

# Act on the Promotion of Housing Quality Assurance

(Act No. 81 of June 23, 1999)

## Table of Contents

Chapter I General Provisions (Articles 1 and 2)
Chapter II Japanese Housing Performance Labeling Standards (Articles 3 to 4)
Chapter III Housing Performance Evaluation
Section 1 Housing Performance Evaluation (Articles 5 to 6-2)
Section 2 Registered Housing Performance Evaluation Agency (Articles 7 to 24)
Section 3 Registered Training Course Agency (Articles 25 to 30)
Chapter IV Housing Type Performance Certification
Section 1 Housing Type Performance Certification (Articles 31 to 43)
Section 2 Registered Housing Type Performance Certification Agency (Articles 44 to 57)
Chapter V Special Evaluation Method Certification
Section 1 Special Evaluation Method Certification (Articles 58 to 60)
Section 2 Registered Testing Agency (Articles 61 to 65)
Chapter VI System for Handling Dispute Concerning Housing
Section 1 Designated Housing Dispute Resolution Agency (Articles 66 to 81)
Section 2 Housing Dispute Resolution Support Center (Articles 82 to 93)
Chapter VII Warranty Against Defects (Article 94 to Article 97)
Chapter VIII Miscellaneous Provisions (Articles 98 to 100)
Chapter IX Penal Provisions (Articles 101 to 108)
Supplementary Provisions

## Chapter I General Provisions

### (Purpose)

Article 1 The purpose of this Act is to promote the securing of housing quality, to protect the interests of home buyers, etc., and to achieve the prompt and proper resolution of disputes related to housing by establishing standards for labeling of housing performance and an evaluation system based on these standards, and establishing a system for resolving disputes concerning housing, as well as formulating special provisions for warranty against defects of contract for construction work or sales contracts for new housing, thereby contributing to the stabilization and improvement of the general welfare and lives of the people and to the sound development of the national economy.

(Definitions)

- Article 2 (1) The term "house" as used in this Act means a house or a part of a house used for human residence (including a part used in common with a part of a house used for purposes other than human residence).
- (2) The term "newly constructed house" as used in this Act means a newly constructed house that has not yet been used as a human residence (excluding a house for which one year has elapsed from the date of completion of construction work).
- (3) The term "Japanese Housing Performance Labeling Standards" as used in this Act means standards for matters to be indicated with regard to housing performance and its labeling method, which are specified pursuant to the provisions of the following Article.
- (4) The term "home buyers, etc." as used in this Act means persons who make or intend to make a purchase of a house or an order for construction work for a house, or persons who reside in or intend to reside in a house that has been purchased or constructed.
- (5) The term "Defect" as used in this Act means a failure to conform to the terms of the contract in terms of the kind or quality.

**Chapter II Japanese Housing Performance Labeling Standards**

(Japanese Housing Performance Labeling Standards)

- Article 3 (1) The Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister must establish the Japanese Housing Performance Labeling Standards in order to ensure proper labeling of housing performance.
- (2) The Japanese Housing Performance Labeling Standards must be established or changed so as to properly reflect the intentions of interested persons and so as not to unfairly discriminate against persons who are under the same conditions in applying the standards.
- (3) When the Minister of Land, Infrastructure, Transport and Tourism or the Prime Minister intends to establish or change the Japanese Housing Performance Labeling Standards and finds it necessary, they may hold public hearings to hear the opinions of interested persons on the draft of that Japanese Housing Performance Labeling Standards or of the revision of those Standards.
- (4) When the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister intend to establish or change the Japanese Housing Performance Labeling Standards, the Minister of Land, Infrastructure, Transport and Tourism must obtain a resolution of the Council for Social Infrastructure Development and the Prime Minister must obtain a resolution of the Consumer Commission, respectively; provided, however, that this does

not apply to matters that the Council for Social Infrastructure Development or the Consumer Commission finds to be minor.

- (5) When the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister have established or changed the Japanese Housing Performance Labeling Standards, they must give public notice of this without delay.

(Evaluation Method Standards)

Article 3-2 (1) When establishing the Japanese Housing Performance Labeling Standards, the Minister of Land, Infrastructure, Transport and Tourism is to also establish standards for the evaluation method (including inspection for the purpose of evaluation; the same applies below) of housing performance to be indicated in accordance with the Japanese Housing Performance Labeling Standards (referred to below as the "Evaluation Method Standards").

- (2) The provisions of paragraphs (2) through (5) of the preceding Article apply mutatis mutandis to the Evaluation Method Standards. In this case, the phrases "the Minister of Land, Infrastructure, Transport and Tourism or the Prime Minister" in paragraph (3) of the same Article and "the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister" in paragraphs (4) and (5) of the same Article are deemed to be replaced with "the Minister of Land, Infrastructure, Transport and Tourism"; the phrase "the Minister of Land, Infrastructure, Transport and Tourism must obtain a resolution of the Social Infrastructure Development Council, and the Prime Minister must obtain a resolution of the Consumer Commission, respectively" in paragraph (4) of the same Article is deemed to be replaced with "the Social Infrastructure Development Council must adopt a resolution"; and the phrase "the Council for Social Infrastructure Development or the Consumer Commission" in the proviso to the same paragraph is deemed to be replaced with "the Council for Social Infrastructure Development".

- (3) On finding it to be necessary to do so in order to protect the interests of home buyers, etc. who are individuals, the Prime Minister may state a necessary opinion concerning the establishment of or changes to the Evaluation Method Standards, to the Minister of Land, Infrastructure, Transport and Tourism.

(Prohibition of Using the Name of the Japanese Housing Performance Labeling Standards)

Article 4 It is prohibited for any person to use the name "Japanese Housing Performance Labeling Standards" or any other confusingly similar name concerning any standards for labeling the performance of housing that are not the Japanese Housing Performance Labeling Standards.

## **Chapter III Housing Performance Evaluation**

### **Section 1 Housing Performance Evaluation**

(Housing Performance Evaluation)

- Article 5 (1) A person who has been registered by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Articles 7 through 10 (referred to below as a "registered housing performance evaluation agency") may, upon application, conduct a housing performance evaluation (meaning an evaluation of a designed or constructed housing in accordance with the Evaluation Method Standards (including the relevant method in which the method that received the special evaluation method certification referred to in Article 58, paragraph (1) is used; the same applies in Article 31, paragraph (1)) with regard to the performance to be indicated in accordance with the Japanese Housing Performance Labeling Standards; the same applies below) and issue an evaluation report that states the matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Order and bears a mark specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Order (referred to below as a "housing performance evaluation report").
- (2) Order of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Order prescribe the procedures for the application referred to in the preceding paragraph and other necessary matters concerning the housing performance evaluation and the issuance of a housing performance evaluation report.
- (3) Except in the case referred to in paragraph (1), it is prohibited for any person to affix the mark referred to in the same paragraph or a mark that is confusingly similar to the mark to an evaluation report on housing performance, a contract for housing construction work, a sales contract, or any document that is to be attached to the report or the contracts.

(Housing Performance Evaluation Report and Contract Details)

- Article 6 (1) If the contractor of construction work for a house has attached the housing performance evaluation report related to the designed house (referred to below as the "design housing performance evaluation report") or a copy of the report to the contract for work, or has delivered the design housing performance evaluation report or a copy of the report to the orderer, the contractor is deemed to have contracted to carry out construction work for the house with the performance indicated in the design housing performance evaluation report or the copy of the report.
- (2) If the seller who entered into a sales contract for a newly constructed house prior to the completion of the construction work on the newly constructed

house has attached the design housing performance evaluation report or a copy of the report to the sales contract or has delivered the design housing performance evaluation report or a copy of the report to the buyer, the seller is deemed to have entered into a contract to deliver the newly constructed housing with the performance indicated in the design housing performance evaluation report or a copy of the report.

- (3) If a seller who concludes a sales contract for a newly constructed housing after the construction work on the newly constructed housing is completed attaches a housing performance evaluation report related to the constructed house (referred to below as the "construction housing performance evaluation report") or a copy of the report to the sales contract or delivers a construction housing performance evaluation report or a copy of the report to the buyer, the seller is deemed to have concluded a contract to deliver a newly constructed house with the performance indicated in the relevant construction housing performance evaluation report or a copy of the report.
- (4) The provisions of the preceding three paragraphs do not apply if the contractor or the seller manifests a contrary intention in the contract for work or the sales contract.

(Special Provisions for the Act on Promoting the Dissemination of Long-Term Superior Housing)

Article 6-2 (1) A person who files an application for certification under the provisions of Article 5, paragraphs (1) through (7) of the Act on Promoting the Dissemination of Long-Term Superior Housing (Act No. 87 of 2008) (including an application for certification of changes under the provisions of Article 8, paragraph (1) of the same Act) may request a registered housing performance evaluation agency to confirm, in advance, that the structure and equipment of the house related to the application are long-term use structures, etc. (meaning the long-term use structures, etc. prescribed in Article 2, paragraph (4) of the same Act; the same applies below in this Article), as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) A person who applies for a housing performance evaluation referred to in Article 5, paragraph (1) may make a request under the provisions of the preceding paragraph, along with the relevant application for the housing performance evaluation.
- (3) In the case for which a request has been made under the provisions of paragraph (1) (excluding the case prescribed in the following paragraph), a registered housing performance evaluation agency is to confirm whether or not the structure and equipment of the relevant house are long-term use structures, etc., and deliver a document stating the results of the confirmation (referred to as a "confirmation letter" in paragraph (5)) to the person who has made the

request, as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (4) When a request under the provisions of paragraph (1) is made along with an application for housing performance evaluation pursuant to the provisions of paragraph (2), a registered housing performance evaluation agency is to confirm whether or not the structure and equipment of the relevant house are long-term use structures, etc., and enter the results in the housing performance evaluation report, as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) If a person has filed an application for approval under Article 5, paragraphs (1) through (7) of the Act on Promotion of Dissemination of Long-Term Superior Housing, pursuant to the provisions of the preceding two paragraphs, along with a long-term superior housing construction plan as prescribed in paragraph (1) of the same Article or a long-term superior housing maintenance plan as prescribed in paragraph (6) of the same Article, with a confirmation letter which listed that the structure and equipment of the house are of a long-term use structure, etc., or a housing performance evaluation report or a copy of the report, the long-term superior housing construction plan or long-term superior housing maintenance plan related to the relevant application is deemed to conform to the standards stated in Article 6, paragraph (1), item (i) of the same Act (including as applied *mutatis mutandis* pursuant to Article 8, paragraph (2) of the same Act).

## **Section 2 Registered Housing Performance Evaluation Agency**

(Registration)

- Article 7 (1) The registration referred to in Article 5, paragraph (1) (simply referred to below as the "registration" in this Section, except in Article 13) is made upon application by a person who intends to perform the operations prescribed in the same paragraph (referred to below as the "operations of evaluation" in this Section).
- (2) The application referred to in the preceding paragraph must be made, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, in accordance with the classification specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism for each type of housing stated in the following items, in accordance with the type and size of the housing for which the operation of evaluation is intended to be conducted:
- (i) The housing that are buildings stated in Article 3, paragraph (1), items (ii) through (iv) of the Act on Architects and Building Engineers (Act No. 202 of 1950);

- (ii) The housing that are buildings listed in the items of Article 3-2, paragraph (1) of the Act on Architects and Building Engineers (excluding houses stated in the preceding item);
- (iii) The housing other than that stated in the preceding two items.

(Disqualification Provisions)

Article 8 A person who falls under any of the following items may not be registered:

- (i) a minor;
- (ii) a person subject to an order commencing bankruptcy proceedings that has not been discharged from bankruptcy;
- (iii) a person that has been sentenced to imprisonment without work or a heavier punishment or has been sentenced pursuant to any provisions of this Act, if two years have not yet passed since the day on which the person finished serving that sentence or ceased to be subject to its enforcement;
- (iv) a person whose registration has been revoked pursuant to the provisions of Article 24, paragraph (1) or paragraph (2), if two years have not passed since the date of the revocation;
- (v) a person specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as a person who is unable to properly perform the operations of evaluation due to a mental or physical disorder;
- (vi) a corporation for which any of its officers falls under any of the preceding items.

(Criteria for Registration)

Article 9 (1) The Minister of Land, Infrastructure, Transport and Tourism must register a person who has applied for registration (referred to below as a "registration applicant" in this paragraph) if that person conforms to all of the following criteria:

- (i) the housing performance evaluation is conducted by an appraiser referred to in Article 13 (limited to an appraiser who falls under the persons listed in the middle column of each item of the Appended Table, in accordance with the category of housing for which the housing performance evaluations stated in the left column of the relevant item are conducted; the same applies below in this item), and the number of appraisers conforms to all of the following:
  - (a) the number is not less than the number listed in the right-hand column of each item of the Appended Table for the respective categories of the house, for which the housing performance evaluation listed in the left-hand column of the relevant item is conducted (when the number is less than two, the number is two);

- (b) if a housing performance evaluation is conducted for two or more categories of houses for which a housing performance evaluation listed in the left-hand column of each item of the Appended Table is to be conducted, the total number of appraisers referred to in Article 13 is not less than the number obtained by adding up the respective numbers listed in the right-hand column of each item corresponding to those categories (when the number is less than two, two).
- (ii) the registration applicant does not fall under any of the following as a region controlled by a person who, in the course of trade, designs or sells houses, acts as an agent or intermediary for the sale of houses, or undertakes construction work of newly constructed houses (referred to below as a "housing-related provider"):
  - (a) if the registration applicant is a stock company, the housing-related provider is its parent corporation (meaning a parent corporation as prescribed in Article 879, paragraph (1) of the Companies Act (Act No. 86 of 2005); the same applies below);
  - (b) that more than half of the officers of the registration applicant (in the case of membership companies (meaning membership companies as prescribed in Article 575, paragraph (1) of the Companies Act; the same applies below), members in charge of conducting business) are officers or employees of a housing-related provider (including those who were officers or employees of the relevant housing-related provider in the past two years);
  - (c) the registration applicant (in the case of a corporation, its representative officer) is an officer or employee of a housing-related provider (including a person who was an officer or employee of the relevant housing-related provider in the past two years);
- (iii) a full-time manager has been assigned to the section in charge of carrying out the operations of evaluation in order to properly carry out the operations of evaluation;
- (iv) it is not state of insolvency.
- (2) The registration is to be made by entering the following matters in the registry of registered housing performance evaluation agencies:
  - (i) the date of registration and registration number;
  - (ii) the name and address of the registered housing performance evaluation agency and, in the case of a corporation, the name of its representative;
  - (iii) the classification of registration;
  - (iv) the location of the office where the registered housing performance evaluation agency conducts the evaluation operations;
  - (v) the name of the appraiser referred to in Article 13;
  - (vi) beyond what is stated in the preceding items, the matters specified by



Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Public Notice of Registration)

Article 10 (1) When the Minister of Land, Infrastructure, Transport and Tourism has made a registration, the Minister must publicly notify the matters stated in paragraph (2), items (ii) through (v) of the preceding Article, and other information specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) If a registered housing performance evaluation agency seeks to change the matters stated in paragraph (2), item (ii) or items (iv) through (vi) of the preceding Article, it must notify the Minister of Land, Infrastructure, Transport and Tourism of this no later than two weeks before the date on which it seeks to make the change.

(3) If a notification under the provisions of the preceding paragraph is filed, the Minister of Land, Infrastructure, Transport and Tourism must issue public notice to that effect.

(Renewal of Registration)

Article 11 (1) A registration ceases to be effective upon the expiration of a period of not less than five years but not more than ten years to be specified by Cabinet Order, unless it is renewed by the end of every such period.

(2) The provisions of Articles 7 through 9 apply mutatis mutandis to the renewal of a registration as referred to in the preceding paragraph.

(Succession)

Article 12 (1) When a registered housing performance evaluation agency transfers the whole of the business related to the registration, or when inheritance, a merger, or a split (limited to those in which the whole of the business related to the relevant registration is succeeded to) of a registered housing performance evaluation agency occurs, a person who acquires the whole of the business or an heir (when there are two or more heirs and an heir who is to succeed to the relevant business is selected by their unanimous consent; that person; the same applies below in this paragraph and Article 37), a corporation surviving a merger, a corporation established by a merger, or a corporation succeeding to the whole of the relevant business by a split succeeds to the status of the registered housing performance evaluation agency; provided, however, that this does not apply when a person who acquires the whole of the business or an heir, a corporation surviving a merger, a corporation established by a merger, or a corporation succeeding to the whole of the relevant business by a split falls under any of the items of Article 8.

(2) A person who has succeeded to the status of a registered housing performance

evaluation agency pursuant to the provisions of the preceding paragraph, must notify the Minister of Land, Infrastructure, Transport and Tourism to that effect without delay, as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Appraiser)

Article 13 A registered housing performance evaluation agency must appoint appraisers from among the persons who fall under the person stated in the middle column of each item of the Appended Tables according to the category of house for which a housing performance evaluation is conducted as stated in the left column of the relevant item and who have completed the course of training offered by a person registered by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Articles 25 through 27 (referred to below as a "registered training course agency").

(Duty of Confidentiality)

Article 14 It is prohibited for a registered housing performance evaluation agency (or its officer, if the agency is a corporation), its employee (including an appraiser), or a person that used to be one of these persons, to divulge any secret learned in the course of the operations of the evaluation (including the confirmation operations prescribed in Article 6-2, paragraph (3) or paragraph (4); the same applies below in this Section) or use the same for the person's own interest.

(Obligation to Operation of Evaluation)

Article 15 (1) When a registered housing performance evaluation agency is requested to conduct operation of evaluation, it must conduct the operation of evaluation without delay, except in cases for which there are justifiable grounds.

(2) A registered housing performance evaluation agency must conduct the operation of evaluation in a fair manner and by a method that conforms to the standards specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Operational Rules of Evaluation)

Article 16 (1) A registered housing performance evaluation agency must establish rules concerning the operation of evaluation (referred to below as "operational rules of evaluation" in this Section) and notify the Minister of Land, Infrastructure, Transport and Tourism of the rules before commencing the operation of evaluation. The same applies when the registered housing performance evaluation agency intends to change the rules.

- (2) The operational rules of evaluation must provide for the method of implementing the operation of evaluation, the fees for the operation of evaluation, and other matters specified by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism finds that the operational rules of evaluation notified under the provisions of paragraph (1) are, or have become inappropriate for the fair and appropriate implementation of the operation of evaluation in accordance with the provisions of this Chapter, the Prime Minister may order the registered housing performance evaluation agency to change the operational rules of evaluation.

(Posting of Categories of Registration)

Article 17 Pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, a registered housing performance evaluation agency must post the classification of registrations and other matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism at its office in a manner readily recognizable by the public, and must make them available for public inspection through automatic public transmission (meaning automatic transmission made upon request from the public for the purpose of direct reception by the public, and excluding those falling under broadcasting or wire-broadcasting; the same applies in Article 66, paragraph (4)) conducted by connecting to a telecommunications line.

(Keeping and Inspection of Financial Statements)

Article 18 (1) Within three months after the end of each business year, a registered housing performance evaluation agency must prepare an inventory of assets, balance sheets and profit and loss statement, or income and expenditure statements, and business reports for the business year (including electronic or magnetic records (meaning records used in data processing by computer that are created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses; the same applies below in this Article), if electronic or magnetic records are prepared instead of those documents; referred to below as "financial statements, etc."), and keep them at its office for five years.

- (2) An interested person may make the following requests at any time during the business hours of the registered housing performance evaluation agency; provided, however, that when making a request as referred to in item (ii) or item (iv), the interested person must pay the expenses specified by the registered housing performance evaluation agency:
  - (i) when financial statements, etc. are prepared in the form of documents; a request for public inspection or copying of the relevant documents;

- (ii) a request for a transcript or extract of the documents referred to in the preceding item;
- (iii) when financial statements, etc. are prepared in the form of electronic or magnetic records, a request for public inspection or copying of anything that displays the matters recorded in the relevant electronic or magnetic records by a method specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism;
- (iv) a request to be provided with the matters recorded in the electronic or magnetic records referred to in the preceding item by the electronic or magnetic methods specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, or a request to be issued documents stating those matters.

#### (Keeping of Books)

- Article 19 (1) As provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism, a registered housing performance evaluation agency must keep and preserve books in which matters concerning the operation of evaluation that are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism are entered.
- (2) Beyond what is provided for in the preceding paragraph, a registered housing performance evaluation agency, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, must preserve the documents related to the operation of evaluation which are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

#### (Order to Comply)

- Article 20 When the Minister of Land, Infrastructure, Transport and Tourism finds that a registered housing performance evaluation agency has become noncompliant with any of the items of Article 9, paragraph (1), the minister may order the registered housing performance evaluation agency to take necessary measures for compliance with those provisions.

#### (Order for Improvement)

- Article 21 When the Minister of Land, Infrastructure, Transport and Tourism finds that a registered housing performance evaluation agency violates the provisions of Article 15, the minister may order the registered housing performance evaluation agency to conduct the operation of evaluation or to take necessary measures to improve the operation of evaluation method or other operation methods.

#### (Reports, Inspections)

Article 22 (1) On finding it to be necessary to do so in order to ensure the fair and proper implementation of operation of evaluation, the Minister of Land, Infrastructure, Transport and Tourism may ask a registered housing performance evaluation agency to make the necessary reports on the state of the operation of evaluation or accounting, or may have its employees enter the office of a registered housing performance evaluation agency and inspect the state of the evaluation or its facilities, books, documents, and other objects, or question the relevant persons.

(2) The employees who conducts an on-site inspection pursuant to the provisions of the preceding paragraph must carry an identification card and present it to the relevant persons.

(3) The authority under the provisions of paragraph (1) must not be construed as being granted for criminal investigation.

(Suspension or Discontinuation of Operation of Evaluation)

Article 23 (1) If a registered housing performance evaluation agency intends to suspend or discontinue all or part of the operation of evaluation, it must notify the Minister of Land, Infrastructure, Transport and Tourism to that effect in advance, as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) When a notification has been made to discontinue all of the operation of evaluation pursuant to the provisions of the preceding paragraph, the registration related to the notification ceases to be effective.

(3) If a notification under the provisions of paragraph (1) is filed, the Minister of Land, Infrastructure, Transport and Tourism must issue public notice of this.

(Revocation of Registration)

Article 24 (1) If a registered housing performance evaluation agency has come to fall under any of the items of Article 8 (excluding item (iv)), the Minister of Land, Infrastructure, Transport and Tourism must revoke its registration.

(2) If a registered housing performance evaluation agency falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its registration, or order the suspension of the operation of evaluation in whole or in part, for a fixed period:

(i) when the registered housing performance evaluation agency has violated the provisions of Article 10, paragraph (2), Article 12, paragraph (2), Article 17, Article 18, paragraph (1), Article 19, paragraph (1) of the preceding Article, or Article 71, paragraph (2);

(ii) if the registered housing performance evaluation agency has conducted the operation of evaluation without complying with the operational rules of evaluation for which a notification was filed under the provisions of Article

- 16, paragraph (1);
- (iii) when the registered housing performance evaluation agency has refused the requests stated in the items of Article 18, paragraph (2) without justifiable grounds;
  - (iv) when the registered housing performance evaluation agency has violated an order under the provisions of Article 16, paragraph (3), Article 20, or Article 21;
  - (v) when the registered housing performance evaluation agency fails to make a payment of dues under Article 87, paragraph (4);
  - (vi) when the registered housing performance evaluation agency has committed an extremely inappropriate act in relation to the operation of evaluation, or the appraiser or, in the case of a corporation, its officer who engages in the operation, has committed an extremely inappropriate act in relation to the operation of evaluation;
  - (vii) when it has been registered by wrongful means.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism has revoked the registration pursuant to the provisions of the preceding two paragraphs, or ordered the suspension of all or part of the operation of evaluation pursuant to the provisions of the preceding paragraph, the Minister must issue a public notice to that effect.

### **Section 3 Registered Training Course Agency**

(Registration)

- Article 25 (1) The registration referred to in Article 13 (simply referred to below as "registration" in this Section) is made upon application by a person who intends to engage in operations related to the implementation of training course referred to in the same Article (referred to below as "operation of a training course").
- (2) The provisions of Article 10, paragraph (1) and Article 11 apply mutatis mutandis to registration, and the provisions of Article 10, paragraphs (2) and (3), Article 12, Article 15, paragraph (2), Article 16, paragraphs (1) and (2), Article 18, Article 19, paragraph (1), and Articles 20 through 23 apply mutatis mutandis to registered training course agency. In this case, in the provisions stated in the left-hand column of the following Table, the terms stated in the middle column of that Table, are deemed to be replaced with the terms stated respectively in the right-hand column of that Table.

Article 10, paragraph (1)	Paragraph (2), items (ii) through (v) of the preceding Article	Article 27, paragraph (2), items (ii) and (iii)
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Article 10, paragraph (2)	Paragraph (2), item (ii) or items (iv) through (vi) of the preceding Article	Article 27, paragraph (2), items (ii) through (iv)
Article 11, paragraph (2)	Articles 7 through 9	Article 25, paragraph (1), Article 26, and Article 27
Proviso to Article 12, paragraph (1)	Items of Article 8	Items of Article 26
Article 15, paragraph (2), Article 16, paragraphs (1) and (2), Article 19, paragraph (1), Article 22, paragraph (1), Article 23, paragraphs (1) and (2)	Operation of evaluation	Operation of a training course
Article 16, paragraphs (1) and (2)	Operational rules of evaluation	Operational rules of a training course
Article 20	Items of Article 9, paragraph (1)	Items of Article 27, paragraph (1)
Article 21	Article 15	Article 15, paragraph (2) as applied mutatis mutandis pursuant to Article 25, paragraph (2)
	The operation of evaluation or to take necessary measures to improve the operation of evaluation	The operation of a training course or to take necessary measures to improve the operation of a training course
Article 22, paragraph (1)	Fair and proper	Appropriate

(Disqualification Provisions)

Article 26 A person who falls under any of the following items may not be registered:

- (i) a person stated in Article 8, items (i) through (iii);
- (ii) a person whose registration has been revoked pursuant to the provisions of Article 28, paragraph (1) or paragraph (2), if two years have not passed since the date of the revocation;
- (iii) a person specified by the Order of the Ministry of Land, Infrastructure, Transport and Tourism as a person who is unable to properly perform the operation of training course due to a mental or physical disorder;
- (iv) a corporation for which any of its officers falls under any of the preceding three items.

(Criteria for Registration)

Article 27 (1) The Minister of Land, Infrastructure, Transport and Tourism must register a person who has applied for registration (referred to below as a "registration applicant" in this paragraph) if that person conforms to all of the following criteria. In this case, necessary procedures for registration are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism:

- (i) it provides the operation of a training course on subjects concerning the legal system and practice of housing performance evaluation;
  - (ii) for the subjects concerning the practice of housing performance evaluation referred to in the preceding item, a person who falls under any of the following is to engage in the operation of a training course as an instructor:
    - (a) a 1st-class architect as prescribed in Article 2, paragraph (2) of the Act on Architects and Building Engineers (referred to below as a "1st-class architect") who has at least three years of practical experience in housing performance evaluation as an appraiser;
    - (b) a person who has the knowledge and experience equivalent to or greater than the person stated in (a);
  - (iii) the registration applicant does not fall under any of the following as a person controlled by a housing-related provider or a registered housing performance evaluation agency (referred to below as a "housing-related provider or agency" in this item):
    - (a) if registration applicant is a stock company, its parent company is a housing-related provider or agency;
    - (b) that more than half of the officers of the registration applicant (in the case of membership company, officers in charge of conducting business) are officers or employees of a housing-related provider or agency (including those who were officers or employees of the relevant housing-related provider or agency in the past two years);
    - (c) a registration applicant (in the case of a corporation, its representative officer) is an officer or employee of a housing-related provider or agency (including a person who was an officer or employee of the relevant housing-related provider or agency in the past two years);
  - (iv) it is not in a state of insolvency.
- (2) The registration is to be made with the following matters stated in the registry of the registered training course agency.
- (i) the date of registration and registration number;
  - (ii) the name and address of the registered training course agency, and in the case of a corporation, the name of its representative;
  - (iii) the location of the office where the registered training course agency conducts the operation of training course;



(iv) beyond what is stated in the preceding three items, the matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Revocation of Registration)

Article 28 (1) If a registered training course agency has come to fall under Article 26, item (i), item (iii) or item (iv), the Minister of Land, Infrastructure, Transport and Tourism must revoke its registration.

(2) If a registered training course agency falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its registration or order the suspension of all or part of its operation of the training course for a fixed period of time:

(i) when a registered training course agency violates the provisions of Article 10, paragraph (2), Article 12, paragraph (2), Article 18, paragraph (1), Article 19, paragraph (1), or Article 23, paragraph (1), as applied mutatis mutandis pursuant to Article 25, paragraph (2);

(ii) when a registered training course agency has conducted operation of a training course without complying with the rules for the operational rules of a training course for which a notification was filed under the provisions of Article 16, paragraph (1), as applied mutatis mutandis pursuant to Article 25, paragraph (2);

(iii) a registered training course agency has refused the request made under the items of Article 18, paragraph (2) as applied mutatis mutandis pursuant to Article 25, paragraph (2), without justifiable grounds;

(iv) a registered training course agency violates an order under the provisions of Article 20 or Article 21 as applied mutatis mutandis pursuant to Article 25, paragraph (2);

(v) a registered training course agency has committed an extremely inappropriate act in relation to the operation of a training course, or a person engaged in the operation or, in the case of a corporation, its officer has committed an extremely inappropriate act in relation to the operation of a training course;

(vi) a registered training course agency was registered by wrongful means.

(3) The provisions of Article 24, paragraph (3) apply mutatis mutandis to the revocation of registration under the provisions of the preceding two paragraphs, or the suspension of the operation of a training course under the provisions of the preceding paragraph.

(Implementation of the Operation of a Training Course by the Minister of Land, Infrastructure, Transport and Tourism)

Article 29 (1) The Minister of Land, Infrastructure, Transport and Tourism may personally conduct all or part of the operation of a training course if any of the

following items applies or if the Minister finds it necessary:

- (i) when there is no person to be registered;
  - (ii) when there has been a notification of suspension or discontinuation of all or part of the operation of a training course under the provisions of Article 23, paragraph (1), as applied *mutatis mutandis* pursuant to Article 25, paragraph (2);
  - (iii) when the Minister has revoked a registration pursuant to paragraph (1) or paragraph (2) of the preceding Article, or ordered the suspension of all or part of the operation of a training course pursuant to the provisions of the same paragraph;
  - (iv) when it has become difficult for the registered training course agency to implement all or part of the operation of a training course due to a natural disaster or any other reason.
- (2) If the Minister of Land, Infrastructure, Transport and Tourism intends to conduct the operation of a training course pursuant to the provisions of the preceding paragraph, or intends not to conduct the operation of a training course pursuant to the provisions of that paragraph, the Minister must issue a public notice to that effect in advance.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism has decided to conduct the operation of a training course pursuant to the provisions of paragraph (1), the succession of operation of a training course and other necessary matters are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Fees)

Article 30 A person who intends to participate in the training course conducted by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of paragraph (1) of the preceding Article must pay a fee to the National government, in an amount specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism in consideration of the actual cost as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

## **Chapter IV Housing Type Performance Certification**

### **Section 1 Housing Type Performance Certification**

(Housing Type Performance Certification)

Article 31 (1) Upon application, a person who has obtained a registration from the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Articles 44 through 46 (limited to a registration related to the category of business listed in Article 44, paragraph (2), item (i)) may conduct a

housing type performance certification (meaning to certify to the effect that the type of housing or a part of the housing is evaluated in accordance with the Evaluation Method Standards for the type specified by the Minister of Land, Infrastructure, Transport and Tourism, and the relevant type is endowed with the performance based on the Japanese Housing Performance Labeling Standards; in cases where a person who has obtained the relevant registration conducts the certification in an office located in a foreign country; limited to a certification based on an application filed by a person who operates a business in the foreign country; the same applies below).

- (2) The procedures for the application referred to in the preceding paragraph and other necessary matters concerning the housing type performance certification, are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) When a person registered under paragraph (1) grants a housing type performance certification, the person must issue a public notice to that effect pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Special Provisions for Housing Performance Evaluation Related to the Type given the Housing Type Performance Certification)

Article 32 In the housing performance evaluation, a house or a part of the house that conforms to the type for which the housing type performance certification has been granted, is deemed to have the performance certified by the relevant housing type performance certification.

(Certification for Manufacturer of a Type of House Part)

- Article 33 (1) Upon application, a person who has obtained registration from the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Articles 44 through 46 (limited to the registration related to the category of business listed in Article 44, paragraph (2), item (ii)) may grant certification for a person who manufactures or newly constructs (referred to below simply as "manufacturing" in this Section) a standardized type of house part, etc, or the house specified by the Minister of Land, Infrastructure, Transport and Tourism (referred to below as "type of house part, etc." in this Section) as a manufacturer of the relevant type of house part, etc. (if the person who has obtained the relevant registration conducts the certification in an office located in a foreign country, limited to certification based on an application filed by a person who operates a business in a foreign country).
- (2) A person who intends to file the application stated in the preceding paragraph must submit an application form stating the matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, pursuant to the

provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, and implement this.

- (3) When a person who has obtained the registration referred to in paragraph (1) has granted the certification referred to in that paragraph, the person must issue a public notice to that effect pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Disqualification Provisions)

Article 34 A person who falls under any of the following items may not obtain the certification referred to in paragraph (1) of the preceding Article:

- (i) a person that has been sentenced pursuant to the provisions of this Act, if two years have not yet passed since the day on which the person finished serving that sentence or ceased to be subject to its enforcement;
- (ii) a person that has been prohibited from affixing a mark pursuant to the provisions of Article 43, paragraph (1) or (2), if two years have not passed since the day on which the person became subject to the prohibition;
- (iii) a person whose certification as referred to in paragraph (1) of the preceding Article has ceased to be effective pursuant to the provisions of Article 53, paragraph (3), if two years have not yet passed since the date of the public notice under the provisions of Article 53, paragraph (3);
- (iv) a corporation for which any of its officers falls under any of the preceding three items.

(Standards for Certification)

Article 35 If a person who has obtained the registration referred to in Article 33, paragraph (1) finds that the application referred to in that paragraph conforms to the following standards, the person must grant the certification referred to in that paragraph:

- (i) the type related to the application of the type of house part, etc. has obtained the housing type performance certification;
- (ii) the manufacturing facilities, inspection facilities, inspection methods, quality control methods, and other technical production conditions necessary to maintain the qualities of the type of house part, etc. related to the application, are found to conform to the technical standards specified by the Minister of Land, Infrastructure, Transport and Tourism.

(Renewal of Certification)

Article 36 (1) The certification referred to in Article 33, paragraph (1) ceases to be effective upon the expiration of a period of not less than five years but not more than ten years to be specified by Cabinet Order, unless it is renewed by the end of every such period.

- (2) The provisions of Article 33, paragraph (2) and the preceding two Articles apply mutatis mutandis to the renewal of the certification referred to in the preceding paragraph.

(Succession)

Article 37 When a person who has obtained the certification referred to in Article 33, paragraph (1) (referred to below as "manufacturer of a certified type of house part, etc.") transfers the whole of the business of manufacturing of the type of house part, etc. related to the certification, or when inheritance, merger or split (limited to those cases in which the whole of the business of manufacturing of the type of house part related to the certification is succeeded to) has occurred with respect to the manufacturer of a certified type of house part, etc., the transferee of the whole of the business, or the heir, the corporation surviving after the merger or the corporation newly established upon the merger or the corporation who has succeeded to the whole of the business upon the split succeeds to the status of the manufacturer of a certified type of house part, etc.; provided, however, that this does not apply if the transferee of the whole of the business, or the heir, the corporation surviving after the merger or the corporation newly established upon the merger, or the corporation who has succeeded to the whole of the business upon the split falls under any of the items of Article 34.

(Obligation of Type Compliance)

Article 38 (1) A manufacturer of a certified type of house part, etc. must, in manufacturing of the type of house part, etc. related to the certification, ensure that the relevant type of house part, etc. conforms to the type related to the certification; provided, however, that this does not apply to the case where the relevant type of house part, etc. is manufactured in Japan for the purpose of export to a foreign country, the case where the relevant type of house part, etc. is manufactured on a pilot production basis, or any other case specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) A manufacturer of a certified type of house part, etc. must inspect the type of house part, etc. related to the relevant certification to be manufactured pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, and must prepare and keep the inspection records.

(Special Marks)

Article 39 (1) When a manufacturer of a certified type of house part, etc. has manufactured the type of house part, etc. related to the certification, the manufacturer may affix a special mark in accordance with the method specified by the Order of the Ministry of Land, Infrastructure, Transport and Tourism to

indicate that the relevant type of house part, etc. is the type of house part, etc. manufactured by a manufacturer of a certified type of house part, etc.; provided, however, that this does not apply if the manufacturer of a certified type of house part, etc. is prohibited from affixing the mark pursuant to the provisions of Article 43, paragraph (1) or (2).

- (2) It is prohibited for any person to affix a mark as referred to in the preceding paragraph, or a mark that is confusingly similar to the mark to any part of a house or to a house, unless a mark as referred to in the preceding paragraph is affixed pursuant to the provisions of that paragraph.

(Special Provisions for Housing Performance Evaluation related to Certified Type of House Part)

- Article 40 (1) A certified type of house part, etc. manufactured by a manufacturer of a certified type of house part, etc. (referred to below as "certified type of house part, etc." in this Section) is deemed to conform to the certified type, in the housing performance evaluation for the designed house.
- (2) A certified type of house part, etc. which is a part of a house and on which a mark referred to in paragraph (1) of the preceding Article is affixed and a certified type of house part, etc., which is a house for which the construction work of new construction has been confirmed by a construction supervisor who is an architect (meaning a person who conducts construction supervision as prescribed in Article 2, paragraph (8) of the Act on Architects and Building Engineers) as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism to have been carried out in accordance with the design drawings and documents (meaning the design drawings and documents prescribed in Article 2, paragraph (6) of the same Act) is deemed to conform to the certified type in the housing performance evaluation of the constructed house.

(Expiration of Certification)

- Article 41 The certification referred to in Article 33, paragraph (1) ceases to be effective when the housing type performance certification related to the certification ceases to be effective pursuant to the provisions of Article 53, paragraph (2).

(Reports, Inspections)

- Article 42 (1) To the extent necessary for the enforcement of the provisions of Article 37, Article 38, Article 39, paragraph (2), and paragraphs (1) and (2) of the following Article, the Minister of Land, Infrastructure, Transport and Tourism may request a manufacturer of a certified type of house part, etc. to make necessary reports on its business, or have its employees enter the

factories, business offices, administrative offices, warehouses or other workplaces of a manufacturer of a certified type of house part, etc., and inspect the manufacturing equipment or inspection equipment, books, documents or other items of the certified type of house part, etc., or question the persons concerned.

- (2) The employees who conducts an on-site inspection pursuant to the provisions of the preceding paragraph must carry an identification card and present it to the relevant persons.
- (3) The authority under the provisions of paragraph (1) must not be construed as being granted for criminal investigation.

#### (Prohibition of Marks)

Article 43 (1) The Minister of Land, Infrastructure, Transport and Tourism may prohibit a manufacturer of a certified type of house part, etc. (excluding a manufacturer who manufactures a certified type of house part, etc. in a foreign country to be exported to Japan (referred to below as a "certified foreign manufacturer of a certified type of house part, etc. "); the same applies below in this paragraph) from affixing the mark referred to in Article 39, paragraph (1) on the certified type of house part, etc., for a specified period not exceeding two years, if the manufacturer falls under any of the following items:

- (i) when the manufacturing facilities, inspection facilities, inspection methods, quality control methods, or other technical production conditions necessary for maintaining the quality of the certified type of house part, etc. do not conform to the technical standards specified by the Minister of Land, Infrastructure, Transport and Tourism as referred to in Article 35, item (ii), and the minister finds it particularly necessary for protecting the interests of home buyers, etc.;
  - (ii) when the person has violated the provisions of Article 38 or Article 71, paragraph (2);
  - (iii) when the manufacturer of a certified type of house part, etc. has obtained certification by wrongful means.
- (2) The Minister of Land, Infrastructure, Transport and Tourism may prohibit a certified foreign manufacturer of a certified type of house part, etc. from affixing the mark referred to in Article 39, paragraph (1) on the certified type of house part, etc. for a period specified by the Minister of Health, Labour and Welfare not exceeding two years, if the certified foreign manufacturer of a certified type of house part, etc. falls under any of the following items:
- (i) when the certified foreign manufacturer of a certified type of house part, etc. falls under any of the items of the preceding paragraph;
  - (ii) if a person has failed to make a report under the provisions of paragraph (1) of the preceding Article or has made a false report;

- (iii) refusing, obstructing, or evading an inspection under the provisions of paragraph (1) of the preceding Article, or failing to answer or giving a false answer to a question under the provisions of that paragraph;
  - (iv) when the certified foreign manufacturer of a certified type of house part, etc. fails to bear the costs under the provisions of paragraph (4).
- (3) If the Minister of Land, Infrastructure, Transport and Tourism prohibits the certified foreign manufacturer of a certified type of house part, etc. from affixing a mark pursuant to the provisions of the preceding two paragraphs, the Minister must issue a public notice to that effect pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism. In this case, the provisions of Article 40 do not apply to the relevant certified type of house part, etc.
- (4) The expenses required for the inspection of the certified foreign manufacturer of the certified type of house part, etc. pursuant to the provisions of paragraph (1) of the preceding Article (limited to those specified by Cabinet Order) are borne by the certified foreign manufacturer of a certified type of house part, etc.

## **Section 2 Registered Housing Type Performance Certification and Notice Agency**

### **(Registration)**

- Article 44 (1) The registration referred to in Article 31, paragraph (1) or Article 33, paragraph (1) (referred to below simply as "registration" in this Section) is made upon application by a person who intends to perform the operations of the housing type performance certification or public notice under the provisions of Article 31, paragraph (3) or certification referred to in Article 33, paragraph (1), public notice under the provisions of paragraph (3) of the same Article, and renewal of certification referred to in Article 36, paragraph (1) (referred to below as "certification and notice" in this Section), respectively.
- (2) The application referred to in the preceding paragraph must be filed in accordance with the classifications specified by the Minister of Land, Infrastructure, Transport and Tourism stated in each of the following business categories, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism:
- (i) the housing type performance certification and public notice under the provisions of Article 31, paragraph (3);
  - (ii) the certification referred to in Article 33, paragraph (1), the public notice under the provisions of paragraph (3) of that Article, and the renewal of the certification referred to in Article 36, paragraph (1).
- (3) The provisions of Article 10, paragraph (1) and Article 11 apply mutatis mutandis to registration, and the provisions of Article 10, paragraphs (2) and



(3), Article 12, Article 15, Article 18, Article 19, Article 22, and Article 23 apply mutatis mutandis to a person who has obtained registration (referred to below as a "registered housing type performance certification and notice agency"). In this case, the terms and phrases listed in the middle column of the following Table in the provisions listed in the left column of that Table are deemed to be replaced with the terms and phrases listed in the right column of that Table.

Article 10, paragraphs (1) and (2)	Paragraph (2), items (ii) of the preceding Article	Article 46, paragraph (2), item (ii)
Article 11, paragraph (2)	Articles 7 through 9	Article 44, paragraphs (1) and (2), Article 45, and Article 46
Proviso to Article 12, paragraph (1)	Items of Article 8	Items of Article 45
Article 15, Article 19, Article 22, paragraph (1), Article 23, paragraphs (1) and (2)	Operation of evaluation	Operation of certification and notice

(Disqualification Provisions)

Article 45 A person who falls under any of the following items may not be registered.

- (i) a person stated in Article 8, items (i) through (iii);
- (ii) a person whose registration has been revoked pursuant to the provisions of Article 55, paragraphs (1) through (3), if two years have not yet passed since the date of the revocation;
- (iii) a person specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as a person who is unable to properly engage in the operation of certification and notice due to a mental or physical disorder.
- (iv) a corporation for which any of its officers fall under any of the preceding three items.

(Criteria for Registration)

Article 46 (1) The Minister of Land, Infrastructure, Transport and Tourism must register a person who has applied for registration (referred to below as a "registration applicant" in this paragraph) if that person conforms to all of the following criteria:

- (i) certification approver under the following Article (limited to those who fall under any of item (i), (a) through (d) of the following Article in the case of seeking registration for the category of business stated in Article 44, paragraph (2), item (i), and those who fall under any of item (ii), (a) through (c) of the following Article in the case of seeking registration for the category

- of business stated in Article 44, paragraph (2), item (ii)) conduct operation of certification and notice , and the number of certification examiners is three or more;
- (ii) the registration applicant does not fall under any of the following as a region controlled by a housing-related provider:
    - (a) if the registration applicant is a stock company, a housing-related provider is its parent corporation;
    - (b) that more than half of the officers of the registration applicant (in the case of membership companies, members who execute the business) are officers or employees of a housing-related provider (including those who were officers or employees of the relevant housing-related provider in the past two years);
    - (c) a registration applicant (in the case of a corporation, its representative officer) is an officer or employee of a housing-related provider (including a person who was an officer or employee of the relevant housing-related provider in the past two years);
  - (iii) a full-time manager has been assigned to the section in charge of carrying out the operation of certification and notice in order to properly carry out the operations of certification and notice;
  - (iv) it is not in a state of insolvency.
- (2) The registration is to be made by entering the following matters in the registry of the registered housing type performance certification and notice agency:
- (i) the date of registration and registration number;
  - (ii) the name and address of the registered housing type performance certification and notice agency and, in the case of a corporation, the name of its representative;
  - (iii) the classification of registration;
  - (iv) the location of the office where the registered housing type performance certification and notice agency conducts the operation of certification and notice;
  - (v) the name of the certification approver referred to in the following Article;
  - (vi) beyond what is stated in the preceding items, the matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Certification Approver)

Article 47 A registered housing type performance certification and notice agency must appoint a certification approver from among the persons specified in the following items in accordance with the type of work listed in the respective items:

- (i) business specified in Article 44, paragraph (2), item (i): a person who falls

under any of the following (a) through (d):

- (a) a person who is serving or served as a professor or associate professor in charge of architecture, mechanical engineering, electrical engineering or health engineering at a university under the School Education Act (Act No. 26 of 1947);
- (b) a person who has 10 years or more of experience of being engaged in test and research at a test and research institute in a field related to architecture, machinery, electricity, or health;
- (c) a 1st-class architect who has five or more years of practical experience as an appraiser in housing performance evaluation for the housing stated in Article 7, paragraph (2), item (i);
- (d) a person who has the knowledge and experience equivalent to or greater than the persons stated in (a) through (c);
- (ii) operations listed in Article 44, paragraph (2), item (ii): a person who falls under any of the following (a) through (c):
  - (a) a person that falls under either (a) or (b) of the preceding item;
  - (b) a person who has at least five years' practical experience as a manager of the section in charge of manufacturing, inspection or quality control services for building materials or parts of buildings (limited to those conducted in a factory or any other similar place);
  - (c) a person who has knowledge and experience equal to or greater than the persons stated in (a) or (b).

#### (Duty of Confidentiality)

Article 48 It is prohibited for a registered housing type performance certification and notice agency (excluding one that conducts certification and notice at an office located in a foreign country (referred to below as a "registered foreign housing type performance certification and notice agency")) (or, if that person is a corporation, its officer), its employee (including certification approver), or a person that used to be one of these persons, to divulge any secret learned in the course of certification and notice, or use it for the person's own interest.

#### (Operational Rules of Certification and Notice)

Article 49 (1) A registered housing type performance certification and notice agency must establish the rules concerning the operation of certification and notice (referred to below as the "operational rules of certification and notice" in this Section) and notify the Minister of Land, Infrastructure, Transport and Tourism of the rules before commencing the operation of certification and notice. The same applies when it intends to change this.

(2) The operational rules of certification and notice must provide for the method of implementing operation of certification and notice, fees for operation of

certification and notice, and other matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (3) If the Minister of Land, Infrastructure, Transport and Tourism finds that the operational rules of certification and notice notified under the provisions of paragraph (1) are, or have become inappropriate for conducting the operation of certification and notice fairly and properly, in accordance with the provisions of this Chapter, the Minister may order a registered housing type performance certification and notice agency (excluding a registered foreign housing type performance certification and notice agency) to change its operational rules of certification and notice.

(Order to Comply)

Article 50 When the Minister of Land, Infrastructure, Transport and Tourism finds that a registered housing type performance certification and notice agency (excluding a registered foreign housing type performance certification and notice agency) has become noncompliant with any of the items of Article 46, paragraph (1), the Minister may order the registered housing type performance certification and notice agency to take necessary measures to comply with those provisions.

(Order for Improvement)

Article 51 When the Minister of Land, Infrastructure, Transport and Tourism finds that a registered housing type performance certification and notice agency (excluding a registered foreign housing type performance certification and notice agency) violates the provisions of Article 15 as applied *mutatis mutandis* pursuant to Article 44, paragraph (3), the Minister may order the registered housing type performance certification and notice agency to conduct the operation of certification and notice, or take necessary measures to improve the method of operation of certification and notice or other operation methods.

(*Mutatis Mutandis* Application to Registered Foreign Housing Type Performance Certification and Notice Agency)

Article 52 The provisions of Article 49, paragraph (3) and the preceding two Articles apply *mutatis mutandis* to the registered foreign housing type performance certification and notice agency. In this case, the term "order" in these provisions is deemed to be replaced with "request".

(Report to the Minister of Land, Infrastructure, Transport and Tourism)

Article 53 (1) When a registered housing type performance certification and notice agency conducts the housing type performance certification or a certification referred to in Article 33, paragraph (1) or renews a certification

referred to in Article 36, paragraph (1), it must report to the Minister of Land, Infrastructure, Transport and Tourism as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) If the Minister of Land, Infrastructure, Transport and Tourism finds that the type for which the housing type performance certification has been granted does not fulfill the function to be indicated in accordance with the Japanese Housing Performance Labeling Standards, the Minister must notify the applicants for the housing type performance certification and the registered housing type performance certification and notice agency that conducted the housing type performance certification to that effect and issue a public notice, as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism. In this case, the relevant housing type performance certification ceases to be effective.
- (3) If a manufacturer of a certified type of house part, etc. has come to fall under Article 34, item (i) or item (iv), as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism, the Minister of Land, Infrastructure, Transport and Tourism must notify the manufacturer of a certified type of house part, etc. and the registered housing type performance certification and notice agency that issued the certification to that effect and make a public notification of this. In this case, the relevant certification ceases to be effective.

(Application for Certification and Notice and Order of the Minister of Land, Infrastructure, Transport and Tourism)

- Article 54 (1) Regarding a person who manufactures a type or a type of house part, etc. related to the application, when the registered housing type performance certification and notice agency (excluding the registered foreign housing type performance certification and notice agency; the same applies below in this paragraph and the following paragraph) does not conduct the operation of certification and notice, or when a person who has applied for the housing type performance certification or the certification referred to in Article 33, paragraph (1) has objections to the results of the certification and notice conducted by the registered housing type performance certification and notice agency, the applicant may file an application with the Minister of Land, Infrastructure, Transport and Tourism that the Minister should order the registered housing type performance certification and notice agency to conduct the operation of certification and notice, or to re-conduct the operation of certification and notice.
- (2) If an application as referred to in the preceding paragraph has been filed and the Minister of Land, Infrastructure, Transport and Tourism finds that the registered housing type performance certification and notice agency related to the application violates the provisions of Article 15 as applied mutatis

mutandis pursuant to Article 44, paragraph (3), the Minister is to issue an order under the provisions of Article 51 to the registered housing type performance certification and notice agency.

- (3) In the case referred to in the preceding paragraph, when the Minister of Land, Infrastructure, Transport and Tourism has issued an order under the provisions of Article 51 or has decided not to issue an order, the Minister is to notify the person who filed the relevant application to that effect without delay.
- (4) The provisions of the preceding three paragraphs apply mutatis mutandis to the registered foreign housing type performance certification and notice agency. In this case, the term "should order" in paragraph (1) is deemed to be replaced with "should request," and the term "order" in the preceding two paragraphs is deemed to be replaced with "request".

#### (Revocation of Registration)

Article 55 (1) If a registered housing type performance certification and notice agency has come to fall under Article 45, item (i), item (iii) or item (iv), the Minister of Land, Infrastructure, Transport and Tourism must revoke its registration.

- (2) If a registered housing type performance certification and notice agency (excluding a registered foreign housing type performance certification and notice agency) falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its registration or order the suspension of all or part of the operation of certification and notice for a fixed period:
  - (i) when it violates the provisions of Article 10, paragraph (2) as applied mutatis mutandis pursuant to Article 44, paragraph (3); Article 12, paragraph (2); Article 18, paragraph (1); Article 19; Article 23, paragraph (1); Article 31, paragraph (3); Article 33, paragraph (3); Article 53, paragraph (1); or Article 71, paragraph (2);
  - (ii) when it has conducted the operation of certification and notice without complying with the operational rules of certification and notice, for which a notification was filed pursuant to the provisions of Article 49, paragraph (1);
  - (iii) when it has refused the request made under the items of Article 18, paragraph (2), as applied mutatis mutandis pursuant to Article 44, paragraph (3), without justifiable grounds;
  - (iv) when it has violated an order under the provisions of Article 49, paragraph (3), Article 50, or Article 51;
  - (v) when it engages in an extremely inappropriate act in connection with certification and the operation of certification and notice, or if the certification approver or, in the case of a corporation, its officer who engages in the operation of certification and notice engages in an extremely

- inappropriate act in connection with the operation of certification and notice;
- (vi) when it was registered by wrongful means.
- (3) when a registered foreign housing type performance certification and notice agency falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its registration:
- (i) when it falls under any of items (i) through (iii), (v) or (vi) of the preceding paragraph;
  - (ii) when it has failed to respond to a request made under the provisions of Article 49, paragraph (3), Article 50 or Article 51 as applied *mutatis mutandis* pursuant to Article 52;
  - (iii) in cases for which the Minister of Land, Infrastructure, Transport and Tourism finds that a registered foreign housing type performance certification and notice agency falls under any of the preceding two items and requests the suspension of the whole or part of the operation of certification and notice for a period specified by the Minister of Land, Infrastructure, Transport and Tourism, and the registered foreign housing type performance certification and notice agency fails to respond to the request;
  - (iv) failing to make a report under the provisions of Article 22, paragraph (1), as applied *mutatis mutandis* pursuant to Article 44, paragraph (3), or making a false report;
  - (v) refusing, obstructing, or evading an inspection under the provisions of Article 22, paragraph (1), as applied *mutatis mutandis* pursuant to Article 44, paragraph (3), or failing to answer or falsely answering a question under the provisions of that paragraph;
  - (vi) The registered foreign housing type performance certification and notice agency fails to bear the costs under the provisions of paragraph (5).
- (4) The provisions of Article 24, paragraph (3) apply *mutatis mutandis* to the revocation of a registration under the provisions of the preceding three paragraphs or the suspension of the operation of certification and notice under the provisions of paragraph (2).
- (5) The expenses required for the inspection of a registered foreign housing type performance certification and notice agency pursuant to the provisions of Article 22, paragraph (1) as applied *mutatis mutandis* pursuant to Article 44, paragraph (3) (limited to those specified by Cabinet Order) are borne by the relevant registered foreign housing type performance certification and notice agency.

(Implementation of the Operation of Certification and Notice by the Minister of Land, Infrastructure, Transport and Tourism)

Article 56 (1) If the case falls under any of the following items, or the Minister of Land, Infrastructure, Transport and Tourism finds it to be necessary for any

other reasons, the minister may personally perform all or part of the operation of certification and notice:

- (i) when there is no person to be registered;
  - (ii) when the registered housing type performance certification and notice agency (excluding the registered foreign housing type performance certification and notice agency; the same applies below in this paragraph) has notified the suspension or discontinuation of all or part of the operation of certification and notice pursuant to the provisions of Article 23, paragraph (1), as applied mutatis mutandis pursuant to Article 44, paragraph (3);
  - (iii) when the Minister of Land, Infrastructure, Transport and Tourism revokes a registration pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, or orders the suspension of all or part of the operation of certification and notice pursuant to the provisions of that paragraph;
  - (iv) when it has become difficult for the registered housing type performance certification and notice agency to conduct all or part of the operation of certification and notice due to a natural disaster or other reasons.
- (2) If the Minister of Land, Infrastructure, Transport and Tourism intends to engage in the operation of certification and notice pursuant to the provisions of the preceding paragraph, or to discontinue the operation of certification and notice that the Minister has been engaging in pursuant to the provisions of that paragraph, the Minister must issue, in advance, a public notice to this effect.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism has decided to conduct the operation of certification and notice pursuant to the provisions of paragraph (1), the succession of the operation of certification and notice and other necessary matters are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Fees)

Article 57 A person who intends to apply for certification and notice conducted by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of paragraph (1) of the preceding Article must pay a fee to the national government, in an amount specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism in consideration of the actual costs as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

## **Chapter V Special Evaluation Method Certification**

### **Section 1 Special Evaluation Method Certification**

(Special Evaluation Method Certification)



Article 58 (1) Upon application, The Minister of Land, Infrastructure, Transport and Tourism may grant special evaluation method certification (meaning certification of a method of evaluating the performance to be indicated in accordance with the Japanese Housing Performance Labeling Standards, in accordance with special building materials or structural methods, or by using special testing methods or calculation methods, in lieu of the method in accordance with the Evaluation Method Standards; the same applies below).

(2) A person who intends to file the application referred to in the preceding paragraph must file an application form stating the matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(3) If the Minister of Land, Infrastructure, Transport and Tourism grants special evaluation method certification or revokes special evaluation method certification, the Minister of Land, Infrastructure, Transport and Tourism must give public notice to that effect.

#### (Examination Test)

Article 59 (1) In conducting an examination for the special evaluation method certification, the Minister of Land, Infrastructure, Transport and Tourism is to conduct the examination based on tests, analyses, or measurements (simply referred to below as "test") concerning special building materials or structural methods, or special testing methods or calculation methods, which are conducted by a person registered by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Articles 61 through 63 (referred to below as the "registered testing agency") (if the registered testing agency conducts the test at an office located in a foreign country; limited to those based on an application filed by a person who operates a business in the foreign country).

(2) A person who intends to apply for special evaluation method certification must submit the written application referred to in paragraph (2) of the preceding Article together with certificates of the results of tests on special building materials or structural methods, or special testing methods or calculation methods related to the application, which have been prepared by a registered testing agency. In this case, the Minister of Land, Infrastructure, Transport and Tourism is to conduct the examination for the special evaluation method certification based on the certificates.

#### (Fees)

Article 60 A person who intends to apply for special evaluation method certification, must pay a fee to the national government in an amount specified

by Order of the Ministry of Land, Infrastructure, Transport and Tourism in consideration of the actual costs, as specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

## **Section 2 Registered Testing Agency**

(Registration)

- Article 61 (1) The registration referred to in Article 59, paragraph (1) (simply referred to below as the "registration" in this Section) is made upon application by a person who intends to conduct a test necessary for the examination for the special evaluation method certification.
- (2) The application referred to in the preceding paragraph must be filed in accordance with the categories specified by the Minister of Land, Infrastructure, Transport and Tourism, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) The provisions of Article 10, paragraph (1) and Article 11 apply mutatis mutandis to registration; the provisions of Article 10, paragraphs (2) and (3), Article 12, Article 15, Article 18, Article 19, Article 22, Article 23, Articles 48 through 51, Article 54, paragraphs (1) through (3), and Article 56 apply mutatis mutandis to a registered testing agency; the provisions of Article 52 and Article 54, paragraph (4) apply mutatis mutandis to a registered testing agency that conducts testing at an office located in a foreign country (referred to below as a "registered foreign testing agency"); and the provisions of Article 57 apply mutatis mutandis to testing conducted by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provisions of Article 56, paragraph (1) as applied mutatis mutandis pursuant to this paragraph. In this case, the terms listed in the middle column of the following Table, found in the provisions listed in the left column of that Table, are deemed to be replaced with the terms listed in the right column of that Table.

Article 10, paragraphs (1) and (2)	Paragraph (2), item (ii) of the preceding Article	Article 63, paragraph (2), item (ii)
Article 11, paragraph (2)	Articles 7 through 9	Article 61, paragraphs (1) and (2), Article 62, and Article 63
Proviso to Article 12, paragraph (1)	Items of Article 8	Items of Article 62

Article 15, Article 19, Article 22, paragraph (1), Article 23, paragraphs (1) and (2)	Operation of evaluation	Operation of testing
Article 48, Article 49, Article 51, Article 54, paragraph (1), Article 56, Article 57	Certification and notice	Testing
Article 48, Article 49, paragraph (3), Article 50, Article 51, Article 54, paragraph (1), Article 56, paragraph (1), item (ii)	Registered foreign housing type performance certification and notification agency	Registered foreign testing agency
Article 48	Certification approver	Examiner under Article 64
Article 49	Operational rules of certification and notice	Operational rules of testing
Article 50	Each item of Article 46, paragraph (1)	Each item of Article 63, paragraph (1)
Article 51, Article 54, paragraph (2), Article 56, paragraph (1), item (ii)	Article 44, paragraph (3)	Article 61, paragraph (3)
Article 54, paragraph (1)	Housing type performance certification or the certification referred to in Article 33, paragraph (1)	Test necessary for the examination for the special evaluation method certification
	A person who manufactures a type or a type of house part, etc.	Special building materials or structural methods, or special testing methods or calculation methods
Article 56, paragraph (1), item (iii)	Paragraph (1) of the preceding Article	Article 65, paragraph (1)

(Disqualification Provisions)

Article 62 A person who falls under any of the following items may not be registered.

- (i) a person stated in Article 8, items (i) through (iii);
- (ii) a person whose registration has been revoked pursuant to the provisions of Article 65, paragraphs (1) through (3), if two years have not yet passed since

- the date of revocation;
- (iii) a person who is specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as a person who is unable to properly perform the operation of testing due to a mental or physical disorder.
- (iv) a corporation for which any of its officers falls under any of the preceding three items.

(Criteria for Registration)

Article 63 (1) The Minister of Land, Infrastructure, Transport and Tourism must register a person who has applied for registration (referred to below as a "registration applicant" in this paragraph) if that person conforms to all of the following criteria:

- (i) the test is conducted by examiners referred to in the following Article, and the number of examiners is three or more;
  - (ii) the registration applicant does not fall under any of the following sub-items as a person controlled by a housing-related provider:
    - (a) if the registration applicant is a stock company, a housing-related provider is its parent corporation;
    - (b) that more than half of the officers of the registration applicant (in the case of membership companies, members who conduct the business) are officers or employees of a housing-related provider (including those who were officers or employees of the relevant housing-related provider in the past two years);
    - (c) a registration applicant (in the case of a corporation, its representative officer) is an officer or employee of a housing-related provider (including a person who was an officer or employee of the relevant housing-related business operator in the past two years);
  - (iii) a full-time manager has been assigned to the section in charge of the operation of testing in order to properly conduct the operation of testing;
  - (iv) it is not in a state of insolvency.
- (2) The registration is to be made, with the following matters stated in the registry of the registered testing agency:
- (i) the date of registration and registration number;
  - (ii) the name and address of the registered testing agency, and in the case of a corporation, the name of its representative;
  - (iii) the classification of registration;
  - (iv) the location of the office where the registered testing agency will conduct the operation of testing;
  - (v) the names of examiners referred to in the following Article.
  - (vi) beyond what is stated in the preceding items, the matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Examiners)

Article 64 A registered testing agency must appoint examiners from among the following persons:

- (i) a person who is serving or served as a professor or associate professor in charge of architecture, mechanical engineering, electrical engineering or health engineering at a university under the School Education Act;
- (ii) a person who has 10 years or more of experience of being engaged in test and research operations at a test and research institute in a field related to architecture, machinery, electricity, or health;
- (iii) a person who has the knowledge and experience equivalent to or greater than the persons stated in the preceding two items.

(Revocation of Registration)

Article 65 (1) If a registered testing agency falls under Article 62, item (i), item (iii), or item (iv), the Minister of Land, Infrastructure, Transport and Tourism must revoke its registration.

(2) If a registered testing agency (excluding a registered foreign testing agency) falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke the registration, or order the registered testing agency to suspend all or part of the operation of testing for a fixed period:

- (i) when it violates the provisions of Article 10, paragraph (2) as applied mutatis mutandis pursuant to Article 61, paragraph (3); Article 12, paragraph (2); Article 18, paragraph (1); Article 19; Article 23, paragraph (1); or Article 71, paragraph (2);
- (ii) when it has conducted a test without complying with the operational rules of testing for which a notification was submitted pursuant to the provisions of Article 49, paragraph (1), as applied mutatis mutandis pursuant to Article 61, paragraph (3);
- (iii) where it has refused the request made under the items of Article 18, paragraph (2) as applied mutatis mutandis pursuant to Article 61, paragraph (3), without justifiable grounds;
- (iv) when it violates an order under the provisions of Article 49, paragraph (3), Article 50, or Article 51 as applied mutatis mutandis pursuant to Article 61, paragraph (3);
- (v) when it has committed an extremely inappropriate act in relation to the operation of testing, or the examiner or, in the case of a corporation, its officer who is engaged in the operation of testing has committed an extremely inappropriate act in relation to the operation of testing;
- (vi) when it was registered by wrongful means.

- (3) If a registered foreign testing agency falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its registration:
- (i) when it falls under any of items (i) through (iii), (v), or (vi) of the preceding paragraph;
  - (ii) when it has failed to respond to a request made under the provisions of Article 49, paragraph (3), Article 50 or Article 51 as applied *mutatis mutandis* pursuant to Article 52 as applied *mutatis mutandis* pursuant to Article 61, paragraph (3);
  - (iii) if the Minister of Land, Infrastructure, Transport and Tourism finds that a registered foreign testing agency falls under any of the preceding two items and requests to suspend all or part of its operation of testing for a fixed period of time, and it fails to respond to the request;
  - (iv) when the registered foreign testing agency has failed to make a report under the provisions of Article 22, paragraph (1) as applied *mutatis mutandis* pursuant to Article 61, paragraph (3), or has made a false report;
  - (v) refusing, obstructing, or evading an inspection under the provisions of Article 22, paragraph (1), as applied *mutatis mutandis* pursuant to Article 61, paragraph (3), or failing to answer or falsely answering a question under the provisions of that paragraph;
  - (vi) The registered foreign testing agency fails to bear the costs under the provisions of paragraph (5).
- (4) The provisions of Article 24, paragraph (3) apply *mutatis mutandis* to the revocation of registration pursuant to the provisions of the preceding three paragraphs, or suspension of the operation of testing pursuant to the provisions of paragraph (2).
- (5) The expenses required for the inspection of a registered foreign testing agency under Article 22, paragraph (1) as applied *mutatis mutandis* pursuant to Article 61, paragraph (3) (limited to those specified by Cabinet Order) are borne by the relevant registered foreign testing agency.

## **Chapter VI System for Handling Disputes Concerning Housing**

### **Section 1 Designated Housing Dispute Resolution Agency**

(Designation of a Designated Housing Dispute Resolution Agency)

Article 66 (1) At the application of a bar association, general incorporated association, or general incorporated foundation that is found to be able to fairly and properly perform the services prescribed in paragraph (1) of the following Article (referred to below as "operation of dispute resolution" in this Chapter), the Minister of Land, Infrastructure, Transport and Tourism may designate that corporation as a person that performs the operation of dispute resolution.

- (2) Having made a designation under the provisions of the preceding paragraph (simply referred to below as a "designation" in this Section), the Minister of Land, Infrastructure, Transport and Tourism must issue a public notice of the name and address of the person that has obtained the designation (referred to below as the "designated housing dispute resolution agency") and the location of the office where it will carry out the operation of dispute resolution.
- (3) The provisions of Article 10, paragraphs (2) and (3) and Article 23 apply mutatis mutandis to a designated housing dispute resolution agency. In this case, the term "the matters stated in paragraph (2), item (ii) or items (iv) through (vi) of the preceding Article" in Article 10, paragraph (2) is deemed to be replaced with "its name or address or the location of the office where the operation of dispute resolution is carried out," the term "operation of evaluation" in Article 23, paragraphs (1) and (2) is deemed to be replaced with "operation of dispute resolution," and the term "registration" in the same paragraph is deemed to be replaced with "designation".
- (4) A designated housing dispute resolution agency, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, must post a notice indicating that it is a designated housing dispute resolution agency at its office in a manner readily recognizable by the public, and must make this available for public inspection through automatic public transmission conducted by connecting to a telecommunications line.
- (5) If a person that has made a notification seeking to discontinue all of its operation of dispute resolution pursuant to the provisions of Article 23, paragraph (1), as applied mutatis mutandis pursuant to paragraph (3) following the deemed replacement of terms has been engaging in the operations of mediation or conciliation for a dispute provided for in paragraph (1) of the following Article as of the date of the notification, the person must notify the parties to the dispute in connection with the mediation or conciliation that it has made the notification and that the designation has ceased to be effective pursuant to the provisions of Article 23, paragraph (2) as applied mutatis mutandis pursuant to paragraph (3) following the deemed replacement of terms, within two weeks from the date of the notification.

#### (Operations)

Article 67 (1) A designated housing dispute resolution agency is to provide operations of mediation, conciliation, and arbitration (referred to below as "housing dispute resolution" in this Chapter) for a dispute concerning a contract for construction work or a sales contract (referred to below as "dispute" in this Section) for housing for which a construction housing performance evaluation report has been issued (referred to below as "evaluated housing" in this Chapter), in response to an application from either or both of

the parties to the dispute.

- (2) The procedures for the application referred to in the preceding paragraph are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Dispute Resolution Committee Members)

Article 68 (1) A designated housing dispute resolution agency must appoint at least the number of dispute resolution committee members specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, from among persons of the highest moral character and insight.

- (2) When a designated housing dispute resolution agency conducts housing dispute resolution, it must have a person that the head of the designated housing dispute resolution agency appoints for each case from among the dispute resolution committee members appointed pursuant to the provisions of the preceding paragraph implement the housing dispute resolution. In this case, the head of the designated housing dispute resolution agency must not appoint a dispute resolution committee member who has an interest in a party to the case or who otherwise has conditions that could hinder the fairness of housing dispute resolution, as a dispute resolution committee member for the case.
- (3) At least one of the dispute resolution committee members appointed pursuant to the provisions of the preceding paragraph must be an attorney.

(Duty of Confidentiality)

Article 69 (1) It is prohibited for the dispute resolution committee members and their officers, and employees of a designated housing dispute resolution agency, and a person that has held one of these positions, to divulge confidential information learned in the operation of dispute resolution, or to use that information for personal benefit.

- (2) Regarding the application of the Penal Code (Act No. 45 of 1907) and other penal provisions, a dispute resolution committee members and their officers, and employees of a designated housing dispute resolution agency engaged in the operation of dispute resolution are deemed to be employees engaged in public service pursuant to laws and regulations.

(Duty to Provide Operation of Dispute Resolution)

Article 70 When a designated housing dispute resolution agency is requested to provide the operation of dispute resolution, it must provide the operation of dispute resolution without delay, except when there are justifiable grounds for not doing so.



(Request for Explanation or Submission of Materials)

Article 71 (1) A designated housing dispute resolution agency may request a registered housing performance evaluation agency, a manufacturer of a certified type of house part, etc., a registered housing type performance certification and notice agency, or a registered testing agency (referred to as a "registered housing performance evaluation agency, etc." in the following paragraph) to provide a written or oral explanation, or submit materials to the extent necessary for the implementation of dispute resolution services, via a person who has been designated pursuant to the provisions of Article 82, paragraph (1).

(2) If a request under the preceding paragraph has been made, a registered housing performance evaluation agency, etc. must not refuse the request without justifiable grounds.

(Non-disclosure of Procedures for Housing Dispute Resolution)

Article 72 The procedures for housing dispute resolution carried out by a designated housing dispute resolution agency are not open to the public; provided, however, that the designated housing dispute resolution agency may permit a person whom it considers to be appropriate to observe.

(Application Fee)

Article 73 (1) A person who files an application for housing dispute resolution, as provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism, must pay an application fee to the designated housing dispute resolution agency in an amount specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism within an amount not exceeding the actual costs.

(2) The application fee paid to the designated housing dispute resolution agency pursuant to the provisions of the preceding paragraph is the income of the designated housing dispute resolution agency.

(Postponement of Expiry of Prescription)

Article 73-2 (1) For cases in which a dispute related to mediation or conciliation has been discontinued by a designated housing dispute resolution agency on the grounds that there is no prospect of the dispute being resolved through mediation or conciliation, when the party to the dispute that filed the application for mediation or conciliation files an action on the claim that was the subject matter of the mediation or conciliation within one month from the day on which the party received the notice to that effect, with regard to the postponement of expiry of prescription period, the action is deemed to have been filed at the time of the application for mediation or conciliation.

- (2) The provisions of the preceding paragraph also apply if a designation ceases to be effective pursuant to the provisions of Article 23, paragraph (2), as applied *mutatis mutandis* pursuant to Article 66, paragraph (3) following the deemed replacement of terms and there is a dispute for which mediation or conciliation was being implemented on the day on which the designation ceased to be effective, and the party to the dispute that filed the application for the mediation or conciliation files an action on the claim that was the subject of the mediation or conciliation within one month from the day on which the party received the notice under the provisions of Article 66, paragraph (5), or within one month from the day on which the party came to know that the designation ceased to be effective, whichever comes earlier.
- (3) The provisions of paragraph (1) also apply if a designation has been revoked pursuant to the provisions of Article 80, paragraph (1), and there is a dispute for which mediation or conciliation was being implemented on the day of the disposition of the revocation, and the party to the dispute that filed the application for the mediation or conciliation files an action on the claim that was the subject of the mediation or conciliation within one month from the day on which the party received the notice under the provisions of paragraph (3) of that Article or the day on which the party came to know of the disposition, whichever comes earlier.

(Suspension of Litigation Proceedings)

Article 73-3 (1) If litigation is pending regarding a dispute between the parties to the dispute, and if any of the grounds stated in the following items apply and the parties to the dispute file a joint petition, the court in charge of the case may decide to suspend litigation proceedings for a fixed period of no longer than four months:

- (i) regarding the relevant dispute, mediation or conciliation has been implemented by a designated housing dispute resolution agency between the parties to the relevant dispute;
  - (ii) in addition to the grounds stated in the preceding item, there is an agreement between the parties to the dispute to resolve the dispute through mediation or conciliation by a designated housing dispute resolution agency.
- (2) The court in charge of the case may revoke the decision referred to in the preceding paragraph at any time.
- (3) No appeal may be entered against a decision dismissing the petition referred to in paragraph (1) or a decision revoking the decision referred to in paragraph (1) pursuant to the provisions of the preceding paragraph.

(Technical Standards)

Article 74 The Minister of Land, Infrastructure, Transport and Tourism may

establish technical standards that are to serve as a reference for housing dispute resolution, in order to contribute to the prompt and appropriate resolution of disputes related to housing by a designated housing dispute resolution agency.

(Order to Apply for Designation of a Designated Housing Dispute Resolution Agency)

Article 75 If no application for the designation of a designated housing dispute resolution agency has been filed, or if the Minister of Land, Infrastructure, Transport and Tourism finds that the designated housing dispute resolution agency that has obtained the designation is not capable of performing the operation of dispute resolution appropriately and sufficiently on its own, the Minister may order the person designated pursuant to the provisions of Article 82, paragraph (1), to file an application for the designation of a designated housing dispute resolution agency.

(Business Plan)

Article 76 (1) A designated housing dispute resolution agency must prepare a business plan and an income and expenditure budget for the operation of dispute resolution each business year, and must submit them to the Minister of Land, Infrastructure, Transport and Tourism before the commencement of the relevant business year (in the business year to which the date of designation belongs, without delay after the designation). The same applies when the designated housing dispute resolution agency intends to change them.

(2) A designated housing dispute resolution agency must prepare a business report and statement of accounts for the operation of dispute resolution each business year and submit them to the Minister of Land, Infrastructure, Transport and Tourism within three months after the end of the relevant business year.

(Separate Accounting)

Article 77 Pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, a designated housing dispute resolution agency must separate the accounting for the operation of dispute resolution from the accounting for other operations.

(Collection of Reports)

Article 78 On finding it to be necessary to do so in order to ensure the proper management of operation of dispute resolution, the Minister of Land, Infrastructure, Transport and Tourism may request a designated housing dispute resolution agency to make the necessary reports on the operation of

dispute resolution.

(Operation Improvement Orders)

Article 79 If the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to improve the management of operation of dispute resolution, the Minister may order a designated housing dispute resolution agency to take measures necessary for the improvement.

(Revocation of Designation)

Article 80 (1) When a designated housing dispute resolution agency falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its designation or order the designated housing dispute resolution agency to suspend all or part of its operation of dispute resolution within a specified period:

- (i) if it violates the provisions of Article 10, paragraph (2) or Article 23, paragraph (1), Article 66, paragraph (4), Article 68, Article 70, Article 72, Article 76, or Article 77, as applied mutatis mutandis pursuant to Article 66, paragraph (3);
  - (ii) if it fails to make a report under the provisions of Article 78, or makes a false report;
  - (iii) if it violates an order under the provisions of the preceding Article or this paragraph;
  - (iv) if it is found to be unable to perform the operation of dispute resolution in a fair and appropriate manner;
  - (v) if it has obtained the designation by wrongful means.
- (2) Having revoked a designation or ordered the suspension of all or a part of the operation of dispute resolution pursuant to the provisions of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism must issue a public notice of this.
- (3) A person whose designation has been revoked pursuant to the provisions of paragraph (1) must, within two weeks from the date of the disposition, notify the parties to the dispute for which mediation or conciliation was being implemented on the date of the disposition, to the effect that the disposition was made.

(Delegation to Order of the Ministry of Land, Infrastructure, Transport and Tourism)

Article 81 Beyond what is provided for in this Act, necessary matters concerning the procedures for housing dispute resolution and the expenses required for the procedures are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

## Section 2 Housing Dispute Resolution Support Center

(Housing Dispute Resolution Support Center)

Article 82 (1) The Minister of Land, Infrastructure, Transport and Tourism may designate only one general incorporated foundation in Japan as the housing dispute resolution support center (referred to below as the "center"), at the application of a general incorporated foundation whose purpose is to support the operation of dispute resolution carried out by a designated housing dispute resolution agency or otherwise protect the interests of home buyers, etc. and to promote the prompt and proper resolution of disputes related to housing, which is found to conform to the following standards for the operations prescribed in paragraph (1) of the following Article (referred to below as "operation of support and other assistance" in this Section):

- (i) the applicant's plan for implementing the operation of support and other assistance which covers employees, method of implementing the operation of support and other assistance, and other matters, is appropriate for properly implementing the operation of support and other assistance.;
  - (ii) the applicant has a sufficient financial and technical basis to properly implement the plan for conducting the operation of support and other assistance stated in the preceding item;
  - (iii) the composition of its officers or employees is unlikely to hinder the fair implementation of the operation of support and other assistance;
  - (iv) if the applicant is engaged in operations other than the operation of support and other assistance, the applicant's engagement in those operations is unlikely to hinder the fair implementation of the operation of support and other assistance;
  - (v) beyond what is provided for in the preceding items, the corporation is capable of conducting the operation of support and other assistance in a fair and appropriate manner.
- (2) When the Minister of Land, Infrastructure, Transport and Tourism makes a designation under the provisions of the preceding paragraph (simply referred to below as a "designation" in this Section), the Minister must issue a public notice of the name and address of the center and the location of the office where the operation of support and other assistance are performed.
- (3) The provisions of Article 10, paragraphs (2) and (3), Article 19, Article 22, and Article 69 apply mutatis mutandis to the center. In this case, in the provisions stated in the left-hand column of the following Table, the terms stated in the middle column of that Table are deemed to be replaced with the terms stated respectively in the right-hand column of that Table.

Article 10, paragraph (2)	The matters stated in paragraph (2), items (ii) or items (iv) to (vi) of the preceding Article;	Its name or address, or the location of the office where the operation of support and other assistance are performed
Article 19, Article 22, paragraph (1)	Operation of evaluation	Operation of support and other assistance
Article 69	Dispute resolution committee members, and their officers	Officers
	Operation of dispute resolution	Operation of support and other assistance

(Operations)

Article 83 (1) The center is to perform the following operations:

- (i) providing a designated housing dispute resolution agency with subsidies for the costs required for implementing of the operation of dispute resolution;
  - (ii) collecting and organizing information and materials on housing dispute resolution and providing them to the designated housing dispute resolution agency;
  - (iii) carrying out investigations and research on housing dispute resolution;
  - (iv) providing training to dispute resolution committee members of a designated housing dispute resolution agency or their employees;
  - (v) liaising and coordinating with respect to the operation of dispute resolution provided by the designated housing dispute resolution agency;
  - (vi) providing consultation, advice, and handling of complaints related to contracts for construction work, or sales contracts for evaluated housing;
  - (vii) providing consultation, advice, and handling of complaints related to contracts for construction work or sales contracts for housing other than evaluated housing subject to assessment;
  - (viii) carrying out investigations and research on the prevention of housing defects;
  - (ix) beyond what is stated in the preceding items, to conduct operations necessary for the protection of the interests of home buyers, etc., and the prompt and proper resolution of disputes related to housing.
- (2) The procedures, standards and any other necessary matters concerning the subsidies for expenses prescribed in item (i) of the preceding paragraph are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Rules for Operation of Support and Other Assistance.)

Article 84 (1) The center must establish rules concerning the operation of support and other assistance. (referred to below as the "rules for operation of

support and other assistance" in this Section) and obtain approval from the Minister of Land, Infrastructure, Transport and Tourism before commencing the operation of support and other assistance. The same applies when the center intends to change the rules for operation of support and other assistance.

- (2) The rules for operation of support and other assistance must provide for the means of implementing the operation of support and other assistance and other matters specified by the Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (3) If the Minister of Land, Infrastructure, Transport and Tourism finds that the rules for operation of support and other assistance approved under paragraph (1) have become inappropriate for conducting the operation of support and other assistance fairly and properly in accordance with the provisions of this Section, the Minister may order the approved the rules for operation of support and other assistance to be changed.

#### (Appointment and Dismissal of Officers)

Article 85 (1) The appointment and dismissal of officers engaged in the center's operation of support and other assistance do not become effective without the approval of the Minister of Land, Infrastructure, Transport and Tourism.

- (2) The Minister of Land, Infrastructure, Transport and Tourism may order the center to dismiss an officer engaged in the center's operation of support and other assistance, if the officer violates the rules for operation of support and other assistance approved under paragraph (1) of the preceding Article, commits an extremely inappropriate act in relation to the center's operation of support and other assistance, or if the center no longer conforms to the standards listed in Article 82, paragraph (1), item (iii) due to the officer's continuation in office.

#### (Business Plan)

Article 86 (1) The center must prepare a business plan and an income and expenditure budget for operation of support and other assistance each business year, and must obtain the approval of the Minister of Land, Infrastructure, Transport and Tourism before the commencement of the relevant business year (if in the business year to which the date of designation belongs, without delay after the designation). The same applies when the center intends to change the business plan and budget.

- (2) The center must prepare a business report and an income and expenditure statement related to the operation of support and other assistance for each business year and submit them to the Minister of Land, Infrastructure, Transport and Tourism within three months after the end of the relevant business year.

(Collection of Contributions)

Article 87 (1) The center may collect contributions from a registered housing performance evaluation agency in order to allocate them to the expenses necessary for conducting the operations stated in Article 83, paragraph (1), items (i) through (vi) (referred to below as "operations related to housing subject to evaluation" in this Section).

(2) Each business year, the center must obtain the approval of the Minister of Land, Infrastructure, Transport and Tourism with regard to the amount and method of collection of the contributions referred to in the preceding paragraph.

(3) Having obtained the approval referred to in the preceding paragraph, the center must notify the registered housing performance evaluation agency of the amount, due date, and method of payment of the dues.

(4) A registered housing performance evaluation agency must pay dues to the center in accordance with the notice referred to in the preceding paragraph.

(Separate Accounting)

Article 88 Pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism, the center must separate the accounting for operations related to housing subject to evaluation from the accounting for other operations.

(Supervision Orders)

Article 89 If the Minister of Land, Infrastructure, Transport and Tourism finds it necessary to do so in order to ensure the fair and proper implementation of the operation of support and other assistance, the Minister may issue to the center an order necessary for the supervision of the operation of support and other assistance.

(Suspension or Abolition of Operation of Support and Other Assistance)

Article 90 (1) The Center must not suspend or discontinue all or part of the operation of support and other assistance without obtaining the permission of the Minister of Land, Infrastructure, Transport and Tourism.

(2) If the Minister of Land, Infrastructure, Transport and Tourism permits the discontinuation of all of the operation of support and other assistance pursuant to the provisions of the preceding paragraph, the designation related to the permission ceases to be effective.

(3) Having granted the permission referred to in paragraph (1), the Minister of Land, Infrastructure, Transport and Tourism must issue public notice of this.

(Revocation of Designation)



Article 91 (1) If the center falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism may revoke its designation or order the suspension of all or part of the operation of support and other assistance for a fixed period of time:

- (i) when the center violates the provisions of Article 10, paragraph (2) as applied *mutatis mutandis* pursuant to Article 82, paragraph (3); Article 19; Article 86; Article 88; or paragraph (1) of the preceding Article;
  - (ii) when the center has conducted the operation of support and other assistance not in accordance with the rules for operation of support and other assistance approved under Article 84, paragraph (1);
  - (iii) when the center has violated an order under the provisions of Article 75, Article 84, paragraph (3), Article 85, paragraph (2), or Article 89;
  - (iv) when the center fails to obtain the authorization referred to in Article 87, paragraph (2), or collects dues in violation of the matters for which the person has obtained authorization;
  - (v) when it is found not to conform to the standards stated in the items of Article 82, paragraph (1);
  - (vi) when the center or its officer has committed an extremely inappropriate act in connection with the operation of support and other assistance;
  - (vii) when the center has obtained the designation by wrongful means.
- (2) If the Minister of Land, Infrastructure, Transport and Tourism has revoked a designation or ordered the suspension of all or part of the operation of support and other assistance pursuant to the provisions of the preceding paragraph, the Minister must issue a public notice to that effect.

(Transitional Measures when Designation is Revoked)

- Article 92 (1) If a designation is revoked pursuant to the provisions of paragraph (1) of the preceding Article and the Minister of Land, Infrastructure, Transport and Tourism newly designates a center after the revocation, the assets related to the operations related to housing subject to evaluation of the center related to the revocation belong to the newly designated center.
- (2) Beyond what is provided for in the preceding paragraph, the management of assets related to "operations related to housing subject to evaluation and other necessary transitional measures (including transitional measures concerning penal provisions) in the case of revocation of the designation pursuant to the provisions of paragraph (1) of the preceding Article are specified by Cabinet Order, to the extent considered reasonably necessary.

(Provision of Information to the Center)

Article 93 The Minister of Land, Infrastructure, Transport and Tourism is to provide the center with information and materials or with guidance and advice

necessary for the implementation of the operation of support and other assistance.

## **Chapter VII Warranty Against Defects**

(Warranty Against Defects of the Contractor for Construction Work of a Newly Constructed House.)

- Article 94 (1) Under a contract for construction work to construct a newly constructed house (referred to below as a "contract for construction work of a newly constructed house"), the contractor is liable to provide warranty for ten years from the time of the delivery to the orderer, concerning a defect (excluding those that have no impact on structural strength or entry of rainwater; the same applies in the following Article), of the main structural parts of the house or parts to prevent rainwater from penetrating, as specified by Cabinet Order (referred to as the "main structural parts of the house, etc." in the following Article), as prescribed in Article 415, Articles 541, and 542 of the Civil Act (Act No. 89 of 1896) and Articles 562 and 563, as applied *mutatis mutandis* pursuant to Article 559 of that Act
- (2) Any special provisions of a contract that run counter to the provisions of the preceding paragraph and that are disadvantageous to the orderer are void.
- (3) Regarding the application of the provisions of the Article 637 of the Civil Code in the case stated in paragraph (1), the term "prescribed in the main clause of the preceding Article" in paragraph (1) of the same Article is deemed to be replaced with "where the contractor has delivered the subject matter with the defect prescribed in Article 94, paragraph (1) of the Act on the Promotion of Housing Quality Assurance (Act No. 81 of 1999) to the orderer," and the term "non-conformity" in the same paragraph and paragraph (2) of the same Article is deemed to be replaced with "defect".

(Warranty Against Defects of the Seller of a Newly Constructed House)

- Article 95 (1) Under a sales contract for a newly constructed house, for a period of ten years from the time of the delivery to the buyer (in cases where the newly constructed house has been delivered from the contractor to the seller based on a contract for construction work of a newly constructed house, the time of the delivery), as provided for in Article 415, Article 541, Article 542, Articles 562 and 563 of the Civil Code, the seller is liable for the warranty of the main structural parts of the house, etc.
- (2) Any special provisions of a contract that run counter to the provisions of the preceding paragraph and that are disadvantageous to the buyer are void.
- (3) Regarding the application of the provisions of Article 566 of the Civil Code in a case as referred to in paragraph (1), the phrase "does not conform to the

terms of the contract with respect to the type or quality" in that Article is deemed to be replaced with "contains a defect prescribed in Article 95, paragraph (1) of the Act on the Promotion of Housing Quality Assurance (Act No. 81 of 1999)" and the phrase "the non-conformity" is deemed to be replaced with "the defect".

(Exclusion from Application of House for Temporary Use)

Article 96 The provisions of the preceding two Articles do not apply to a house that is clearly constructed for temporary use.

(Extension of the Period of Warranty Against Defects)

Article 97 For a contract for construction work of a newly constructed house or a sales contract for a newly constructed house, the period during which the contractor is to be liable for the warranty against defects prescribed in Article 94, paragraph 1 or other defects of the house prescribed in that paragraph, or the period during which the seller is to be liable for warranty against defects prescribed in Article 95, paragraph 1 or other defects of the house p, is to this period may be not more than 20 years from the time of delivery to the orderer or the buyer.

## **Chapter VIII Miscellaneous Provisions**

(Measures by the National and Local Governments)

Article 98 The national and local governments must endeavor to provide necessary information and materials and take other measures in order to promote the quality assurance of housing, protect the interests of home buyers, etc., and achieve the prompt and proper resolution of disputes related to housing.

(Provision of Materials to the Prime Minister)

Article 98-2 When the Prime Minister finds it necessary for protecting the interests of home buyers, etc. who are individuals concerning the labeling of the performance of housing, the Prime Minister may request the Minister of Land, Infrastructure, Transport and Tourism to provide materials, explanations and any other necessary cooperation.

(Delegation of Authority)

Article 99 (1) Part of the authority of the Minister of Land, Infrastructure, Transport and Tourism prescribed in this Act may be delegated to the directors of Regional Development Bureau or the director of Hokkaido Regional Development Bureau, pursuant to the provisions of Order of the Ministry of

Land, Infrastructure, Transport and Tourism.

- (2) The authority of the Prime Minister as prescribed in this Act (excluding what is specified by Cabinet Order) is delegated to the Commissioner of the Consumer Affairs Agency.

(Transitional Measures)

Article 100 In the case of 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 the order to the extent considered reasonably necessary for the enactment, revision or abolition.

## **Chapter IX Penal Provisions**

Article 101 (1) If a person who falls under any of the following items accepts, or solicits or promises to accept a bribe in connection with their duties, the person is punished by imprisonment for not more than three years. If the person commits a wrongful act or fails to act appropriately as a result, the person is punished by imprisonment for not more than seven years:

- (i) a registered housing performance evaluation agency (if that agency is a corporation, its officers) or its employees (including appraisers) who engage in the operations prescribed in Article 5, paragraph (1) (including the operations prescribed in Article 6-2, paragraph (3) or paragraph (4));
  - (ii) a registered housing type performance certification and notice agency (in the case where the agency is a corporation, its officers) or its employees (including certification approver) who engage in the business prescribed in Article 44, paragraph (1);
  - (iii) a registered testing agency (or its officers, if it is a corporation) or its employees (including examiners) who are engaged in the operations prescribed in Article 61, paragraph (1).
- (2) If a person who was any of the persons stated in the items of the preceding paragraph has accepted, or solicited or promised to accept a bribe for having acted illegally, or having refrained from acting in the exercise of their duty in response to a request, the person is punished by imprisonment for not more than three years.
- (3) When any one of the persons stated in the items of paragraph (1) has caused, or promised to cause a bribe to be given to a third party in response to a request in connection with their duties, the person is punished by imprisonment for not more than three years.
- (4) A bribe accepted by an offender or by a third party with knowledge of the circumstances is confiscated. If all or part of the bribe cannot be confiscated,

an equivalent value is collected.

- Article 102 (1) A person who gives, or offers or promises to give a bribe prescribed in paragraphs (1) through (3) of the preceding article is to be punished by imprisonment for not more than three years, or a fine of not more than one million yen.
- (2) When a person who has committed any of the crimes referred to in the preceding paragraph surrenders, the punishment may be reduced, or may be exempted from punishment.

- Article 103 A person who falls under any of the following items is punished by imprisonment for not more than one year or a fine of not more than one million yen:
- (i) a person who has violated the provisions of Article 4;
  - (ii) a person who has violated the provisions of Article 5, paragraph (3).

- Article 104 A person who falls under any of the following items is punished by imprisonment for not more than one year or a fine of not more than 500,000 yen:
- (i) a person who has, in violation of the provisions of Article 14, Article 48 (including the cases in which it is applied *mutatis mutandis* pursuant to Article 61, paragraph (3)) or Article 69, paragraph (1) (including the cases in which it is applied *mutatis mutandis* pursuant to Article 82, paragraph (3)), disclosed to another person or used for their own interest, any confidential information learned during the course of their duties;
  - (ii) a person who has violated an order of suspension of operation under the provisions of Article 24, paragraph (2), Article 28, paragraph (2), Article 55, paragraph (2), Article 65, paragraph (2) or Article 91, paragraph (1).

- Article 105 A person who falls under any of the following items is punished by a fine of not more than 500,000 yen:
- (i) a person who has, in violation of the provisions of Article 38, paragraph (2), failed to conduct an inspection, failed to prepare an inspection record, prepared a false inspection record, or failed to preserve an inspection record;
  - (ii) a person who has violated the provisions of Article 39, paragraph (2).

- Article 106 A person who falls under any of the following items is punished by a fine of not more than 300,000 yen:
- (i) a person who has, in violation of the provisions of Article 19, paragraph (1) (including the cases in which it is applied *mutatis mutandis* pursuant to Article 25, paragraph (2), Article 44, paragraph (3), Article 61, paragraph (3)

- or Article 82, paragraph (3)), failed to keep books, failed to state necessary matters in the books or made false statements in the books, or failed to preserve the books;
- (ii) a person that violates the provisions of Article 19, paragraph (2) (including as applied *mutatis mutandis* pursuant to Article 44, paragraph (3), Article 61, paragraph (3), or Article 82, paragraph (3));
  - (iii) a person that fails to make a report under Article 22, paragraph (1) (including as applied *mutatis mutandis* pursuant to Article 25, paragraph (2); Article 44, paragraph (3); Article 61, paragraph (3); or Article 82, paragraph (3); the same applies below in this Article) or Article 42, paragraph (1), or that makes a false report;
  - (iv) a person who has refused, obstructed, or evaded the inspection under the provisions of Article 22, paragraph (1) or Article 42, paragraph (1);
  - (v) a person who has failed to answer a question under the provisions of Article 22, paragraph (1) or Article 42, paragraph (1), or has made a false answer;
  - (vi) a person that discontinues all of its operations without filing a notification under Article 23, paragraph (1) (including as applied *mutatis mutandis* pursuant to Article 25, paragraph (2); Article 44, paragraph (3); or Article 61, paragraph (3)), or that files a false notification;
  - (vii) a person that fails to make a report under the provisions of Article 53, paragraph (1), or that makes a false report;
  - (viii) a person that discontinues all operations without obtaining permission under the provisions of Article 90, paragraph (1).

Article 107 If the representative of a corporation or the agent, employee, or other worker of a corporation or individual commits a violation referred to in Article 103 through the preceding Article in connection with the business of the corporation or individual, in addition to the offender being subject to punishment, the corporation or individual is subject to the fine referred to in the relevant Article.

Article 108 A person who falls under any of the following items is punished by a civil fine of not more than 200,000 yen:

- (i) a person failing to file a notification under the provisions of Article 12, paragraph (2) (including as applied *mutatis mutandis* pursuant to Article 25, paragraph (2); Article 44, paragraph (3); or Article 61, paragraph (3)), or filing a false notification;
- (ii) a person who has, in violation of the provisions of Article 18, paragraph (1) (including the cases in which it is applied *mutatis mutandis* pursuant to Article 25, paragraph (2), Article 44, paragraph (3) or Article 61, paragraph (3)), failed to keep financial statements, etc., failed to state the necessary

matters in the financial statements, etc. or made false statements, or refused the request made under the items of Article 18, paragraph (2) (including the cases in which it is applied *mutatis mutandis* pursuant to Article 25, paragraph (2), Article 44, paragraph (3) or Article 61, paragraph (3)) without justifiable grounds.