

Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment (Partially unenforced)

(Act No. 120 of June 1, 1956)

(Purpose)

Article 1 The purpose of this Act is to ensure fairness in transactions between entrusting business operators and small and medium-sized entrusted business operators and to protect the interests of small and medium-sized entrusted business operators, by preventing delays, etc. in the payment of the price to small and medium-sized entrusted business operators, related to manufacturing consignment, etc., thereby contributing to the sound development of the national economy.

(Definitions)

Article 2 (1) The term "manufacturing consignment" as used in this Act means the consignment to another business operator of the manufacture of goods, their semi-finished products, parts, accessories or raw materials, which are the subject matter of sales conducted on a regular basis or manufacturing contracted on a regular basis (including processing; the same applies below) by a business operator, and the consignment to another business operator of the manufacture of goods, or metal dies, wooden models or other molds for molding goods, workpiece holders or other special tools to be exclusively used for the manufacture of the goods, their semi-finished products, parts, accessories or raw materials referred to above, or the manufacture of parts or raw materials necessary for the repair of goods conducted on a regular basis, their semi-finished products, parts, accessories or raw materials, or the relevant molds or tools to be exclusively used for the manufacture of the goods when a business operator engages in the manufacture of goods to be used or consumed on a regular basis.

(2) The term "repair consignment" as used in this Act means the consignment to another business operator of all or a part of the repair of goods which the business operator contracted on a regular basis, and the consignment to another business operator of part of the repair of goods when the business operator is engaging in the repair of the goods which it uses itself on a regular basis.

(3) The term "information-based product creation consignment" as used in this Act means the consignment to another business operator of all or part of the

creation of an information-based product which is the object of provision conducted on a regular basis or creation on a regular basis, and the consignment to another business operator of all or part of the creation of an information-based product which is used by the business operator in the case where the business operator produces that information-based product in the course of trade.

- (4) The term "service contract" as used in this Act means the consignment to another business operator of all or part of the provision of a service which is the object of provision conducted on a regular basis (excluding any contract by a person conducting a construction business (meaning a construction business as prescribed by Article 2 paragraph 2 of the Construction Business Act (Act No. 100 of 1949); the same applies below in this paragraph) of all or part of the construction work it contracts as a regular business (meaning construction work prescribed in paragraph 1 of that Article) to other parties conducting a construction business of all or part of the construction work it contracts on a regular basis).
- (5) The term "specific transportation consignment" as used in this Act means the consignment to another business operator of all or part of the transportation for the counterparty (including a person designated by the counterparty) in the sale, manufacture, repair, or creation of goods that are the subject matter of sales conducted by the business operator on a regular basis, manufacturing contracted on a regular basis, or repairs contracted on a regular basis, or goods on which information products that are the subject matter of creation contracted on a regular basis are stated, recorded, or embodied.
- (6) The term "manufacturing consignment, etc." as used in this Act means manufacturing consignment, repair consignment, information-based product creation consignment, service contract and specific transportation consignment.
- (7) The term "information-based product" as used in this Act means any of the articles described in the following items.
 - (i) programs (which means those that are directives to a computer and arranged to achieve a single result);
 - (ii) films, broadcast programs, and other products composed of images or voice and other sounds;
 - (iii) products composed of letters, figures, or symbols or of their combination, or of a combination of them and colors; and
 - (iv) in addition to what is provided for in the preceding three items, those that are similar to them and are specified by Cabinet Order.
- (8) The term "entrusting business operator" as used in this Act means a person who falls under any of the following items:
 - (i) any business operator as a corporation (excluding those prescribed in Article 14 of the Act on Prevention of Delay in Payment under Government

- Contracts, etc. (Act No. 256 of 1949)) with the amount of stated capital or total contributions exceeding 300 million yen that concludes a manufacturing consignment, etc. (in the case of an information-based product creation consignment and service contract, limited to those relating to information-based products and services respectively specified by Cabinet Order; the same applies in the following item and item (v), and item (i), item (ii) and item (v) of the following paragraph) with any individual or any business operator as a corporation with the amount of stated capital or total contributions of not more than 300 million yen;
- (ii) any business operator as a corporation (excluding those prescribed in Article 14 of the Act on Prevention of Delay in Payment under Government Contracts, etc.) with the amount of stated capital or total contributions exceeding 10 million yen but not more than 300 million yen that concludes a manufacturing consignment, etc. with any individual or any business operator as a corporation with the amount of stated capital or total contributions of not more than 10 million yen.
 - (iii) any business operator as a corporation with the amount of stated capital or total contributions exceeds 50 million yen (excluding those prescribed in Article 14 of the Act on Prevention of Delay in Payment under Government Contracts, etc.) that concludes an information-based product creation consignment or service contract (excluding those relating to the information-based products or services specified by Cabinet Order stated in item (i) respectively; the same applies in the following item and item (vi), and items (iii), (iv), and (vi) of the following paragraph) with any individual or any business operator as a corporation with the amount of stated capital or total contributions of not more than 50 million yen;
 - (iv) any business operator as a corporation with the amount of stated capital or total contributions exceeding 10 million yen but not more than 50 million yen (excluding those prescribed in Article 14 of the Act on Prevention of Delay in Payment under Government Contracts, etc.) that concludes an information-based product creation consignment or a service contract with any individual or any business operator as a corporation with the stated amount of capital or total contributions of not more than 10 million yen.
 - (v) any business operator that is a corporation having more than 300 regular employees (excluding the State and those prescribed in Article 14 of the Act on Prevention of Delay in Payment Under Government Contracts, etc.) and that makes a manufacturing consignment, etc. to any business operator that is an individual or a corporation having 300 or fewer regular employees (excluding the case where a person who falls under item (i) or item (ii) makes a manufacturing consignment, etc. to a person who falls under item (i) or item (ii) of the following paragraph); or

- (vi) any business operator that is a corporation having more than 100 regular employees (excluding the State and those prescribed in Article 14 of the Act on Prevention of Delay in Payment under Government Contracts, etc.) and that makes an information-based product creation consignment or concludes a service contract with any business operator that is an individual or a corporation having 100 or fewer regular employees (excluding cases where a person who falls under item (iii) or item (iv) makes an information-based product creation consignment or service contract to a person who falls under item (iii) or item (iv) of the following paragraph).
- (9) The term "small and medium-sized entrusted business operator" as used in this Act means a person who falls under any of the following items:
- (i) any individual, or any business operator as a corporation with the amount of stated capital or total contributions of not more than 300 million yen that receives a manufacturing consignment, etc. from an entrusting business operator provided for in item (i) of the preceding paragraph;
 - (ii) any individual, or any business operator as a corporation with the amount of stated capital or total contributions of not more than 10 million yen that receives a manufacturing consignment, etc. from an entrusting business operator provided for in item (ii) of the preceding paragraph;
 - (iii) any individual, or any business operator as a corporation with the amount of stated capital or total contributions of not more than 50 million yen that receives an information-based product creation consignment or service contract from an entrusting business operator provided for in item (iii) of the preceding paragraph;
 - (iv) any individual, or any business operator as corporations with the amount of stated capital or total contributions of not more than 10 million yen that receives an information-based product creation consignment or service contract from an entrusting business operator provided for in item (iv) of the preceding paragraph;
 - (v) any business operator that is an individual or a corporation having 300 or fewer regular employees, and who receives a manufacturing consignment, etc. from an entrusting business operator prescribed in item (v) of the preceding paragraph; or
 - (vi) any business operator that is an individual or a corporation having 100 or fewer regular employees, and who receives an information-based product creation consignment or service contract from an entrusting business operator as prescribed in item (vi) of the preceding paragraph.
- (10) If a business operator that is a corporation with the amount of stated capital or the total amount of contributions exceeding 10 million yen or a business operator that is a corporation with the number of regular employees exceeding 100 controls the appointment and dismissal of officers, or the execution or

existence of business, and that receives a manufacturing consignment, etc. from the business operator further entrusts all or a considerable part of the act of manufacturing, repairing, creating, providing, or transporting relating to the manufacturing consignment, etc. (excluding cases where a person who falls under paragraph (8), item (i), item (ii), or item (v) makes a manufacturing consignment, etc. to a person who falls under item (i), item (ii), or item (v) of the preceding paragraph respectively, and cases where a person who falls under paragraph (8), item (iii), item (iv), or item (vi) makes an information-based product creation consignment or service contract to a person who falls under item (iii), item (iv), or item (vi) of the preceding paragraph respectively), when the business operator that receives the further consignment is a business operator who controls the appointment and dismissal of officers, or the execution or existence of business, and who would fall under any of the items of that paragraph if the business operator received the manufacturing consignment, etc. directly from the business operator that makes the manufacturing consignment, etc., with regard to the application of this Act, the business operator that makes the further consignment is deemed to be an entrusting business operator, and the business operator that receives the further consignment is deemed to be a small and medium-sized entrusted business operator.

- (11) The term "payment for manufacturing consignment, etc." as used in this Act means the payment to be made for the performance (provision of services in the case of service contract or specific transportation consignment; the same applies below) by a small or medium-sized entrusted business operator when the entrusting business operator concludes a manufacturing consignment, etc.

(Due Date of Payment for Manufacturing Consignment Proceeds)

- Article 3 (1) The due date of the payment for manufacturing consignment, etc. must be set within a period of 60 days, and within as short a period as possible, from the day on which the entrusting business operator receives the performance from the small or medium-sized entrusted business operator (in the case of service contract or specific transportation consignment, the day on which the entrusted services are received from the small or medium-sized entrusted business operator; the same applies below), regardless of whether or not the entrusting business operator inspects the content of the performance from the small or medium-sized entrusted business operator.
- (2) If the due date of the payment for manufacturing consignment, etc. has not been specified, the day on which the entrusting business operator receives the performance from the small or medium-sized entrusted business operator is deemed to be specified as the due date of the payment for manufacturing consignment, etc., and if the due date of the payment for manufacturing

consignment, etc. is specified in violation of the provisions of the preceding paragraph, the day before the day on which 60 days have elapsed from the day on which the entrusting business operator receives the performance from the small or medium-sized entrusted business operator is deemed to be specified as the due date of the payment for manufacturing consignment, etc..

(Clear Indication of the Content of Performance and Other Matters for Small and Medium-sized Entrusted Business Operators)

Article 4 (1) If an entrusting business operator concludes a manufacturing consignment, etc. with a small or medium-sized entrusted business operator, the entrusting business operator must immediately clearly indicate to the small or medium-sized entrusted business operator, in writing or by electronic or magnetic means (meaning a means of using an electronic data processing system or any other means of using information and communications technology that is specified by Japan Fair Trade Commission Rules; the same applies below in this Article), the details of the performance, the amount of the payment of manufacturing consignment, etc., the date of payment, the method of payment, and other matters pursuant to the provisions of Japan Fair Trade Commission Rules; provided, however, that if there are justifiable grounds for the details of any of these matters not being specified, the clear indication is not required, and in this case, the entrusting business operator must clearly indicate the matters to the small or medium-sized entrusted business operator in writing or by electronic or magnetic means immediately after the details of the matters have been specified.

(2) If the entrusting business operator has clearly indicated the matters prescribed in the preceding paragraph by electronic or magnetic means pursuant to the provisions of that paragraph, and is requested by the small and medium-sized entrusted business operator to issue a document stating the matters, the entrusting business operator must issue the document without delay, pursuant to the provisions of Japan Fair Trade Commission Rules; provided, however, that this does not apply if it is specified by Japan Fair Trade Commission Rules as a case that does not hinder the protection of a small and medium-sized entrusted business operator.

(Matters to Be Observed by Entrusting Business Operators)

Article 5 (1) If an entrusting business operator concludes a manufacturing consignment, etc. with a small or medium-sized entrusted business operator, the entrusting business operator must not conduct any of the following acts (excluding the acts stated in items (i) and (iv) in the case of service contract or specific transportation consignment):

(i) refusing to receive performance from a small or medium-sized entrusted

- business operator without reasons attributable to the small or medium-sized entrusted business operator;
- (ii) failure to pay the payment of manufacturing consignment, etc. even after the due date (including the delivery of negotiable instruments and the use of payment instruments other than money and negotiable instruments that are difficult to exchange for money in an amount equivalent to the payment for manufacturing consignment, etc. by the due date of the payment for manufacturing consignment, etc.);
 - (iii) reducing the amount of the payment for manufacturing consignment, etc. without reasons attributable to a small or medium-sized entrusted business operator;
 - (iv) causing a small or medium-sized entrusted business operator to take back the things relating to the performance after receiving the performance from the small or medium-sized entrusted business operator, without any reason attributable to the small or medium-sized entrusted business operator;
 - (v) unjustly setting the amount of the payment for manufacturing consignment, etc. that is significantly lower than that normally paid for the same or similar content of performance that provided by a small or medium-sized entrusted business operator;
 - (vi) coercing a small or medium-sized entrusted business operator to purchase designated goods or to use designated services, except when there is a need to standardize or improve the content of the performance provided by the small or medium-sized entrusted business operator or when there are other justifiable grounds; and
 - (vii) in cases where it is found that there is a fact in violation of the provisions of this Article with regard to an entrusting business operator, the entrusted small and medium-sized business operator is reduced the volume of transactions, is suspended transactions, or is given other disadvantageous treatment on the grounds that the entrusted small and medium-sized business operator has informed the Japan Fair Trade Commission, the Commissioner of the Small and Medium Enterprise Agency, or the minister with jurisdiction over the business relating to transactions concerning the manufacturing consignment, etc. of that fact.
- (2) If an entrusting business operator concludes a manufacturing consignment, etc. with a small or medium-sized entrusted business operator, the entrusting business operator must not unjustly harm the interests of the small or medium-sized entrusted business operator by committing any of the following acts (excluding the act stated in item (i) if a service contract or specific transportation consignment is concluded):
- (i) in cases where a small or medium-sized entrusted business operator is made to purchase from itself semi-finished products, parts, accessories, or raw

materials (referred to below as "raw materials, etc." in this item) necessary for the performance to itself, without reasons attributable to the small or medium-sized entrusted business operator, deducting all or part of the compensation for the raw materials, etc. from the amount of the payment for manufacturing consignment, etc. to be paid or making the small or medium-sized entrusted business operator pay all or part of the compensation for the raw materials, etc. at an earlier time than the due date of the payment for manufacturing consignment, etc. for the performance using the raw materials, etc.;

- (ii) causing a person to provide money, services, or other economic benefits on their own behalf;
- (iii) causing a small or medium-sized entrusted business operator to change the content of the performance, or to make performance again after receiving the performance from the small or medium-sized entrusted business operator (after receiving the entrusted services from the small or medium-sized entrusted business operator in the case of a service contract or specific transportation consignment), without any reason attributable to the small or medium-sized entrusted business operator;
- (iv) in cases where fluctuations in expenses related to performance provided by a small or medium-sized entrusted business operator or other circumstances have occurred, in spite of a request by the small or medium-sized entrusted business operator for consultation regarding the amount of the payment for manufacturing consignment, etc., unilaterally determining the amount of the payment for manufacturing consignment, etc. without responding to the consultation or without providing necessary explanation or information regarding the matters requested by the small or medium-sized entrusted business operator in the consultation.

(Delayed Interest)

Article 6 (1) If an entrusting business operator does not pay the payment for manufacturing consignment, etc. by the due date of the payment for manufacturing consignment, etc., the entrusting business operator must pay to a small or medium-sized entrusted business operator the amount obtained by multiplying the unpaid amount by a rate specified by Japan Fair Trade Commission Rules for the period from the day on which 60 days have elapsed from the day on which the entrusting business operator received the performance from the small or medium-sized entrusted business operator to the day on which the payment is made, in accordance with the number of days, as overdue interest.

(2) If an entrusting business operator reduces the amount of the payment for manufacturing consignment, etc. without any reason attributable to the small

and medium-sized entrusted business operator, the entrusting business operator must pay to the small and medium-sized entrusted business operator the amount obtained by multiplying the amount of the reduction by the rate specified by Japan Fair Trade Commission Rule in accordance with the number of days from the date on which the amount of the payment for manufacturing consignment, etc. is reduced or the date on which 60 days have elapsed from the date of receipt of the performance from the small and medium-sized entrusted business operator, whichever comes later, until the date on which the amount of the reduction is paid, as delayed interest.

(Preparation and Preservation of Documents)

Article 7 If an entrusting business operator concludes a manufacturing consignment, etc. contract with a small or medium-sized entrusted business operator, the entrusting business operator must prepare and preserve a document or electronic or magnetic record (meaning records made in an electronic form, a magnetic form, or any other form that cannot be recognized by human perception, which are used in data processing by computers; the same applies in Article 14, item (iii)), pursuant to the provisions of Japan Fair Trade Commission Rules, in which the performance of the small or medium-sized entrusted business operator, the receipt of the performance (in the case of a service contract or specific transportation consignment, the fact that services have been received from the small or medium-sized entrusted business operator), the payment for manufacturing consignment, etc., and other matters are stated or recorded.

(Guidance and Advice)

Article 8 The Japan Fair Trade Commission, the Commissioner of the Small and Medium Enterprise Agency, or the minister with jurisdiction over the business relating to transactions concerning the manufacturing consignment, etc. may provide guidance and advice to the entrusting business operator, when they find it necessary for the enforcement of this Act,.

(Request by Commissioner of Small and Medium Enterprise Agency)

Article 9 The Commissioner of the Small and Medium Enterprise Agency may investigate whether or not there are any facts in violation of the provisions of Article 5 with regard to the entrusting business operator, and when such matters are found to be the facts, may request the Japan Fair Trade Commission to take appropriate measures in accordance with the provisions of this Act.

(Recommendations)

Article 10 (1) If the Japan Fair Trade Commission finds that an act in violation of the provisions of Article 5 has taken place, the Japan Fair Trade Commission is to recommend the entrusting business operator (if the entrusting business operator has ceased to exist as a result of a merger, the corporation surviving after the merger or established as a result of the merger; if all or part of the business involved in the act has been succeeded to as a result of the split of the entrusting business operator, the corporation that has succeeded to all or part of the business; if all or part of the business involved in the act has been transferred by the entrusting business operator, the business operator that has acquired all or part of the business; referred to as the "violating entrusting business operator" in the following paragraph and the following Article) that has committed the act to promptly receive the performance of the small and medium-sized entrusted business operator, pay the payment for manufacturing consignment, etc. or any amount less or delay interest pursuant to the provisions of Article 6, take back the things related to the performance again, increase the amount of the payment for manufacturing consignment, etc. or take back the things that the entrusting business operator had them purchase, cease the disadvantageous treatment, or take measures to protect the interests of the small and medium-sized entrusted business operator, or take other necessary measures.

(2) Even if an act in violation of the provisions of Article 5 has already ceased to exist, the Japan Fair Trade Commission may, when it finds it particularly necessary, recommend that the violating entrusting business operator take measures to make it known to the public that the act has already ceased to exist, and take any other measures necessary to ensure that the act has been eliminated.

(Relation with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade)

Article 11 The provisions of Article 20 and Article 20-6 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) do not apply to the act relating to the recommendation, limited to the case where the Japan Fair Trade Commission has made a recommendation pursuant to the provisions of the preceding Article and the violating entrusting business operator has followed the recommendation.

(Collection of Reports and Inspection)

Article 12 (1) If the Japan Fair Trade Commission finds it necessary in order to ensure fairness in transactions related to a manufacturing consignment, etc. to a small or medium-sized entrusted business operator (if a small or medium-sized entrusted business operator (limited to a corporation) has ceased to exist

as a result of a merger, a corporation that continues to exist after the merger or is established as a result of the merger; if all or part of the business relating to the transactions has been succeeded to as a result of a split of the entrusted business operator, a corporation that has succeeded to all or part of the business; if all or part of the business relating to the transactions of the entrusted business operator has been transferred, a business operator that has acquired all or part of the business; the same applies below in this Article and the following Article) from the entrusting business operator (if an entrusting business operator has ceased to exist as a result of a merger, a corporation that continues to exist after the merger or is established as a result of the merger; if all or part of the business relating to the transactions concerning the manufacturing consignment, etc. has been succeeded to as a result of a split of an entrusting business operator, a corporation that has succeeded to all or part of the business; if all or part of the business relating to the transactions of an entrusting business operator has been transferred, a business operator that has acquired all or part of the business; the same applies below in this Article and the following Article), the Japan Fair Trade Commission may have the entrusting business operator or small or medium-sized entrusted business operator report on the transactions related to the manufacturing consignment, etc. of the entrusting business operator to the small or medium-sized entrusted business operator, or have its officials enter the offices or business premises of the entrusting business operator or the small or medium-sized entrusted business operator and inspect books, documents or any other articles.

(2) If the Commissioner of the Small and Medium Enterprise Agency finds it particularly necessary for protecting the interests of a small and medium-sized entrusted business operator, the Commissioner may have an entrusting business operator or a small and medium-sized entrusted business operator make a report concerning transactions relating to a manufacturing consignment, etc. from the entrusting business operator to the small and medium-sized entrusted business operator, or have its officials enter the offices or business premises of the entrusting business operator or the small and medium-sized entrusted business operator and inspect books, documents, and any other articles.

(3) If the minister who has jurisdiction over the business relating to transactions concerning the manufacturing consignment, etc. finds it particularly necessary for cooperating with an investigation under the provisions of Article 9 by the Commissioner of the Small and Medium Enterprise Agency, the minister may have an entrusting business operator or a small and medium-sized entrusted business operator that engages in the business under the minister's jurisdiction make a report concerning transactions related to a manufacturing consignment, etc. from the entrusting business operator to the small and

medium-sized entrusted business operator, or may have its officials enter the offices or business premises of these persons and inspect books, documents, and any other articles.

- (4) If the officials enter the offices pursuant to the provisions of the preceding three paragraphs, they must carry their identification cards and present them to relevant persons.
- (5) The authority for an on-site inspection under the provisions of paragraphs (1) through (3) may not be construed as granted for criminal investigation.

(Provision of Information on Entrusting Business Operators or Small and Medium-Sized Entrusted Business Operators)

Article 13 (1) The Japan Fair Trade Commission, the Commissioner of the Small and Medium Enterprise Agency, and the minister with jurisdiction over the business relating to transactions concerning the manufacturing consignment, etc. may, to the extent necessary for the enforcement of this Act, provide each other with information concerning an entrusting business operator or a small or medium-sized entrusted business operator that is found to be particularly necessary for making transactions concerning a manufacturing consignment, etc. from an entrusting business operator to a small or medium-sized entrusted business operator fair or for protecting the interests of the small or medium-sized entrusted business operator.

- (2) The Japan Fair Trade Commission may, to the extent necessary for the enforcement of this Act, request the head of a relevant administrative body to provide information concerning an entrusting business operator or a small or medium-sized entrusted business operator or to offer any other necessary cooperation.

(Penal Provisions)

Article 14 If an entrusting business operator falls under any of the following items, the representative, agent, employee, or other worker of the entrusting business operator who has committed the violation is subject to a fine of not more than 500,000 yen:

- (i) if, the person has failed to clearly indicate the matters that should be clearly indicated in violation of the provisions of Article 4, paragraph (1);
- (ii) if the person has failed to deliver a document in violation of the provisions of Article 4, paragraph (2); or
- (iii) if the person has failed to prepare or preserve a document or electronic or magnetic record, or has prepared a false document or electronic or magnetic record, in violation of the provisions of Article 7.

Article 15 If a person has failed to make a report under the provisions of Article

12, paragraphs (1) through (3) or has made a false report, or has refused, obstructed or evaded an inspection under these provisions, the person who has committed the violation is punished by a fine of not more than 500,000 yen.

Article 16 If the representative of a corporation or the agent, employee, or other worker of a corporation or individual commits a violation referred to in one of the preceding two Articles 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 penalties referred to in the relevant Article.

Supplementary Provisions [Extract]

(1) This Act comes into effect on the day on which 30 days have elapsed from the date of promulgation.

Supplementary Provisions [Act No. 135 of May 15, 1962]

This Act comes into effect on the day on which 30 days have elapsed from the date of promulgation.

Supplementary Provisions [Act No. 157 of July 20, 1963]

This Act comes into effect on the day on which 30 days have elapsed from the date of promulgation.

Supplementary Provisions [Act No. 125 of June 10, 1965]

- (1) This Act comes into effect on the day on which 30 days have elapsed from the date of promulgation.
- (2) Prior laws and regulations continue to govern the applicability of penal provisions to conduct that a person engaged in before this Act comes into effect.

Supplementary Provisions [Act No. 115 of October 15, 1973] [Extract]

(Effective Date)

- (1) This Act comes into effect on the date of promulgation; provided, however, that the provisions of Article 9 and paragraph (5) of the Supplementary Provisions come into effect on the day on which 30 days have elapsed from the date of promulgation.

(Transitional Measures)

- (5) Prior laws and regulations continue to govern the applicability of the penal provisions of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors to conduct that a person engages in before Article 9 comes into effect.

Supplementary Provisions [Act No. 146 of December 3, 1999] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the date of promulgation; provided, however, that the provisions of Article 8, Article 11 and Article 19, and the provisions of Article 6, Article 9 and Article 12 of the Supplementary Provisions come into effect on the day on which three months have elapsed from the date of promulgation.

(Transitional Measures Associated with Partial Amendment in Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors)

- Article 6 (1) Prior laws and regulations continue to govern the delivery of a document under the provisions of Article 3 of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors amended by the provisions of Article 8 (referred to below as the "new Act" in the following paragraph) if a manufacturing consignment or a repair consignment referred to in Article 3 of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors before amendment by the provisions of Article 8 (referred to below as the "former Act" in this Article) has been made before the enforcement of the provisions of Article 8.
- (2) Prior laws and regulations continue to govern the preparation or maintaining of a document under the provisions of Article 5 of the new Act in cases where a manufacturing consignment or a repair consignment referred to in Article 5 of the former Act has been made before the enforcement of the provisions of Article 8.
- (3) Prior laws and regulations continue to govern requests for measures by the Commissioner of the Small and Medium Enterprise Agency, recommendations and public announcements by the Japan Fair Trade Commission, and orders for reports and inspections by the Japan Fair Trade Commission, the Commissioner of the Small and Medium Enterprise Agency, or competent minister relating to acts in violation of the provisions of Article 3, Article 4, or Article 5 of the former Act before the enforcement of the provisions of Article 8.

(Transitional Measures Concerning Penal Provisions)

Article 14 Prior laws and regulations continue to govern the applicability of

penal provisions to conduct that a person engages in before this Act comes into effect (for the provisions prescribed in the proviso to Article 1 of the Supplementary Provisions, those provisions; the same applies below in this Article), and to conduct that a person engages in after this Act comes into effect but which, pursuant to these Supplementary Provisions, is to continue to be governed by prior laws and regulations.

(Delegation to Cabinet Order)

Article 15 In addition to what is provided for in Article 2 through the preceding Article of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act are specified by Cabinet Order.

Supplementary Provisions [Act No. 126 of November 27, 2000] [Extract]

(Effective Date)

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

(Transitional Measures Concerning Penal Provisions)

Article 2 Prior laws and regulations continue to govern the applicability of penal provisions to conduct that a person engages in before this Act comes into effect.

Supplementary Provisions [Act No. 87 of June 18, 2003]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding one year from the date of promulgation; provided, however, that the provisions amending Article 10 and Article 11 come into effect on the day on which 30 days have elapsed from the date of promulgation.

(Transitional Measures)

Article 2 The provisions of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors amended by this Act (referred to below as the "new Act") do not apply to a manufacturing consignment referred to in Article 2, paragraph (1) of the new Act (limited to those relating to the manufacture of dies), an information-based product creation consignment referred to in paragraph (3) of that Article, and a service contract referred to in paragraph (4) of that Article that was made before the enforcement of this Act.

Article 3 The provisions of Article 3, paragraph (1) of the new Act apply to a manufacturing consignment, etc. made after the enforcement of this Act, and

prior laws and regulations continue to govern a manufacturing consignment or a repair consignment made before the enforcement of this Act.

Article 4 The provisions of Article 4, paragraph (1), item (vi) (limited to the part relating to the compulsory use of services) and paragraph (2), items (iii) and (iv) of the new Act do not apply to a manufacturing consignment or a repair consignment made before the enforcement of this Act.

(Transitional Measures Concerning Penal Provisions)

Article 5 Prior laws and regulations continue to govern the applicability of penal provisions to conduct that a person engages in before this Act comes into effect and to conduct that a person engages in after this Act comes into effect but which, pursuant to Article 3 of the Supplementary Provisions, is to continue to be governed by prior laws and regulations.

(Delegation to Cabinet Order)

Article 6 In addition to what is provided for in Article 2 through the preceding Article, the transitional measures necessary for the enforcement of this Act are specified by Cabinet Order.

(Review)

Article 7 When five years have elapsed since the enforcement of this Act, while taking into account the status of enforcement of the new Act, and if the government finds it necessary, the government is to review the provisions of the new Act, and take any necessary measures based on the review results.

Supplementary Provisions [Act No. 35 of April 27, 2005] [Extract]

(Effective Date)

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

Supplementary Provisions [Act No. 87 of July 26, 2005] [Extract]

This Act comes into effect on the date on which the Companies Act comes into effect.

Supplementary Provisions [Act No. 51 of June 10, 2009] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within

a period not exceeding one year from the date of promulgation (referred to below as the "effective date").

Supplementary Provisions [Act No. 41 of May 23, 2025] [Extract]

(Effective Date)

Article 1 This Act comes into effect on January 1, 2026; provided, however, that the provisions of Article 5 of the Supplementary Provisions come into effect on the date of promulgation.

(Transitional Measures Associated with Partial Amendment in Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors)

Article 2 (1) The provisions of the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment, etc. amended by the provisions of Article 1 (referred to below as the "new Act on the Prevention of Delay in Payment, etc." in this Article) do not apply to acts committed before the enforcement of this Act that fall under the category of manufacturing consignment prescribed in Article 2, paragraph (1) of the new Act on the Prevention of Delay in Payment, etc. by an entrusting business operator prescribed in paragraph (8) of that Article (limited to a person who falls under items (i) through (iv) of that paragraph) (limited to manufacturing consignment related to the manufacture of dies (excluding metal dies) prescribed in that paragraph or tools prescribed in that paragraph) and the category of specific transportation consignment prescribed in paragraph (5) of that Article, and manufacturing consignment, etc. prescribed in paragraph (6) of that Article by an entrusting business operator prescribed in paragraph (8) of that Article (limited to a person who falls under items 5 and 6 of that paragraph)

(2) The provisions of Article 4, Article 5, Article 6, paragraph (2), and Article 10 of the new Act on the Prevention of Delay in Payment, etc. apply to a manufacturing consignment, etc. prescribed in Article 2, paragraph (6) of the new Act on the Prevention of Delay in Payment, etc. that is made after the enforcement of this Act, and prior laws and regulations continue to govern a manufacturing consignment, etc. prescribed in Article 2, paragraph (5) of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors before amendment by the provisions of Article 1 (referred to as the "former Act on the Prevention of Delay in Payment, etc." in the following paragraph) that is made before the enforcement of this Act.

(3) A recommendation issued pursuant to the provisions of Article 7 of the former Act on the Prevention of Delay in Payment, etc. before this Act comes into effect (including a recommendation that continues to be governed by prior laws

and regulations pursuant to the provisions of the preceding paragraph after this Act comes into effect) is deemed to be a recommendation issued pursuant to the provisions of Article 10 of the new Act on the Prevention of Delay in Payment, etc.

(Transitional Measures Concerning Penal Provisions)

Article 4 Prior laws and regulations continue to govern the applicability of penal provisions to conduct that a person engages in before this Act comes into effect, and to conduct that a person engages in after this Act comes into effect but which, pursuant to the provisions of Article 2, paragraph (2) of the Supplementary Provisions, is to continue to be governed by prior laws and regulations.

(Delegation to Cabinet Order)

Article 5 In addition to what is provided for in the preceding three Articles, transitional measures necessary for the enforcement of this Act (including transitional measures concerning penal provisions) are specified by Cabinet Order.

(Review)

Article 6 Approximately five years after the enforcement of this Act, the government will take into account the status, etc. of enforcement of the respective Acts amended by the provisions of this Act (referred to below as the "respective amended Acts" in this Article), if the government finds it necessary, will review the provisions of the respective amended Acts and take necessary measures based on the results of the review.