pursuant to paragraph (8) of that Article); provides information, guidance, or advice pursuant to Article 21; if grounds as prescribed by the Rules of the National Public Safety Commission arise in connection with the implementation of measures under the preceding Chapter, the public safety commission must report the matters prescribed by the Rules of the National Public Safety Commission to the National Public Safety Commission. In this case, the National Public Safety Commission is to report the matters of the report to each public safety commission.

(Compensation for Loss)

Article 24 If a person performing an act stated in one of the items of Article 15

suffers a loss due to being unable to perform the act because the other party has received a public notice or a designation pursuant to the provisions of Article 3, paragraph (1) or (2) after the person promised to perform the act to the other party (in the case of an act that the other party has promised to perform only at the request of the other party, after the other party makes a request to the person, or promises a person other than the person to make a request to the other party), or if a person other than the person possessing assets subject to regulations suffers a loss due to the assets subject to regulations being provisionally retained pursuant to the provisions of Article 17, paragraph (1) after a person possessing assets subject to regulations has received a public notice or a designation pursuant to the provisions of paragraph (1) or (2) of that Article, the national government compensates the person for the loss that would normally occur.

(Scope of Application)

- Article 25 (1) The provisions of this Act also apply to acts committed outside Japan by a person who has a domicile, etc. in Japan.
- (2) If an act constituting an act stated in one of the items of Article 9 which a person subject to freezing of assets, etc. undertakes is one that a person is subject to the obligation to get permission or approval for pursuant to the provisions of Article 16, paragraph (1) or (3), Article 19, paragraph (1) or (2), Article 21, paragraph (1), Article 24, paragraph (1), or Article 52 of the Foreign Exchange and Foreign Trade Act, or is connected with a capital transaction (meaning a capital transaction as prescribed in Article 20 of that Act; the same applies in this paragraph below), service transaction, etc. (meaning a service transaction as prescribed in Article 25, paragraph (6) of that Act; the same applies in this paragraph below), or export for which a person is subject to the obligation to obtain permission or approval pursuant to the provisions of Article 21, paragraph (1), Article 25, paragraph (6), or Article 48, paragraph (3) of that Act, the provisions of this Act do not apply to an act constituting an act stated in one of the items of Article 9 which the person subject to freezing of assets, etc. undertakes. If an act constituting an act stated in one of the items of Article 15 which a person subject to freezing of assets, etc. undertakes with another party constitutes an act that a person is subject to the obligation to obtain permission or approval for pursuant to the provisions of Article 16, paragraph (1) or (3), Article 19, paragraph (1) or (2), Article 21, paragraph (1), Article 24, paragraph (1), or Article 48, paragraph (3) of the Foreign Exchange and Foreign Trade Act, or is connected with a capital transaction, service transaction, etc., or import for which a person is subject to the obligation to obtain permission or approval pursuant to the provisions of Article 21, paragraph (1), Article 25, paragraph (6), or Article 52 of that Act, the

provisions of this.

(Delegation of Authority to Area Public Safety Commissions)

Article 26 Affairs that fall under the authority of the Hokkaido public safety commission pursuant to the provisions of this Act may be delegated to an area public safety commission pursuant to the provisions of Cabinet Order.

(Transitional Measures)

Article 27 When enacting, revising or abolishing an order pursuant to the provisions of this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be specified by that order to the extent considered reasonably necessary for the enactment, revision or abolition.

(Delegation to Rules of the National Public Safety Commission)

Article 28 Beyond what is provided for in this Act, Rules of the National Public Safety Commission provide for the procedures for implementing this Act and for any other necessary matters in connection with this Act's entry into effect.

## **Chapter V Penal Provisions**

Article 29 A person who has conducted an act falling under any of the following items (in the case of a corporation or any other organization; a person who has conducted the act as an officer or employee, or member of it) is punished by imprisonment for not more than three years or a fine of not more than 1,000,000 yen, or both:

- (i) engaging in the acts stated in the items of Article 9 without obtaining permission, in violation of the provisions of that Article;
- (ii) obtaining the permission stated in Article 9 by deception or other wrongful means;
- (iii) failure to submit assets subject to regulations in violation of an order under the provisions of Article 17, paragraph (1);
- (iv) receiving a return under the provisions of Article 17, paragraph (4) (including as applied mutatis mutandis pursuant to paragraph (8) of that Article) by deception or other wrongful means.

Article 30 A person who has committed an act falling under any of the following items (in the case of a corporation or any other organization; a person who has committed the act as an officer or employee, or member of it) is punished by imprisonment for not more than one year or a fine of not more than 500,000 yen:

- (i) a violation of the conditions attached to the permission referred to in Article

- 9 pursuant to the provisions of Article 12, paragraph (1);
- (ii) failing to make a report or submit materials in violation of the provisions of Article 20, paragraph (1), or making a false report or submitting false materials with regard to the report, or submission of materials referred to in the same paragraph; or refusing, obstructing or evading an on-site inspection under the provisions of the same paragraph, or failing to make a statement or making a false statement, in response to questions under the provisions of the same paragraph;
  - (iii) committing an act in violation of the provisions of Article 15, in violation of an order under the provisions of Article 22.

Article 31 A person who has committed an act in violation of an order under the provisions of Article 16, paragraph (1) (in the case of a corporation or any other organization; a person who has committed the act as an officer or employee, or member of it) is punished by imprisonment for not more than six months or a fine of not more than 300,000 yen.

Article 32 A person who has committed an act in violation of the provisions of Article 13, paragraph (3) (in the case of a corporation or any other organization, a person who has committed the act as an officer or employee, or member of it) is punished by a fine of not more than 300,000 yen.

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

(Effective Date)

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

(Repeal of This Act)

Article 2 This Act is to be promptly repealed if all of the following resolutions cease to be effective: Resolution 1267, etc. (limited to the part related to measures such as freezing of assets of international terrorists), Resolution 1373 (limited to the part related to measures such as freezing of assets of international terrorists), and Resolution 1718, etc. (limited to the part related to measures such as freezing of assets of persons involved in weapons of mass destruction programs and activities, etc.).

(Transitional Measures)

Article 3 For the application of the provisions of Article 3, paragraph (1) to a person who is listed on the list at the time of the enforcement of this Act, the term "has been listed" in the same paragraph is to be replaced with "is listed"

and the term "without delay" in the same paragraph is to be replaced with "without delay after the enforcement of this Act".

(Delegation to Cabinet Order)

Article 4 Beyond what is provided for in the preceding Article, transitional measures necessary for the enforcement of this Act are specified by Cabinet Order.

**Supplementary Provisions [Act No. 62 of June 3, 2016 Extract] [Extract]**

(Effective Date)

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

(Other Delegation to Cabinet Order of Transitional Measures)

Article 19 Beyond what is provided for in Articles 2 through 8 and the preceding Article, transitional measures necessary for the enforcement of this Act (including transitional measures concerning penal provisions) are specified by Cabinet Order.

**Supplementary Provisions [Act No. 80 of July 27, 2018 Extract] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three years from the day of promulgation.

**Supplementary Provisions [Act No. 46 of May 26, 2021 Extract] [Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding six months from the day of promulgation.

(Transitional Measures Concerning Penal Provisions)

Article 42 (1) Prior laws continue to govern the applicability of penal provisions to conduct that a person engages in before this Act comes into effect.

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Act on the Arrangement of Related Acts to Accommodate the Entry into Force of the Act Partially Amending the Penal Code and Other Acts (Act No. 68 of 2022) Extract

(Delegation to Cabinet Order of Transitional Measures)

Article 509 Beyond what is provided for in this Part, transitional measures necessary for the enforcement of the Act Partially Amending the Penal Code and Other Acts are specified by Cabinet Order.

**Supplementary Provisions [Act No. 68 of June 17, 2022 Extract] [Extract]**

(Effective Date)

(1) This Act comes into effect on the date in which the Act Partially Amending the Penal Code and Other Acts comes into effect; provided, however, that the provisions stated in the following items come into effect as of the dates prescribed respectively in those items.

(i) the provisions of Article 509: the day of promulgation.

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**Supplementary Provisions [Act No. 97 of December 9, 2022 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding nine months from the day of promulgation; provided, however, that the provisions stated in the following items come into effect as of the day specified respectively in those items.

(i) the provisions of Article 1 to revise Article 4, paragraph (1), item (ii), (a) of the Act on Special Measures Concerning the Freezing of the Assets of International Terrorists Implemented by Japan in Light of United Nations Security Council Resolution 1267, the provisions of Articles 3 to 5, the provisions of Article 6 to revise Article 13, paragraph (1) of the Act on Prevention of Transfer of Criminal Proceeds, and the provisions of Articles 6, 7, 9, 10 and 15 (limited to the provisions to revise Article 3, item (xii) of the Act on Arrangement of Related Acts Accompanying the Enforcement of the Act Partially Amending the Penal Code and Other Acts (Act No. 68 of 2022)) of the Supplementary Provisions: the day on which twenty days have elapsed from the day of promulgation.

(Transitional Measures Accompanying the Partial Amendment of the Act on Special Measures Concerning the Freezing of Assets of International Terrorists that the Government Implements in Light of the United Nations Security Council Resolution 1267)

Article 2 Regarding the application of the provisions of Article 3, paragraph (2) of the Act on Special Measures Concerning the Freezing of Assets Implemented by Japan in Light of the United Nations Security Council Resolution 1267,

amended by the provisions of Article 1) to a person who is listed on the list of persons involved in weapons of mass destruction programs and activities, etc. (meaning the list of persons involved in weapons of mass destruction programs and activities, etc. prescribed in Article 3, paragraph (2) of the Act on Special Measures Concerning the Freezing of Assets, etc. Implemented by Japan in Light of the United Nations Security Council Resolution 1718, etc. amended by the provisions of Article 1) at the time of the enforcement of this Act, and for whom measures such as freezing of assets are to be taken pursuant to the Resolution 1718, etc. prescribed in that paragraph, the term "when listed (including cases where measures such as freezing of assets are to be taken for persons involved in weapons of mass destruction programs and activities, etc. already listed on the list of persons involved in weapons of mass destruction programs and activities, etc. pursuant to the resolution 1267, etc.)" in the same paragraph is to be replaced with "when listed at the time of the enforcement of the Act for Partial Revision of the Act on Special Measures Concerning the Freezing of Assets of International Terrorists that the Government Implements in Light of the United Nations Security Council Resolution 1267 to Deal with the International Transfer of Illegal Funds (Act No. 97 of 2022)).

(Delegation to Cabinet Order)

Article 9 Beyond what is provided for in these Supplementary Provisions, the transitional measures necessary for the enforcement of this Act are specified by Cabinet Order.