

Basic Act on Consumer Policies (Tentative translation)

(Act No. 78 of May 30, 1968)

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Supplementary Provisions

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to promote comprehensive initiatives relating to the protection and promotion of consumers' interests and to thereby ensure stabilization and improvement in the people's lives as consumers, by prescribing respect for consumers' rights, support for their self-reliance, and other fundamental principles, as well as by clarifying the responsibilities of the State, local governments, and businesses, and prescribing the particulars upon which these initiatives are based, in consideration of the discrepancy in the quality and quantity of information and in bargaining power between businesses and consumers.

(Fundamental Principles)

Article 2 (1) The relevant actors must promote comprehensive initiatives to protect and advance consumers' interests (hereinafter referred to as "consumer policies") based on satisfying the basic demands of the people in their lives as consumers; ensuring consumer safety within a healthy living environment; securing opportunities for consumers to make autonomous and rational choices about goods and services; providing consumers with the necessary information and opportunities for learning; and making consumer policies reflect the opinions of consumers; and also based on respecting the fact that consumers are entitled to proper and prompt relief in the event of damage and on supporting consumer self-reliance so that consumers are able to act autonomously and rationally to protect and advance their own interests.

(2) In supporting consumer self-reliance, the relevant actors must consider characteristics such as the age of the consumer, in addition to ensuring appropriate business activities by businesses in relation to matters such as

ensuring consumer safety.

- (3) The relevant actors must consider appropriate responses to the development of an advanced information and communication society in promoting consumer policies.
- (4) In light of the progressive internationalization of life as a consumer, the relevant actors must ensure international coordination in promoting consumer policies.
- (5) The relevant actors must make arrangements to protect the environment in promoting consumer policies.

(Responsibilities of the State)

Article 3 The State is responsible for responding quickly to economic and societal developments in promoting consumer policies based on respect for consumers' rights, support for their self-reliance, and other fundamental principles referred to in the preceding Article.

(Responsibilities of Local Governments)

Article 4 Local governments are responsible for promoting consumer policies that fit the social and economic conditions of their relevant regions, as well as for undertaking initiatives in line with those of the State, based on respect for consumers' rights, support for their self-reliance, and other fundamental principles referred to in Article 2.

(Responsibilities of Businesses; Related Matters)

Article 5 (1) A business is responsible for doing as follows as regards the goods or services it provides, in recognition of respect for consumers' rights, support for their self-reliance, and other fundamental principles referred to in Article 2:

- (i) to ensure consumer safety and fairness in its transactions with consumers;
 - (ii) to provide consumers with the necessary information clearly and simply;
 - (iii) to consider things such as the consumer's knowledge, experience, and financial status in its dealings with consumers;
 - (iv) to endeavor to establish the necessary systems to process complaints by consumers appropriately and promptly, and to appropriately process the relevant complaints;
 - (v) to cooperate with the consumer policies implemented by the State and local governments.
- (2) In addition to making arrangements to protect the environment in connection with the goods and services it provides, a business must endeavor to improve the quality of those goods and services and to gain the trust of consumers in ways such as preparing its own standards to observe in connection with its

business activities.

Article 6 A trade association, while respecting businesses' autonomous efforts, is to act independently to establish systems for processing complaints that arise between businesses and consumers, to support businesses in preparing their own standards to observe in connection with their business activities, and to otherwise gain the trust of consumers.

Article 7 (1) Consumers must endeavor to act independently and rationally in their lives as consumers by acquiring the necessary knowledge, by collecting the necessary information, and by taking other steps, on their own initiative.
(2) Consumers must endeavor to make arrangements to protect the environment and to properly safeguard things such as intellectual property rights in their lives as consumers.

Article 8 Consumer organizations are to apply themselves to collecting and providing information regarding life as a consumer, to expressing opinions, to consumer awareness-raising and education, to activities aimed at preventing and remedying damage to consumers, and to other sound and self-initiated activities aimed at stabilizing and improving consumers' lives as consumers.

(Basic Plan for Consumer Policies)

Article 9 (1) In order to systematically promote consumer policies, the national government must establish a basic plan for promoting consumer policies (hereinafter referred to as the "basic plan for consumer policies").

- (2) The basic plan for consumer policies must establish:
- (i) a broad outline for consumer policies that will be pursued on a long-term basis; and
 - (ii) the necessary particulars for systematically promoting consumer policies, beyond as set forth in the preceding item.
- (3) The Prime Minister must seek a cabinet decision affirming the draft basic plan for consumer policies.
- (4) The Prime Minister must publicize the basic plan for consumer policies without delay once the Cabinet has reached a decision under the preceding paragraph.
- (5) The preceding two paragraphs apply mutatis mutandis to the revision of the basic plan for consumer policies.

(Legislative and Fiscal Measures)

Article 10 (1) The State must undertake the necessary establishment and revision of related laws and regulations to achieve the purpose of this Act.

(2) The national government must take the necessary fiscal measures to achieve the purpose of this Act.

(Annual Reports)

Article 10-2 Every year, the national government must submit to the Diet a report on the status of the consumer policies that the national government has implemented.

Chapter II Basic Initiatives

(Ensuring Safety)

Article 11 The State is to undertake the necessary initiatives to ensure the safety of the people in their lives as consumers, such as preparing and ensuring the necessary standards for goods and services, facilitating businesses' recall of goods that could be detrimental to safety, and collecting and providing information on goods and services that could be detrimental to safety.

(Ensuring Propriety in Consumer Contracts)

Article 12 In order to ensure appropriate transactions between consumers and businesses, the State is to undertake the necessary initiatives, such as ensuring propriety in how businesses provide information and engage in solicitation when entering into contracts with consumers, and ensuring that the clauses of those contracts are fair.

(Ensuring the Propriety of How Things Are Measured)

Article 13 The State is to undertake the necessary initiatives to ensure that things are properly measured in connection with goods and services, so that consumers do not suffer a disadvantage as regards how things are measured in transactions between businesses and consumers.

(Ensuring the Propriety of Standards)

Article 14 (1) The State is to undertake the necessary initiatives to contribute to improvements in the quality of goods and rationalization in the people's lives as consumers, such as preparing the proper standards for goods and services and disseminating them.

(2) The preparation of standards under the preceding paragraph is to be undertaken in accordance with things such as technological progress and improvements in people's lives as consumers.

(Ensuring the Propriety of Advertisements and Other Representations)

Article 15 The State is to undertake the necessary initiatives, such as streamlining the systems for advertising and otherwise making representations as to the quality and other characteristics of goods and services and regulating false or misleading advertising and other representations, so that consumers do not err in their selections or make any comparable misstep when purchasing or using goods or availing themselves of services.

(Facilitating Fair and Free Competition)

Article 16 (1) The State is to undertake the necessary initiatives to facilitate fair and free competition in order to expand opportunities for consumers to make autonomous and rational choices concerning goods and services.

(2) If the formation of something such as the prices of goods and services that have a high degree of importance in the people's lives as consumers is decided to necessitate a decision, authorization, or other measures by the State, the State is to endeavor to sufficiently consider the impact on consumers in taking these measures.

(Promotion of Activities to Raise Consumer Awareness and Consumer Education)

Article 17 (1) The State is to undertake the necessary initiatives to support self-reliance by consumers, including the promotion of activities to raise consumer awareness in ways such as disseminating knowledge and providing information about life as a consumer; and also including the development of a replete education about life as a consumer through the schools and local regions, in people's homes, at their workplaces, and in a variety of other venues, in light of the universal call for consumers to have opportunities to learn about life as a consumer throughout their lifetimes.

(2) Local governments must endeavor to undertake initiatives that correspond to the State initiatives referred to in the preceding paragraph, based on the social and economic conditions of the local region.

(Reflecting Opinions and Ensuring Transparency)

Article 18 The State is to undertake the necessary initiatives to help promote appropriate consumer policies, including making those initiatives reflect opinions on life as a consumer held by consumers and others, and streamlining the systems for ensuring transparency in the mechanisms for formulating those initiatives.

(Facilitation of Complaint Processing and Dispute Resolution)

Article 19 (1) Local governments must endeavor to mediate in the processing of

complaints and to take other action so that complaints about goods and services arising between businesses and consumers are processed appropriately, promptly, and based on expert knowledge. In this, as well as mediating in the processing of complaints and taking other action with a primary focus on processing that necessitates high levels of expertise or consideration of points-of-view from a widespread area, the prefectural governments, in coordination with municipalities (and with special wards), must endeavor to respond flexibly and adaptively to diverse complaints.

- (2) The State and the prefectures must endeavor to secure human resources, to improve the credentials of their human resources, and to otherwise undertake the necessary initiatives (other than those prescribed in the preceding paragraph, with respect to the prefectures) so that complaints about goods and services arising between businesses and consumers are processed appropriately, promptly, and based on expert knowledge.
- (3) The State and the prefectures must endeavor to undertake the necessary initiatives so that disputes about goods and services arising between businesses and consumers are resolved appropriately, promptly, and based on expert knowledge.

(Responding Appropriately to the Development of an Advanced Information and Communications Society)

Article 20 In ensuring the propriety of transactions between businesses and consumers, in promoting activities to raise consumer awareness, in promoting consumer education, in facilitating complaint processing and dispute resolution, and in other activities, the State is to undertake the necessary initiatives to appropriately respond to the development of an advanced information communications society while considering characteristics such as the age of the consumer.

(Ensuring International Coordination)

Article 21 In ensuring safety in the people's lives as consumers, in ensuring propriety in transactions between businesses and consumers, in facilitating complaint processing and dispute resolution, and in other activities, the State is to undertake the necessary initiatives, including securing international cooperation, to appropriately respond to the progressive internationalization of life as a consumer.

(Making Arrangements to Protect the Environment)

Article 22 The State is to undertake the necessary initiatives to make arrangements for protecting the environment in ensuring things such as the propriety of advertisements and other representations of the quality and other

characteristics of goods and services, in promoting activities to raise consumer awareness, in promoting consumer education, and in other activities.

(Streamlining of Facilities for Testing, Inspection, and Other Activities)

Article 23 In order to ensure the effectiveness of consumer policies, the State is to undertake the necessary initiatives, including streamlining facilities that undertake activities such as the testing and inspection of goods; carrying out activities such as research and studies regarding services; and publishing the results of testing, inspections, research, studies, and other activities, as necessary.

Chapter III Administrative Organs; Related Matters

(Streamlining of Administrative Structures and Improvement of Administrative Operations)

Article 24 The State and local governments must endeavor to streamline administrative structures and improve administrative operations from a comprehensive viewpoint, with respect to the promotion of consumer policies.

(Role of the National Consumer Affairs Center)

Article 25 The National Consumer Affairs Center of Japan (IAA) is to coordinate with the relevant State and local government agencies, consumer organizations, and others, and play a proactive role as a core institution in activities such as the collection and provision of information on the people's lives as consumers; mediation in the processing of complaints arising between businesses and consumers; the offering of consultations with regard to the relevant complaints; the resolution by agreement of disputes arising between businesses and consumers; undertakings such as the testing and inspection of goods and research and studies into services with regard to which there have been complaints from consumers and similar issues; and consumer awareness-raising and education.

(Facilitation of Self-Initiated Activities by Consumer Organizations)

Article 26 The State is to undertake the necessary initiatives to further sound and self-initiated activities by consumer organizations in order to stabilize and improve the people's lives as consumers.

Chapter IV Consumer Policy Council; Related Matters

(Consumer Policy Council)

Article 27 (1) The Consumer Policy Council (hereinafter referred to as "the

council") is hereby established under the Cabinet Office.

- (2) The council takes charge of the following functions:
 - (i) creating the draft of the basic plan for consumer policies;
 - (ii) deliberating on plans for the foundational particulars involved in promoting consumer policies beyond as set forth in the preceding item; as well as promoting the implementation of consumer policies and verifying, assessing, and monitoring their implementation status.
- (3) The council must hear the opinions of the Consumer Commission:
 - (i) when preparing the draft of the basic plan for consumer policies; and
 - (ii) when compiling the results of the verification, assessment, and monitoring referred to in item (ii) of the preceding paragraph.

Article 28 (1) The council is made up of a chairperson and council members.

(2) The Prime Minister serves as the chairperson.

(3) The following persons serve as council members:

- (i) the minister of state for a particular field appointed pursuant to Article 11-2 of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999);
- (ii) the Chief Cabinet Secretary, the heads of relevant administrative organs, the ministers of state for particular fields (excluding the minister of state for a particular field under the preceding item) prescribed in Article 9, paragraph (1) of the Act for Establishment of the Cabinet Office and the minister for Digital Transformation as designated by the Prime Minister.

(4) A director is placed on the council.

(5) The Prime Minister appoints the director from among officials of the relevant administrative organs.

(6) The director assists the chairperson and council members with the functions under the jurisdiction of the council.

(7) Beyond as prescribed in the preceding paragraphs, Cabinet Order prescribes the necessary particulars of the organization and operations of the council.

(Consumer Commission)

Article 29 Other than as established by this Act, studies of and deliberations on the foundational particulars involved in promoting consumer policies are to be undertaken in the Consumer Commission, pursuant to Article 6 of the Act Establishing the Consumer Affairs Agency and the Consumer Commission (Act No. 48 of 2009).

Supplementary Provisions [Extract]

(1) This Act comes into effect on the day of its promulgation.

Supplementary Provisions [Act No. 78 of December 2, 1983]

- (1) This Act (excluding Article 1) comes into effect on July 1, 1984.
- (2) Cabinet Order may prescribe transitional measures that come to be necessary in relation to an agency or other institution that has been put in place pursuant to the provisions of any Act as of the day before this Act comes into effect and which, on or after the effective date of this Act, will remain or be set in place pursuant to the National Government Organization Act or pursuant to Cabinet Orders that are based on the relevant Acts as after their revision by this Act (hereinafter referred to as the "relevant Cabinet Orders"), and may also prescribe any other transitional measures that come to be necessary in connection with the enactment, amendment, or repeal of the relevant Cabinet Order in association with this Act's coming into effect.

Supplementary Provisions [Act No. 102 of July 16, 1999] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the effective date of the Act Partially Amending the Cabinet Act (Act No. 88 of 1999); provided, however, that the provisions set forth in one of the following items come into effect on the date prescribed in that item:

(i) omitted

(ii) Article 10, paragraphs (1) and (5); Article 14, paragraph (3); Article 23; Article 28; and Article 30 of the Supplementary Provisions: the day of promulgation.

(Transitional Measures Specified Separately)

Article 30 Beyond as provided in Article 2 through the preceding Article, a separate Act prescribes the transitional measures that are necessary in association with this Act coming into effect.

Supplementary Provisions [Act No. 70 of June 2, 2004] [Extract]

(Effective Date)

- (1) This Act comes into effect on the day of its promulgation.

(Review)

- (2) The best form for consumer policies is to be reviewed approximately five years after this Act comes into effect, and the necessary measures are to be taken based on the results.

Supplementary Provisions [Act No. 27 of May 2, 2008] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the date that Cabinet Order prescribes which is to fall within the scope of no more than one year from the day of its promulgation.

Supplementary Provisions [Act No. 49 of June 5, 2009] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the effective date of the Act Establishing the Consumer Affairs Agency and the Consumer Commission (Act No. 48 of 2009); provided, however, that provisions set forth in one of the following items come into effect on the date prescribed in that item:

(i) Article 9 of the Supplementary Provisions: the day of promulgation of this Act;

(Transitional Measures for Agency Actions and Other Actions)

Article 4 (1) Except as otherwise specified by laws and regulations, licensing, permission, authorization, approval, designation, or any other agency action; or notice or any other action; that is undertaken before this Act comes into effect pursuant to the provisions of an Act as before its amendment by this Act (including an Order based on that Act; hereinafter referred to as a "former Act or Order"), is deemed to constitute licensing, permission, authorization, approval, designation, or another agency action; or notice or another action; that is undertaken pursuant to the corresponding provisions of an Act as after its amendment by this Act (including any Order based on that Act; hereinafter referred to as a "new Act or Order").

(2) Except as otherwise specified by laws and regulations, the filing of an application for licensing, the filing of a notification, or any comparable action that has been undertaken pursuant to a former Act or Order by the time this Act comes into effect, is deemed to constitute the filing of an application for licensing, the filing of a notification, or a comparable action that has been undertaken pursuant to the corresponding provisions of a new Act or Order.

(3) Except as otherwise specified by laws and regulations, if there is information with regard to which a person is required to undertake a procedure before this Act comes into effect, such as reporting, the filing of a notification, or the filing of a submission pursuant to a former Act or Order, but for which that procedure has not been undertaken before the effective date of this Act, after this Act comes into effect, that information is deemed to constitute information for which the procedure has not been undertaken pursuant to the

corresponding provisions of a new Act or Order, and the new Act or Order applies.

(Transitional Measures for the Effect of Orders)

Article 5 Except as otherwise specified by laws and regulations, Cabinet Order as referred to in Article 7, paragraph (3) of the Act Establishing the Cabinet Office or Ministerial Order as referred to in Article 12, paragraph (1) of the National Government Organization Act which has been issued pursuant to a former Act or Order is to remain in force after this Act comes into effect as the corresponding Cabinet Order as referred to in Article 7, paragraph (3) of the Act Establishing the Cabinet Office or as the corresponding Ministerial Order as referred to in Article 12, paragraph (1) of the National Government Organization Act which has been issued pursuant to the corresponding provisions of a new Act or Order.

(Delegation to Cabinet Order)

Article 9 Beyond as provided in these Supplementary Provisions from Article 2 through the preceding Article, Cabinet Order prescribes the necessary transitional measures related to this Act coming into effect (including transitional measures for penal provisions).

Supplementary Provisions [Act No. 60 of August 22, 2012]

This Act comes into effect on the date that Cabinet Order prescribes which is to fall within the scope of no more than six months from the day of its promulgation.