Act on Specified Commercial Transactions

(Act No. 57 of June 4, 1976)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to protect the interests of purchasers and others and ensure that the distribution of things such as goods and the provision of services is appropriate and smooth by ensuring fairness in specified commercial transactions (meaning transactions connected with door-to-door sales, mail order sales, and telemarketing sales; multilevel marketing transactions; transactions connected with the provision of specified continuous services; business opportunity sales transactions; and transactions connected with door-to-door purchases; the same applies hereinafter) and preventing damage that may be caused to purchasers and others, so as to contribute to the sound development of the national economy.

Chapter II Door-to-Door Sales, Mail Order Sales, and Telemarketing Sales

Section 1 Definitions

Article 2 (1) The term "door-to-door sale" as used in this Chapter and in Article 58-18, paragraph (1) means the following:

(i) a sale of goods or specified rights or the provision of services that a seller or a person engaged in the business of providing the services (hereinafter referred to as a "service provider") undertakes after having received an offer for a sales contract or for a contract to provide services in exchange for payment (hereinafter referred to as a "service contract"), or after having entered into a sales contract or a service contract, at a place other than a business office, agency office, or any other place specified by order of the competent ministry (hereinafter referred to as an "office or other such location"); and

(ii) a sale of goods or specified rights or the provision of services that a seller or a service provider undertakes after having received an offer for a sales contract or a service contract at an office or other such location from a person whom the seller or the service provider has stopped at a place other than an office or other such location and taken along with them to an office or other such location, or from a person whom the seller or the service provider has induced away from a place that is not an office or other such location by any other means specified by Cabinet Order (such a person is hereinafter referred to as a "specified customer"), or that a seller or a service provider undertakes after having entered into a sales contract or a service contract at an office or other such location with a specified customer.

(2) The term "mail order sale" as used in this Chapter and in Article 58-19 means a sale of goods or specified rights or the provision of services that a seller or a service provider undertakes after having received an offer for a sales contract or a service contract by postal mail or other means specified by order of the competent ministry (hereinafter referred to as "postal mail or a similar means"), and that does not fall under the category of telemarketing sales.

(3) The term "telemarketing sale" as used in this Chapter and in Article 58-20, paragraph (1) means a sale of goods or specified rights or the provision of services that the seller or the service provider undertakes after having telephoned a person or caused a person to telephone the seller or the service provider by a means specified by Cabinet Order, during which telephone call the seller or the service provider has solicited the person to enter into a sales contract or a service contract (hereinafter referred to as an "act of telemarketing"), due to which the seller or service provider received the relevant offer of a sales contract or a service contract from the solicited person (hereinafter referred to as a "telemarketing target") by postal mail or a similar means, or due to which the seller or the service provider entered into such a sales contract or a service contract with the telemarketing target via postal mail or a similar means

(4) The term "specified right" as used in this Chapter and in Article 58-19 and Article 67, paragraph (1) means the following rights:

(i) the right to use a facility or to receive a service, which is sold in a transaction connected with people's daily lives, and which is specified by Cabinet Order;
(ii) a corporate bond or other monetary claim; and
(iii) a share in a stock company; the equity interest of a member of a limited liability company, general partnership company, or limited partnership company; a membership right in any other incorporated association; or a membership right in a foreign corporation that has the characteristics of any of the foregoing rights.

Section 2 Door-to-Door Sales

(Clear Indication of Name in Door-to-Door Sales)

Article 3 When a seller or a service provider seeks to conduct door-to-door sales, the seller or the service provider must clearly indicate to the other party, prior to solicitation, the name of the seller or the service provider, the fact that the purpose is to solicit the person to enter into a sales contract or a service contract, and the type of goods, rights, or services connected with the solicitation.

(Prohibition on Soliciting the Business of a Person Who Has Indicated an Unwillingness to Enter Into a Contract)

Article 3-2 (1) When a seller or a service provider seeks to conduct a door-to-door sale, the seller or the service provider must endeavor to confirm that the other party is willing to be solicited.

(2) It is prohibited for a seller or service provider to solicit a person to enter into a sales contract or service contract connected with a door-to-door sale if that person has indicated an unwillingness to enter into such a sales contract or service contract.

(Delivery of Documents in Door-to-Door Sales)

Article 4 When a seller or a service provider has received an offer for a sales contract for goods or specified rights or an offer for a service contract for services at a place other than an office or other such location, or has received an offer for a sales contract for goods or specified rights or an offer for a service contract for services at an office or other such location from a specified customer, the seller or the service provider, pursuant to the provisions of order of the competent ministry, must immediately deliver a document to the person who made the offer, giving the details of the offer with respect to the following information; provided, however, that this does not apply if the seller or the service provider enters into the sales contract or the service contract upon

receiving the offer therefor:
(i) the type of goods, rights, or services;
(ii) the sales price of the goods or rights or the consideration for the services;
(iii) the timing and method of payment of the charges for the goods or rights or the consideration for the services;
(iv) the timing of the delivery of the goods, the timing of the transfer of the rights, or the timing of the provision of the services;
(v) information about withdrawing the offer for the sales contract or the service contract or about canceling the sales contract or the service contract under the provisions of Article 9, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of that Article (when the provisions of Article 26, paragraph (2), (4) or (5) apply, this includes information under the provisions of those paragraphs)); and
(vi) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

Article 5 (1) Except as prescribed in the following paragraph, if a seller or a service provider falls under one of the following items, the seller or the service provider must deliver a document to the purchaser or the service recipient that clarifies the details of the sales contract or the service contract with respect to the information referred to in each item of the preceding Article (with respect to the information referred to in item (v) of that Article, this is limited to information about the cancellation of the sales contract or the service contract) without delay (or immediately, in the case prescribed in the proviso to that Article), pursuant to the provisions of order of the competent ministry:
(i) the seller or the service provider has entered into a sales contract for goods or specified rights or a service contract for services at a place other than an office or other such location (this excludes if the seller or the service provider received the offer at an office or other such location, from a customer who is not a specified customer, and entered into the sales contract or the service contract at a place other than an office or other such location);
(ii) the seller or the service provider has received an offer for a sales contract for goods or specified rights or a service contract for services at a place other than an office or other such location and entered into the sales contract or the service contract at an office or other such location; and
(iii) the seller or the service provider has entered into a sales contract for goods or specified rights or a service contract for services at an office or other such location with a specified customer.
(2) If a seller or a service provider falls under one of the items of the preceding paragraph and, upon entering into a sales contract or a service contract, the seller or the service provider delivers the goods, transfers the specified rights,

or provides the services and receives the total amount of the charges for the goods or specified rights or the consideration for the services, the seller or the service provider, pursuant to the provisions of order of the competent ministry, must immediately deliver to the purchaser or the service recipient a document giving the information referred to in items (i) and (ii) of the preceding Article, the portion of the information referred to in item (v) of that Article that is about canceling the sales contract or the service contract, and any other information specified by order of the competent ministry.

(Prohibited Conduct)

Article 6 (1) It is prohibited for a seller or service provider to misrepresent the following information, either in soliciting a person to enter into a sales contract or service contract connected with a door-to-door sale, or in order to prevent the withdrawal of an offer for a sales contract or service contract connected with a door-to-door sale or the cancellation of such a contract:

(i) the type of goods and their performance or quality, the type of rights or services, the details thereof, or other similar information specified by order of the competent ministry;

(ii) the sales price of the goods or rights, or the consideration for the services;

(iii) the timing or method of payment of the charges for the goods or rights or the consideration for the services;

(iv) the timing of the delivery of the goods, the timing of the transfer of the rights, or the timing of the provision of the services;

(v) information about withdrawing the offer for the sales contract or the service contract or about canceling the sales contract or the service contract (including information under the provisions of Article 9, paragraphs (1) through (7) (when the provisions of Article 26, paragraph (2), (4) or (5) apply, this includes information under the provisions of the paragraphs));

(vi) information about any circumstances that make it necessary for the customer to enter into the sales contract or the service contract; and

(vii) beyond what is set forth in the preceding items, any material information about the sales contract or the service contract that would affect the decision of the customer, the purchaser, or the service recipient.

(2) It is prohibited for a seller or service provider to intentionally fail to disclose facts with respect to the information listed in items (i) through (v) of the preceding paragraph in soliciting a person to enter into a sales contract or service contract connected with a door-to-door sale.

(3) It is prohibited for a seller or service provider to use intimidation to overwhelm a person in order to cause that person to enter into a sales contract or service contract connected with a door-to-door sale, in order to prevent the person from withdrawing an offer for a sales contract or service contract

connected with a door-to-door sale, or in order to prevent the person from canceling such a contract.

(4) It is prohibited for a seller or service provider to solicit a person whom the seller or the service provider has stopped and taken along with them or whom the seller or the service provider has induced away from a place that is not an office or other such location by any other means specified by Cabinet Order, to enter into a sales contract or service contract connected with a door-to-door sale other than in a place into and out of which the general public comes and goes, without first having informed the person that the purpose for doing so is to solicit the person to enter into such a sales contract or a service contract.

(Submission of Materials Showing Reasonable Grounds)

Article 6-2 On finding that it is necessary to do so in order to determine whether a seller or a service provider has misrepresented the information prescribed in paragraph (1), item (i) of the preceding Article, the competent minister may ask the seller or the service provider to submit materials showing reasonable grounds to support the information conveyed to the other party, within a specified period. To apply the provisions of paragraph (1) of the following Article and Article 8, paragraph (1) in such a case, if the seller or the service provider fails to submit those materials, the seller or the service provider is deemed to have misrepresented the information prescribed in that item.

(Instructions)

Article 7 (1) If a seller or a service provider has violated any of the provisions of Article 3, Article 3-2, paragraph (2) or Articles 4 through 6, or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with a door-to-door sale and the interests of the purchaser or the service recipient, the competent minister may instruct the seller or the service provider to take measures to correct the violation or conduct, measures to protect the interests of the purchaser or the service recipient, and any other necessary measures:

(i) refusing to perform or unjustly delaying the performance of all or part of the obligations under a sales contract or service contract connected with a door-to-door sale or the obligations arising due to the cancellation of a sales contract or service contract connected with a door-to-door sale;

(ii) intentionally failing to disclose any material information about a sales contract or a service contract that would affect the decision of the customer (excluding the information listed in Article 6, paragraph (1), items (i) through (v)) in soliciting a person to enter into a sales contract or service contract connected with a door-to-door sale;

(iii) intentionally failing to disclose any material information about a sales

contract or service contract connected with a door-to-door sale that would affect the decision of the customer, the purchaser, or the service recipient in order to prevent the withdrawal of an offer for such a sales contract or service contract or the cancellation of such a contract;

(iv) soliciting a person, without reasonable grounds, to enter into a sales contract or service contract connected with a door-to-door sale for goods or specified rights (limited to those set forth in Article 2, paragraph (4), item (i)) of a quantity that considerably exceeds what is normally required in daily life or for a service whose frequency, period, or quantity considerably exceeds what is normally required in daily life, or any other conduct specified by order of the competent ministry as conduct that is found to be inappropriate in light of the customer's financial status; and

(v) beyond as set forth in the preceding items, conduct in connection with a door-to-door sale that is specified by order of the competent ministry as being likely to prejudice the fairness of a transaction connected with a door-to-door sale and the interests of the purchaser or the service recipient.

(2) Having given an instruction under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Suspension of Business)

Article 8 (1) If a seller or a service provider has violated any of the provisions of Article 3, Article 3-2, paragraph (2), or Articles 4 to 6 or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction connected with a door-to-door sale and the interests of the purchaser or the service recipient or the seller or the service provider fails to follow the instructions under the provisions of that paragraph, the competent minister may order the seller or the service provider to suspend those of its business activities that are connected with door-to-door sales in whole or in part, during a specified period of no longer than two years. In this case, if the seller or the service provider is an individual, the competent minister may also prohibit the individual from becoming an officer (meaning a member in charge of the executive management of business operations, a director, an operating officer, a representative, a manager, etc., and including a person that has controlling power over a corporation that is equal or superior to a member in charge of the executive management of business operations, a director, an operating officer, a representative, a manager, etc., regardless of the name of the person's position, such as consultant or adviser; the same applies hereinafter) in charge of the business activities that are subject to such a suspension at a corporation (including an association or a foundation without legal personality that has designated a representative or a manager;

hereinafter the same applies) that engages in those business activities, for a period equal to the period of that suspension.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 8-2 (1) If the competent minister orders a seller or a service provider to suspend its business activities pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as one whose door-to-door sales should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the weight of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the seller or service provider is a corporation: its officer or a person who was its officer in the sixty days before the date of the order; a person supervising the business operations of its business office or any other employee specified by Cabinet Order (hereinafter simply referred to as an "employee"); or a person who was its employee in the sixty days before the date of the order; or

(ii) if the seller or service provider is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Withdrawal of an Offer or Cancellation of a Door-to-Door Sales Contract)

Article 9 (1) If a seller or a service provider has received an offer for a sales contract for goods or specified rights or an offer for a service contract for services at a place other than an office or other such location; if a seller or a service provider has received an offer for a sales contract for goods or specified rights or an offer for a service contract for services at an office or other such location from a specified customer; if a seller or a service provider has entered into a sales contract for goods or specified rights or a service contract for services at a place other than an office or other such location (excluding if the seller or the service provider received the offer at an office or other such location and entered into the sales contract or the service contract at a place other than an office or other such location); or if a seller or a service provider

has entered into a sales contract for goods or specified rights or a service contract for services at an office or other such location with a specified customer, the person who made the offer or the purchaser or the service recipient (hereinafter referred to as the "offeror or counterparty" in this Article to Article 9-3) may withdraw the offer for a sales contract or a service contract or cancel the sales contract or the service contract (hereinafter referred to as the "withdrawal of an offer or cancellation" of a contract in this Article) in writing; provided, however, that this does not apply once eight days have passed after the date on which the offeror or counterparty received the document referred to in Article 5 (or after the date on which the offeror or counterparty received the document referred to in Article 4, if the offeror or counterparty received the document under Article 4 at an earlier date than that on which the offeror or counterparty received the document referred to in Article 5) (if the offeror or counterparty did not withdraw the offer or cancel the contract before the end of that period because of having been under the misapprehension that information about the withdrawal of an offer or cancellation of the contract that the seller or the service provider had misrepresented to the offeror or counterparty, in violation of the provisions of Article 6, paragraph (1), was true, or because the offeror or counterparty was overwhelmed due to the seller's or the service provider's use of intimidation, in violation of the provisions of paragraph (3) of that Article, the first part of this paragraph does not apply once eight days have passed after the date on which the offeror or counterparty received a document delivered thereto by the seller or the service provider pursuant to the provisions of order of the competent ministry that contains a notice to the effect that the offeror or counterparty may withdraw the offer or cancel the sales contract or service contract).

(2) The withdrawal of an offer or cancellation of a contract takes effect at the time the withdrawal or cancellation is set forth in writing.

(3) If a person withdraws an offer or cancels a contract, the seller or the service provider may not claim damages nor demand the payment of any penalty in connection with the withdrawal of the offer or cancellation of the contract.

(4) If a person Withdraws an offer or cancels a contract, the seller bears the costs required for taking back or returning any goods already delivered or any rights already transferred under the sales contract.

(5) If a person withdraws an offer or cancels a sales contract for goods or specified rights or a service contract, the seller or the service provider may not demand that the offeror or counterparty pay money equal to any benefit gained through the use of the goods or through the exercise of the rights, nor may the seller or the service provider demand that the offeror or counterparty pay consideration or any other money for services under the service contract, even if the goods delivered based on the sales contract have already been used or the

rights have already been exercised, or even if services have already been provided based on the service contract.

(6) If a person withdraws an offer or cancels a service contract, the service provider must promptly return any money the service provider has received in association with the service contract to the offeror or counterparty.

(7) If the offeror or counterparty under a service contract or a sales contract for specified rights has withdrawn the offer for or canceled the service contract or the sales contract, and the existing state of the offeror or counterparty's land, building, or any other structure was changed in line with services that were to be provided in connection with the service contract or the specified rights, the offeror or counterparty may demand that the service provider or the seller of the specified rights take the necessary measures to restore it to its original state at no charge.

(8) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the offeror or counterparty are invalid.

(Withdrawal of an Offer for or Cancellation of a Sales Contract for Goods of a Quantity That Considerably Exceeds What Is Normally Required)

Article 9-2 (1) An offeror or counterparty may withdraw an offer for a sales contract or a service contract that falls under the category of any of the following contracts, or may cancel such a sales contract or service contract (hereinafter referred to as "withdrawal of an offer or cancellation" of a contract in this Article); provided, however, that this does not apply if there are special circumstances that make it necessary for the offeror or counterparty to enter into the contract:

(i) a sales contract for goods or specified rights (limited to those set forth in Article 2, paragraph (4), item (i); hereinafter the same applies in the following item) of a quantity that considerably exceeds what would normally be required in the offeror's or counterparty's daily life or a service contract for the offeror or counterparty to be provided with services of a frequency, period, or quantity that considerably exceeds what would normally be required in the offeror's or counterparty's daily life; and

(ii) a sales contract or a service contract for which the seller or the service provider has received an offer or that the seller or the service provider has entered into with the knowledge that performing its obligations under the sales contract or the service contract would cause the quantity of any of the offeror's or counterparty's goods or specified rights of the same kind as the goods or specified rights under the sales contract to considerably exceed what would normally be required in the offeror's or counterparty's daily life; that performing those obligations would cause the frequency, period, or quantity

of any services with which the offeror or counterparty was being provided of the same kind as the services under the service contract to considerably exceed what would normally be required in the offeror's or counterparty's daily life; or with the knowledge that the quantity of any of the offeror's or counterparty's goods or specified rights of the same kind as the goods or specified rights under the sales contract already considerably exceeded what would normally be required in the offeror's or counterparty's daily life or that the frequency, period, or quantity of services with which the offeror or counterparty was being provided of the same kind as the services under the service contract already considerably exceeded what would normally be required in the offeror or counterparty's daily life.

(2) An offeror or counterparty must exercise the right under the provisions of the preceding paragraph within one year from the time of entry into the sales contract or service contract.

(3) The provisions of paragraphs (3) through (8) of the preceding Article apply mutatis mutandis to the withdrawal of an offer or cancellation of a contract under the provisions of paragraph (1). When this is the case, the term "the preceding paragraphs" in paragraph (8) of that Article is deemed to be replaced with "paragraphs (1) and (2) of the following Article and paragraphs (3) through (8) as applied mutatis mutandis pursuant to paragraph (3) of that Article".

(Retraction of the Manifestation of an Intention to Offer a Door-to-Door Sales Contract or to Accept Such an Offer)

Article 9-3 (1) If the offeror or counterparty was under a misapprehension specified in one of the following items as a result of the seller's or the service provider's having engaged in the conduct listed in that item in soliciting the offeror's or counterparty's entry into a sales contract or service contract connected with a door-to-door sale, because of which the offeror or counterparty indicated the intention to offer a sales contract or a service contract or to accept such an offer, the offeror or counterparty may retract the manifestation of that intention to offer the contract or to accept that offer:

(i) a misrepresentation in violation of the provisions of Article 6, paragraph (1): the misapprehension that the information being represented was true; or

(ii) the intentional failure to disclose a fact, in violation of the provisions of Article 6, paragraph (2): the misapprehension that the relevant fact did not exist.

(2) The retraction under the provisions of the preceding paragraph of the manifestation of the intention to offer a sales contract or service contract connected with a door-to-door sale or to accept such an offer may not be duly asserted against a third party in good faith.

(3) The provisions of paragraph (1) do not preclude the application of the provisions of Article 96 of the Civil Code (Act No. 89 of 1896) to the manifestation of intention to offer a sales contract or service contract connected with a door-to-door sale prescribed in the paragraph or to accept such an offer.

(4) The right to a retraction under the provisions of paragraph (1) extinguishes by prescription if it is not exercised within one year from the time that a contract can be ratified. The same applies once five years have passed after the time that the relevant sales contract or service contract was entered into.

(5) Notwithstanding the provisions of Article 121-2, paragraph (1) of the Civil Code, if an offeror or counterparty to whom a benefit has been conferred through the performance of an obligation under a sales contract or service contract connected with a door-to-door sale retracts the manifestation of the intention to offer such a contract or to accept such an offer pursuant to the provisions of paragraph (1), but the offeror or counterparty did not know that the manifestation of the intention could be retracted when the benefit was conferred, the offeror or counterparty bears the obligation to return up to the extent of the actual benefit received based on the sales contract or service contract.

(Limitation on the Amount of Damages for Cancelling or Defaulting on a Door-to-Door Sales Contract)

Article 10 (1) If a seller or a service provider has entered into a sales contract or a service contract falling under any of the items in Article 5, paragraph (1), but the sales contract or the service contract is canceled, the seller or the service provider may not demand that the purchaser or the service recipient pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the goods or rights are returned: the amount constituting the normal charges for use of such goods or the amount equal to the profit that can normally be earned through the exercise of such rights (or the amount equal to the sales price of the goods or rights less the value of those goods or rights at the time of their return, if this exceeds the amount constituting the normal charges for use of such goods or the amount equal to the profit that can normally be earned through the exercise of such rights);

(ii) if the goods or rights are not returned: the amount equal to the sales price of the goods or rights;

(iii) if the service contract is canceled after the services started to be provided: the amount equal to the consideration for the provided services; and

(iv) if the contract is canceled prior to the start of the delivery of the goods or the transfer of the rights or the provision of the services: the amount of costs normally required for entering into and performing a contract.

(2) If a seller or a service provider has entered into a sales contract or a service contract falling under any of the items in Article 5, paragraph (1), but the obligation to pay the charges under the sales contract or the consideration under the service contract is not performed in whole or in part (excluding when the sales contract or the service contract has been canceled), the seller or the service provider may not demand that the purchaser or the service recipient pay an amount of money that exceeds the aggregate of the amount equal to the sales price of the goods or rights or the consideration for the services less the already-paid amount of the charges for the goods or rights or the consideration for the services plus the amount of any damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty.

Section 3 Mail Order Sales

(Advertisement of Mail Order Sales)

Article 11 When a seller or a service provider advertises the terms and conditions under which the seller or the service provider sells goods or specified rights or provides services through mail order sales, the seller or the service provider must indicate the following information concerning the goods, rights, or services in the advertisement pursuant to the provisions of order of the competent ministry; provided, however, that the seller or the service provider is permitted not to indicate a portion of this information, pursuant to the provisions of order of the competent ministry, if the seller or the service provider indicates in the advertisement that upon request, the seller or the service provider will deliver a document or provide an electronic or magnetic record (meaning a record used in computerized data processing that has been created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses) that gives this information without delay:

(i) the sales price of the goods or rights or the consideration for the services (meaning the sales price and the shipping charges for the goods, if shipping charges for the goods are not included in the sales price);

(ii) the timing and method of payment of the charges for the goods or rights or the consideration for the services;

(iii) the timing of the delivery of the goods, the timing of the transfer of the rights, or the timing of the provision of the services;

(iv) information concerning the withdrawal of an offer for a sales contract for the goods or specified rights or the cancellation of such a sales contract (if

there are special provisions as prescribed in the proviso to Article 15-3, paragraph (1), this information includes the details of those special provisions; and if the provisions of Article 26, paragraph (2) apply, this information includes information concerning those provisions); and

(v) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

(Prohibition against Misleading Advertising)

Article 12 When a seller or a service provider advertises the terms and conditions under which the seller or the service provider sells goods or specified rights or provides services through mail order sales, the seller or the service provider must not make a representation regarding the performance of the goods or the details of the rights or services, regarding information on the withdrawal of an offer for a sales contract for the goods or the rights or the cancellation of such a sales contract (if there are special provisions as prescribed in the proviso to Article 15-3, paragraph (1), this information includes the details of those special provisions), or regarding any other information specified by order of the competent ministry with respect to mail order sales, that differs vastly from the truth or could mislead people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 12-2 On finding that it is necessary to do so in order to determine whether a seller's or service provider's representation falls under the category of representations provided in the preceding Article, the competent minister may ask the seller or the service provider that made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 14, paragraph (1) and Article 15, paragraph (1) in such a case, if the seller or the service provider fails to submit those materials, the representation is deemed to fall under the category of representations provided in the preceding Article.

(Prohibition on Sending E-mail Advertising to a Person Who Has Not Given Consent)

Article 12-3 (1) Except in the following cases, it is prohibited for a seller or a service provider to advertise via e-mail (meaning advertising by sending advertising text or any other data by an electronic or magnetic means (meaning a means of using an electronic data processing system or applying other information and communications technology, which is specified by order of the competent ministry; the same applies hereinafter) in a way that causes it to be displayed on the screen of the computer used by the advertising target;

the same applies hereinafter) with regard to the terms and conditions under which the seller or the service provider sells goods or specified rights or provides services through mail order sales, without the consent of the advertising target:

(i) when sending e-mail advertising regarding the terms and conditions under which the seller or the service provider sells goods or specified rights or provides services through mail order sales (hereinafter referred to as "e-mail that advertises mail order sales" in this section) at the request of the advertising target;

(ii) when sending e-mail that advertises mail order sales pursuant to the provisions of order of the competent ministry while notifying a person who has offered a sales contract for goods or specified rights sold by the seller or a service contract for services provided by the service provider or a person who has entered into such a sales contract or a service contract, of information concerning the details of the offer or contract or the performance of the contract through a means specified by order of the competent ministry; or

(iii) beyond as provided in the preceding two items, when sending e-mail that advertises mail order sales in the cases specified by order of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the e-mail that advertises mail order sales.

(2) It is prohibited for a seller or service provider that has obtained the consent prescribed in the preceding paragraph or that has received the request prescribed in item (i) of that paragraph to send e-mail that advertises mail order sales to an advertising target if the target of the e-mail that advertises mail order sales indicates an unwillingness to receive e-mail that advertises mail order sales; provided, however, that this does not apply if the seller or the service provider later receives another request from the advertising target or regains the consent of the advertising target to send e-mail that advertises mail order sales.

(3) Except in the case set forth in paragraph (1), item (ii) or (iii), when sending e-mail that advertises mail order sales, a seller or a service provider must prepare what is specified by order of the competent ministry as a record of having obtained the consent of the advertising target or having received a request from the advertising target to send e-mail that advertises mail order sales, and must preserve such records pursuant to the provisions of order of the competent ministry.

(4) Except in the case set forth in paragraph (1), item (ii) or (iii), when sending e-mail that advertises mail order sales, a seller or a service provider must indicate in its e-mail that advertises mail order sales, pursuant to the provisions of order of the competent ministry, the information that order of the competent ministry specifies as information that an advertising target needs to

have in order to indicate an unwillingness to receive e-mail that advertises mail order sales, in addition to the information listed in the items of Article 11.

(5) If a seller or a service provider has entrusted another person with all of the following business activities at once, the provisions of the preceding two paragraphs do not apply to any e-mail that advertises mail order sales subject to that entrustment:

(i) business activities for obtaining the consent of advertising targets or receiving requests from advertising targets to send e-mail that advertises mail order sales;

(ii) business activities for preparing and preserving the records prescribed in paragraph (3); and

(iii) business activities for indicating the information that an advertising target needs to have in order to indicate an unwillingness to receive e-mail that advertises mail order sales, as prescribed in the preceding paragraph.

Article 12-4 (1) Except in the following cases, a person entrusted with all of the business activities listed in the items of paragraph (5) of the preceding Article at once by a seller or a service provider (such a person is hereinafter referred to as a "contractor entrusted with e-mail that advertises mail order sales" in this Section, Article 66, paragraph (5) and Article 67, paragraph(1), item (iv)) must not send e-mail that advertises mail order sales with regard to the terms and conditions under which the seller or the service provider that entrusted the contractor with those business activities (hereinafter referred to as the "party entrusting a contractor with e-mail that advertises mail order sales" in this Section) sells goods or specified rights or provides services through mail order sales, without the consent of the advertising target:

(i) when sending e-mail that advertises the mail order sales of the party entrusting the contractor with e-mail that advertises mail order sales at the request of the advertising target; and

(ii) beyond as provided in the preceding item, when sending e-mail that advertises the mail order sales of the party entrusting the contractor with e-mail that advertises mail order sales in cases specified by order of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the e-mail that advertises the mail order sales of a party entrusting a contractor with e-mail that advertises mail order sales.

(2) The provisions of paragraphs (2) through (4) of the preceding Article apply mutatis mutandis to e-mail that advertises the mail order sales of a party entrusting a contractor with e-mail that advertises mail order sales which is sent by the contractor entrusted with e-mail that advertises mail order sales. When this is the case, the phrase "paragraph (1), item (ii) or (iii)" in paragraphs (3) and (4) of the preceding Article is deemed to be replaced with

"paragraph (1), item (ii) of the following Article".

(Prohibition on Sending Facsimile Advertisements to a Person Who Has Not Given Consent)

Article 12-5 (1) Except in the following cases, it is prohibited for a seller or a service provider to advertise via facsimile (meaning advertising by sending advertising text or any other information by using a facsimile machine; the same applies in the following item) with regard to the terms and conditions under which the seller or the service provider sells goods or specified rights or provides services through mail order sales, without the consent of the advertising target:

(i) when sending facsimile advertising regarding the terms and conditions under which the seller or the service provider sells goods or specified rights or provides services through mail order sales (hereinafter referred to as "facsimile advertisements for mail order sales" in this Article) at the request of the advertising target;

(ii) when sending facsimile advertisements for mail order sales pursuant to the provisions of order of the competent ministry while notifying a person who has offered a sales contract for goods or specified rights sold by the seller or a service contract for services provided by the service provider or a person who has entered into such a sales contract or service contract, of information concerning the details of the offer or contract or the performance of the contract using a method specified by order of the competent ministry; or

(iii) beyond as provided in the preceding two items, when sending facsimile advertisements for mail order sales in the cases specified by order of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the facsimile advertisements for mail order sales.

(2) It is prohibited for a seller or service provider that has obtained the consent prescribed in the preceding paragraph or that has received a request prescribed in item (i) of that paragraph to send facsimile advertisements for mail order sales to an advertising target if the target of the facsimile advertisements for mail order sales indicates an unwillingness to receive facsimile advertisements for mail order sales; provided, however, that this does not apply if the seller or the service provider later receives another request from the advertising target or regains the consent of the advertising target to send facsimile advertisements for mail order sales.

(3) Except in a case set forth in paragraph (1), item (ii) or (iii), when sending facsimile advertisements for mail order sales, a seller or a service provider must prepare what is specified by order of the competent ministry as a record of having obtained the consent of the advertising target or having received a request from the advertising target to send facsimile advertisements for mail

order sales, and must preserve those records pursuant to the provisions of order of the competent ministry.

(4) Except in a case set forth in paragraph (1), item (ii) or (iii), when sending facsimile advertisements for mail order sales, a seller or a service provider, pursuant to the provisions of order of the competent ministry, must indicate in its facsimile advertisements for mail order sales information that is specified by order of the competent ministry as the information that an advertising target needs to have in order to indicate an unwillingness to receive facsimile advertisements for mail order sales, beyond the information listed in the items of Article 11.

(Notification of Acceptance in Mail Order Sales)

Article 13 (1) If a seller or a service provider engages in mail order sales in which the seller or the service provider receives charges for goods or rights or the consideration for services in whole or in part prior to the delivery of goods, the transfer of rights, or the provision of services from a person who has offered a sales contract for goods or specified rights or who has offered a service contract for services, and the seller or the service provider receives an offer for a sales contract for goods or rights or a service contract for services by postal mail or a similar means and receives the charges for the goods or rights or the consideration for the services in whole or in part, the seller or the service provider must notify the person who made the offer in writing of the acceptance or non-acceptance of the offer (if the seller or the service provider notified the person who made the offer of the acceptance or non-acceptance of the offer before receiving those charges or that consideration, the seller or the service provider must send the person a notice to that effect) and of any other information specified by order of the competent ministry without delay, pursuant to the provisions of order of the competent ministry; provided, however, that this does not apply if the seller or the service provider has sent the goods, transferred the rights, or provided the services without delay after receiving the charges for the goods or rights or the consideration for the services in whole or in part.

(2) In place of the notification in writing under the provisions of the main clause of the preceding paragraph, a seller or a service provider may provide the information of which the seller or the service provider must notify the person by an electronic or magnetic means or any other means specified by order of the competent ministry, after gaining the consent of the person who made the offer, pursuant to Cabinet Order. When such is the case, the seller or the service provider is deemed to have made the notification in writing.

(Instructions)

Article 14 (1) If a seller or a service provider has violated any of the provisions of Article 11, 12, or 12-3 (excluding paragraph (5)), Article 12-5, or Article 13, paragraph (1) or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with a mail order sale and the interests of the purchaser or the service recipient, the competent minister may instruct the seller or the service provider to take measures for correcting the violation or conduct, measures for protecting the interests of the purchaser or the service recipient, and any other necessary measures:

(i) refusing to perform or unjustly delaying the performance of the obligations under a sales contract or service contract connected with a mail order sale or the obligations that occur through the cancellation of a sales contract or a service contract connected with a mail order sale in whole or in part;

(ii) that which is specified by order of the competent ministry as conduct through which the relevant person sought to cause a customer to offer a sales contract or service contract connected with a mail order sale against the customer's will; and

(iii) beyond as set forth in the preceding two items, conduct in connection with a mail order sale that is specified by order of the competent ministry as being likely to prejudice the fairness of a transaction connected with a mail order sale and the interests of the purchaser or the service recipient.

(2) If a contractor entrusted with e-mail that advertises mail order sales has violated any of the provisions of Article 12-4, paragraph (1) or Article 12-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with mail order sales and the interests of the purchaser or the service recipient, the competent minister may instruct the contractor entrusted with e-mail that advertises mail order sales to take any necessary measures:

(i) that which is specified by order of the competent ministry as conduct through which the relevant person sought to cause a customer to offer the party entrusting a contractor with e-mail that advertises mail order sales a sales contract or a service contract during mail order sales, against the customer's will; and

(ii) beyond as set forth in the preceding item, conduct in connection with a mail order sale that is specified by order of the competent ministry as being likely to prejudice the fairness of a transaction connected with a mail order sale and the interests of the purchaser or the service recipient.

(3) Having given an instruction under the provisions of paragraph (1), the competent minister must issue a public announcement to that effect.

(4) Having given an instruction under the provisions of paragraph (2), the competent minister must issue a public announcement to that effect.

(Suspension of Business)

Article 15 (1) If a seller or a service provider has violated any of the provisions of Article 11, 12, or 12-3 (excluding paragraph (5)), Article 12-5, or Article 13, paragraph (1) or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction connected with a mail order sale and the interests of the purchaser or the service recipient or the seller or the service provider fails to follow the instructions under the provisions of that paragraph, the competent minister may order the seller or the service provider to suspend those of its business activities that are connected with mail order sales in whole or in part, during a specified period of no longer than two years. In such a case, if the seller or the service provider is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of business activities that are subject to the suspension at a corporation that engages in those business activities for a period equal to the period of that suspension.

(2) If a contractor entrusted with e-mail that advertises mail order sales has violated any of the provisions of Article 12-4, paragraph (1) or Article 12-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) or has engaged in any of the conduct listed in the items of paragraph (2) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction connected with mail order sales and the interests of the purchaser or the service recipient, or if a contractor entrusted with e-mail that advertises mail order sales fails to follow the instructions under the provisions of that paragraph, the competent minister may order the contractor entrusted with e-mail that advertises mail order sales to suspend those of its business activities that are connected with e-mail that advertises mail order sales in whole or in part, during a specified period of no longer than one year.

(3) Having issued an order under the provisions of paragraph (1), the competent minister must issue a public announcement to that effect.

(4) Having issued an order under the provisions of paragraph (2), the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 15-2 (1) If the competent minister orders a seller or a service provider to suspend its business activities pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the

category of case set forth in that item is a person specified by order of the competent ministry as one whose mail order sales should be restricted so as to ensure the effectiveness of the order in consideration the facts constituting the grounds for the order and the weight of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the seller or service provider is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the seller or service provider is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Cancellation of a Contract in Mail Order Sales)

Article 15-3 (1) When a seller that has advertised terms and conditions for selling goods or specified rights through mail order sales has received an offer for a sales contract for those goods or specified rights or entered into a sales contract for those goods or specified rights, the person making the offer or the purchaser (simply referred to as the "purchaser" in the following paragraph) may withdraw the offer for the sales contract or cancel the sales contract (hereinafter referred to as a "withdrawal of an offer or cancellation" of a contract in this Article) during the period up until eight days have passed since the date on which the purchaser is delivered the goods or is transferred the specified rights; provided, however, that this does not apply if the seller had indicated special provisions on withdrawal of an offer or cancellation of a contract in its advertisement (if the sales contract is an electronic consumer contract prescribed in Article 2, paragraph (1) of the Act on Special Provisions to the Civil Code Concerning Electronic Consumer Contracts and Electronic Acceptance Notice (Act No. 95 of 2001) or in any other cases specified by order of the competent ministry, this means if the seller had indicated special provisions in its advertisement and had also indicated those special provisions by a method other than an advertisement that is specified by order of the competent ministry).

(2) If a person withdraws an offer or cancels a contract, the purchaser bears the costs required for taking back or returning any goods already delivered or any specified rights already transferred under the sales contract.

Section 4 Telemarketing Sales

(Clear Indication of Name in Telemarketing Sales)

Article 16 When a seller or a service provider seeks to conduct telemarketing sales, the seller or the service provider must tell the other party, prior to solicitation, the name of the seller or the service provider and the name of the solicitor, the type of the goods, rights, or services, and the fact that the purpose of the telephone call is to solicit the person to enter into a sales contract or a service contract.

(Prohibition on Soliciting the Business of a Person Who Has Indicated an Unwillingness to Enter Into a Contract)

Article 17 It is prohibited for a seller or service provider to solicit a person to enter into a sales contract or service contract connected with a telemarketing sale if that person has indicated an unwillingness to enter into such a sales contract or service contract.

(Delivery of Documents in Telemarketing Sales)

Article 18 When a seller or a service provider receives an offer for a sales contract for goods or specified rights or an offer for a service contract for services from a telemarketing target by postal mail or a similar means as a result of an act of telemarketing, the seller or the service provider must deliver a document giving the details of the offer to the person who made the offer with respect to the following information without delay, pursuant to the provisions of order of the competent ministry; provided, however, that this does not apply if the seller or the service provider has entered into the sales contract or the service contract upon receiving the offer therefor:

(i) the type of goods, rights, or services;

(ii) the sales price of the goods or rights or the consideration for the services;

(iii) the timing and method of payment of the charges for the goods or rights or the consideration for the services;

(iv) the timing of the delivery of the goods, the timing of the transfer of the rights, or the timing of the provision of the services;

(v) information about withdrawing the offer for the sales contract or the service contract or about canceling the sales contract or the service contract under the provisions of Article 24, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of that Article (when the provisions of Article 26, paragraph (2), (4) or (5) apply, this includes information under the provisions of the paragraphs)); and

(vi) information specified by order of the competent ministry, beyond what is

set forth in the preceding items.

Article 19 (1) Except as prescribed in the following paragraph, if a seller or a service provider falls under one of the following items, the seller or the service provider must deliver a document to the purchaser or the service recipient that clarifies the details of the sales contract or the service contract with respect to the information referred to in the items of the preceding Article (with respect to the information referred to in item (v) of that Article, limited to information about the cancellation of the sales contract or the service contract) without delay, pursuant to the provisions of an order of the competent ministry:

(i) the seller or the service provider has entered into a sales contract for goods or specified rights or a service contract for services with a telemarketing target by postal mail or a similar means as a result of an act of telemarketing; and

(ii) the seller or the service provider has received an offer for a sales contract for goods or specified rights or an offer for a service contract for services from a telemarketing target by postal mail or a similar means as a result of an act of telemarketing.

(2) If a seller or a service provider falls under item (ii) of the preceding paragraph and, upon entering into a sales contract or a service contract, the seller or the service provider delivers the goods, transfers the specified rights, or provides the services and receives the total amount of the charges for the goods or specified rights or the consideration for the services, the seller or the service provider, pursuant to the provisions of order of the competent ministry, must immediately deliver to the purchaser or the service recipient a document giving the information referred to in items (i) and (ii) of the preceding Article, the portion of the information referred to in item (v) of that Article that is about canceling the sales contract or the service contract, and any information specified by order of the competent ministry.

(Notification of Acceptance in Telemarketing Sales)

Article 20 If a seller or a service provider engages in telemarketing sales in which the seller or the service provider receives charges for goods or rights or the consideration for services in whole or in part prior to the delivery of goods, the transfer of rights, or the provision of services from a person who has offered a sales contract for goods or specified rights or who has offered a service contract for services, when the seller or the service provider has received an offer for a sales contract for goods or rights or a service contract for services by postal mail or a similar means and has received the charges for the goods or rights or the consideration for the services in whole or in part, the seller or the service provider must notify the person who made the offer in

writing of the acceptance or non-acceptance of the offer (if the seller or the service provider has notified the person who made the offer of the acceptance or non-acceptance of the offer before receiving such charges or consideration, the seller or the service provider must send the person a notice to that effect) and of any other information specified by order of the competent ministry without delay, pursuant to the provisions of order of the competent ministry; provided, however, that this does not apply if the seller or the service provider has sent the goods, transferred the rights, or provided the services without delay after receiving the charges for the goods or rights or the consideration for the services in whole or in part.

(Prohibited Conduct)

Article 21 (1) It is prohibited for a seller or service provider to misrepresent the following information, either in soliciting a person to enter into a sales contract or service contract connected with a telemarketing sale, or in order to prevent the withdrawal of an offer for a sales contract or a service contract connected with a telemarketing sale or the cancellation of such a contract:

(i) the type of goods and their performance or quality, the type of rights or services, the details thereof, and other similar information specified by order of the competent ministry;

(ii) the sales price of the goods or rights, or the consideration for the services;

(iii) the timing or method of payment of the charges for the goods or rights or the consideration for the services;

(iv) the timing of the delivery of the goods, the timing of the transfer of the rights, or the timing of the provision of the services;

(v) information about withdrawing the offer for the sales contract or the service contract or about canceling the sales contract or the service contract (including information under the provisions of Article 24, paragraphs (1) through (7) (when the provisions of Article 26, paragraph (2), (4) or (5) apply, this includes information under the provisions of the paragraphs));

(vi) information about any circumstances that make it necessary for the telemarketing target to enter into the sales contract or the service contract; and

(vii) beyond what is as set forth in the preceding items, any material information about the sales contract or the service contract that would affect the decision of the telemarketing target, the purchaser, or the service recipient.

(2) It is prohibited for a seller or service provider to intentionally fail to disclose facts with respect to the information listed in items (i) through (v) of the preceding paragraph in soliciting a person to enter into a sales contract or service contract connected with a telemarketing sale.

(3) It is prohibited for a seller or service provider to use intimidation to overwhelm a person, either in order to cause the person to enter into a sales contract or service contract connected with a telemarketing sale, or to prevent the person from withdrawing an offer for a sales contract or service contract connected with a telemarketing sale or from canceling such a contract.

(Submission of Materials Showing Reasonable Grounds)

Article 21-2 On finding that it is necessary to do so in order to determine whether a seller or a service provider has misrepresented the information prescribed in paragraph (1), item (i) of the preceding Article, the competent minister may ask the seller or the service provider to submit materials showing reasonable grounds to support the information conveyed to the other party, within a specified period. With regard to the application of the provisions of paragraph (1) of the following Article and Article 23, paragraph (1) in such a case, if the seller or the service provider fails to submit those materials, the seller or the service provider is deemed to have misrepresented the information prescribed in that item.

(Instructions)

Article 22 (1) If a seller or a service provider has violated any of the provisions of Articles 16 through 21 or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with a telemarketing sale and the interests of the purchaser or the service recipient, the competent minister may instruct the seller or the service provider to take measures for correcting the violation or conduct, measures for protecting the interests of the purchaser or the service recipient, and any other necessary measures:

(i) refusing to perform or unjustly delaying the performance of the obligations under a sales contract or a service contract connected with a telemarketing sale or the obligations that occur through the cancellation of a sales contract or a service contract connected with a telemarketing sale in whole or in part;

(ii) intentionally failing to disclose any material information about a sales contract or a service contract that would affect the decision of the telemarketing target (excluding the information listed in Article 21, paragraph (1), items (i) through (v)) in soliciting a person to enter into a sales contract or service contract connected with a telemarketing sale;

(iii) intentionally failing to disclose any material information about a sales contract or a service contract connected with a telemarketing sale that would affect the decision of the telemarketing target, the purchaser, or the service recipient, in order to prevent the withdrawal of an offer for such a sales contract or service contract or the cancellation of such a contract;

(iv) soliciting, without reasonable grounds, a person's entry into a sales contract or service contract connected with a telemarketing sale for goods or specified rights (limited to those set forth in Article 2, paragraph (4), item (i)) of a quantity that considerably exceeds what is normally required in daily life or for a service whose frequency, period, or quantity considerably exceeds what is normally required in daily life, or any other conduct specified by order of the competent ministry as conduct that is found to be inappropriate in light of the telemarketing target's financial status; and

(v) beyond as set forth in the preceding items, conduct in connection with a telemarketing sale that is specified by order of the competent ministry as being likely to prejudice the fairness of a transaction connected with a telemarketing sale and the interests of the purchaser or the service recipient.

(2) Having given an instruction under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Suspension of Business)

Article 23 (1) If a seller or a service provider has violated any of the provisions of Articles 16 through 21 or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction connected with a telemarketing sale and the interests of the purchaser or the service recipient or the seller or the service provider fails to follow the instructions under the provisions of that paragraph, the competent minister may order the seller or the service provider to suspend those of its business activities that are connected with telemarketing sales in whole or in part, during a specified period of no longer than two years. In such a case, if the seller or the service provider is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of the business activities of a corporation that engages business activities which fall within the scope of the suspension, for a period equal to the period of that suspension.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 23-2 (1) If the competent minister orders a seller or a service provider to suspend its business activities pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as one whose telemarketing sales should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the weight of the responsibility that

the person had for those facts, the competent minister may prohibit the person from commencing new business activities that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the seller or service provider is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the seller or service provider is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Withdrawal of an Offer or Cancellation of a Contract in Telemarketing Sales)

Article 24 (1) If a seller or a service provider has received an offer for a sales contract for goods or specified rights or an offer for a service contract for services from a telemarketing target by postal mail or a similar means as the result of an act of telemarketing, or when a seller or a service provider enters into a sales contract for goods or specified rights or a service contract for services with a telemarketing target by postal mail or a similar means as a result of an act of Telemarketing, the person who made the offer or the purchaser or the service recipient (hereinafter referred to as the "offeror or counterparty" in this Article through Article 24-3) may withdraw the offer for the sales contract or service contract or cancel the sales contract or service contract (hereinafter referred to as "withdrawal of an offer or cancellation" of a contract in this Article) in writing; provided, however, that this does not apply once eight days have passed after the date on which the offeror or counterparty received the document referred to in Article 19 (or after the date on which the offeror or counterparty received the document referred to in Article 18, if the offeror or counterparty received the document under Article 18 at an earlier date than that on which the offeror or counterparty received the document referred to in Article 19) (if the offeror or counterparty did not withdraw the offer or cancel the contract by that time limit because the offeror or counterparty was under the misapprehension that information about the withdrawal of an offer or cancellation of a contract that the seller or the service provider had misrepresented to the offeror or counterparty, in violation of the provisions of Article 21, paragraph (1), was true, or because the offeror or counterparty was overwhelmed due to the seller's or service provider's use of intimidation, in violation of the provisions of paragraph (3) of that Article, the first part of this paragraph does not apply once eight days have passed after

the date on which the offeror or counterparty received a document delivered thereto by the seller or the service provider pursuant to the provisions of order of the competent ministry that contains a notice to the effect that the offeror or counterparty may withdraw the offer for or cancel the sales contract or service contract).

(2) A withdrawal of an offer or cancellation of a contract takes effect at the time the withdrawal of the offer or cancellation of the contract is set forth in writing.

(3) If a person withdraws an offer or cancels a contract, the seller or the service provider may not claim damages nor demand the payment of any penalty in connection with the withdrawal of the offer or cancellation of the contract.

(4) If a person withdraws an offer or cancels a contract, the seller bears the costs required for taking back or returning any goods already delivered or any rights already transferred under the sales contract.

(5) If a person withdraws an offer or cancels a sales contract for goods or specified rights or a service contract, the seller or the service provider may not demand that the offeror or counterparty pay money equal to any benefit gained through the use of the goods or through the exercise of the rights, nor may the seller or the service provider demand that the offeror or counterparty pay consideration or any other money for services under the service contract, even if the goods delivered based on the sales contract have already been used or the rights have already been exercised, or even if services have already been provided based on the service contract.

(6) If a person withdraws an offer or cancels a service contract, the service provider must promptly return any money the service provider has received in association with the service contract to the offeror or counterparty.

(7) If the offeror or counterparty to a service contract or a sales contract for specified rights has withdrawn the offer or canceled the service contract or sales contract, and the existing state of the offeror or counterparty's land, building, or any other structure was changed in line with services that were to be provided in connection with the service contract or the specified rights, the offeror or counterparty may demand that the service provider or the seller of the specified rights take the necessary measures to restore it to its original state at no charge.

(8) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the offeror or counterparty are invalid.

(Withdrawal of an Offer or Cancellation of a Sales Contract for Goods of a Quantity That Considerably Exceeds What Is Normally Required)

Article 24-2 (1) An offeror or counterparty may withdraw an offer for a sales contract or service contract falls under the category of any of the following

contracts, or may cancel such a sales contract or a service contract (hereinafter referred to as "withdrawal of an offer or cancellation" of a contract in this Article); provided, however, that this does not apply when there are special circumstances that make it necessary for the offeror or counterparty to enter into the contract:

(i) a sales contract for goods or specified rights (limited to those set forth in Article 2, paragraph (4), item (i); hereinafter the same applies in the following item) of a quantity that considerably exceeds what would normally be required in the offeror's or counterparty's daily life or a service contract for the offeror or counterparty to be provided with services of a frequency, period or quantity that considerably exceeds what would normally be required in the offeror's or counterparty's daily life; and

(ii) a sales contract or service contract for which the seller or the service provider has received an offer or that the seller or the service provider has entered into with the knowledge that performing its obligations under the sales contract or the service contract would cause the quantity of any of the offeror's or counterparty's goods or specified rights of the same kind as the goods or specified rights under the sales contract to considerably exceed what would normally be required in the offeror's or counterparty's daily life, that performing those obligations would cause the frequency, period or quantity of any services the offeror or counterparty was being provided of the same kind as the services under the service contract to considerably exceed what would normally be required in the offeror's or counterparty's daily life, or with the knowledge that the quantity of any of the offeror's or counterparty's goods or specified rights of the same kind as the goods or specified rights under the sales contract already considerably exceeded what would normally be required in the offeror's or counterparty's daily life or that the frequency, period or quantity of services the offeror or counterparty was being provided of the same kind as the services under the service contract already considerably exceeded what would normally be required in the offeror's or counterparty's daily life.

(2) An offeror or counterparty must exercise the right under the provisions of the preceding paragraph within one year from the time of entry into the sales contract or service contract.

(3) The provisions of paragraphs (3) through (8) of the preceding Article apply mutatis mutandis to the withdrawal of an offer or cancellation of a contract under the provisions of paragraph (1). When such is the case, the term "the preceding paragraphs" in paragraph (8) of that Article is deemed to be replaced with "paragraphs (1) and (2) of the following Article and paragraphs (3) through (8) as applied mutatis mutandis pursuant to paragraph (3) of that Article".

(Retraction of the Manifestation of an Intention to Offer a Telemarketing Sales Contract or to Accept Such an Offer)

Article 24-3 (1) If an offeror or counterparty was under a misapprehension specified in one of the following items as a result of the seller's or the service provider's having engaged in the conduct listed in that item in soliciting a person to enter into a sales contract or service contract connected with a telemarketing sale, because of which the offeror or counterparty manifested the intention to offer a sales contract or a service contract or to accept such an offer, the offeror or counterparty may retract the manifestation of that intention to offer such a contract or to accept that offer:

(i) a misrepresentation in violation of the provisions of Article 21, paragraph (1): the misapprehension that the information being represented was true; or

(ii) the intentional failure to disclose a fact, in violation of the provisions of Article 21, paragraph (2): the misapprehension that the relevant fact did not exist.

(2) The provisions of Article 9-3, paragraphs (2) through (5) apply mutatis mutandis to a retraction, under the provisions of the preceding paragraph, of the manifestation of an intention to offer a sales contract or service contract connected with a telemarketing sale or to accept such an offer.

(Limitation on the Amount of Damages for Cancelling or Defaulting on a Contract in Telemarketing Sales)

Article 25 (1) If a seller or a service provider has entered into a sales contract or service contract falling under any of the items in Article 19, paragraph (1), and the sales contract or the service contract is canceled, the seller or the service provider may not demand that the purchaser or the service recipient pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the goods or rights are returned: the amount constituting the normal charges for use of such goods or the amount equal to the profit that can normally be earned through the exercise of such rights (or the amount equal to the sales price of the goods or rights less the value of those goods or rights at the time of their return, if this exceeds the amount constituting the normal charges for use of such goods or the amount equal to the profit that can normally be earned through the exercise of such rights);

(ii) if the goods or rights are not returned: the amount equal to the sales price of the goods or rights;

(iii) if the service contract is canceled after the services started to be provided:

the amount equal to the consideration for the provided services; and

(iv) if the contract is canceled prior to the start of the delivery of the goods or the transfer of the rights or the provision of the services: the amount of costs normally required for entering into and performing a contract.

(2) If a seller or a service provider has entered into a sales contract or a service contract falling under any of the items in Article 19, paragraph (1), and the obligation to pay the charges under the sales contract or the consideration under the service contract is not performed in whole or in part (except if the sales contract or the service contract has been canceled), the seller or the service provider may not demand that the purchaser or the service recipient pay an amount of money that exceeds the aggregate of the amount equal to the sales price of the goods or rights or the consideration for the services less the already-paid amount of the charges for the goods or rights or the consideration for the services plus the amount of any damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty.

Section 5 Miscellaneous Provisions

(Exclusion from Application)

Article 26 (1) The provisions of the preceding three Sections do not apply to the following sales or provision of services that falls under the category of door-to-door sales, mail order sales, or telemarketing sales:

(i) a sale or the provision of services under a sales contract or service contract as prescribed in paragraphs (1) through (3) of Article 2, that the person offering the sales contract or the purchaser or service recipient enters into for business purposes or as a part of business;

(ii) a sale of goods or rights or the provision of services to a person located outside of Japan;

(iii) a sale or the provision of services by the national or local government;

(iv) a sale or the provision of services by one of the following organizations to its direct or indirect member (if an organization is able to make its business or facilities available to non-members, this includes a sale or provision of services to such a non-member):

(a) a partnership established based on a special law or a federation or central association of such partnerships;

(b) an organization as referred to in Article 108-2 of the National Public Service Act (Act No. 120 of 1947) or Article 52 of the Local Public Service Act (Act No. 261 of 1950); and

(c) a labor union;

(v) a sale or the provision of services by a business to its employee;

(vi) the sale of a newspaper published by a person that is not a stock company;
(vii) the provision of services as prescribed in Article 3, paragraph (1) of the Attorney Act (Act No. 205 of 1949) by an attorney-at-law, the provision of services as prescribed in Article 3, paragraph (1) or Article 30-5 of that Act by a legal professional corporation as prescribed in Article 30-2 of that Act, and the provision of services as prescribed in Article 3, paragraph (1), Article 5, paragraph (1), Article 5-2, paragraph (1) or Article 5-3 of the Act on Special Measures concerning the Handling of Legal Services by Foreign Lawyers (Act No. 66 of 1986) by a registered foreign-qualified lawyer prescribed in Article 2, item (iii) of that Act;
(viii) the following sales or provision of services:
(a) a sale of goods or the provision of services as prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) by a financial instruments business operator prescribed in paragraph (9) of that Article, the provision of services as prescribed in paragraph (11) of that Article by a financial instruments intermediary prescribed in paragraph (12) of that Article, the sale of goods or provision of services as prescribed in Article 33-5, paragraph (1), item (iii) of that Act by a registered financial institution prescribed in Article 2, paragraph (11) of that Act, the provision of services prescribed in Article 79-7, paragraph (1) of that Act by a certified investor protection organization as prescribed in Article 79-10 of that Act, and the provision of services as prescribed in Article 156-24, paragraph (1) or Article 156-27, paragraph (1) of that Act by a securities finance company as prescribed in Article 2, paragraph (30) of that Act;
(b) a sale of goods or the provision of services as prescribed in Article 2, item (ii) of the Real Estate Brokerage Act (Act No. 176 of 1952) by a real estate broker prescribed in Article 2, item (iii) of that Act (including a trust company or a financial institution that has obtained the authorization set forth in Article 1, paragraph (1) of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No. 43 of 1943) that engages in the real estate brokerage prescribed in Article 2, item (ii) of the Real Estate Brokerage Act);
(c) the provision of services as prescribed in Article 2, paragraph (3) of the Travel Agency Act (Act No. 239 of 1952) by a travel agent as prescribed in Article 6-4, paragraph (1) of that Act or a travel agent's business representative as prescribed in paragraph (3) of that Article; and
(d) beyond as provided in (a) through (c), a sale or the provision of services under a sales contract for goods or specified rights or service contract in door-to-door sales, mail order sales, or telemarketing sales, which is specified by cabinet order a sale or the provision of services in which it is

found that the interests of the target of solicitation or advertisement, person making the offer, or the purchaser or service recipient can be protected based on the provisions of other Acts.

(2) The provisions of Articles 9 through 9-3, 15-3, and 24 through 24-3 do not apply to a sale of specified rights that falls under the category of a door-to-door sale, mail order sale, or telemarketing sale that has been undertaken as a subscription for shares or for contributions, or as a contribution of funds, which pursuant to the Companies Act (Act No. 86 of 2005) or any other Act, cannot be retracted on grounds of fraud or duress.

(3) The provisions of Articles 4, 5, 9, 18, 19 and 24 do not apply if the whole or a part of the provision of services that is specified by Cabinet Order as being normally undertaken in whole immediately after the parties enter into a contract, and which falls under the category of a door-to-door sale or telemarketing sale, has been undertaken immediately after the parties enter into the contract (limited to the cases specified by order of the competent ministry).

(4) The provisions of Articles 9 and 24 do not apply to the following sales or provision of services falling under the category of a door-to-door sale or telemarketing sale:

(i) a sale of goods or the provision of services that are specified by Cabinet Order as goods or services whose transactions normally feature negotiations over the terms and conditions of their sale or the terms and conditions for the provision of services taking place between the seller or the service provider and the purchaser or the service recipient over a reasonable period of time; and

(ii) the provision of services that are specified by Cabinet Order as being likely to significantly prejudice the interests of the service recipient if they are not provided promptly after the contract is entered into.

(5) The provisions of Articles 9 and 24 do not apply to a sale or the provision of a service that falls under the category of a door-to-door sale or telemarketing sale if any of the following applies:

(i) an offeror or counterparty as prescribed in Article 9, paragraph (1) or an offeror or counterparty as prescribed in Article 24, paragraph (1) has received a document as referred to in Article 4, 5, 18, or 19, and the offeror or counterparty has used or consumed in whole or in part goods specified by Cabinet Order as having a value that is likely to decline significantly through their use or partial consumption (except when the seller had caused the offeror or counterparty to use or consume the goods in whole or in part);

(ii) an offeror or counterparty as prescribed in Article 9, paragraph (1) or an offeror or counterparty as prescribed in Article 24, paragraph (1) has received a document as referred to in Article 4, 5, 18, or 19, and the goods

transferred thereto are goods specified by Cabinet Order as being of a quality that is difficult to maintain for any reasonable period of time and whose value is likely to decline significantly due to a decline in quality; or

(iii) in a case as prescribed in Article 5, paragraph (2) or Article 19, paragraph (2), if the total amount of the charges for the goods or the specified rights under the sales contract or the consideration for the services under the service contract is below the amount specified by Cabinet Order.

(6) The provisions of Articles 4 through 10 do not apply to the following door-to-door sales:

(i) a door-to-door sale to a person that has offered a sales contract or a service contract or requested that such a contract be entered into at the person's residence; and

(ii) a door-to-door sale that falls under a form of transaction specified by Cabinet Order in which it is normal for the seller or the service provider to receive offers for or enter into sales contracts for goods or specified rights or service contracts for services at a place other than an office or other such location and that is found unlikely to prejudice the interests of the purchaser or the service recipient.

(7) The provisions of Articles 18, 19, and 21 through 25 do not apply to the following telemarketing sales:

(i) a telemarketing sale to a person that has requested a telephone call in order to make an offer for or enter into a sales contract or a service contract (excluding a person that has made such a request as a result of an act of telemarketing or because of conduct specified by Cabinet Order); and

(ii) a telemarketing sale that falls under a form of transaction specified by Cabinet Order in which it is normal for the seller or the service provider to receive offers for or enter into sales contracts for goods or specified rights or service contracts for services by postal mail or a similar means as a result of an act of telemarketing, and that is found unlikely to prejudice the interests of the purchaser or the service recipient.

(8) The provisions of Article 10 and the preceding Article do not apply to installment sales (meaning installment sales as prescribed in Article 2, paragraph (1) of the Installment Sales Act (Act No. 159 of 1961); the same applies hereinafter) that fall under the category of door-to-door sales or telemarketing sales.

(9) The provisions of Articles 11 and 13 do not apply to installment sales, etc. (meaning installment sales, loan-backed sales as prescribed in Article 2, paragraph (2) of the Installment Sales Act, intermediation of comprehensive credit purchases as prescribed in paragraph (3) of that Article, or intermediation of individual credit purchases as prescribed in paragraph (4) of that Article; the same applies in the following paragraph) that fall under the

category of mail order sales.

(10) The provisions of Article 20 do not apply to installment sales, etc. that fall under the category of telemarketing sales.

(Door-to-Door Sales Associations)

Article 27 (1) A general incorporated association that includes the characters "訪問販売協会"(pronounced "houmon-hanbai-kyoukai", meaning "door-to-door sales association" in its name may be established, provided that its articles of incorporation contain provisions to the effect that it will ensure the fairness of transactions connected with door-to-door sales, protect the interests of the purchasers or the service recipients, contribute to the sound development of the door-to-door sales business, and have as its members persons who engage in door-to-door sales as a business.

(2) The provisions of the articles of incorporation prescribed in the preceding paragraph may not be changed.

(Restrictions on Joining the Association)

Article 27-2 (1) A general incorporated association set forth in paragraph (1) of the preceding Article (hereinafter referred to as a "door-to-door sales association") must provide in its articles of incorporation to the effect that it may refuse to allow any party that has been ordered to suspend those of its business activities that are connected with door-to-door sales in whole or in part pursuant to the provisions of Article 8, paragraph (1), or any party that has been expelled by a door-to-door sales association pursuant to the provisions of the articles of incorporation prescribed in Article 29-3, to become a member of that door-to-door sales association.

(2) A door-to-door sales association must make the directory of its members available for public inspection.

(Notification of Establishment)

Article 27-3 (1) When a door-to-door sales association has been established, a notification to that effect must be submitted to the competent minister with a certificate of registered information and a copy of its articles of incorporation attached thereto, within two weeks from the day of its establishment.

(2) When a notification under the provisions of the preceding paragraph is submitted, the competent minister must issue a public notice to that effect.

(Notification of Changes)

Article 27-4 (1) If there has been a change involving a door-to-door sales association's name, address, articles of incorporation or any other information specified by order of the competent ministry, a notification to that effect must

be submitted to the competent minister within two weeks from the day on which the change occurred.

(2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to a notification under the provisions of the preceding paragraph.

(Restrictions on Name Use)

Article 28 (1) A person that is not a door-to-door sales association must not use a character in its name or trade name that could cause it to be mistaken for a door-to-door sales association.

(2) A person that is not a member of a door-to-door sales association must not use a character in its name or trade name that could cause it to be mistaken for a door-to-door sales association member.

(Measures for Protecting the Interests of Purchasers and Others)

Article 29 (1) When a door-to-door sales association is requested by a purchaser, a service recipient, or other relevant person to help settle a complaint about business activities for door-to-door sales in which a member is engaging, it must hold consultations, provide the necessary advice to the requester, and investigate the circumstances surrounding the complaint, as well as notifying the member of the details of the complaint and request that it be processed promptly.

(2) When a door-to-door sales association finds it necessary for settling a complaint connected with a request under the preceding paragraph, it may ask for a written or oral explanation or for the submission of materials from the member.

(3) A member must not refuse what a door-to-door sales association has asked it to do under the provisions of the preceding paragraph without reasonable grounds.

(4) A door-to-door sales association must fully inform its members about any request under paragraph (1), the circumstances involved in the complaint, and the result of the settlement of the complaint.

Article 29-2 (1) A door-to-door sales association must carry out business activities for delivering a certain amount of money to a person that has requested a refund of the money that the person has paid to a member after canceling, pursuant to the provisions of this Act, a sales contract or a service contract connected with the business activities in door-to-door sales in which the member is engaged or after retracting, pursuant to the provisions of this Act, a manifestation of the intention to offer a sales contract or a service contract connected with the business activities in door-to-door sales in which the member is engaged or to accept such an offer, if the member has failed to

refund that money without reasonable grounds.

(2) A door-to-door sales association must set up a fund for the business activities set forth in the preceding paragraph, and must allocate to the fund the total amount of money contributed by its members on the condition of its allocation to the expenses required for the business activities.

(3) A door-to-door sales association must specify the means by which it will implement the business activities set forth in paragraph (1) in its articles of incorporation.

(4) Once a door-to-door sales association has specified the means by which it will implement its business activities pursuant to the provisions of the preceding paragraph, it must issue a public announcement of those means. The same applies if the door-to-door sales association has changed those means.

(Disposition against a Member)

Article 29-3 A door-to-door sales association must set forth in its articles of incorporation that, in the event that a member engages in conduct violating the provisions of this Act or a disposition based on the provisions of this Act, it will impose a monetary penalty on the member, order the member's rights as provided in the articles of incorporation to be suspended or restricted, or expel the member.

(Provision of Information)

Article 29-4 The competent minister must provide the necessary information and materials or offer the necessary guidance and advice concerning the implementation of the business activities prescribed in Articles 29 and 29-2 to a door-to-door sales association.

(Supervision of the Business Activities of a Door-to-Door Sales Association)

Article 29-5 (1) The business activities of a door-to-door sales association are subject to the supervision of the competent minister.

(2) On finding that it is necessary to do so in order to ensure the proper implementation of business activities, the competent minister, to the extent necessary for enforcing the provisions of this Act, may inspect a door-to-door sales association's business activities or financial status or order a door-to-door sales association to take any measures necessary for the improvement thereof.

(3) Having issued the order set forth in the preceding paragraph, upon finding that it is particularly necessary to do so in order to protect the interests of purchasers or service recipients, the competent minister may issue a public announcement to the effect that the order has been issued.

(Mail Order Sales Associations)

Article 30 (1) A general incorporated association that includes the characters "通信販売協会" (pronounced "tsushin-hanbai kyoukai" and meaning "mail order sales association") in its name may be established, but only if its articles of incorporation contain provisions to the effect that it will ensure the fairness of transactions connected with mail order sales, protect the interests of the purchasers or the service recipients, contribute to the sound development of the mail order sales business, and have as its members persons engaged in mail order sales as a business.
(2) The provisions of the articles of incorporation prescribed in the preceding paragraph may not be changed.

(Notification of Establishment)
Article 30-2 (1) When a general incorporated association set forth in paragraph (1) of the preceding Article (hereinafter referred to as a "mail order sales association") is established, a notification to that effect must be submitted to the competent minister with a certificate of registered information and a copy of its articles of incorporation attached thereto, within two weeks from the day of its establishment.
(2) When a notification under the provisions of the preceding paragraph is submitted, the competent minister must issue a public notice to that effect.

(Notification of Changes)
Article 30-3 (1) If there has been a change involving a mail order sales association's name, address, articles of incorporation or any other information specified by order of the competent ministry, a notification to that effect must be submitted to the competent minister within two weeks from the day on which the change occurred.
(2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to a notification under the provisions of the preceding paragraph.

(Restrictions on Name Use)
Article 31 (1) A person that is not a mail order sales association must not use a character in its name or trade name that could cause it to be mistaken for a mail order sales association.
(2) A person that is not a member of a mail order sales association must not use a character in its name or trade name that could cause it to be mistaken for a mail order sales association member.

(Settlement of Complaints)
Article 32 (1) When a mail order sales association is requested by a purchaser, a service recipient, or any other relevant person to help settle a complaint about

business activities for mail order sales in which a member is engaging, it must hold consultations, provide the necessary advice to the requester, and investigate the circumstances surrounding the complaint, as well as notify the member of the details of the complaint and ask that it be processed promptly.

(2) When a mail order sales association finds it necessary for settling a complaint connected with a request under the preceding paragraph, it may ask for a written or oral explanation or for the submission of materials from the member.

(3) A member must not refuse what a mail order sales association has asked for under the provisions of the preceding paragraph without reasonable grounds.

(4) A mail order sales association must fully inform its members about any request under paragraph (1), the circumstances involved in the complaint, and the result of settlement of the complaint.

(Supervision of the Business Activities of a Mail Order Sales Association)

Article 32-2 (1) The business activities of a mail order sales association are subject to the supervision of the competent minister.

(2) On finding that it is necessary to do so in order to ensure the proper implementation of the business activities set forth in the preceding Article, the competent minister, at any time, may inspect a mail order sales association's business activities or financial status or issue a mail order sales association any order that is necessary from a supervisory perspective, with regard to its business activities.

(3) Having issued an order as set forth in the preceding paragraph, and on finding it particularly necessary for protecting the interests of purchasers or service recipients, the competent minister may issue a public announcement to the effect that the order has been issued.

Chapter III Multilevel Marketing Transactions

(Definitions)

Article 33 (1) The term "multilevel marketing undertaking" as used in this Chapter and Article 58-21, paragraphs (1) and (3) and Article 67, paragraph (1) means the business of selling (including arranging for another person to sell) articles (including rights to use facilities or to be provided with services; the same applies hereinafter in this Chapter and Chapter 5) or of providing (including arranging for another person to provide) services in exchange for payment, wherein a counterparty is induced to resell the articles that have been sold thereto (hereinafter referred to as "goods" in this Chapter and Article 58-21, paragraph (1), item (i)(a)) ("resell" means purchasing the goods and then selling them; the same applies hereinafter), wherein a counterparty is induced to sell goods on consignment (meaning being consigned the goods and then

selling them; the same applies hereinafter), wherein a counterparty is induced to arrange the sale of goods, wherein a counterparty is induced to provide the same kind of services (meaning providing the same kind of services that have been provided thereto; the same applies hereinafter), or wherein a counterparty is induced to arrange for such services to be provided, using the possible receipt of a specified profit (meaning all or part of the transaction fees provided by another person who resells, sells on consignment, or arranges the sale of goods, all or part of the transaction fees provided by another person who provides the same kind of services or arranges for those services to be provided, and any other profits that satisfy the requirements specified by order of the competent ministry; hereinafter the same applies in this Chapter and Article 58-21, paragraph (1), item (iv)), and wherein transactions that involve a specified burden (meaning the purchase of goods, payment of the consideration for services, or provision of a transaction fee; hereinafter the same applies in this Chapter and Article 58-21, paragraph (1), item (iv)) are carried out with the counterparty to sell or arrange the sale of goods, or wherein transactions that involve a specified burden are carried out with the counterparty to provide or arrange the provision of the same type of services (such transactions include any change in the terms of a transaction; hereinafter referred to as "multilevel marketing transactions").

(2) The term "orchestrator" as used in this Chapter and Article 58-21, Article 66, paragraph (1) and Article 67, paragraph (1) means the person materially orchestrating a set of related multilevel marketing undertakings, which includes the orchestrator attaching its own trademark to the multilevel marketing goods or causing its own trade name or other specific indication to be used for the provision of services in connection with multilevel marketing undertakings, stipulating the adhesive terms and conditions of multilevel marketing transactions, and continuously guiding the operations of persons carrying on multilevel marketing undertakings.

(3) The term "transaction fee" as used in this Chapter means a transaction fee, a membership fee, a security deposit, or other money or goods provided at the time a transaction is carried out or upon changing the terms of a transaction, irrespective of the name given to it.

(Clear Indication of Name in Multilevel Marketing Transactions)

Article 33-2 When an orchestrator, a salesperson (meaning a person whom an orchestrator causes to solicit other persons in connection with multilevel marketing transactions that are connected to the set of related multilevel marketing undertakings orchestrated by that orchestrator; the same applies hereinafter), or a general multilevel marketing distributor (meaning a person, other than an orchestrator or a salesperson, who carries on a multilevel

marketing undertaking; the same applies hereinafter) seeks to carry out a multilevel marketing transaction that is connected to the set of related multilevel marketing undertakings orchestrated by that orchestrator, the orchestrator, the salesperson, or the general multilevel marketing distributor must clearly indicate to the other party, prior to solicitation, the name of the orchestrator, the salesperson, or the general multilevel marketing distributor (a salesperson or a general multilevel marketing distributor must also indicate the name of the orchestrator), the fact that the purpose is to solicit the person to enter into a contract involving transactions that give rise to a specified burden, and the type of goods or services connected with the solicitation.

(Prohibited Conduct)

Article 34 (1) It is prohibited for an orchestrator or salesperson to intentionally fail to disclose facts about or to misrepresent the following information either in soliciting a person to enter into a contract involving multilevel marketing transactions that are connected to the set of related multilevel marketing undertakings orchestrated by the orchestrator (limited to a contract with an individual who, without using a store or other similar facility (hereinafter referred to as a "store or similar facility"), will sell or arrange the sale of goods associated with that multilevel marketing undertaking or will provide or arrange for the provision of services associated with that multilevel marketing undertaking; hereinafter the same applies in this Article and Article 38, paragraph (3), item (ii)), or in order to prevent the cancellation of a contract involving multilevel marketing transactions that are connected to its multilevel marketing undertaking:

(i) the type of goods (excluding rights to use a facility and to be provided with services) and their performance or quality, the type of services, rights to use a facility, or rights to be provided with services, the details thereof, and other similar information specified by order of the competent ministry;

(ii) information about the specified burden involved in the multilevel marketing transactions;

(iii) information about canceling the contract (including information under the provisions of Article 40, paragraphs (1) through (3) and Article 40-2, paragraphs (1) through (5));

(iv) information about the specified profit involved in that multilevel marketing undertaking;

(v) beyond as set forth in the preceding items, any material information about that multilevel marketing undertaking that would affect the decision of the counterparty to the multilevel marketing transactions.

(2) It is prohibited for a general multilevel marketing distributor to misrepresent the information listed in the items of the preceding paragraph, either in

soliciting a person to enter into a contract involving multilevel marketing transactions that are connected to a set of related multilevel marketing undertakings orchestrated by an orchestrator, or in order to prevent the cancellation of a contract for multilevel marketing transactions connected with that multilevel marketing undertaking.

(3) It is prohibited for an orchestrator, salesperson, or general multilevel marketing distributor to use intimidation to overwhelm a person in order to cause the person to enter into a contract involving multilevel marketing transactions that are connected to a set of related multilevel marketing undertakings orchestrated by that orchestrator or in order to prevent the person from canceling a contract involving multilevel marketing transactions that are connected to its multilevel marketing undertaking.

(4) It is prohibited for an orchestrator, salesperson, or general multilevel marketing distributor to solicit a person whom the orchestrator, the salesperson, or the general multilevel marketing distributor has stopped and taken along with them or whom the orchestrator, the salesperson, or the general multilevel marketing distributor has induced away from a place that is not a business office, agency office, or any other place specified by order of the competent ministry by any other means specified by Cabinet Order, to enter into a contract involving transactions that give rise to a specified burden other than in a place into and out of which the general public comes and goes, without first having informed the person that the purpose for doing so is to solicit the person to enter into such a contract.

(Submission of Materials Showing Reasonable Grounds)

Article 34-2 On finding that it is necessary to do so in order to determine whether an orchestrator, a salesperson, or a general multilevel marketing distributor has misrepresented the information prescribed in Article 34, paragraph (1), item (i) or (iv), the competent minister may ask the orchestrator, the salesperson, or the general multilevel marketing distributor to submit materials showing reasonable grounds to support the information conveyed to the other party, within a specified period. With regard to the application of the provisions of Article 38, paragraphs (1) through (3) and Article 39, paragraph (1) in such a case, if the orchestrator, the salesperson, or the general multilevel marketing distributor fails to submit those materials, the orchestrator, the salesperson, or the general multilevel marketing distributor is deemed to have misrepresented the information prescribed in Article 34, paragraph (1), item (i) or (iv).

(Advertising Multilevel Marketing Transactions)

Article 35 When an orchestrator, a salesperson, or a general multilevel

marketing distributor advertises the multilevel marketing transactions that are connected with the set of related multilevel marketing undertakings orchestrated by the orchestrator, it must indicate the following information about its multilevel marketing undertaking in the advertisement, pursuant to the provisions of order of the competent ministry:

(i) the type of goods or services;

(ii) information about the specified burden involved in the multilevel marketing transactions;

(iii) if the specified profits connected with its multilevel marketing undertaking are advertised, the method of calculating those profits;

(iv) beyond what is listed in the preceding three items, information specified by order of the competent ministry.

(Prohibition against Misleading Advertising)

Article 36 When an orchestrator, a salesperson, or a general multilevel marketing distributor advertises multilevel marketing transactions that are connected with the set of related multilevel marketing undertakings orchestrated by the orchestrator, it must not make a representation about the performance or quality of the goods associated with its multilevel marketing undertaking (excluding rights to use a facility or to be provided with services), the details of the rights to use a facility or to be provided with services, or the details of services associated with its multilevel marketing undertaking, nor about the specified burden involved in those multilevel marketing transactions, the specified profit involved in that multilevel marketing undertaking, or any other information specified by order of the competent ministry, that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 36-2 On finding that it is necessary to do so in order to determine whether an orchestrator's, salesperson's, or general multilevel marketing distributor's representation falls under the category of representations provided in the preceding Article, the competent minister may ask the orchestrator, the salesperson, or the general multilevel marketing distributor that made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 38, paragraphs (1) through (3) and Article 39, paragraph (1) in such a case, if the orchestrator, the salesperson, or the general multilevel marketing distributor fails to submit those materials, the representation is deemed to fall under the category of representations provided for in the preceding Article.

(Prohibition on Sending E-mail Advertising to a Person Who Has Not Given Consent)

Article 36-3 (1) Except in the following cases, it is prohibited for an orchestrator, a salesperson, or a general multilevel marketing distributor to advertise multilevel marketing transactions that are connected with the set of related multilevel marketing undertakings orchestrated by that orchestrator via e-mail without the consent of the advertising target:

(i) when sending e-mail advertising multilevel marketing transactions that are connected with the set of related multilevel marketing undertakings orchestrated by that orchestrator (hereinafter referred to as e-mail that advertises multilevel marketing transactions" in this Chapter) at the request of the advertising target; or

(ii) beyond as provided in the preceding item, when sending e-mail that advertises multilevel marketing transactions in cases specified by order of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the e-mail that advertises multilevel marketing transactions.

(2) It is prohibited for an orchestrator, salesperson, or general multilevel marketing distributor that has obtained the consent prescribed in the preceding paragraph or that has received a request provided in item (i) of that paragraph to send e-mail that advertises multilevel marketing transactions to an advertising target if the target of the e-mail that advertises multilevel marketing transactions indicates an unwillingness to receive e-mail that advertises multilevel marketing transactions; provided, however, that this does not apply if the orchestrator, the salesperson, or the general multilevel marketing distributor later receives a request from the advertising target or regains the consent of the advertising target to send e-mail that advertises multilevel marketing transactions.

(3) Except in the case set forth in paragraph (1), item (ii), when sending e-mail that advertises multilevel marketing transactions, an orchestrator, a salesperson, or a general multilevel marketing distributor must prepare what is specified by order of the competent ministry as a record of having obtained the consent of the advertising target or having received a request from the advertising target to send e-mail that advertises multilevel marketing transactions, and must preserve such records pursuant to the provisions of order of the competent ministry.

(4) Except in the case set forth in paragraph (1), item (ii), when sending e-mail that advertises multilevel marketing transactions, an orchestrator, a salesperson, or a general multilevel marketing distributor must indicate in its e-mail that advertises multilevel marketing transactions, pursuant to the

provisions of order of the competent ministry, information that is specified by order of the competent ministry as the information that an advertising target needs to have in order to indicate an unwillingness to receive e-mail that advertises multilevel marketing transactions, in addition to the information listed in the items of Article 35.

(5) If an orchestrator, a salesperson, or a general multilevel marketing distributor has entrusted another person with all of the following business activities at once, the provisions of the preceding two paragraphs do not apply to any e-mail that advertises multilevel marketing transactions subject to that entrustment:

(i) business activities for obtaining the consent of the advertising targets or receiving requests from advertising targets to send e-mail that advertises multilevel marketing transactions;

(ii) business activities for preparing and preserving the records prescribed in paragraph (3); and

(iii) business activities for indicating the information an advertising target needs to have in order to indicate an unwillingness to receive e-mail that advertises multilevel marketing transactions, as prescribed in the preceding paragraph.

Article 36-4 (1) Except in the following cases, a person entrusted with all of the business activities listed in the items of paragraph (5) of the preceding Article at once by an orchestrator, a salesperson, or a general multilevel marketing distributor (a person so entrusted is hereinafter referred to as a "contractor entrusted with e-mail that advertises multilevel marketing transactions" in this Chapter and Article 66, paragraph (5) and Article 67, paragraph (1), item (iv)) must not send e-mail that advertises multilevel marketing transactions for multilevel marketing transactions that are connected with the set of related multilevel marketing undertakings orchestrated by the orchestrator, that are carried out by the orchestrator, the salesperson, or the general multilevel marketing distributor that entrusted the contractor with those business activities (hereinafter referred to as the "party entrusting a contractor with e-mail that advertises its multilevel marketing transactions" in this Article), without the consent of the advertising target:

(i) when sending e-mail that advertises the multilevel marketing transactions of a party entrusting a contractor with e-mail that advertises its multilevel marketing transactions at the request of the advertising target; and

(ii) beyond as set forth in the preceding item, when sending e-mail that advertises the multilevel marketing transactions of a party entrusting a contractor with e-mail that advertises its multilevel marketing transactions in cases specified by order of the competent ministry as cases that are found

to be unlikely to prejudice the interests of the target of the e-mail that advertises the multilevel marketing transactions of the party entrusting a contractor with e-mail that advertises its multilevel marketing transactions.

(2) The provisions of paragraphs (2) through (4) of the preceding Article apply mutatis mutandis to the e-mail that advertises the multilevel marketing transactions of a party entrusting a contractor with e-mail that advertises its multilevel marketing transactions, by a contractor entrusted with e-mail that advertises multilevel marketing transactions. When this is the case, the phrase "paragraph (1), item (ii)" in paragraphs (3) and (4) of the preceding Article is deemed to be replaced with "paragraph (1), item (ii) of the following Article".

(Delivery of Documents in Multilevel Marketing Transactions)

Article 37 (1) When a person carrying on a multilevel marketing undertaking (if a person other than a person carrying on a multilevel marketing undertaking will enter into a contract concerning the specified burden involved in multilevel marketing transactions that are connected with that multilevel marketing undertaking, the person entering into the contract) seeks to enter into a contract concerning the specified burden involved in multilevel marketing transactions with a person seeking to bear that specified burden (limited to an individual who, without using a store or similar facility, will sell or arrange the sale of goods associated with that multilevel marketing undertaking or will provide or arrange for the provision of services associated with its multilevel marketing undertaking), the person carrying on that multilevel marketing undertaking must deliver to that person a document containing an outline of its multilevel marketing undertaking pursuant to the provisions of order of the competent ministry before entering into that contract.

(2) If a person carrying on a multilevel marketing undertaking has entered into a contract involving multilevel marketing transactions that are connected with its multilevel marketing undertaking (hereinafter referred to as a "multilevel marketing contract" in this Chapter), and the counterparty to the multilevel marketing contract is an individual who, without using a store or similar facility, will sell or arrange the sale of goods associated with that multilevel marketing undertaking or will provide or arrange for the provision of services associated with that multilevel marketing undertaking, the person engaged in multilevel marketing must deliver to that person a document containing the details of that multilevel marketing contract with respect to the following information without delay, pursuant to the provisions of order of the competent ministry:

(i) the type of goods (excluding rights to use a facility or to be provided with services) and their performance or quality, or the type of services, rights to use a facility, or rights to be provided with services, and the details thereof;

(ii) information about conditions for reselling, selling on consignment, or arranging the sale of the goods, or about providing the same kind of services or arranging for those services to be provided;
(iii) information about the specified burden involved in the multilevel marketing transactions;
(iv) information about canceling the multilevel marketing contract (including information related to the provisions of Article 40, paragraphs (1) through (3) and Article 40-2, paragraphs (1) through (5)); and
(v) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

(Instructions)

Article 38 (1) If an orchestrator has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the following conduct, or if a salesperson has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, or Article 36-3 (excluding paragraph (5)) or has engaged in any of the conduct listed in items (ii) through (iv) of this paragraph, and the competent minister finds that the conduct is likely to prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, the competent minister may instruct the orchestrator to take measures for correcting the violation or conduct, measures for protecting the interests of the counterparty to the multilevel marketing transactions, or any other necessary measures:
(i) refusing to perform or unjustly delaying the performance of the obligations under a multilevel marketing contract connected with multilevel marketing or the obligations that occur through the cancellation of such a contract in whole or in part;
(ii) soliciting a person's entry into a multilevel marketing contract connected with a multilevel marketing undertaking (limited to a contract with an individual who, without using a store or similar facility, will sell or arrange the sale of goods associated with that multilevel marketing undertaking or will provide or arrange for the provision of services associated with that multilevel marketing undertaking; hereinafter the same applies in the following item) by providing conclusive evaluations that would likely cause a person to mistakenly believe that the multilevel marketing transactions connected with the set of related multilevel marketing undertakings orchestrated by the orchestrator are sure to generate a profit;
(iii) soliciting a person who has indicated an unwillingness to enter into a multilevel marketing contract connected with the set of related multilevel marketing undertakings orchestrated by the orchestrator to enter into such a

contract, in a way that the person feels is a nuisance; and

(iv) beyond as set forth in the preceding three items, conduct in connection with a multilevel marketing contract connected with the set of related multilevel marketing undertakings orchestrated by a orchestrator, that is specified by order of the competent ministry as being likely to prejudice the fairness of multilevel marketing transactions and the interests of the counterparty.

(2) If a salesperson has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of the preceding paragraph, and the competent minister finds that the conduct is likely to prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, the competent minister may instruct the salesperson to take measures for correcting the violation or conduct, measures for protecting the interests of the counterparty to multilevel marketing transactions, and any other necessary measures.

(3) If a general multilevel marketing distributor has violated any of the provisions of Article 33-2, Article 34, paragraphs (2) through (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the following items, and the competent minister finds that the conduct is likely to prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, the competent minister may instruct the general multilevel marketing distributor to take measures for correcting the violation or conduct, measures for protecting the interests of the counterparty to multilevel marketing transactions, or any other necessary measures:

(i) conduct mentioned in the items of paragraph (1); or

(ii) intentionally failing to disclose any material information about its multilevel marketing undertaking that would affect the decision of the other party, either in soliciting a person to enter into a contract involving multilevel marketing transactions that are connected to a set of related multilevel marketing undertakings orchestrated by an orchestrator or in order to prevent the cancellation of a contract involving multilevel marketing transactions that are connected to its multilevel marketing undertaking.

(4) If a contractor entrusted with e-mail that advertises multilevel marketing transactions has violated any of the provisions of Article 36-4, paragraph (1) or Article 36-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 36-4, paragraph (2), and the competent minister finds that the conduct is likely to prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, the competent minister may instruct the contractor entrusted with e-mail that advertises multilevel

marketing transactions to take any necessary measures.

(5) Having given an instruction under the provisions of paragraphs (1) through (3), the competent minister must issue a public announcement to that effect.

(6) Having given an instruction under the provisions of paragraph (4), the competent minister must issue a public announcement to that effect.

(Suspension of Multilevel Marketing Transactions)

Article 39 (1) If an orchestrator has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of Article 38, paragraph (1), or if a salesperson has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, or Article 36-3 (excluding paragraph (5)) or has engaged in any of the conduct listed in Article 38, paragraph (1), items (ii) through (iv), and the competent minister finds that that conduct is likely to significantly prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, or the orchestrator fails to follow the instructions under the provisions of Article 38, paragraph (1), the competent minister may order the orchestrator to stop soliciting or causing a salesperson to solicit persons in connection with the multilevel marketing transactions that are connected to its multilevel marketing undertaking, or may order the orchestrator to suspend its multilevel marketing transactions in whole or in part, during a specified period of no longer than two years. In such a case, if the orchestrator is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of the business activities of a corporation that engages in business activities related to multilevel marketing transactions which fall within the scope of the suspension for a period equal to the period of that suspension.

(2) If a salesperson has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of Article 38, paragraph (1), and the competent minister finds that the conduct is likely to significantly prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, or the salesperson fails to follow the instructions under the provisions of Article 38, paragraph (2), the competent minister may order the salesperson to stop soliciting persons in connection with the multilevel marketing transactions that are connected to its multilevel marketing undertaking, or may order the salesperson to suspend its multilevel marketing transactions in whole or in part, during a specified period of no longer than two years. In such a case, if the salesperson is an individual, the competent minister may also prohibit the individual from becoming an

officer in charge of the business activities of a corporation that engages in business activities related to multilevel marketing transactions which fall within the scope of the suspension for a period equal to the period of that suspension.

(3) If a general multilevel marketing distributor has violated any of the provisions of Article 33-2, Article 34, paragraphs (2) through (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of paragraph (3) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, or the general multilevel marketing distributor fails to follow the instructions under the provisions of that paragraph, the competent minister may order the general multilevel marketing distributor to stop soliciting persons in connection with the multilevel marketing transactions that are connected to its multilevel marketing undertaking, or may order the general multilevel marketing distributor to suspend its multilevel marketing transactions in whole or in part, during a specified period of no longer than two years. In such a case, if the general multilevel marketing distributor is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of the business activities of a corporation that engages in business activities related to multilevel marketing transactions which fall within the scope of the suspension for a period equal to the period of that suspension.

(4) If a contractor entrusted with e-mail that advertises multilevel marketing transactions has violated any of the provisions of Article 36-4, paragraph (1) or Article 36-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 36-4, paragraph (2), and the competent minister finds that the conduct is likely to significantly prejudice the fairness of multilevel marketing transactions and the interests of the counterparty thereto, or the contractor entrusted with e-mail that advertises multilevel marketing transactions fails to follow the instructions under the provisions of paragraph (4) of the preceding Article, the competent minister may order the contractor entrusted with e-mail that advertises multilevel marketing transactions to suspend those of its business activities that are connected with e-mail that advertises multilevel marketing transactions in whole or in part, during a specified period of no longer than one year.

(5) Having issued an order under the provisions of paragraphs (1) through (3), the competent minister must issue a public announcement to that effect.

(6) Having issued an order under the provisions of paragraph (4), the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 39-2 (1) If the competent minister orders an orchestrator to suspend its multilevel marketing transactions pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as a person whose multilevel marketing transactions should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the extent of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities related to multilevel marketing transactions that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the orchestrator is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the orchestrator is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(2) If the competent minister orders a salesperson to suspend its multilevel marketing transactions pursuant to paragraph (2) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as one whose multilevel marketing transactions should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the extent of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities related to multilevel marketing transactions that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the salesperson is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the salesperson is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(3) If the competent minister orders a general multilevel marketing distributor to suspend its multilevel marketing transactions pursuant to paragraph (3) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by

order of the competent ministry as one whose multilevel marketing transactions should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the extent of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities related to multilevel marketing transactions that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the general multilevel marketing distributor is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employees or a person who was its employee in the sixty days before the date of the order; or

(ii) if the general multilevel marketing distributor is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(4) Having issued an order under the provisions of the preceding three paragraphs, the competent minister must issue a public announcement to that effect.

(Cancellation of a Multilevel Marketing Contract)

Article 40 (1) When a person carrying on a multilevel marketing undertaking has entered into a multilevel marketing contract in connection with its multilevel marketing undertaking, the counterparty to the multilevel marketing contract (limited to an individual who, without using a store or similar facility, will sell or arrange the sale of goods associated with that multilevel marketing or will provide or arrange for the provision of services associated with that multilevel marketing undertaking; hereinafter referred to as a "multilevel marketing affiliate" in this Chapter) may cancel the multilevel marketing contract in writing, except once 20 days have passed after the date on which the multilevel marketing affiliate received the document referred to in Article 37, paragraph (2) (or except once 20 have passed since the date the goods were first delivered, if the specified burden under the multilevel marketing contract is the purchase of goods (excluding rights to use a facility or to be provided with services; hereinafter the same applies in this paragraph) for resale, and if the date of the first delivery of the goods that were purchased based on the multilevel marketing contract is after the date on which the multilevel marketing affiliate received the document; the same applies in paragraph (1) of the following Article) (if the multilevel marketing affiliate did not cancel the multilevel marketing contract under the provisions of this paragraph by that time limit because the multilevel marketing affiliate was

under the misapprehension that information about canceling the multilevel marketing contract under the provisions of this paragraph that the orchestrator or the salesperson had misrepresented to the multilevel marketing affiliate, in violation of the provisions of Article 34, paragraph (1), or that the general multilevel marketing distributor had misrepresented to the multilevel marketing affiliate, in violation of Article 34, paragraph (2), was true, or because the multilevel marketing affiliate was overwhelmed due to the orchestrator's, the salesperson's, or the general multilevel marketing distributor's use of intimidation, in violation of the provisions of Article 34, paragraph (3), then except once 20 days have passed after the date on which the multilevel marketing affiliate received a document delivered thereto by the orchestrator, the salesperson, or the general multilevel marketing distributor, pursuant to the provisions of order of the competent ministry, that contains a notice to the effect that the multilevel marketing affiliate may cancel the multilevel marketing contract pursuant to the provisions of this paragraph). When such is the case, the person engaged in multilevel marketing may not claim damages or demand the payment of any penalty in connection with the cancellation of the multilevel marketing contract.

(2) The cancellation of a multilevel marketing contract as referred to in the preceding paragraph takes effect at the time the multilevel marketing affiliate sets forth in writing that the multilevel marketing affiliate is canceling the multilevel marketing contract.

(3) If a multilevel marketing contract is canceled as referred to in paragraph (1), the person engaged in multilevel marketing bears the costs required for taking back any goods that have already been delivered under the multilevel marketing contract.

(4) Any special provisions of a contract that run counter to the provisions of the preceding three paragraphs and that are disadvantageous to the multilevel marketing affiliate are hereby invalidated.

Article 40-2 (1) Once 20 days have passed after the date on which a multilevel marketing affiliate has received the document referred to in Article 37, paragraph (2), the multilevel marketing affiliate may effect a prospective cancellation of the multilevel marketing contract in question (if the multilevel marketing affiliate did not cancel the multilevel marketing contract under the provisions of paragraph (1) of the preceding Article by the relevant time limit because the multilevel marketing affiliate was under the misapprehension that information about canceling the multilevel marketing contract under the provisions of that paragraph that the orchestrator or the salesperson had misrepresented to the multilevel marketing affiliate, in violation of the provisions of Article 34, paragraph (1), or that the general multilevel

marketing distributor had misrepresented, in violation of Article 34, paragraph (2), was true, or because the multilevel marketing affiliate was overwhelmed due to the orchestrator's, the salesperson's, or the general multilevel marketing distributor's use of intimidation, in violation of the provisions of Article 34, paragraph (3), then once 20 days have passed after the date on which the multilevel marketing affiliate received a document delivered thereto by the orchestrator, the salesperson, or the general multilevel marketing distributor, pursuant to the provisions of order of the competent ministry, that contains a notice to the effect that the multilevel marketing affiliate may cancel the multilevel marketing contract under the provisions of paragraph (1) of the preceding Article).

(2) If a multilevel marketing contract has been canceled pursuant to the provisions of the preceding paragraph, and the person carrying on the multilevel marketing undertaking has already sold (including arranging the sale of) the goods associated with the multilevel marketing undertaking to the multilevel marketing affiliate (limited to the person who entered into the relevant multilevel marketing contract (excluding a multilevel marketing contract to change the terms of transactions) within the past one year; hereinafter the same applies in this Article), the multilevel marketing affiliate may cancel the contract for the sale of the goods (including the part of the multilevel marketing contract concerning the sale of goods that are connected with the specified burden involved in the relevant multilevel marketing transactions; hereinafter referred to as the "sales contract for goods" in this Article), except in the following cases:

(i) once 90 days have passed after the date the goods were delivered to the multilevel marketing affiliate (if those goods constitute rights to use a facility or to be provided with services, the date the multilevel marketing affiliate was transferred the rights; hereinafter the same applies in this Article);

(ii) if the multilevel marketing affiliate has resold the goods;

(iii) if the multilevel marketing affiliate has used or consumed the goods in whole or in part (excluding if the person that sold the multilevel marketing affiliate the goods associated with that multilevel marketing undertaking induced the multilevel marketing affiliate to use or consume the goods in whole or in part); or

(iv) when otherwise specified by Cabinet Order.

(3) If a multilevel marketing contract is canceled pursuant to the provisions of paragraph (1), the person carrying on the multilevel marketing undertaking may not demand that the multilevel marketing affiliate pay an amount of money that exceeds the aggregate of the amount of costs normally required for entering into and performing a contract (if the case falls under one of the

following items, that amount plus the amount specified in the relevant item for the event listed therein) and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the multilevel marketing contract is canceled after the delivery of goods connected with multilevel marketing transactions that involve a specified burden: the total of the following amounts:

(a) the amount equal to the sales price of the delivered goods (limited to those sold under the multilevel marketing contract and excluding those with regard to which the sales contract for goods has been canceled pursuant to the provisions of the preceding paragraph); and

(b) the amount equal to the specified profit or any other money and goods that were offered (limited to those connected with the goods under the sales contract for goods that was canceled pursuant to the provisions of the preceding paragraph).

(ii) if the multilevel marketing contract is canceled after the services connected with multilevel marketing transactions that involve a specified burden started to be provided: the amount equal to the consideration for the services provided (limited to those provided under the multilevel marketing contract).

(4) When a sales contract for goods is canceled pursuant to the provisions of paragraph (2), the person engaged in the sale of goods associated with that multilevel marketing undertaking may not demand that the multilevel marketing affiliate pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the goods have been returned or the sales contract for goods has been cancelled before the delivery of the goods: the amount equal to one-tenth of the sales price of the goods; and

(ii) if the goods are not returned: the amount equal to the sales price of the goods.

(5) If a sales contract for goods is canceled pursuant to the provisions of paragraph (2), the orchestrator of the set of related multilevel marketing undertakings with which the goods are associated is jointly and severally liable for the performance of any obligations of the person selling the goods which have arisen from that cancellation.

(6) Any special provisions that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the multilevel marketing affiliate are hereby invalidated.

(7) The provisions of paragraphs (3) and (4) do not apply to goods or services

associated with a multilevel marketing undertaking that are sold or provided through installment sales.

(Retraction of the Manifestation of an Intention to Offer a Multilevel Marketing Contract or to Accept Such an Offer)

Article 40-3 (1) If a multilevel marketing affiliate was under a misapprehension specified in item (i) or (ii) as a result of the orchestrator's or the salesperson's having engaged in conduct listed in that item in soliciting a multilevel marketing contract connected with the set of related multilevel marketing undertakings orchestrated by the orchestrator, or if the multilevel marketing affiliate was under a misapprehension specified in item (iii) as a result of a general multilevel marketing distributor's having engaged in conduct listed in that item in soliciting the affiliate's entry into the multilevel marketing contract connected with its multilevel marketing undertaking, because of which the multilevel marketing affiliate manifested the intention to offer a multilevel marketing contract or to accept such an offer, the multilevel marketing affiliate may retract the manifestation of the intention to offer such a contract or to accept that offer; provided, however, that this does not apply if the counterparty to the multilevel marketing contract was unaware of the conduct by the orchestrator, the salesperson, or the general multilevel marketing distributor at the time the multilevel marketing contract was entered into:

(i) a misrepresentation in violation of the provisions of Article 34, paragraph (1): the misapprehension that the information being represented was true;

(ii) an intentional failure to disclose a fact, in violation of the provisions of Article 34, paragraph (1): the misapprehension that the relevant fact does not exist; or

(iii) a misrepresentation in violation of the provisions of Article 34, paragraph (2): the misapprehension that the information being represented is true.

(2) The provisions of Article 9-3, paragraphs (2) through (5) apply mutatis mutandis to a retraction, under the provisions of the preceding paragraph, of the manifestation of the intention to offer a multilevel marketing contract or to accept such an offer.

Chapter IV Provision of Specified Continuous Services

(Definitions)

Article 41 (1) The term "provision of specified continuous services" as used in this Chapter and Article 58-22, paragraph (1), item (i) means the following:

(i) the provision of specified continuous services that a service provider undertakes after having entered into a contract under which the service

provider promises to provide specified continuous services for a period exceeding that which is specified by Cabinet Order for each kind of specified continuous services, and under which the counterparty promises to pay an amount of money that exceeds that which is specified by Cabinet Order in exchange (hereinafter referred to as a "specified continuous service contract" in this Chapter); and

(ii) the sale of rights to be provided with specified continuous services (limited to those to be provided for a period exceeding that which is specified by Cabinet Order under the preceding item) that a seller undertakes after having entered into a contract under which the seller sells the rights to be provided with specified continuous services and receives an amount of money exceeding that which is specified by Cabinet Order under that item (hereinafter referred to as a "sales contract for specified rights" in this Chapter).

(2) The term "specified continuous services" as used in this Chapter and Article 58-22, paragraph (1), item (i) and Article 67, paragraph (1) means services that are continuously provided, in exchange for payment, during transactions that arise in the daily lives of people, and that are specified by Cabinet Order as falling under both of the following items:

(i) services that the recipient is induced to receive through the claim that they will increase the recipient's physical beauty, increase the recipient's knowledge or skills, or cause the recipient to accomplish any other purpose related to the recipient's mind, body, or personal affairs; and

(ii) services whose nature makes it uncertain whether the purposes prescribed in the preceding item will be accomplished.

(Delivery of Documents in the Provision of Specified Continuous Services)

Article 42 (1) If a service provider or a seller seeks to enter into a specified continuous service contract or a sales contract for specified rights (hereinafter referred to as a "specified service or sales contract" in this Chapter and Article 58-22) with a person who seeks to be provided with specified continuous services or a person who seeks to purchase the rights to be provided with specified continuous services, the service provider or the seller must deliver a document containing an outline of the specified service or sales contract thereto pursuant to the provisions of order of the competent ministry, prior to the person's entry into the specified service or sales contract.

(2) Having entered into a specified continuous service contract, a service provider must immediately deliver to the person being provided the specified continuous services a document containing the details of the specified continuous service contract pursuant to the provisions of order of the competent ministry, with respect to the following information:

(i) information specified by order of the competent ministry concerning the details of the services, and if there are goods that the service recipient will need to purchase at the time the services are provided, the name of those goods;
(ii) the consideration for the services and any other amount of money that the service recipient must pay;
(iii) the timing of the payment and means of paying the money referred to in the preceding item;
(iv) the service period;
(v) information about canceling the specified continuous service contract under the provisions of Article 48, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of that Article);
(vi) information about canceling the specified continuous service contract under the provisions of Article 49, paragraph (1) (including information under the provisions of paragraphs (2), (5), and (6) of that Article); and
(vii) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

(3) Having entered into a sales contract for specified rights, a seller must immediately deliver to the purchaser a document containing the details of the sales contract for specified rights pursuant to the provisions of an order of the competent ministry, with respect to the following information:
(i) information specified by order of the competent ministry concerning the details of the rights, and if there are goods that the purchaser of the rights to be provided with services will need to purchase at the time the services are provided, the name of those goods;
(ii) the sales price of the rights and any other amount of money that the purchaser of the rights to be provided with the services must pay;
(iii) the timing and method of payment of the money referred to in the preceding item;
(iv) the service period for the services that the purchaser can receive by exercising the rights;
(v) information about canceling the sales contract for specified rights under the provisions of Article 48, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of that Article);
(vi) information about canceling the sales contract for specified rights under the provisions of Article 49, paragraph (3) (including information under the provisions of paragraphs (4) through (6) of that Article); and
(vii) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

(Prohibition against Misleading Advertising)

Article 43 When, in the provision of specified continuous services, a service provider or a seller advertises the terms and conditions under which it provides specified continuous services or under which it sells the rights to be provided with specified continuous services, it must not make a representation about the content, results, or any other information specified by order of the competent ministry concerning the specified continuous services that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 43-2 On finding that it is necessary to do so in order to determine whether a service provider's or seller's representation falls under the category of representations provided in the preceding Article, the competent minister may ask the service provider or the seller that made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 46, paragraph (1) and Article 47, paragraph (1) in such a case, when the service provider or the seller fails to submit those materials, the representation is deemed to fall under the category of representations provided in the preceding Article.

(Prohibited Conduct)

Article 44 (1) It is prohibited for a service provider or seller to misrepresent the following information in soliciting a person to enter into a specified service or sales contract or in order to prevent the cancellation of a specified service or sales contract:

(i) the type of services or rights to be provided with services, and the details or results thereof (in the case of rights, the results of the services connected to the rights), and other similar information specified by order of the competent ministry;

(ii) if there are goods that the service recipient or the purchaser of the rights will need to purchase at the time the services are provided or at the time the purchaser of the rights exercises the right to be provided with the services, the type of goods and their performance or quality, and other similar information specified by order of the competent ministry;

(iii) the consideration for the services or the sales price of the rights, and any other amount of money that the service recipient or the purchaser of the rights to be provided with services must pay;

(iv) the timing and method of payment of the money referred to in the preceding item;

(v) the service period or the service period for the services that the purchaser can receive by exercising the rights;

(vi) information about canceling the specified service or sales contract (including information under the provisions of Article 48, paragraphs (1) through (7) and Article 49, paragraphs (1) through (6));
(vii) information about any circumstances that make it necessary for the customer to enter into the specified service or sales contract; and
(viii) beyond as set forth in the preceding items, any material information about the specified service or sales contract that would affect the decision of the customer, the recipient of the specified continuous services, or the purchaser of the rights to be provided with specified continuous services.

(2) It is prohibited for a service provider or a seller to intentionally fail to disclose facts with respect to the information listed in items (i) through (vi) of the preceding paragraph in soliciting a person to enter into a specified service or sales contract.

(3) It is prohibited for a service provider or a seller to use intimidation to overwhelm a person in order to cause the person to enter into a specified service or sales contract or to prevent the person from canceling a specified service or sales contract.

(Submission of Materials Showing Reasonable Grounds)

Article 44-2 On finding that it is necessary to do so in order to determine whether a service provider or a seller has misrepresented the information prescribed in paragraph (1), item (i) or (ii) of the preceding Article, the competent minister may ask the service provider or the seller to submit materials showing reasonable grounds to support the information conveyed to the other party, within a specified period. With regard to the application of the provisions of Article 46, paragraph (1) and Article 47, paragraph (1) in such a case, if the service provider or the seller fails to submit those materials, the service provider or the seller is deemed to have misrepresented the information prescribed in paragraph (1), item (i) or (ii) of the preceding Article.

(Retention and Inspection of Documents)

Article 45 (1) When a service provider or a seller conducts prepaid transactions during the provision of specified continuous services (meaning a transaction connected with the provision of specified continuous services wherein the service provider or the seller receives an amount of money exceeding an amount specified by Cabinet Order from the counterparty prior to the provision of specified continuous services; the same applies in the following paragraph), it must keep documents describing its business and financial status at the office where it carries out business activities that are connected to specified service or sales contracts, pursuant to the provisions of order of the competent ministry.

(2) The counterparty to a prepaid transaction connected with the provision of specified continuous services may ask to inspect the documents prescribed in the preceding paragraph or may pay the fee specified by the service provider or the seller under the preceding paragraph and ask to be delivered a full or extracted copy of the documents.

(Instructions)

Article 46 (1) If a service provider or a seller has violated any of the provisions of Article 42, 43, 44, or 45 or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with the provision of specified continuous services and the interests of a person entering into a specified continuous service contract and receiving specified continuous services or a person purchasing the rights to be provided with specified continuous services after entering into a sales contract for specified rights (hereinafter referred to as the "service recipient or purchaser" in this Chapter), the competent minister may instruct the service provider or the seller to take measures for correcting the violation or conduct, measures for protecting the interests of the service recipient or purchaser, and any other necessary measures:

(i) refusing to perform or unjustly delaying the performance of the obligations under the specified service or sales contract or the obligations that occur through the cancellation of the contract in whole or in part;

(ii) intentionally failing to disclose any material information about the specified service or sales contract that would affect the decision of the customer (excluding the information set forth in Article 44, paragraph (1), items (i) through (vi)) in soliciting a person to enter into a specified service or sales contract;

(iii) intentionally failing to disclose any material information about the specified service or sales contract that would affect the decision of the service recipient or purchaser in order to prevent the cancellation of a specified service or sales contract; and

(iv) beyond as set forth in the preceding three items, conduct in connection with the Provision of a specified continuous service that is specified by order of the competent ministry as being likely to prejudice the fairness of a transaction connected with the provision of a specified continuous service and the interests of the service recipient or purchaser

(2) Having given an instruction under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Suspension of Business)

Article 47 (1) If a service provider or a seller has violated any of the provisions of

Article 42, 43, 44, or 45 or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction connected with the provision of a specified continuous service and the interests of the service recipient or purchaser or the service provider or the seller fails to follow the instructions under the provisions of that paragraph, the competent minister may order the service provider or the seller to suspend those of its business activities that are connected with the provision of specified continuous services in whole or in part, during a specified period of no longer than two years. In such a case, if the service provider or the seller is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of business activities that are subject to the suspension at a corporation that engages in those business activities for a period equal to the period of the suspension.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 47-2 (1) If the competent minister orders a service provider or a seller to suspend its business activities pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as one whose provision of specified continuous services should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the extent of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in that business activities) for a period equal to the period of that suspension:

(i) if the service provider or seller is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the service provider or seller is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Cancellation of a Specified Service or Sales Contract)

Article 48 (1) If a service provider or a seller has entered into a specified service

or sales contract, the service recipient or purchaser may cancel the specified service or sales contract in writing, except once eight days have passed after the date on which the service recipient or purchaser received the document referred to in Article 42, paragraph (2) or (3) (if the service recipient or purchaser did not cancel the specified service or sales contract under this paragraph by that time limit because the service recipient or purchaser was under the misapprehension that information about the cancellation of a specified service or sales contract under the provisions of this paragraph that the service provider or the seller had misrepresented to the service recipient or purchaser, in violation of the provisions of Article 44, paragraph (1), was true, or because the service recipient or purchaser was overwhelmed due to the service provider's or the seller's use of intimidation, in violation of the provisions of Article 44, paragraph (3), then once eight days have passed after the date on which the service recipient or purchaser received a document delivered thereto by the service provider or the seller pursuant to the provisions of order of the competent ministry that contains a notice to the effect that the service recipient or purchaser may cancel the specified service or sales contract under the provisions of this paragraph).

(2) If a specified service or sales contract has been canceled under the provisions of the preceding paragraph, and the service provider or the seller has sold, acted as an agent for the sale of, or arranged the sale of goods specified by Cabinet Order as goods that a service recipient or purchaser needs to purchase at the time the service recipient or purchaser is provided with specified continuous Services (hereinafter referred to as "related goods" in this Chapter and Article 58-22, paragraph (2) and Article 66, paragraph (2)), the provisions of the preceding paragraph also apply to any contract connected with the sale of the goods (hereinafter referred to as a "sales contract for related goods" in this Article, the following Article and Article 58-22, paragraph (2)); provided, however, that this does not apply if, in spite of having received the document referred to in Article 42, paragraph (2) or (3), the service recipient or purchaser has used or consumed in whole or in part related goods specified by Cabinet Order as having a value that is likely to decline significantly through their use or partial consumption (excluding if the service provider or the seller induced the service recipient or purchaser to use or consume the related goods in whole or in part).

(3) The cancellation of a specified service or sales contract and the cancellation of a sales contract for related goods under the provisions of the preceding two paragraphs take effect at the time the service recipient or purchaser sets forth in writing that the service recipient or purchaser is canceling them.

(4) If a specified service or sales contract is canceled under the provisions of paragraph (1) or if a sales contract for related goods is canceled under the

provisions of paragraph (2), the service provider or the seller may not claim damages nor demand the payment of any penalty in connection with the cancellation.

(5) If a sales contract for specified Rights is canceled under the provisions of paragraph (1) or if a sales contract for related goods is canceled under the provisions of paragraph (2), the seller or the person selling the related goods bears the costs required for taking back or returning any rights already transferred under the sales contract for specified rights or any related goods already delivered under the sales contract for related goods.

(6) If a specified service or sales contract is canceled under the provisions of paragraph (1), the service provider or the seller may not demand that the service recipient or purchaser pay consideration or any other money for specified continuous services under the specified service or sales contract, even if specified continuous services have already been provided based on that contract.

(7) If a specified continuous service contract is canceled under the provisions of paragraph (1), the service provider must promptly return any money the service provider has received in association with the specified continuous service contract to the recipient of the specified continuous services.

(8) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the service recipient or purchaser are hereby invalidated.

Article 49 (1) If a service provider has entered into a specified continuous service contract, the recipient of the specified continuous services may effect a prospective cancellation of the contract in question once eight days have passed after the date on which the recipient of the specified continuous services has received the document referred to in Article 42, paragraph (2) (if the recipient of the specified continuous services did not cancel the specified continuous service contract under the provisions of paragraph (1) of the preceding Article by the relevant time limit because the recipient of the specified continuous services was under the misapprehension that information about canceling the specified continuous service contract under the provisions of the paragraph that the service provider had misrepresented to the recipient of the specified continuous services, in violation of the provisions of Article 44, paragraph (1), was true, or because the recipient of the specified continuous services was overwhelmed due to the service provider's use of intimidation, in violation of the provisions of Article 44, paragraph (3), then once eight days have passed after the date on which the recipient of the specified continuous services received a document delivered thereto by the service provider, pursuant to the provisions of order of the competent ministry, that contains a notice to the

effect that the recipient of the specified continuous services may cancel the specified continuous service contract under the provisions of paragraph (1) of the preceding Article).

(2) If a specified continuous service contract is canceled pursuant to the provisions of the preceding paragraph, the service provider may not demand that the recipient of the specified continuous services pay an amount of money that exceeds the aggregate of the amount specified in each of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the specified continuous service contract is canceled after the specified continuous services began to be provided: the total of the following amounts:

(a) the amount equal to the consideration for the specified continuous services that were provided; and

(b) the amount specified by Cabinet Order referred to in Article 41, paragraph (2) in accordance with each of the services specified therein as the amount of damages that are normally caused by the cancellation of the relevant specified continuous service contract.

(ii) if the specified continuous service contract is canceled before the specified continuous services started to be provided: the amount specified by Cabinet Order referred to in Article 41, paragraph (2) in accordance with each of the services specified therein as the amount of costs normally required for entering into and performing a contract.

(3) If a seller enters into a sales contract for specified rights, the purchaser of the right to be provided with specified continuous services may cancel the sales contract for specified rights once eight days have passed after the date on which the purchaser of the right to be provided with specified continuous services has received the document referred to in Article 42, paragraph (3) (if the purchaser of the right to be provided with the specified continuous services does not cancel the sales contract for specified rights under the provisions of paragraph (1) of the preceding Article by the relevant time limit because the purchaser of the right to be provided with specified continuous services was under the misapprehension that information about canceling the sales contract for specified rights under the provisions of that paragraph that the seller had misrepresented to the purchaser of the rights to be provided with specified continuous services, in violation of the provisions of Article 44, paragraph (1), was true, or because the purchaser of the right to be provided with the specified continuous services was overwhelmed due to the seller's use of intimidation, in violation of the provisions of Article 44, paragraph (3), then once eight days have passed after the date on which the purchaser of the right to be provided with specified continuous services has received a document

delivered thereto by the seller, pursuant to the provisions of order of the competent ministry, that contains a notice to the effect that the purchaser of the right to be provided with specified continuous services may cancel the sales contract for specified rights under the provisions of paragraph (1) of the preceding Article).

(4) If a sales contract for specified rights has been canceled pursuant to the provisions of the preceding paragraph, the seller may not demand that the purchaser of the right to be provided with specified continuous services pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the case listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the rights are returned: the amount equal to the profit that can normally be earned through the exercise of such rights (or the amount equal to the sales price of the rights less the value of those rights at the time of their return, if this exceeds the amount equal to the profit that can normally be gained through the exercise of such rights);

(ii) if the rights are not returned: the amount equal to the sales price of the rights;

(iii) If the contract is canceled prior to the transfer of the rights: the amount of costs normally required for entering into and performing a contract.

(5) If a specified service or sales contract has been canceled pursuant to the provisions of paragraph (1) or (3), and the service provider or the seller has sold, acted as an agent for the sale of, or arranged for the sale of the related goods to the service recipient or purchaser, the service recipient or purchaser may cancel the sales contract for related goods.

(6) If a sales contract for related goods is canceled pursuant to the provisions of the preceding paragraph, the seller of the related goods may not demand that the service recipient or purchaser pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the related goods are returned: the amount constituting the normal charges for use of such related goods (or the amount equal to the sales price of the related goods less the value of those related goods at the time of their return, if this exceeds the amount constituting the normal charges for use of such goods);

(ii) if the related goods are not returned: the amount equal to the sales price of the related goods;

(iii) if the contract is canceled prior to the transfer of the related goods: the

amount of costs normally required for entering into and performing a contract.

(7) Any special provisions that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the service recipient or purchaser, are hereby invalidated.

(Retraction of the Manifestation of an Intention to Offer a Specified Continuous Service Contract or to Accept Such an Offer)

Article 49-2 (1) If a service recipient or purchaser was under a misapprehension specified in one the following items as a result of the service provider's or the seller's having engaged in the conduct listed in that item in soliciting the service recipient or purchaser to enter into a specified service or sales contract, because of which the service recipient or purchaser manifested the intention to offer a specified service or sales contract or to accept such an offer, the service recipient or purchaser may retract the manifestation of that intention to offer such a contract or to accept that offer:

(i) a misrepresentation in violation of the provisions of Article 44, paragraph (1): the misapprehension that the information being represented was true; or

(ii) the intentional failure to disclose a fact, in violation of the provisions of Article 44, paragraph (2): the misapprehension that the relevant fact did not exist.

(2) The provisions of Article 9-3, paragraphs (2) through (5) apply mutatis mutandis to the retraction, under the provisions of the preceding paragraph, of the manifestation of an intention to offer a specified service or sales contract or to accept such an offer.

(3) The provisions of Article 49, paragraphs (5) through (7) apply mutatis mutandis if the manifestation of an intention to offer a specified service or sales contract or to accept such an offer has been retracted pursuant to the provisions of paragraph (1).

(Exclusion from Application)

Article 50 (1) The provisions of this Chapter do not apply to any provision of specified continuous services as follows:

(i) the provision of specified continuous services under a specified continuous service or sales contract entered into by a service recipient or purchaser for business purposes or as a part of business;

(ii) the provision of specified continuous services to a person located outside of Japan;

(iii) the provision of specified continuous services by the national or local government;

(iv) the provision of specified continuous services by one of the following

organizations to its direct or indirect member (if an organization is able to make its business or facilities available to a non-member, this includes the provision of specified continuous services to such a non-member):

(a) a partnership established based on a special law or a federation or central association of such partnerships;

(b) an organization under Article 108-2 of the National Public Service Act or Article 52 of the Local Public Service Act; and

(c) a labor union.

(v) the Provision of Specified Continuous Services by a business to its employee.

(2) The provisions of Article 49, paragraphs (2), (4), and (6) (including as applied mutatis mutandis pursuant to Article 49-2, paragraph (3)) do not apply to specified continuous services provided or related goods sold through installment sales.

Chapter V Business Opportunity Sales Transactions

(Definitions)

Article 51 (1) The term "business opportunity sales" as used in this Chapter and Article 58-23, Article 66, paragraph (1), and Article 67, paragraph (1) means the business of selling (including arranging for another person to sell) articles or providing (including arranging for another person to provide) services in exchange for payment, wherein the possible receipt of a profit (hereinafter referred to as "business opportunity profit" in this Chapter and Article 58-23, paragraph (1), item (iii)) through engagement in business activities that use the articles being sold (hereinafter referred to as "goods" in this Chapter and Article 58-23, paragraph (1), item (i)(a)) or the services being provided (such business activities are limited to those that are directly provided or arranged by the person who will sell or arrange the sale of the goods or who will provide or arrange for the provision of the services) is used to induce the other party to enter transactions, and wherein transactions that involve a specified burden (meaning the purchase of goods, payment of consideration for services, or provision of a transaction fee; hereinafter the same applies in this Chapter and Article 58-23, paragraph (1), item (iii)) are carried out with the other party to sell or arrange the sale of goods or to provide or arrange the provision of services (such transactions include any change in the terms of a transaction; hereinafter referred to as "business opportunity sales transactions").

(2) The term "transaction fee" as used in this Chapter means a transaction fee, a membership fee, a security deposit, or other money or goods provided at the time a transaction is conducted or upon changing the terms of a transaction, irrespective of the name given to it.

(Clear Indication of Name in Business Opportunity Sales Transactions)

Article 51-2 When a person engaged in business opportunity sales seeks to conduct a business opportunity sales transaction connected with its business opportunity sales, the person engaged in business opportunity sales must clearly indicate to the other party, prior to solicitation, the name of the person engaged in the business opportunity sales, the fact that the purpose is to solicit the person to enter into a contract involving transactions that give rise to a specified burden, and the type of goods or services connected with the solicitation.

(Prohibited Conduct)

Article 52 (1) It is prohibited for a person engaged in business opportunity sales to intentionally fail to disclose facts about or misrepresent the following information in soliciting a person to enter into a contract for business opportunity sales transactions connected with its business opportunity sales (limited to a contract with an individual who, without using a place of business or other similar facility (hereinafter referred to as a "place of business or similar facility"), engages in business activities that will be provided or arranged in connection with those opportunity sales; hereinafter the same applies in this Article) or in order to prevent the cancellation of a contract for business opportunity sales transactions connected with business opportunity sales:

(i) the type of goods (excluding rights to use a facility and to be provided with services) and their performance or quality, the type of services, rights to use a facility, or rights to be provided with services, the details thereof, and other similar information specified by order of the competent ministry;

(ii) information about the specified burden involved in the business opportunity sales transactions;

(iii) information about canceling the relevant contract (including information under the provisions of Article 58, paragraphs (1) through (3));

(iv) information about the business opportunity profit connected with its business opportunity sales;

(v) beyond as set forth in the preceding items, any material information about business opportunity sales that would affect the decision of the counterparty to the business opportunity sales transactions.

(2) It is prohibited for a person engaged in business opportunity sales to use intimidation to overwhelm a person in order to cause the person to enter into a contract for a business opportunity sales transaction connected with its business opportunity sales or in order to prevent the person from canceling a contract for a business opportunity sales transaction connected with its business opportunity sale.

(3) It is prohibited for a person engaged in business opportunity sales to solicit a person whom the person engaged in business opportunity sales has stopped and taken along with them or whom the person engaged in business opportunity sales has induced away from a place that is not a business office, agency office, or any other place specified by order of the competent ministry by any other means specified by Cabinet Order, to enter into a contract involving a business opportunity sales transaction connected with its business opportunity sales other than in a place into and out of which the general public comes and goes, without first having informed the person that the purpose for doing so is to solicit the person to enter into a contract for transactions involving a specified burden.

(Submission of Materials Showing Reasonable Grounds)

Article 52-2 On finding that it is necessary to do so in order to determine whether a person engaged in business opportunity sales has misrepresented the information prescribed in Article 52, paragraph (1), item (i) or (iv), the competent minister may ask the person engaged in business opportunity sales to submit materials showing reasonable grounds to support the information conveyed to the other party within a specified period. With regard to the application of the provisions of Article 56, paragraph (1) and Article 57, paragraph (1) in such a case, if the person engaged in business opportunity sales fails to submit those materials, the person engaged in business opportunity sales is deemed to have misrepresented the information prescribed in Article 52, paragraph (1), item (i) or (iv).

(Advertisement of Business Opportunity Sales Transactions)

Article 53 When a person conducting business opportunity sales advertises the business opportunity sales transactions connected with its business opportunity sales, the person conducting the business opportunity sales must indicate the following information concerning its business opportunity sales in the advertisement, pursuant to the provisions of order of the competent ministry:

(i) the type of goods or services;

(ii) information about the specified burden involved in the business opportunity sales transactions;

(iii) if the person is advertising the business activities that the person provides or arranges to be provided in connection with the business opportunity sales, the conditions under which these business activities are provided; and

(iv) beyond as set forth in the preceding three items, any other information specified by order of the competent ministry.

(Prohibition against Misleading Advertising)

Article 54 When a person conducting business opportunity sales advertises the business opportunity sales transactions connected with its business opportunity sales, the person conducting business opportunity sales must not make a representation about the specified burden involved in the business opportunity sales transactions, the business opportunity profit connected with its business opportunity sales, or any other information specified by order of the competent ministry, that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 54-2 On finding that it is necessary to do so in order to determine whether a representation made by a person engaged in business opportunity sales falls under the category of representations provided in the preceding Article, the competent minister may ask the person engaged in business opportunity sales that made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 56, paragraph (1) and Article 57, paragraph (1) in such a case, if the person engaged in business opportunity sales fails to submit those materials, the representation is deemed to fall under the category of representations provided in the preceding Article.

(Prohibition on Sending E-mail Advertising to a Person Who Has Not Given Consent)

Article 54-3 (1) Except in the following cases, a person engaged in business opportunity sales must not advertise a business opportunity sales transaction connected with its business opportunity sales via e-mail without the consent of the advertising target:

(i) when sending e-mail advertising the business opportunity sales transactions that are connected with business opportunity sales (hereinafter referred to as " e-mail that advertises business opportunity sales transactions" in this Chapter) at the request of the counterparty; or

(ii) beyond as set forth in the preceding item, when sending e-mail that advertises business opportunity sales transactions in cases specified by order of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of an e-mail that advertises business opportunity sales transactions.

(2) A person engaged in business opportunity sales that has obtained the consent prescribed in the preceding paragraph or that has received the request prescribed in item (i) of that paragraph must not send an e-mail that advertises business opportunity sales transactions to the advertising target if

the target of the e-mail that advertises business opportunity sales transactions indicates an unwillingness to receive e-mail that advertises business opportunity sales transactions; provided, however, that this does not apply if the person conducting business opportunity sales later receives a request from the advertising target or regains the consent of the advertising target with regard to e-mail that advertises business opportunity sales transactions.

(3) When sending e-mail that advertises business opportunity sales transactions, a person engaged in business opportunity sales must, except in the case set forth in paragraph (1), item (ii), prepare what is specified by order of the competent ministry as a record of having obtained the consent of the advertising target or having received a request from the advertising target to send e-mail that advertises business opportunity sales transactions, and must preserve those records pursuant to the provisions of order of the competent ministry.

(4) Except in the case set forth in paragraph (1), item (ii), when sending e-mail that advertises business opportunity sales transactions, a person engaged in business opportunity sales must indicate in the e-mail that advertises business opportunity sales transactions, pursuant to the provisions of order of the competent ministry, the information that is specified by order of the competent ministry as the information that an advertising target needs to have in order to indicate an unwillingness to receive e-mail that advertises business opportunity sales transactions, beyond the information listed in the items of Article 53.

(5) If a person engaged in business opportunity sales has entrusted another person with all of the following business activities at once, the provisions of the preceding two paragraphs do not apply to any e-mail that advertises business opportunity sales transactions subject to that entrustment:

(i) business activities for obtaining the consent of the advertising targets or receiving requests from advertising targets to send e-mail that advertises business opportunity sales transactions;

(ii) business activities for preparing and preserving the records prescribed in paragraph (3); and

(iii) business activities for indicating the information that an advertising target needs to have in order to indicate an unwillingness to receive e-mail that advertises business opportunity sales transactions, as prescribed in the preceding paragraph.

Article 54-4 (1) Except in the following cases, a person entrusted with all of the business activities listed in the items of paragraph (5) of the preceding Article at once by a person engaged in business opportunity sales (a person so entrusted is hereinafter referred to as a "contractor entrusted with e-mail that

advertises business opportunity sales transactions" in this Chapter, Article 66, paragraph (5) and Article 67, paragraph (1), item (iv)) must not send e-mail that advertises business opportunity sales transactions for the business opportunity sales transactions that are connected with the business opportunity sales that are carried out by the person engaged in business opportunity sales that has entrusted the contractor with those business activities (hereinafter referred to as the "party entrusting a contractor with e-mail that advertises its business opportunity sales transactions" in this Article) without the consent of the advertising target:

(i) when sending e-mail that advertises the business opportunity sales transactions of a party entrusting a contractor with e-mail that advertises its business opportunity sales transactions based on the request of the advertising target; and

(ii) beyond as set forth in the preceding item, when sending e-mail that advertises the business opportunity sales transactions of a party entrusting a contractor with e-mail that advertises its business opportunity sales transactions in cases specified by order of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the e-mail that advertises the business opportunity sales transactions of the party entrusting a contractor with e-mail that advertises its business opportunity sales transactions.

(2) The provisions of paragraphs (2) through (4) of the preceding Article apply mutatis mutandis to e-mail that advertises the business opportunity sales transactions of a party entrusting a contractor with e-mail that advertises its business opportunity sales transactions, by a contractor entrusted with e-mail that advertises business opportunity sales transactions. When such is the case, the phrase "paragraph (1), item (ii)" in paragraph (3) and paragraph (4) of the preceding Article is deemed to be replaced with "paragraph (1), item (ii) of the following Article".

(Delivery of Documents in Business Opportunity Sales Transactions)

Article 55 (1) When a person engaged in business opportunity sales seeks to enter into a contract concerning a specified burden involved in its business opportunity sales transactions with a person seeking to bear that specified burden (limited to an individual who, without using a place of business or similar facility, engages in business activities that are provided or arranged in connection with those business opportunity sales), the person engaged in business opportunity sales must deliver to that person a document containing an outline of the business opportunity sales pursuant to the provisions of order of the competent ministry before entering into the contract.

(2) If a person engaged in business opportunity sales has entered into a contract

for a business opportunity sales transaction connected with its business opportunity sales (hereinafter referred to as a "business opportunity sales contract" in this Chapter), and the counterparty to the business opportunity sales contract is an individual who, without using a place of business or similar facility, engages in business activities that are provided or arranged in connection with those business opportunity sales, the person engaged in business opportunity sales must deliver a document to that person containing the details of the business opportunity sales contract with respect to the following information without delay, pursuant to the provisions of order of the competent ministry:

(i) the type of goods (excluding rights to use a facility or to be provided with services) and their performance or quality, or the type of services, rights to use a facility, or rights to be provided with services, and the details thereof;

(ii) information about the conditions under which the business activities that use the goods or the services being provided, are provided;

(iii) information about the specified burden involved in the business opportunity sales transactions;

(iv) information about canceling the business opportunity sales contract (including information under the provisions of Article 58, paragraphs (1) through (3)); and

(v) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

(Instructions)

Article 56 (1) If a person engaging in business opportunity sales has violated any of the provisions of Article 51-2, 52, 53, 54, 54-3 (excluding paragraph (5)), or 55 or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with business opportunity sales and the interests of the counterparty thereto, the competent minister may instruct the person engaging in business opportunity sales to take measures for correcting the violation or conduct, measures for protecting the interests of the counterparty to business opportunity sales transactions, and any other necessary measures:

(i) refusing to perform or unjustly delaying the performance of the obligations under the business opportunity sales contract connected with its business opportunity sales or the obligations that occur through the cancellation of that contract in whole or in part;

(ii) soliciting a person to enter into a business opportunity sales contract connected with its business opportunity sales (limited to a contract with an individual who, without using a place of business or similar facility, engages in business activities that are provided or arranged in connection with those

business opportunity sales; hereinafter the same applies in the following item) by providing conclusive evaluations that would likely cause a person to mistakenly believe that the business opportunity sales transactions connected with its business opportunity sales are sure to generate a profit;

(iii) soliciting a person who has indicated an unwillingness to enter into a business opportunity sales contract connected with business opportunity sales to enter into such a contract, in a way that that the person feels is a nuisance; and

(iv) beyond as set forth in the preceding three items, conduct in connection with a business opportunity sales contract connected with its business opportunity sales, which is specified by order of the competent ministry as being likely to prejudice the fairness of business opportunity sales transactions and the interests of the counterparty thereto.

(2) If a contractor entrusted with e-mail that advertises business opportunity sales transactions has violated any of the provisions of Article 54-4, paragraph (1) or Article 54-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 54-4, paragraph (2), and the competent minister finds that the conduct is likely to prejudice the fairness of business opportunity sales transactions or the interests of the counterparty thereto, the competent minister may instruct the contractor entrusted with e-mail that advertises business opportunity sales transactions to take any necessary measures.

(3) Having given an instruction under the provisions of paragraph (1), the competent minister must issue a public announcement to that effect.

(4) Having given an instruction under the provisions of paragraph (2), the competent minister must issue a public announcement to that effect.

(Suspension of Business Opportunity Sales Transactions)

Article 57 (1) If a person engaged in business opportunity sales has violated any of the provisions of Article 51-2, 52, 53, 54, 54-3 (excluding paragraph (5)), or 55 or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, and the competent minister finds that the conduct is likely to significantly prejudice the fairness of business opportunity sales transactions or the interests of the counterparty thereto, or the person engaged in business opportunity sales fails to follow the instructions under the provisions of that paragraph, the competent minister may order the person engaged in business opportunity sales to suspend the business opportunity sales transactions that are connected with its business opportunity sales in whole or in part, during a specified period of no longer than two years. In such a case, if the person engaged in business opportunity sales is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of business activities related to business opportunity sales

transactions that are subject to the suspension at a corporation that engages in those business activities for a period equal to the period of that suspension.

(2) If a contractor entrusted with e-mail that advertises business opportunity sales transactions has violated any of the provisions of Article 54-4, paragraph (1) or Article 54-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 54-4, paragraph (2), and the competent minister finds that the conduct is likely to significantly prejudice the fairness of business opportunity sales transactions or the interests of the counterparty thereto, or the contractor entrusted with the e-mail that advertises the business opportunity sales transactions fails to follow the instructions under the provisions of paragraph (2) of the preceding Article, the competent minister may order the contractor entrusted with e-mail that advertises business opportunity sales transactions to suspend those of its business activities that are connected with e-mail that advertises business opportunity sales transactions in whole or in part, during a specified period of no longer than one year.

(3) Having issued an order under the provisions of paragraph (1), the competent minister must issue a public announcement to that effect.

(4) Having issued an order under the provisions of paragraph (2), the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 57-2 (1) If the competent minister orders a person engaged in business opportunity sales to suspend the business opportunity sales transactions connected with its business opportunity sales pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as one whose business opportunity sales transactions should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the extent of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities related to business opportunity sales transactions that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the person engaged in business opportunity sales is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the person engaged in business opportunity sales is an individual: an

employee or a person who was an employee in the sixty days before the date of the order.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Cancellation of a Business Opportunity Sales Contract)

Article 58 (1) When a person engaged in business opportunity sales has entered into a business opportunity sales contract connected with its business opportunity sales, the counterparty to the contract (limited to an individual who, without using a place of business or similar facility, engages in business activities that are provided or arranged in connection with those business opportunity sales; hereinafter referred to as the " opportunity sales contract in writing, except once 20 days have passed after the date on which the counterparty received the document referred to in Article 55, paragraph (2) (if the counterparty does not cancel the business opportunity sales contract under the provisions of this paragraph by that time limit because the counterparty was under the misapprehension that the information about canceling a business opportunity sales contract under the provisions of this paragraph that the person engaged in business opportunity sales had misrepresented to the counterparty, in violation of the provisions of Article 52, paragraph (1), was true, or because the counterparty was overwhelmed due to intimidation by the person engaged in business opportunity sales, in violation of the provisions of Article 52, paragraph (2), then except once 20 days have passed after the date on which the counterparty received a document delivered thereto by the person engaged in business opportunity sales, pursuant to order of the competent ministry, that contains a notice to the effect that the counterparty may cancel the business opportunity sales contract under the provisions of this paragraph). When such is the case, the person engaged in business opportunity sales may not claim damages or demand the payment of any penalty in connection with the cancellation of the business opportunity sales contract.

(2) The cancellation of a business opportunity sales contract as referred to in the preceding paragraph takes effect at the time the counterparty sets forth in writing that it is canceling the business opportunity sales contract.

(3) If a business opportunity sales contract is canceled as referred to in paragraph (1), the person conducting business opportunity sales bears the costs required for taking back any goods already delivered under the business opportunity sales contract.

(4) Any special provisions of a contract that run counter to the provisions of the preceding three paragraphs and that are disadvantageous to the counterparty are hereby invalidated.

(Retraction of the Manifestation of an Intention to Offer a Business Opportunity Sales Contract or to Accept Such an Offer)

Article 58-2 (1) If a counterparty was under a misapprehension specified in one of the following items as a result of the person engaged in business opportunity sales' having engaged in the conduct listed in that item in soliciting the counterparty to enter into a business opportunity sales contract connected with its business opportunity sales, because of which the counterparty manifested the intention to offer a business opportunity sales contract or to accept such an offer, the counterparty may retract the manifestation of that intention to offer such a contract or to accept that offer:

(i) a misrepresentation in violation of the provisions of Article 52, paragraph (1): the misapprehension that the information being represented was true; or

(ii) the intentional failure to disclose a fact, in violation of the provisions of Article 52, paragraph (1): the misapprehension that the relevant fact did not exist.

(2) The provisions of Article 9-3, paragraphs (2) through (5) apply mutatis mutandis to the retraction, under the provisions of the preceding paragraph, of the manifestation of the intention to offer a business opportunity sales contract or to accept such an offer.

(Limitation on the Amount of Damages for Cancelling or Defaulting on a Business Opportunity Sales Contract)

Article 58-3 (1) If a person engaged in business opportunity sales has entered into a business opportunity sales connected with its business opportunity sales, and the business opportunity sales contract is canceled, the person engaged in business opportunity sales may not demand that the counterparty pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the goods (this excludes rights to use a facility or to be provided with services; hereinafter the same applies in this paragraph) or the rights are returned: the amount constituting the normal charges for use of such goods or the amount equal to the profit that can normally be earned through the exercise of such rights (or the amount equal to the sales price of the goods or rights less the value of those goods or rights at the time of their return, if this exceeds the amount constituting the normal charges for use of such goods or the amount equal to the profit that can normally be earned through the exercise of such rights);

(ii) when the goods or the rights are not returned: the amount equal to the sales price of the goods or the rights;

(iii) if the business opportunity sales contract is canceled after the services started to be provided: the amount equal to the consideration for the provided services; and

(iv) if the business opportunity sales contract is canceled prior to the start of the delivery of the goods or the transfer of the rights or the provision of the services: the amount of costs normally required for entering into and performing a contract.

(2) If a person engaged in business opportunity sales has entered into a business opportunity sales contract connected with its business opportunity sales, and the obligation to pay the charges for the goods or the consideration for the services under the business opportunity sales contract is not performed in whole or in part (excluding if the business opportunity sales contract has been canceled), the person engaged in business opportunity sales may not demand that the counterparty pay an amount of money that exceeds the aggregate of the amount equal to the sales price of the goods or rights or the consideration for the services less the already-paid amount of charges for the goods or consideration for the services plus the amount of any damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty.

(3) The provisions of the preceding two paragraphs do not apply to goods or services connected with business opportunity sales transactions that are sold or provided through installment sales.

Chapter V-2 Door-to-Door Purchases

(Definitions)

Article 58-4 The term "door-to-door purchase" as used in this Chapter and Article 58-24, paragraph (1) means the purchasing of an article (excluding an article that is found to be unlikely to prejudice the interests of the counterparty to the sales contract or an article whose distribution it is considered would be hindered considerably if the provisions of this Chapter apply and that are specified by Cabinet Order; the same applies hereinafter in this Chapter and Article 67, paragraph (1)) that a person that purchases articles in the course of trade (hereinafter referred to as a "commercial purchaser") undertakes after receiving an offer for or entering into a sales contract for that article at a place other than an office or other such location.

(Clear Indication of Name in Door-to-Door Purchase)

Article 58-5 When a commercial purchaser seeks to conduct a door-to-door purchase, the commercial purchaser must clearly indicate to the other party, prior to solicitation, the name of the commercial purchaser, the fact that the

purpose is to solicit the person to enter into a sales contract, and the type of articles connected with the solicitation.

(Prohibition on Soliciting the Business of a Person Who Has Not Requested to Have Their Business Solicited)

Article 58-6 (1) A commercial purchaser must not solicit a person to enter into a sales contract connected with a door-to-door purchase or check whether a person is willing to be solicited at a place other than an office or other such location, if the person has not requested to be solicited in connection with such a contract.

(2) When seeking to conduct a door-to-door purchase, a commercial purchaser must not engage in solicitation without checking whether the other party is willing to be solicited prior to the solicitation.

(3) It is prohibited for a commercial purchaser to solicit a person to enter into a sales contract connected with a door-to-door purchase if that person has indicated an unwillingness to enter into such a sales contract.

(Delivery of Documents in Door-to-Door Purchases)

Article 58-7 When a commercial purchaser has received an offer for a sales contract for articles at a place other than an office or other such location, the commercial purchaser, pursuant to the provisions of order of the competent ministry, must immediately deliver a document to the person who made the offer, giving the details of the offer with respect to the following information; provided, however, that this does not apply if the commercial purchaser has entered into the sales contract upon receiving the offer:

(i) the type of articles;

(ii) the purchase price of the articles;

(iii) the timing and method of payment of the charges for the articles;

(iv) the timing and method of handing over the articles;

(v) information about withdrawing the offer for the sales contract or about canceling the sales contract under the provisions of Article 58-14, paragraph (1) (including information under the provisions of paragraphs (2) through (5) of that Article);

(vi) information about the refusal to hand over articles under the provisions of Article 58-15; and

(vii) information specified by order of the competent ministry, beyond what is set forth in the preceding items.

Article 58-8 (1) Except as prescribed in the following paragraph, if a commercial purchaser falls under one of the following items, the commercial purchaser must deliver a document to the counterparty to the sales contract that clarifies

the details of the sales contract with respect to the information referred to in the items of the preceding Article (limited to information about the cancellation of the sales contract with respect to the information referred to in item (v) of that Article) without delay (or immediately, in the case prescribed in the proviso to that Article), pursuant to the provisions of order of the competent ministry:

(i) the commercial purchaser has entered into a sales contract for articles at a place other than an office or other such location (excluding if the commercial purchaser received the offer at an office or other such location, and entered into the sales contract at a place other than an office or other such location); or

(ii) the commercial purchaser has received an offer for a sales contract for articles at a place other than an office or other such location and entered into the sales contract at an office or other such location

(2) If a commercial purchaser falls under one of the items of the preceding paragraph and, upon entering into a sales contract, the commercial purchaser pays the price for the articles and receives those articles, the commercial purchaser, pursuant to the provisions of order of the competent ministry, must immediately deliver a document to the counterparty to the sales contract giving the information referred to in items (i) and (ii) of the preceding Article, the portion of the information referred to in item (v) of that Article that is about canceling the sales contract, and any information specified by order of the competent ministry.

(Notification regarding the Refusal to Hand over Articles)

Article 58-9 When receiving articles directly from the counterparty to a sales contract connected with a door-to-door purchase, a commercial purchaser must inform the counterparty to the sales contract that it is possible to refuse to hand over the articles, except in the case specified in the proviso to Article 58-14, paragraph (1).

(Prohibited Conduct)

Article 58-10 (1) It is prohibited for a commercial purchaser to misrepresent the following information, either in soliciting a person to enter into a sales contract in connection with a door-to-door purchase, or in order to prevent the withdrawal of an offer for a sales contract connected with a door-to-door purchase or the cancellation of such a contract:

(i) the type of articles and their performance or quality, and other similar information specified by order of the competent ministry;

(ii) the purchase price of the articles;

(iii) the timing and method of payment of the charges for the articles;

(iv) the timing and method of handing over the articles;
(v) information about withdrawing the offer for the sales contract or about canceling the sales contract (including information under the provisions of Article 58-14 paragraphs (1) through (5));
(vi) information about the refusal to hand over articles under the provisions of Article 58-15;
(vii) information about any circumstances that make it necessary for the customer to enter into the sales contract; and
(viii) beyond as set forth in the preceding items, any material information about the sales contract that would affect the decision of the customer or counterparty to the sales contract.

(2) It is prohibited for a commercial purchaser to intentionally fail to disclose facts with respect to the information listed in items (i) through (vi) of the preceding paragraph in soliciting a person to enter into a sales contract connected with a door-to-door purchase.

(3) It is prohibited for a commercial purchaser to use intimidation to overwhelm a person, either in order to cause the person to enter into a sales contract connected with a door-to-door purchase, or to prevent the person from withdrawing the offer of a sales contract connected with a door-to-door purchase or from canceling such a contract.

(4) It is prohibited for a commercial purchaser to intentionally fail to disclose facts about or misrepresent the timing at which articles will be handed over or other material information relating to the handing over of articles that would affect the decision of the counterparty to the sales contract, in order to receive articles connected with a door-to-door purchase.

(5) It is prohibited for a commercial purchaser to use intimidation to overwhelm a person in order to receive articles connected with a door-to-door purchase.

(Notification of the Counterparty regarding the Handing Over of Articles to a Third Party)

Article 58-11 If the commercial purchaser receives articles from the counterparty to a sales contract falling under one of the items of Article 58-8, paragraph (1) and then hands over those articles to a third party, the commercial purchaser must notify the counterparty to the sales contract of the handover and the information about the handover specified by order of the competent ministry without delay, except in the case prescribed in the proviso to Article 58-14, paragraph (1).

(Notification of a Third Party Receiving Articles)

Article 58-11-2 If a commercial purchaser receives articles from the counterparty to a sales contract falling under one of the items in Article 58-8, paragraph (1)

and then hands over those articles to a third party in a case other than as prescribed in the proviso to Article 58-14, paragraph (1), the commercial purchaser must inform the third party that the sales contract for the articles has been cancelled or may be cancelled pursuant to that paragraph, as specified by order of the competent ministry.

(Instructions)

Article 58-12 (1) If a commercial purchaser has violated any of the provisions of Article 58-5 to the preceding Article, or has engaged in any of the following conduct, and the competent minister finds that the conduct is likely to prejudice the fairness of a transaction connected with a door-to-door purchase and the interests of the counterparty to the sales contract, the competent minister may instruct the commercial purchaser to take measures for correcting the violation or conduct, measures for protecting the interests of the counterparty to the sales contract, or any other necessary measures:

(i) refusing to perform or unjustly delaying the performance of the obligations under a sales contract connected with a door-to-door purchase or the obligations that occur through the cancellation of a sales contract connected with a door-to-door purchase in whole or in part;

(ii) intentionally failing to disclose any material information about a sales contract that would affect the decision of the customer (excluding the information listed in Article 58-10, paragraph (1), items (i) through (vi)) in soliciting a person to enter into a sales contract in connection with a door-to-door purchase;

(iii) intentionally failing to disclose any material information about a sales contract connected with a door-to-door purchase that would affect the decision of the customer or the counterparty to the sales contract in order to prevent the withdrawal of an offer for a sales contract or the cancellation of such a contract; or

(iv) beyond as set forth in the preceding three items, conduct in connection with a door-to-door purchase that is specified by order of the competent ministry as being likely to prejudice the fairness of a transaction connected with a door-to-door purchase and the interests of the counterparty to a sales contract.

(2) Having given an instruction under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Suspension of Business)

Article 58-13 (1) If a commercial purchaser has violated any of the provisions of Article 58-5 through Article 58-11-2 or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, and the competent

minister finds that the conduct is likely to significantly prejudice the fairness of a transaction connected with a door-to-door purchase and the interests of the counterparty to a sales contract or the commercial purchaser fails to follow the instructions under the provisions of that paragraph, the competent minister may order the commercial purchaser to suspend those of its business activities that are connected with door-to-door purchases in whole or in part, during a specified period of no longer than two years. In such a case, if the commercial purchaser is an individual, the competent minister may also prohibit the individual from becoming an officer in charge of business activities that are subject to the suspension at a corporation that engages in those business activities for a period equal to the period of the suspension.

(2) Having issued an order under the provisions of the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Prohibition of Business)

Article 58-13-2 (1) If the competent minister orders a commercial purchaser to suspend its business activities pursuant to paragraph (1) of the preceding Article, and a person that the relevant of the following items prescribes for the category of case set forth in that item is a person specified by order of the competent ministry as one whose door-to-door purchases should be restricted so as to ensure the effectiveness of the order in consideration of the facts constituting the grounds for the order and the extent of the responsibility that the person had for those facts, the competent minister may prohibit the person from commencing new business activities that fall within the scope of the suspension (including becoming an officer in charge of the relevant business activities of a corporation that engages in such business activities) for a period equal to the period of that suspension:

(i) if the commercial purchaser is a corporation: its officer or a person who was its officer in the sixty days before the date of the order, or its employee or a person who was its employee in the sixty days before the date of the order; or

(ii) if the commercial purchaser is an individual: an employee or a person who was an employee in the sixty days before the date of the order.

(2) Having issued an order under the preceding paragraph, the competent minister must issue a public announcement to that effect.

(Withdrawal of an Offer or Cancellation of a Door-to-Door Purchase Contract)

Article 58-14 (1) If a commercial purchaser has received an offer for a sales contract for articles at a place other than an office or other such location, or if a commercial purchaser has entered into a sales contract for articles at a place other than an office or other such location (excluding if the commercial purchaser has received the offer at an office or other such location and entered

into the sales contract at a place other than an office or other such location), the person making the offer or the counterparty to the sales contract (hereinafter referred to as the "offeror or counterparty" in this Article to the following Article) may withdraw the offer for a sales contract or cancel the sales contract (hereinafter referred to as "withdrawal of an offer or cancellation" of a contract in this Article) in writing; provided, however, that this does not apply once eight days have passed after the date on which the offeror or counterparty received the document referred to in Article 58-8 (or once eight days have passed after the date on which the offeror or counterparty received the document referred to in Article 58-7, if the offeror or counterparty received the document under Article 58-7 at an earlier date than that on which the offeror or counterparty received the document referred to in Article 58-8) (if the offeror or counterparty did not withdraw an offer or cancel the contract by that time limit because the offeror or counterparty was under the misapprehension that information about the withdrawal of an offer or cancellation of a contract that the commercial purchaser had misrepresented to the offeror or counterparty, in violation of the provisions of Article 58-10, paragraph (1), was true, or because the offeror or counterparty was overwhelmed due to the commercial purchaser's use of intimidation, in violation of the provisions of paragraph (3) of that Article, the first part of this paragraph does not apply once eight days have passed after the date on which the offeror or counterparty has received a document delivered thereto by the commercial purchaser pursuant to the provisions of order of the competent ministry that contains a notice to the effect that the offeror or counterparty may withdraw the offer for or cancel the sales contract).

(2) The withdrawal of an offer or cancellation of a contract takes effect at the time the withdrawal of the offer or cancellation of the contract is set forth in writing.

(3) The party to a sales contract who constitutes the offeror or counterparty may duly assert the cancellation of the sales contract under the provisions of paragraph (1) against a third party; provided, however, that this does not apply if that third party constitutes a non-negligent third party in good faith.

(4) If a person withdraws an offer or cancels a contract, a commercial purchaser may not claim damages or demand the payment of any penalty in connection with the withdrawal of the offer or cancellation of the contract.

(5) If a person withdraws an offer or cancels a contract, and the price for the sales contract has already been paid, the commercial purchaser bears the costs required for returning its price and the interest.

(6) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the offeror or counterparty are invalid.

(Refusal to Hand Over Articles)

Article 58-15 The party to a sales contract who constitutes the offeror or counterparty may refuse to hand over articles connected with a door-to-door purchase to the commercial purchaser or a successor thereof even if there is a deadline for handing over the articles, except in the case prescribed in the proviso to paragraph (1) of the preceding Article.

(Limitation on the Amount of Damages for Cancelling or Defaulting on a Door-to-Door Purchase Contract)

Article 58-16 (1) If a commercial purchaser has entered into a sales contract falling under one of the items of Article 58-8, paragraph (1), and that sales contract is canceled, the commercial purchaser may not demand that the counterparty to the sales contract pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the sales contract is canceled after the payment of the price for the contract: the amount equal to the price and the interest; and

(ii) if the sales contract is canceled prior to the payment of the price for the sales contract: the amount of costs normally required for entering into and performing a contract.

(2) If a commercial purchaser has entered into a sales contract falling under one of the items of Article 58-8, paragraph (1), and the obligation to hand over articles under that sales contract is not performed (excluding if the sales contract is canceled), the commercial purchaser may not demand that the counterparty to the sales contract pay an amount of money that exceeds the aggregate of the amount specified in the relevant of the following items for the event listed therein and the amount of the relevant damages for delay based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for a penalty:

(i) if the articles are handed over after the deadline for fulfilling the obligation: the amount constituting the normal charges for use of such articles (or the amount equal to the purchase price of the articles less the value of those articles at the time they are handed over, if this exceeds the amount constituting the normal charges for use of such articles); and

(ii) if the articles are not handed over: the amount equal to the purchase price of those articles.

(Exclusion from Application)

Article 58-17 (1) The provisions of this Chapter do not apply to the following door-to-door purchases:

(i) a door-to-door purchase under a sales contract as prescribed in Article 58-4 that the person making the offer for the sales contract or the counterparty to the sales contract enters into for business purposes or as a part of business;

(ii) a door-to-door purchase from a person located outside of Japan;

(iii) a door-to-door purchase by the national or local government;

(iv) a door-to-door purchase by one of the following organizations from its direct or indirect member (if an organization is able to make its business or facilities available to a non-member, this includes a door-to-door purchase from such a non-member):

(a) a partnership established based on a special law or a federation or central association of such partnerships;

(b) an organization under Article 108-2 of the National Public Service Act or Article 52 of the Local Public Service Act; and

(c) a labor union.

(v) a door-to-door purchase by a business from its employee.

(2) The provisions of Article 58-6, paragraph (1), and Article 58-7 through the preceding Article do not apply to the following door-to-door purchases:

(i) a door-to-door purchase from a person offering a sales contract or requesting such a contract be entered into at the person's residence; and

(ii) a door-to-door purchase that falls under a form of transaction specified by Cabinet Order as one in which it is normal for the commercial purchaser to receive offers for or enter into sales contracts for articles at a place other than an office or other such location and that is found unlikely to prejudice the interests of the counterparty to the sales contract.

Chapter V-3 Right to Demand an Injunction

(Right to Demand an Injunction in Connection with Door-to-Door Sales)

Article 58-18 (1) If a seller or a service provider has engaged in or is likely to engage in any of the following conduct toward a large number of unspecified persons in connection with door-to-door sales, a qualified consumer organization as prescribed in Article 2, paragraph (4) of the Consumer Contract Act (Act No. 61 of 2000) (hereinafter simply referred to as a "qualified consumer organization" in this Chapter) may demand that the seller or service provider discontinue or prevent the conduct, dispose of or remove any object used for the conduct, or take any other necessary measures for discontinuing or preventing the conduct:

(i) misrepresenting the following information in soliciting persons to enter into sales contracts or service contracts, or in order to prevent the withdrawal of

offers for sales contracts or service contracts or the cancellation of such contracts:

(a) the type of goods and their performance or quality or the type of rights or services and the details thereof;

(b) the information set forth in Article 6, paragraph (1), items (ii) through (v); or

(c) the information set forth in Article 6, paragraph (1), item (vi) or (vii);

(ii) intentionally failing to disclose facts with respect to the information set forth in (a) or (b) of the preceding item in soliciting persons to enter into sales contracts or service contracts; or

(iii) using intimidation to overwhelm persons in order to cause them to enter into sales contracts or service contracts or in order to prevent them from withdrawing their offers for sales contracts or service contracts or from canceling such contracts.

(2) If, on the occasion of entering into sales contracts or service contracts, a seller or service provider has manifested or is likely to manifest the intention to offer or accept offers, between itself and a large number of unspecified persons, for sales contracts or service contracts that contain any of the following special provisions, a qualified consumer organization may demand that the seller or service provider discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) the special provisions prescribed in Article 9, paragraph (8) (including as applied mutatis mutandis by replacing the terms pursuant to Article 9-2, paragraph (3)); or

(ii) special provisions that run counter to the provisions of Article 10.

(Right to Demand an Injunction in Connection with Mail Order Sales)

Article 58-19 If, in advertising the terms and conditions for selling goods or specified rights or for offering services through mail order sales, a seller or a service provider makes an indication, to a large number of unspecified persons, regarding the performance of the goods or the details of the rights or services or information concerning the withdrawal of an offer for a sales contract for the goods or the specified rights or the cancellation of such a sales contract (if there are special provisions as prescribed in the proviso to Article 15-3, paragraph (1), this information includes the details of those special provisions) that differs vastly from the truth or misleads those persons into believing that it is vastly better or more advantageous than it is in reality, a qualified consumer organization may demand that the seller or service provider discontinue or prevent the conduct, dispose of or remove any object used for the conduct, or take any other necessary measures for discontinuing or preventing

the conduct.

(Right to Demand an Injunction in Connection with Telemarketing Sales)

Article 58-20 (1) If a seller or a service provider has engaged in or is likely to engage in any of the following conduct toward a large number of unspecified persons in connection with telemarketing sales, a qualified consumer organization may demand that the seller or service provider discontinue or prevent the conduct, dispose of or remove any object used for the conduct, or take any other necessary measures for discontinuing or preventing the conduct:

(i) misrepresenting the following information in soliciting persons to enter into sales contracts or service contracts, or in order to prevent the withdrawal of offers for sales contracts or service contracts or the cancellation of such contracts:

(a) the type of goods and their performance or quality or the type of rights or services and the details thereof;

(b) the information listed in Article 21, paragraph (1), items (ii) through (v); or

(c) the information listed in Article 21, paragraph (1), item (vi) or (vii);

(ii) intentionally failing to disclose facts with respect to the information set forth in (a) or (b) of the preceding item in soliciting persons to enter into sales contracts or service contracts; or

(iii) using intimidation to overwhelm persons in order to cause them to enter into sales contracts or service contracts or in order to prevent them from withdrawing their offers for sales contracts or service contracts or from canceling such contracts.

(2) If, on the occasion of entering into sales contracts or service contracts, a seller or service provider has manifested or is likely to manifest the intention to offer or accept offers, between itself and a large number of unspecified persons, for sales contracts or service contracts that contain any of the following special provisions, a qualified consumer organization may demand that the seller or service provider discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) the special provisions prescribed in Article 24, paragraph (8) (including as applied mutatis mutandis by replacing the terms pursuant to Article 24-2, paragraph (3)); or

(ii) special provisions that run counter to the provisions of Article 25.

(Right to Demand an Injunction in Connection with Multilevel Marketing Transactions)

Article 58-21 (1) If an orchestrator, a salesperson, or a general multilevel

marketing distributor has engaged in or is likely to engage in any of the following conduct toward a large number of unspecified persons, a qualified consumer organization may demand that the orchestrator, salesperson, or general multilevel marketing distributor discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) the orchestrator or salesperson intentionally fails to disclose facts with regard to the following information or misrepresents that information in soliciting persons to enter into contracts involving multilevel marketing transactions that are connected to the set of related multilevel marketing undertakings orchestrated by that orchestrator (limited to a contract with an individual who, without using a store or similar facility, will sell or arrange the sale of goods associated with that multilevel marketing undertaking or will provide or arrange the provision of services associated with that multilevel marketing undertaking; the same applies in this paragraph and paragraph (3)) or for preventing the cancellation of a contract involving multilevel marketing transactions that are connected to its multilevel marketing undertaking:

(a) the type of goods (excluding rights to use a facility and to be provided with services; the same applies in item (iv)) and their performance or quality or the type of services, rights to use a facility, or rights to be provided with services, and the details thereof; or

(b) the information listed in Article 34, paragraph (1), items (ii) through (v);

(ii) the general multilevel marketing distributor misrepresents the information listed in (a) or (b) of the preceding item in soliciting a person to enter into a contract involving multilevel marketing transactions that are connected to the set of related multilevel marketing undertakings orchestrated by that orchestrator or in order to prevent the cancellation of a contract involving multilevel marketing transactions that are connected with its multilevel marketing undertaking;

(iii) the orchestrator, salesperson, or general multilevel marketing distributor uses intimidation to overwhelm a person in order to cause the person to enter into a contract involving multilevel marketing transactions that are connected to the set of related multilevel marketing undertakings orchestrated by the orchestrator or to prevent the person from canceling a contract involving multilevel marketing transactions that are connected with its multilevel marketing undertaking;

(iv) the orchestrator, salesperson, or general multilevel marketing distributor makes an indication, in advertising the multilevel marketing transactions connected with the set of related multilevel marketing undertakings orchestrated by that orchestrator, of the performance or quality of the goods

or the details of the rights to use a facility or to be provided with services or those of its services connected with the multilevel marketing undertaking, the specified burden involved in the multilevel marketing transactions or the specified profit involved in that multilevel marketing undertaking that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality; or

(v) the orchestrator, salesperson, or general multilevel marketing distributor solicits a person to enter into a contract involving multilevel marketing transactions that are connected to the set of related multilevel marketing undertakings orchestrated by that orchestrator, by providing conclusive evaluations that would likely cause a person to mistakenly believe that the multilevel marketing transactions connected with its multilevel marketing undertaking are sure to generate a profit.

(2) If a salesperson has engaged in or is likely to engage in any of the conduct listed in item (i) or (iii) through (v) of the preceding paragraph toward a large number of unspecified persons, a qualified consumer organization may demand that the salesperson discontinue or prevent the conduct, dispose of or remove any object used for the conduct, or take any other necessary measures for discontinuing or preventing the conduct.

(3) If, on the occasion of entering into contracts involving multilevel marketing transactions that are connected with its multilevel marketing undertaking, an orchestrator, salesperson, or general multilevel marketing distributor has manifested or is likely to manifest the intention to offer or accept offers, between itself and a large number of unspecified persons, for contracts involving the multilevel marketing transactions that are connected with its multilevel marketing undertaking, that contain any of the following special provisions, a qualified consumer organization may demand that the orchestrator, salesperson, or general multilevel marketing distributor discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) the special provisions prescribed in Article 40, paragraph (4); or

(ii) the special provisions prescribed in Article 40-2, paragraph (6).

(Right to Demand an Injunction in Connection with the Provision of Specified Continuous Services)

Article 58-22 (1) If a service provider or a seller has engaged in or is likely to engage in any of the following conduct toward a large number of unspecified persons, a qualified consumer organization may demand that the service provider or seller discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for

discontinuing or preventing that conduct:

(i) indicating, in advertising the terms and conditions for providing specified continuous services or selling rights to be provided with specified continuous services in conducting the provision of specified continuous services, details or effects of that specified continuous service that differ vastly from the truth or mislead people into believing that they are vastly better or more advantageous than they are in reality;

(ii) misrepresenting the following information in soliciting persons to enter into specified service or sales contracts or for preventing the cancellation of specified service or sales contracts:

(a) the type of services or rights to be provided with services and the details or results thereof (in the case of rights, the results of the services connected to the rights);

(b) if there are goods that need to be purchased by a service recipient or a purchaser of the rights upon provision of the services or provision of the services through the exercise of the rights, the type and performance or quality of the goods;

(c) the information listed in Article 44, paragraph (1), items (iii) through (vi); or

(d) the information listed in Article 44, paragraph (1), item (vii) or (viii);

(iii) intentionally failing to disclose facts with respect to the information listed in (a) through (c) of the preceding item in soliciting persons to enter into specified service or sales contracts; or

(iv) using intimidation to overwhelm persons in order to cause them to enter into specified service or sales contracts or to prevent them from canceling specified service or sales contracts.

(2) If, on the occasion of entering into specified service or sales contracts or sales contracts for related goods, a service provider, seller, or person selling the related goods has manifested or is likely to manifest the intention to offer or accept offers, between itself and a large number of unspecified persons, for specified service or sales contracts that contain any of the following special provisions, a qualified consumer organization may demand that the service provider, seller, or person selling the related goods discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) the special provisions prescribed in Article 48, paragraph (8); or

(ii) the special provisions prescribed in Article 49, paragraph (7) (including as applied mutatis mutandis pursuant to Article 49-2, paragraph (3)).

(Right to Demand an Injunction in Connection with Business Opportunity Sales Transactions)

Article 58-23 (1) If a person conducting business opportunity sales has engaged in or is likely to engage in any of the following conduct toward a large number of unspecified persons, a qualified consumer organization may demand that the person conducting business opportunity sales discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) intentionally failing to disclose facts with regard to the following information or misrepresenting that information in soliciting persons to enter into contracts for business opportunity sales transactions connected with its business opportunity sales (limited to a contract with an individual who, without using a place of business or similar facility, engages in business activities that are provided or arranged in connection with those business opportunity sales; hereinafter the same applies in this Article) or in order to prevent the cancellation of contracts for business opportunity sales transactions connected with its business opportunity sales:

(a) the type of goods (excluding rights to use a facility or to be provided with services) and their performance or quality or the type of rights to use a facility or to be provided with services or the type of services, and the details thereof; or

(b) the information listed in Article 52, paragraph (1), items (ii) through (v);

(ii) using intimidation to overwhelm persons in order to make them conclude contracts for business opportunity sales transactions connected with its business opportunity sales or to prevent them from canceling contracts for business opportunity sales transactions connected with its business opportunity sales;

(iii) indicating, in advertising business opportunity sales transactions connected with its business opportunity sales, a specified burden involved in the business opportunity sales transactions or the business opportunity profit connected with its business opportunity sales that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality; or

(iv) soliciting persons to enter into contracts for business opportunity sales transactions connected with its business opportunity sales, by providing conclusive evaluations that would likely cause a person to mistakenly believe that the business opportunity sales transactions connected with its business opportunity sales are sure to generate a profit.

(2) If, on the occasion of entering into contracts for business opportunity sales transactions connected with business opportunity sales, a person engaged in business opportunity sales has manifested or is likely to manifest the intention to offer or accept offers, between itself and a large number of unspecified persons, for contracts involving business opportunity sales transactions

connected with its business opportunity sales, that contain any of the following special provisions, a qualified consumer organization may demand that the person conducting business opportunity sales discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that conduct:

(i) the special provisions prescribed in Article 58, paragraph (4); or

(ii) special provisions that run counter to the provisions of Article 58-3, paragraph (1) or (2).

(Right to Demand an Injunction in Connection with Door-to-Door Purchases)

Article 58-24 (1) If a commercial purchaser has engaged in or is likely to engage in any of the following conduct toward a large number of unspecified persons in connection with a door-to-door purchase, a qualified consumer organization may demand that the commercial purchaser discontinue or prevent the conduct, dispose of or remove any object used for the conduct, or take any other necessary measures for discontinuing or preventing the conduct:

(i) misrepresenting the following information in soliciting persons to enter into sales contracts, or in order to prevent the withdrawal of offers for sales contracts or the cancellation of such contracts:

(a) the type of articles and their performance or quality;

(b) the information listed in Article 58-10, paragraph (1), items (ii) through (vi); or

(c) the information listed in Article 58-10, paragraph (1), item (vii) or (viii).

(ii) intentionally failing to disclose facts with respect to the information listed in (a) or (b) of the preceding item in soliciting persons to enter into sales contracts;

(iii) using intimidation to overwhelm persons in order to cause them to enter into sales contracts or in order to prevent them from withdrawing their offers for sales contracts or from canceling such contracts;

(iv) intentionally failing to disclose facts about or misrepresenting the timing at which articles will be delivered or other material information related to the handover of articles that would affect the decision of the counterparties to the sales contracts in order to receive articles; or

(v) using intimidation to overwhelm persons in order to receive articles.

(2) If, on the occasion of entering into sales contracts, a commercial purchaser has manifested or is likely to manifest the intention to offer or accept offers, between itself and a large number of unspecified persons, for sales contracts that contain any of the following special provisions, a qualified consumer organization may demand that the commercial purchaser discontinue or prevent that conduct, dispose of or remove any object used for that conduct, or take any other necessary measures for discontinuing or preventing that

conduct:
(i) the special provisions prescribed in Article 58-14, paragraph (6); or
(ii) special provisions that run counter to the provisions of Article 58-16.

(Exclusion from Application)

Article 58-25 To apply the provisions set forth in the relevant of the following items, the provisions listed in that item applies mutatis mutandis:
(i) Article 26, paragraph (1): Articles 58-18 through 58-20;
(ii) Article 26, paragraph (6): Article 58-18;
(iii) Article 26, paragraph (7): Article 58-20;
(iv) Article 26, paragraph (8): Article 58-18, paragraph (2) (limited to the part involving item (ii)) and Article 58-20, paragraph (2) (limited to the part involving item (ii));
(v) Article 40-2, paragraph (7): Article 58-21, paragraph (3) (limited to the part involving the special provisions set forth in item (ii) that run counter to the provisions of Article 40-2, paragraphs (3) and (4));
(vi) Article 50, paragraph (1): Article 58-22;
(vii) Article 50, paragraph (2): Article 58-22, paragraph (2) (limited to the part involving the special provisions set forth in item (ii) that run counter to the provisions of Article 49, paragraphs (2), (4) and (6) (including as applied mutatis mutandis pursuant to Article 49-2, paragraph (3)));
(viii) Article 58-3, paragraph (3): Article 58-23, paragraph (2) (limited to the part involving item (ii)); and
(ix) Article 58-17: the preceding Article.

Chapter VI Miscellaneous Provisions

(Goods Sent in Absence of Sales Contract)

Article 59 (1) If a seller has offered a sales contract and sent the goods under that offer to a person other than one that has offered the seller a sales contract or to a person other than the purchaser under a sales contract that the seller has concluded (hereinafter referred to as the "offeror or purchaser" in this paragraph), or if a seller has offered an offeror or purchaser a sales contract for goods other than those under a sales contract with the offeror or purchaser and has sent the goods under that offer, but the person who was sent the goods has not accepted the offer and the seller has not taken the goods back by the day on which 14 days have passed since the day the goods were sent (or by the day on which seven days have passed since the day on which the person that was sent the goods requested that the seller take them back, if the day on which 14 days have passed since the day the goods were sent falls after the day on which seven days have passed since such a request) the seller may not demand the

return of the goods that were sent.

(2) The provisions of the preceding paragraph do not apply to an offer for a sales contract that represents a commercial transaction for the person to which the goods were sent.

(Notifying the Competent Minister)

Article 60 (1) If any person finds it to be likely that the fairness of a Specified Commercial Transaction or the interests of a purchaser or other person, will be prejudiced, the person may notify the competent minister to that effect and ask that appropriate measures be taken.

(2) Upon being notified as under the provisions of the preceding paragraph, the competent minister must conduct the necessary investigations and take measures under this Act or any other appropriate measures if the minister finds the details of which the minister has been notified to be true.

(Designated Corporations)

Article 61 (1) The competent minister, pursuant to the provisions of order of the competent ministry, may designate a corporation that is a general incorporated association or a general incorporated foundation and that is found to be capable of carrying out the business activities prescribed in the following paragraph (hereinafter referred to as "business activities for ensuring appropriate specified commercial transactions" in this paragraph and Article 66, paragraph (4)) appropriately without fail as a person that will carry out business activities for ensuring appropriate specified commercial transactions (hereinafter referred to as a "designated corporation") at the application of such a corporation.

(2) A designated corporation is to carry out the following business activities:

(i) providing guidance or advice to a person seeking to notify the competent minister under the provisions of paragraph (1) of the preceding Article;

(ii) conducting investigations with regard to the factuality of a notification under paragraph (2) of the preceding Article when so requested by the competent minister;

(iii) collecting and providing information or materials about specified commercial transactions; and

(iv) training persons to take charge of business activities related to handling complaints or providing advice on specified commercial transactions.

(Order for Improvement)

Article 62 When the competent minister finds it necessary to improve a designated corporation's management of the business activities prescribed in paragraph (2) of the preceding Article, the competent minister may order the

designated corporation to take any necessary measures for improvement.

(Rescission of Designation)

Article 63 The competent minister may rescind the designation of a designated corporation if the designated corporation has violated the order under the provisions of the preceding Article.

(Consultation with the Consumer Commission or Consumer Affairs Council)

Article 64 (1) When planning the enactment, revision, or abolishment of a Cabinet Order under Article 2, paragraph (4), item (i), Article 26, paragraph (1), item (viii)(d), Article 26, paragraph (3), the items of Article 26, paragraph (4), Article 26, paragraph (5), item (i) or (ii), Article 26, paragraph (6), item (ii), Article 26, paragraph (7), item (ii), Article 41, paragraph (1), item (i) (limited to the provisions involving the period), Article 41, paragraph (2), Article 48, paragraph (2), Article 58-4, or Article 58-17, paragraph (2), item (ii), the competent minister must consult with the Consumer Commission or the Consumer Affairs Council pursuant to the provisions of Cabinet Order.

(2) When planning the enactment, revision, or abolishment of a Cabinet Order under Article 2, paragraph (1), item (ii) or paragraph (3), Article 6, paragraph (4), Article 26, paragraph (5), item (iii) or paragraph (7), item (i), Article 34, paragraph (4), Article 40-2, paragraph (2), item (iv), Article 41, paragraph (1), item (i) (limited to the part involving the amount of money), Article 49, paragraph (2), item (i)(b) or item (ii), Article 52, paragraph (3), or Article 66, paragraph (2) (limited to the part involving a closely related person), the competent minister must consult with the consumer commission or the Consumer Affairs Council pursuant to the provisions of Cabinet Order.

(Transitional Measures)

Article 65 When an order is enacted, amended, or abolished based on the provisions of this Act, the necessary transitional measures (including transitional measures concerning penal provisions) may be prescribed by such order to the extent that is judged reasonably necessary for the enactment, revision, or abolishment.

(Reports and On-site Inspections)

Article 66 (1) On finding that it is necessary to do so in order to enforce this Act, the competent minister may order a seller, a service provider, an orchestrator, a salesperson, a general multilevel marketing distributor, a person engaged in business opportunity sales, or a commercial purchaser (hereinafter referred to as the "seller or equivalent person") to submit reports, its books, documents, or any other articles, and may cause government officials to enter the store or any

other place of business of the seller or equivalent person and inspect its books, documents, or any other articles, or question the workers or other related people.

(2) When the competent minister finds it particularly necessary to enforce this Act, the competent minister, pursuant to the provisions of Cabinet Order, may order a person selling related goods or any other person specified by Cabinet Order as being closely related to a seller or equivalent person (hereinafter referred to as a "closely related person" in this paragraph) to submit reports or materials, or may cause ministry officials to enter the store or any other place of business of the closely related person and inspect its books, documents, or any other articles, or question the workers or other related people.

(3) When the competent minister finds it particularly necessary to enforce this Act, the competent minister may order a person that has dealings with a seller or equivalent person to submit reports or materials to which reference should be made with regard to the business or property of the seller or equivalent person.

(4) The competent minister, to the extent that is necessary for ensuring the appropriate management of business activities for ensuring appropriate specified commercial transactions, may have a designated corporation make the necessary reports on the state of its business activities for ensuring appropriate specified commercial transactions or its property, or cause ministry officials to enter the place of business of the designated corporation and inspect the state of its business activities for ensuring appropriate specified commercial Transactions or inspect its books, documents, or any other articles.

(5) The provisions of paragraphs (1) through (3) apply mutatis mutandis to a contractor entrusted with e-mail that advertises mail order sales, a contractor entrusted with e-mail that advertises multilevel marketing transactions, and a contractor entrusted with e-mail that advertises business opportunity sales transactions. When such is the case, the term "seller or equivalent person" in paragraphs (2) and (3) is deemed to be replaced with "contractor entrusted with e-mail that advertises mail order sales, contractor entrusted with e-mail that advertises multilevel marketing transactions, or contractor entrusted with e-mail that advertises business opportunity sales transactions".

(6) A ministry official who enters and inspects a store or any other place of business pursuant to the provisions of paragraph (1) or (2) (including as applied mutatis mutandis pursuant to the preceding paragraph) or paragraph (4) must carry identification and present it to the relevant persons.

(7) The authority for entry and inspection under the provisions of paragraph (1) or (2) (including as applied mutatis mutandis pursuant to paragraph (5)) and paragraph (4) must not be construed as having been conferred for the purpose

of a criminal investigation.

(Request for Cooperation)

Article 66-2 On finding that it is necessary to do so in order to enforce this Act, the competent minister may consult with government agencies, public entities, and others, or ask for the cooperation thereof.

(Means of Instruction)

Article 66-3 Each instruction or order under the provisions of this Act must be given by serving a document specified by order of the competent ministry.

(Application Mutatis Mutandis of the Code of Civil Procedure Concerning Service)

Article 66-4 The provisions of Articles 99, 101, 103, 105, 106, 108, and 109 of the Code of Civil Procedure (Act No. 109 of 1996) apply mutatis mutandis to the service of documents. In this case, the term "court execution officer" in Article 99, paragraph (1) of the Act is deemed to be replaced by "ministry official", and the terms "presiding judge" in Article 108 of the Act and "court" in Article 109 of the Act are deemed to be replaced by "competent minister".

(Service by Publication)

Article 66-5 (1) The competent minister may effect service by publication in the following cases:

(i) if the domicile or residence of the person to be served or the place where service is to be effected is unknown;

(ii) if, with regard to service that would be effected in a foreign country, it is impossible to effect service by the means prescribed in Article 108 of the Code of Civil Procedure as applied mutatis mutandis pursuant to the preceding Article, or it is found to be impossible to effect service by those means; or

(iii) if, even after six months have passed since a commission was issued to the competent government agency of a foreign country pursuant to the provisions of Article 108 of the Code of Civil Procedure as applied mutatis mutandis pursuant to the preceding Article, no document that certifies that the agency has effected service has been sent.

(2) Service by publication is effected by posting on the notice board of the office of the competent minister to the effect that the documents to be served will be delivered at any time to the person to be served.

(3) Service by publication becomes effective once two weeks have passed from the date on which the posting under the provisions of the preceding paragraph was commenced.

(4) The period set forth in the preceding paragraph is six weeks for service by publication that is done for service that would be effected in a foreign country.

(Use of Electronic Data Processing Systems)

Article 66-6 (1) Notwithstanding the provisions of Article 4, paragraph (1) of the Act on the Utilization of Information and Communications Technology in Administrative Proceedings (Act No. 151 of 2002), a disposition notice, etc. as prescribed in Article 2, item (vii) of that Act, which is to be given by serving a document pursuant to the provisions of this Chapter, may not be given using an electronic data processing system (meaning an electronic data processing system prescribed in Article 4, paragraph (1) of that Act; hereinafter the same applies in the following paragraph) unless the recipient of the disposition notice, etc. indicates, in the form specified by order of the competent ministry, that the recipient will be so served.

(2) When a ministry official uses an electronic data processing system to do administrative work involving a disposition notice, etc. prescribed in the preceding paragraph, the official must use that electronic data processing system to record the particulars of the service under the provisions of Article 109 of the Code of Civil Procedure as applied mutatis mutandis pursuant to Article 66-4, in a file that is stored on a computer (including input or output device) used by the competent minister instead of preparing and submitting a document that states those particulars.

(Competent Minister)

Article 67 (1) In this Act, the competent minister is as follows:

(i) in a matter concerning a seller of goods and specified rights (limited to those set forth in Article 2, paragraph (4), items (ii) and (iii); hereinafter the same applies in this item); a matter concerning the orchestrator, salesperson, or general multilevel marketing distributor involved in a set of related multilevel marketing undertakings involving goods; a matter concerning a person engaged in business opportunity sales involving goods; or a matter concerning a commercial purchaser of articles, the Prime Minister, the Minister of Economy, Trade and Industry, and the minister with jurisdiction over the distribution of the goods, specified rights or articles;

(ii) in a matter concerning a seller of specified rights (limited to those set forth in Article 2, paragraph (4), item (i)); a matter concerning an orchestrator, salesperson, or general multilevel marketing distributor involved in a set of related multilevel marketing undertakings involving rights to use a facility or to be provided with services; a matter concerning a seller of rights to be provided with specified continuous services; and a matter concerning a person engaged in business opportunity sales involving rights to use a

facility or to be provided with services, the Prime Minister, the Minister of Economy, Trade and Industry, and the minister with jurisdiction over the businesses that provide the facilities or services relevant to the rights;

(iii) in a matter concerning a service provider; a matter concerning an orchestrator, salesperson, or general multilevel marketing distributor involved in a set of related multilevel marketing undertakings involving services; or a matter concerning a person engaged in business opportunity sales involving services, the Prime Minister, the Minister of Economy, Trade and Industry, and the minister with jurisdiction over the businesses that provide the services;

(iv) in a matter concerning a party entrusting a contractor with e-mail that advertises mail order sales, contractor entrusted with e-mail that advertises multilevel marketing transactions, or contractor entrusted with e-mail that advertises business opportunity sales transactions; a matter concerning a door-to-door sales association or mail order sales association; or a matter concerning a consultation with the Consumer Commission or the Consumer Affairs Council under the provisions of Article 64, paragraph (2), the Prime Minister and the Minister of Economy, Trade and Industry;

(v) in a matter concerning a designated corporation, the Prime Minister, the Minister of Economy, Trade and Industry, the minister with jurisdiction over the distribution of goods and specified rights (limited to those listed in Article 2, paragraph (4), items (ii) and (iii)) for sales and articles for purchase, the minister with jurisdiction over the businesses that provide the facilities or services relevant to specified rights (limited to those listed in item (i) of that paragraph), the minister with jurisdiction over the businesses that provide services, and the minister with jurisdiction over the businesses that offer specified continuous services; and

(vi) in a matter concerning consultations with the Consumer Commission and the Consumer Affairs council under the provisions of Article 64, paragraph (1), the Prime Minister, the Minister of Economy, Trade and Industry, the minister with jurisdiction over the distribution of the relevant goods, specified rights (limited to those listed in Article 2, paragraph (4), items (ii) and (iii)) or articles, the minister with jurisdiction over the businesses that provide the facilities or services relevant to the rights, or the minister with jurisdiction over the businesses that provide the services.

(2) The Prime Minister delegates the authority under this Act (limited to authority under the jurisdiction of the Financial Services Agency, excluding the authority specified by Cabinet Order) to the Commissioner of the Financial Services Agency.

(3) The Prime Minister delegates the authority under this Act (limited to that under jurisdiction of the Consumer Affairs Agency, excluding the authority

specified by Cabinet Order) to the Secretary-General of the Consumer Affairs Agency.

(4) In this Act, order of the competent ministry means an order issued jointly by the Prime Minister and the Minister of Economy, Trade and Industry; provided, however, that the order of the competent ministry prescribed in Article 61, paragraph (1) means an order issued by the competent minister as specified in paragraph (1), item (v).

(Administrative Functions Handled by Prefectural Governments)

Article 68 Part of the administrative functions prescribed in this Act that are under the authority of the competent minister may be undertaken by a prefectural governor pursuant to the provisions of Cabinet Order.

(Delegation of Authority)

Article 69 (1) The competent minister may have the head of a Local Branch Office undertake a matter that is placed under that minister's authority by this Act, pursuant to the provisions of Cabinet Order.

(2) The Commissioner of the Financial Services Agency, pursuant to the provisions of Cabinet Order, may delegate part of the authority that has been delegated thereto pursuant to the provisions of Article 67, paragraph (2), to the Director-General of a Local Finance Bureau or the Director-General of a Local Finance Branch Bureau.

(3) The Secretary-General of the Consumer Affairs Agency, pursuant to the provisions of Cabinet Order, may delegate part of the authority that has been delegated thereto pursuant to the provisions of Article 67, paragraph (3), to the Director-General of a Bureau of Economy, Trade and Industry.

(Mutual Coordination among Related People)

Article 69-2 The competent minister, the heads of relevant administrative organs (if the administrative organ is an organ based on a council system, the administrative organ), the heads of relevant local governments, the head of the National Consumer Affairs Center of Japan, and other related persons must make efforts to exchange necessary information and secure other close mutual coordination, in order to ensure fairness in specified commercial transactions and prevent damage that may be caused to purchasers and others.

Chapter VII Penal Provisions

Article 70 A person falling under one of the following items is subject to imprisonment for not more than three years, a fine of not more than three million yen, or both:

(i) a person violating any provision of Article 6, 21, 34, 44, 52, or 58-10; or

(ii) a person violating an order under the provisions of Article 8, paragraph (1), Article 8-2, paragraph (1), Article 15, paragraph (1) or (2), Article 15-2, paragraph (1), Article 23, paragraph (1), Article 23-2, paragraph (1), Article 39, paragraphs (1) through (4), Article 39-2, paragraphs (1) through (3), Article 47, paragraph (1), Article 47-2, paragraph (1), Article 57, paragraph (1) or (2), Article 57-2, paragraph (1), Article 58-13, paragraph (1) or Article 58-13-2, paragraph (1).

Article 71 A person falling under one of the following items is subject to imprisonment for not more than six months, a fine of not more than one million yen, or both:

(i) a person that, in violation of the provisions of Articles 4, 5, 18, 19, 37, 42, 55, 58-7, or 58-8, fails to deliver a document or delivers a document that does not contain the information prescribed in the provisions or that contains false information;

(ii) a person violating an instruction under the provisions of Article 7, paragraph (1), Article 14, paragraph (1) or (2), Article 22, paragraph (1), Article 38, paragraphs (1) through (4), Article 46, paragraph (1), Article 56, paragraph (1) or (2), or Article 58-12, paragraph (1);

(iii) a person failing to provide the report under the provisions of Article 66, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article; hereinafter the same applies in this item) or has provided a false report, has failed to submit the articles under the provisions of paragraph (1) of that Article or has submitted false articles, has rejected, hindered, or avoided the inspection under the provisions of that paragraph, or has failed to answer questions under the provisions of that paragraph or has made false statements; or

(iv) a person failing to provide the report under the provisions of Article 66, paragraph (2) (including as applied mutatis mutandis by replacing the terms pursuant to paragraph (5) of that Article; hereinafter the same applies in this item) or providing a false report; failing to submit the materials under the provisions of paragraph (2) of that Article or submitting false materials; rejecting, hindering, or avoiding the inspection under the provisions of that paragraph; or failing to answer questions under the provisions of that paragraph or making false statements.

Article 72 (1) A person falling under one of the following items is subject to a fine of not more than one million yen:

(i) a person that, in violation of the provisions of Article 12, 36, 43, or 54, has made a representation that differed vastly from the truth or that misled people

into believing that a thing was vastly better or more advantageous than it was in reality;

(ii) a person violating any provision of Article 12-3, paragraph (1) or (2) (including as applied mutatis mutandis pursuant to Article 12-4, paragraph (2)), Article 12-4, paragraph (1), Article 36-3, paragraph (1) or (2) (including as applied mutatis mutandis pursuant to Article 36-4, paragraph (2)), Article 36-4, paragraph (1), Article 54-3, paragraph (1) or (2) (including as applied mutatis mutandis pursuant to Article 54-4, paragraph (2)) or Article 54-4, paragraph (1);

(iii) a person that, in violation of the provisions of Article 12-3, paragraph (3) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 12-4, paragraph (2)), Article 36-3, paragraph (3) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 36-4, paragraph (2)) or Article 54-3, paragraph (3) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 54-4, paragraph (2)), has failed to prepare a record, has prepared a false record or has failed to preserve a record;

(iv) a person that, in violation of the provisions of Article 13, paragraph (1) or Article 20, has not notified the relevant person;

(v) a person that, in violation of the provisions of Article 35 or 53, has not made the relevant indication;

(vi) a person that, in violation of the provisions of Article 45, paragraph (1), has not kept the documents specified in that paragraph or that has made unlawful statements in those documents;

(vii) a person that, in violation of the provisions of Article 45, paragraph (2), has refused to allow a person to inspect documents or has refused to deliver a full or extracted copy of the documents, without reasonable grounds.

(2) When a person that has committed the offense set forth in item (ii) of the preceding paragraph has failed to make an indication, in violation of the provisions of Article 11, Article 12-3, paragraph (4) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 12-4, paragraph (2)), Article 35, Article 36-3, paragraph (4) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 36-4, paragraph (2)), Article 53 or Article 54-3, paragraph (4) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 54-4, paragraph (2)), or has made a representation that differed vastly from the truth or misled people into believing that a thing was vastly better or more advantageous than it was in reality, in violation of the provisions of Article 12, 36 or 54, in e-mail advertising sent thereby, the person is subject to imprisonment for not more than one year, a fine of not more than two million yen, or both.

Article 73 Any person falling under one of the following items is subject to a fine of not more than 300,000 yen:

(i) a person that, in violation of the provisions of Article 28, paragraph (2) or Article 31, paragraph (2), uses a character in its name or trade name that could cause it to be mistaken for a door-to-door sales association member or a mail order sales association member;

(ii) a person failing to provide the report under the provisions of Article 66, paragraph (3) (including as applied mutatis mutandis following a deemed replacement of terms pursuant to paragraph (5) of that Article; hereinafter the same applies in this item) or providing a false report; or failing to submit the materials under the provisions of paragraph (3) of that Article or submitting false materials; or

(iii) a person failing to provide the report under the provisions of Article 66, paragraph (4) or providing a false report; or refusing, obstructing, or evading the inspection under the provisions of that paragraph.

Article 74 (1) If the representative or manager of a corporation, or the agent, employee or any other worker of a corporation or individual commits a violation prescribed in any of the provisions of the following items with regard to the business of that corporation or individual, in addition to the punishment to which the offender is subject, the relevant corporation is subject to the fine specified in the relevant item, and the individual is subject to the fine prescribed in the relevant Article:

(i) Article 70, item (ii): a fine of not more than 300 million yen;

(ii) Article 70, item (i): a fine of not more than 100 million yen; and

(iii) the preceding three Articles: the fine prescribed in the relevant Article.

(2) If the preceding paragraph applies to an association or a foundation without legal personality, the representative or manager thereof represents it with respect to procedural acts, and the provisions of the laws concerning criminal procedure when a corporation is the accused or a suspect apply mutatis mutandis.

Article 75 A person falling under one of the following items is subject to a civil fine of not more than 500,000 yen:

(i) a person failing to submit the notification under the provisions of Article 27-3, paragraph (1), Article 27-4, paragraph (1), Article 30-2, paragraph (1) or Article 30-3, paragraph (1) or submitting a false notification; or

(ii) a person refusing, obstructing, or evading an inspection under the provisions of Article 29-5, paragraph (2) or Article 32-2, paragraph (2), or violating the order under the provisions of Article 29-5, paragraph (2) or Article 32-2, paragraph (2).

Article 76 A person that, in violation of the provisions of Article 28, paragraph (1) or Article 31, paragraph (1), uses a character in its name or trade name that could cause it to be mistaken for a door-to-door sales association or a mail order sales association is subject to a fine of not more than 100,000 yen.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions of Article 19 and Article 21, item (ii) of the Act and Articles 3 and 4 of the Supplementary Provisions come into effect as of the date of its promulgation.

(Transitional Measures)

Article 2 (1) The provisions of Articles 4 and 9 do not apply to an offer for a sales contract that is received by a seller before to this Act comes into effect.

(2) The provisions of Article 5, paragraphs (1) through (3) and Article 7 do not apply to a sales contract that is entered into before this Act comes into effect.

(3) The provisions of Article 6 do not apply to an offer for a sales contract that is received by a seller before this Act comes into effect, to a sales contract connected with such an offer that is entered into after this Act comes into effect, or to a sales contract that is entered into before this Act comes into effect.

(4) The provisions of Article 15, paragraph (2) and Article 16 do not apply to a contract for transactions equivalent to the multilevel marketing transactions prescribed in Article 11, paragraph (1) that is entered into by a person engaged in business equivalent to a multilevel marketing undertaking prescribed in that paragraph before this Act comes into effect.

(5) With regard to the application of the provisions of Article 18 to the sending of goods by a seller before this Act comes into effect, the phrase "the day the goods were sent" in Article 18, paragraph (1) is deemed to be replaced with "the effective date of this Act".

Supplementary Provisions [Act No. 49 of June 2, 1984] [Extract]

(Effective Date)

(1) This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation.

(Transitional Measures in Connection with the Partial Amendment of the Act on Door-to-Door Sales)

(12) Notwithstanding the provisions of Article 6 of the Act on Door-to-Door Sales as amended by the provisions of the preceding paragraph prior laws continue to govern a sales contract entered into before this Act comes into effect, an offer for a sales contract that a seller has received before this Act comes into effect, or a sales contract connected with such an offer that has been entered into after this Act comes into effect.

Supplementary Provisions [Act No. 43 of May 17, 1988] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions of the following Article come into effect as of the date of its promulgation.

Article 2 If it is planned to enact the Cabinet Order referred to in Article 2, paragraph (1), item (ii) and paragraph (3), Article 6, paragraph (1), Article 10, paragraph (2), item (ii), or Article 11, paragraph (1) of the amended Act on Door-to-Door Sales (hereinafter referred to as the "New Act") prior to the effective date of this Act, the provisions of Article 19 of the pre-amendment Act on Door-to-Door Sales (hereinafter referred to as the "Former Act") applies.

(Transitional Measures)

Article 3 (1) The provisions of Article 4 of the New Act apply to an offer for a sales contract or a service contract that a seller or a service provider receives after this Act comes into effect, but prior laws continue to govern to an offer for a sales contract for any designated goods prescribed in Article 2, paragraph (3) of the New Act that fall under the category of designated goods prescribed in Article 2, paragraph (3) of the Former Act (hereinafter referred to as "specified designated goods"), that a seller has received before this Act comes into effect.

(2) The provisions of Article 5 of the New Act apply to a sales contract or a service contract that is entered into after this Act comes into effect, but prior laws continue to govern a sales contract for specified designated goods that has been entered into before this Act comes into effect.

(3) The provisions of Article 6 of the New Act apply to an offer for a sales contract or a service contract that a seller or a service provider receives after this Act comes into effect or a sales contract or service contract that is entered into after this Act comes into effect (excluding a contract for which the offer has been received before this Act comes into effect), but prior laws continue to

govern an offer for a sales contract for specified designated goods that a seller has received before this Act comes into effect, a sales contract connected with such an offer that has been entered into after this Act comes into effect, or a sales contract for specified designated goods that has been entered into before this Act comes into effect.

(4) The provisions of Article 7, paragraph (1) of the New Act apply to a sales contract or a service contract that is entered into after this Act comes into effect, but prior laws continue to govern a sales contract for specified designated goods that has been entered into before this Act comes into effect.

(5) The provisions of Article 7, paragraph (2) of the New Act do not apply to a sales contract or a service contract that has been entered into before this Act comes into effect.

(6) The provisions of Article 9 of the New Act do not apply to an offer for a sales contract or a service contract for specified rights prescribed in Article 2, paragraph (3) of the New Act that a seller or a service provider has received before this Act comes into effect.

(7) The provisions of Article 14, paragraph (2) and Article 17 of the New Act apply to a contract for multilevel marketing transactions prescribed in Article 11, paragraph (1) of the New Act that is entered into after this Act comes into effect by a person carrying on a multilevel marketing undertaking under that paragraph, but prior laws continue to govern a contract for multilevel marketing transactions prescribed in Article 11, paragraph (1) of the Former Act that has been entered into before this Act comes into effect by a person carrying on a multilevel marketing undertaking under that paragraph.

(8) With regard to the application of the provisions of Article 18, paragraph (1) of the New Act to the sending of goods by a seller before this Act comes into effect, the phrase "by the day on which 14 days have passed since the day the goods were sent (or by the day on which seven days have passed since the day on which the person that was sent the goods requested that the seller take them back, if the day on which 14 days have passed since the day the goods were sent falls after the day on which seven days have passed since such a request)" is deemed to be replaced with "by the day on which 14 days have passed since the date of enforcement of the Act Partially Amending the Act on Door-to-Door Sales (Act No. 43 of 1988), the date on which three days have passed since the day on which the goods were sent, or, if the person that was sent the goods has requested that the seller take them back, the date on which one month has passed since the date of the request, whichever comes earliest".

(9) Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect and to conduct in which a person engages after this Act comes into effect if the situation continues to be governed by prior laws pursuant to the provisions of

paragraphs (1), (2), and (7).

Article 4 (1) If the Japan Direct Selling Association established on April 1, 1980 satisfies the requirements prescribed in Article 10-2 of the New Act on the effective date of this Act, with regard to the application of the provisions of Articles 10-3 and 10-4 of the New Act, the Japan Direct Selling Association is deemed to be the corporation prescribed in Article 10-2 of the New Act that has been established on the effective date of this Act.

(2) If the Japan Direct Marketing Association established on October 11, 1983 satisfies the requirements prescribed in Article 10-5 of the New Act on the effective date of this Act, with regard to the application of the provisions of Articles 10-6 and 10-7 of the New Act, the Japan Direct Marketing Association is deemed to be the corporation prescribed in Article 10-5 of the New Act that has been established on the effective date of this Act.

Supplementary Provisions [Act No. 44 of May 22, 1996] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions of Article 1 that amend Article 19 and Article 21, item (iv) of the Act on Door-to-Door Sales, the provisions of Article 2, the provisions of Article 3 of the Supplementary Provisions that amend Article 37, paragraph (1) of the Installment Sales Act, and the provisions of Articles 4 and 5 of the Supplementary Provisions come into effect as of the date of its promulgation.

(Transitional Measures)

Article 2 (1) The provisions of Articles 9-6 and 9-8 of the Act on Door-to-Door Sales as amended by the provisions of Article 1 (hereinafter referred to as the "New Act") do not apply to an offer for a sales contract or a service contract that a seller or a service provider has received before this Act comes into effect.

(2) The provisions of Articles 9-7 and 9-13 of the New Act do not apply to a sales contract or service contract that has been entered into before this Act comes into effect or to a sales contract or service contract connected with an offer that a seller or a service provider has received before this Act comes into effect but that is entered into after this Act comes into effect.

(3) The provisions of Article 9-12 of the New Act do not apply to an offer for a sales contract or service contract that has been received by a seller or a service provider before this Act comes into effect, to a sales contract or service contract connected with such an offer that is entered into after this Act comes into

effect, or to a sales contract or service contract that has been entered into before this Act comes into effect.

(4) Notwithstanding the provisions of Article 17 of the New Act, prior laws continue to govern a contract that a person carrying on a multilevel marketing undertaking has entered into in prior to this Act coming into effect in respect of multilevel marketing transactions that are connected with its multilevel marketing undertaking.

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

Supplementary Provisions [Act No. 34 of April 23, 1999] [Extract]

(Effective Date)

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

(Transitional Measures Concerning Penal Provisions)

Article 3 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect.

(Delegation to Cabinet Order)

Article 4 Beyond as provided in the preceding two Articles, any transitional measures necessary for the enforcement of this Act are provided by Cabinet Order.

Supplementary Provisions [Act No. 120 of November 17, 2000] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of June 1, 2001.

(Transitional Measures in Connection with the Partial Amendment of the Act on Door-to-Door Sales)

Article 2 (1) The provisions of Article 37, paragraph (2) and Article 40 of the Act on Specified Commercial Transactions as amended by the provisions of Article 1 (hereinafter referred to as the "Specified Commercial Transactions Act") apply to a contract involving multilevel marketing transactions prescribed in Article 33, paragraph (1) of the Specified Commercial Transactions Act that is entered into after this Act comes into effect by a person engaged in multilevel marketing prescribed in that paragraph, but prior laws continue to govern a contract involving multilevel marketing transactions prescribed in Article 11, paragraph (1) of the Act on Door-to-Door Sales before its amendment by the

provisions of Article 1, that has been entered into before this Act comes into effect by a person carrying on a multilevel marketing undertaking prescribed in that paragraph.

(2) The provisions of Article 55, paragraph (2) and Article 58 of the Specified Commercial Transactions Act do not apply to a contract involving transactions equivalent to business opportunity sales transactions under Article 51, paragraph (1) of the Specified Commercial Transactions Act, that has been entered into before this Act comes into effect by a person engaged in business equivalent to business opportunity sales under that paragraph.

(Transitional Measures Concerning Penal Provisions)

Article 4 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect and to conduct in which a person engages after this Act comes into effect if the situation continues to be governed by prior laws pursuant to the provisions of Article 2, paragraph (1) of the Supplementary Provisions.

(Delegation to Cabinet Order)

Article 5 Beyond as provided in the preceding three Articles, the transitional measures necessary for the enforcement of this Act are provided by Cabinet Order.

(Review)

Article 6 The government is to review the provisions of the Specified Commercial Transactions Act in response to any changes in the circumstances of the commercial transactions that arise in the daily lives of people and any other economic and social conditions, and is to take any necessary measures based on the results of its review.

Supplementary Provisions [Act No. 28 of April 19, 2002]

(Effective Date)

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

(Review)

Article 2 Approximately three years after the enforcement of this Act, the government is to review any measures established with regard to advertising provided through electronic or magnetic means, that are based on the provisions of the Act on Specified Commercial Transactions as amended by this Act, in accordance with the circumstances of commercial transactions using

information technology, the status of advertising provided through electronic or magnetic means in specified commercial transactions, and other conditions after this Act comes into effect, and is to take any necessary measures based on the results of its review.

Supplementary Provisions [Act No. 44 of May 12, 2004] [Extract]

(Effective Date)

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

(Transitional Measures in Connection with the Partial Amendment of the Act on Specified Commercial Transactions)

Article 2 (1) The provisions of Articles 6-2, 21-2, 34-2, 44-2, and 52-2 of the Act on Specified Commercial Transactions as amended by the provisions of Article 1 of this Act (hereinafter referred to as the "New Specified Commercial Transactions Act") do not apply to conduct in which a person has engaged before this Act comes into effect.

(2) The provisions of Articles 9 and 24 of the New Specified Commercial Transactions Act apply to an offer for a sales contract or a service contract that a seller or a service provider receives after this Act comes into effect and a sales contract or a service contract that is entered into after this Act comes into effect (excluding such contract for which an offer was received before this Act comes into effect), but prior laws continue to govern an offer for a sales contract or service contract that a seller or a service provider has received before this Act comes into effect, a sales contract or service contract connected with such an offer that is entered into after this Act comes into effect, or a sales contract or service contract that has been entered into before this Act comes into effect.

(3) The provisions of Articles 9-3 and 24-2 of the Act on Specified Commercial Transactions do not apply to the manifestation of an intention to offer a sales contract or a service contract or to accept such an offer that has been made before this Act comes into effect.

(4) The provisions of Articles 40-3, 49-2, and 58-2 of the New Specified Commercial Transactions Act do not apply to the manifestation of an intention to offer, or to accept an offer for, a contract involving multilevel marketing transactions connected with a multilevel marketing undertaking prescribed in Article 33, paragraph (1) of the Act on Specified Commercial Transactions (hereinafter referred to as a "multilevel marketing contract"), a specified continuous service contract prescribed in Article 41, paragraph (1), item (i) of that Act (hereinafter simply referred to as a "specified continuous service

contract"), a sales contract for specified rights prescribed in Article 41, paragraph (1), item (ii) of that Act (hereinafter simply referred to as a "sales contract for specified rights"), or a contract for business opportunity sales transactions connected with business opportunity sales prescribed in Article 51, paragraph (1) of that Act (hereinafter referred to as a "business opportunity sales contract"), that has been made before this Act comes into effect.

(5) The provisions of Articles 12-2, 36-2, 43-2, and 54-2 of the New Specified Commercial Transactions Act do not apply to an indication that has been made before this Act comes into effect.

(6) The provisions of Article 37, paragraph (2) of the New Specified Commercial Transactions Act apply to a multilevel marketing contract that is entered into after this Act comes into effect, but prior laws continue to govern a multilevel marketing contract that has been entered into before this Act comes into effect.

(7) The provisions of Articles 40, 48, and 58 of the New Specified Commercial Transactions Act apply to a multilevel marketing contract, a specified continuous service contract or sales contract for specified rights, or a business opportunity sales contract that is entered into after this Act comes into effect, but prior laws continue to govern a multilevel marketing contract, a specified continuous service contract or sales contract for specified rights, or a business opportunity sales contract that has been entered into before this Act comes into effect.

(8) The provisions of Article 40-2 of the New Specified Commercial Transactions Act do not apply to a multilevel marketing contract that was entered into before this Act comes into effect.

(9) The provisions of Article 50, paragraph (2) of the New Specified Commercial Transactions Act apply to a specified continuous service contract, a sales contract for specified rights, or a sales contract for related goods prescribed in Article 48, paragraph (2) of the Act on Specified Commercial Transactions (hereinafter simply referred to as a "sales contract for related goods") that is canceled after this Act comes into effect, but prior laws continue to govern a specified continuous service contract, a sales contract for specified rights, or a sales contract for related goods that has been canceled before this Act comes into effect.

(10) The provisions of Article 58-3 of the New Specified Commercial Transactions Act do not apply to a business opportunity sales contract that has been entered into before this Act comes into effect.

(Delegation to Cabinet Order)

Article 4 Beyond as provided in the preceding two Articles, the transitional measures necessary for the enforcement of this Act are provided by Cabinet Order.

(Review)

Article 5 Approximately five years after the enforcement of this Act, the government is to review the provisions of the New Specified Commercial Transactions Act according to the changes in the situation of commercial transactions that arise during the daily lives of citizens and any other economic and social conditions, and take necessary measures based on the results of its review.

Supplementary Provisions [Act No. 50 of June 2, 2006] [Extract]

(Effective Date)

(1) This Act comes into effect as of the effective date of the Act on General Incorporated Associations and General Incorporated Foundations.

Supplementary Provisions [Act No. 29 of May 2, 2008] [Extract]

(Effective Date)

(1) This Act comes into effect as of April 1, 2009; provided, however, that the provisions of Articles 2 and 4 come into effect as of the effective date of the Act for Partial Amendment of the Act on Specified Commercial Transactions and the Installment Sales Act (Act No. 74 of 2008).

Supplementary Provisions [Act No. 74 of June 18, 2008] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding one year and six months from the date of its promulgation; provided, however, that the provisions listed in the following items come into effect as of the dates specified in those items:

(i) the provisions of Article 4, paragraphs (11) and (12) of the Supplementary Provisions and Article 5, paragraph (29) of the Supplementary Provisions: the day of promulgation;

(ii) the provisions of Article 1 of this Act and Article 3 of the Supplementary Provisions: the date specified by Cabinet Order within a period not exceeding six months from the date of promulgation;

(iii) the provisions of Article 4 of this Act: the date specified by Cabinet Order within a period not exceeding two years and six months from the date of promulgation; and

(iv) the provisions of Article 11 of the Supplementary Provisions: the effective date of the provisions set forth in Article 1, item (iii) of the Supplementary

Provisions of the Act for Partial Amendment of the Act on Regulation of Loan Business (Act No. 115 of 2006) or the effective date of this Act, whichever is later.

(Transitional Measures in Connection with the Partial Amendment of the Act on Specified Commercial Transactions)

Article 3 (1) A request that has already been received from an advertising target or consent that has already been obtained from an advertising target as of the time of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions with regard to sending the advertising target the equivalent of e-mail that advertises mail order sales prescribed in Article 12-3, paragraph (1), item (i) of the Act on Specified Commercial Transactions as amended by the provisions of Article 1 (hereinafter referred to as the "New Specified Commercial Transactions Act No. 2" in this Article), e-mail that advertises multilevel marketing transactions prescribed in Article 36-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act No. 2, or e-mail that advertises business opportunity sales transactions prescribed in Article 54-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act No. 2 (hereinafter collectively referred to as "e-mail that advertises mail order sales, etc." in this Article), is deemed to be a request that was received from an advertising target or consent that was obtained from an advertising target with regard to sending the advertising target e-mail that advertises mail order sales, etc.

(2) A manifestation of an intention through which a person has already indicated the unwillingness to receive the equivalent of e-mail that advertises mail order sales, etc. as of the time of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions is deemed to be the manifestation of an intention as prescribed in Article 12-3, paragraph (2) of the New Specified Commercial Transactions Act No. 2 (including as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) of the New Specified Commercial Transactions Act No. 2), Article 36-3, paragraph (2) of the New Specified Commercial Transactions Act No. 2 (including as applied mutatis mutandis pursuant to Article 36-4, paragraph (2) of the New Specified Commercial Transactions Act No. 2), or Article 54-3, paragraph (2) of the New Specified Commercial Transactions Act No. 2 (including as applied mutatis mutandis pursuant to Article 54-4, paragraph (2) of the New Specified Commercial Transactions Act No. 2).

(3) The provisions of Article 12-3, paragraph (3) of the New Specified Commercial Transactions Act No. 2 (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 12-4, paragraph (2) of the New Specified Commercial Transactions Act No. 2), Article 36-3, paragraph (3)

of the New Specified Commercial Transactions Act No. 2 (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 36-4, paragraph (2) of the New Specified Commercial Transactions Act No. 2), or Article 54-3, paragraph (3) of the New Specified Commercial Transactions Act No. 2 (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 54-4, paragraph (2) of the New Specified Commercial Transactions Act No. 2) do not apply to e-mail that advertises mail order sales, etc. that is sent based on a request that was received from an advertising target or consent that was obtained from an advertising target before the effective date of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions with regard to sending the advertising target the equivalent of e-mail that advertises mail order sales, etc.

Article 4 (1) The provisions of Articles 4 and 18 of the Act on Specified Commercial Transactions as amended by the provisions of Article 2 (hereinafter referred to as the "New Specified Commercial Transactions Act" in this Article) apply to an offer for a sales contract or a service contract that a seller or a service provider receives after this Act comes into effect, but prior laws continue to govern an offer for a sales contract or a service contract for any designated goods, designated rights, or designated services (hereinafter referred to as "specified designated goods, rights, or services") prescribed in Article 2, paragraph (4) of the Act on Specified Commercial Transactions before its amendment by the provisions of Article 2, that a seller or a service provider has received before this Act comes into effect.

(2) The provisions of Articles 5 and 19 of the New Specified Commercial Transactions Act apply to a sales contract or a service contract that is entered into after this Act comes into effect, but prior laws continue to govern a sales contract or a service contract for specified designated goods, rights, or services that has been entered into before this Act comes into effect.

(3) The provisions of Articles 9 and 24 of the New Specified Commercial Transactions Act apply to an offer for a sales contract or a service contract that a seller or a service provider receives after this Act comes into effect and to a sales contract or service contract that is entered into after this Act comes into effect (excluding any contract for which the seller or the service provider received an offer before this Act comes into effect), but prior laws continue to govern an offer for a sales contract or service contract for specified designated goods, rights, or services that a seller or a service provider has received before this Act comes into effect, a sales contract or service contract connected with such an offer that has been entered into after this Act comes into effect, or a sales contract or service contract for specified designated goods, rights, or services that has been entered into before this Act comes into effect.

(4) The provisions of Article 9-2 of the New Specified Commercial Transactions Act do not apply to an offer for a sales contract or service contract that a seller or a service provider has received before this Act comes into effect, any sales contract or service contract connected with such an offer that has been entered into after this Act comes into effect, or a sales contract or a service contract that has been entered into before this Act comes into effect.

(5) The provisions of Articles 10 and 25 of the New Specified Commercial Transactions Act do not apply to a sales contract or a service contract (excluding one for specified designated goods, rights, or services) that has been entered into before this Act comes into effect.

(6) A request that has already been received from an advertising target or consent that has already been obtained from an advertising target as of the time of enforcement of this Act with regard to sending the advertising target e-mail that advertises mail order sales prescribed in Article 12-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act (excluding e-mail that advertises specified designated goods, rights, or services) is deemed to be a request that was received from an advertising target or consent that was obtained from an advertising target with regard to sending the advertising target e-mail that advertises mail order sales.

(7) A person's intention not to receive e-mail that advertises mail order sales prescribed in Article 12-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act (excluding that pertaining to specified designated goods, rights, or services) that the person has already manifested at the time of enforcement of this Act is deemed to be an intention that the person has manifested pursuant to paragraph (2) of that Article (including as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) of the New Specified Commercial Transactions Act).

(8) The provisions of Article 12-3, paragraph (3) of the New Specified Commercial Transactions Act (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 12-4, paragraph (2) of the New Specified Commercial Transactions Act) do not apply to e-mail that advertises mail order sales that is sent based on a request that was received from an advertising target or consent that was obtained from an advertising target with regard to sending the advertising target e-mail that advertises mail order sales (excluding e-mail advertising related to specified designated goods, rights, or services) prescribed in Article 12-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act before the effective date of this Act.

(9) The provisions of Articles 13 and 20 of the New Specified Commercial Transactions Act do not apply to an offer for a sales contract or a service contract (excluding one for specified designated goods, rights, or services) that a seller or a service provider has received before this Act comes into effect.

(10) The provisions of Article 15-2 of the New Specified Commercial Transactions Act do not apply to an offer for a sales contract that a seller has received before this Act comes into effect, to a sales contract connected with such an offer that is entered into after this Act comes into effect, or to a sales contract that has been entered into before this Act comes into effect.

(11) The competent minister specified in Article 67, paragraph (1), item (v) of the New Specified Commercial Transactions Act, even before the effective date of this Act, may consult with the Consumer Affairs Council for the purpose of planning the enactment of Cabinet Order set forth in Article 26, paragraph (1), item (viii)(d) of the New Specified Commercial Transactions Act, paragraph (2) of that Article, the items of paragraph (3) of that Article, paragraph (4), item (i) or (ii) of that Article, paragraph (5), item (ii) of that Article, or paragraph (6), item (ii) of that Article.

(12) The Minister of Economy, Trade and Industry, even before the effective date of this Act, may consult with the Consumer Affairs Council for the purpose of planning the enactment of Cabinet Order set forth in Article 26, paragraph (4), item (iii) of the New Specified Commercial Transactions Act or paragraph (6), item (i) of that Article.

(13) With regard to a person that already uses a character in its name or trade name that could cause it to be mistaken for a door-to-door sales association or door-to-door sales association member or for a mail order sales association or mail order sales association member, the provisions of Articles 28 and 31 of the New Specified Commercial Transactions Act do not apply for six months after this Act comes into effect.

(Transitional Measures Concerning Penal Provisions)

Article 6 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect and to conduct in which a person engages after this Act comes into effect if the situation continues to be governed by prior laws pursuant to the provisions of the preceding two Articles.

(Delegation to Cabinet Order)

Article 7 Beyond as provided from Article 3 of the Supplementary Provisions to the preceding Article, any transitional measures (including those concerning penal provisions) necessary for the enforcement of this Act are provided by Cabinet Order.

(Review)

Article 8 Once five years have passed after the enforcement of this Act, the government is to review the status of enforcement of the provisions of the Act

on Specified Commercial Transactions and the Installment Sales Act as amended by this Act, and if it finds it to be necessary, is to take any necessary measures based on the results of its review.

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

(Effective Date)

Article 1 This Act comes into effect as of the effective date of the Act for Establishment of the Consumer Affairs Agency and the Consumer Commission (Act No. 48 of 2009); provided, however, that the provisions listed in the following items come into effect as of the dates specified in those items:

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

(Transitional Measures Concerning the Applicability of Penal Provision)

Article 8 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect and to conduct in which a person engages after this Act comes into effect if the situation continues to be governed by prior laws pursuant to the provisions of the Supplementary Provisions of this Act.

(Delegation to Cabinet Order)

Article 9 Beyond as provided from Article 2 of the Supplementary Provisions to the preceding Article, any transitional measures (including those concerning penal provisions) necessary for the enforcement of this Act are specified by Cabinet Order.

Supplementary Provisions [Act No. 59 of August 22, 2012] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions listed in the following items come into effect as of the dates specified in those items:

(i) the provisions of paragraph (5) of the following Article, and Article 3 and 7 of the Supplementary Provisions: the day of promulgation;

(ii) the provisions of Article 6 of the Supplementary Provisions: the day of promulgation of the Act on the Coordination of Related Acts in Connection with the Coming Into Effect of the Act Partially Amending the National Public Service Act and Other Acts (Act No. XX of 2012) or the day of promulgation of this Act, whichever is later.

(Transitional Measures)

Article 2 (1) The provisions of Article 58-7 of the Act on Specified Commercial Transactions as amended by this Act (hereinafter referred to as the "New Specified Commercial Transactions Act" in this Article and Article 4 of the Supplementary Provisions) do not apply to an offer for a sales contract that a person equivalent to the commercial purchaser prescribed in Article 58-4 of the New Specified Commercial Transactions Act (referred to as a "person equivalent to a commercial purchaser" in paragraphs (3) and (4)) has received before this Act comes into effect.

(2) The provisions of Articles 58-8 and 58-16 of the New Specified Commercial Transactions Act do not apply to a sales contract that has been entered into before this Act comes into effect.

(3) The provisions of Articles 58-9, 58-11, 58-11-2 and 58-15 of the New Specified Commercial Transactions Act do not apply to a sales contract connected with an offer that a person equivalent to a commercial purchaser has received before this Act comes into effect and which is entered into after this Act comes into effect, or a sales contract that has been entered into before this Act comes into effect.

(4) The provisions of Article 58-14 of the New Specified Commercial Transactions Act do not apply to an offer for a sales contract that a person equivalent to a commercial purchaser has received before this Act comes into effect, a sales contract connected with such an offer that is entered into after this Act comes into effect, or a sales contract that has been entered into before this Act comes into effect.

(5) The competent minister specified in Article 67, paragraph (1), item (vi) of the New Specified Commercial Transactions Act, even before the effective date of this Act, may consult with the Consumer Commission and the Consumer Affairs Council for the purpose of planning the enactment of Cabinet Order set forth in Article 58-4 or 58-17, paragraph (2), item (ii) of the New Specified Commercial Transactions Act pursuant to the provisions of Cabinet Order.

(Delegation to Cabinet Order)

Article 3 Beyond as provided in the preceding Article, any transitional measures necessary for enforcement of this Act are specified by Cabinet Order.

(Review)

Article 4 (1) The government is to review the system that enables an offeror or counterparty prescribed in the provisions of Article 58-14, paragraph (1) of the New Specified Commercial Transactions Act to reliably regain or keep possession of articles connected with a door-to-door purchase transaction

prescribed in the provisions of Article 58-4 of that Act in the event that the offeror or counterparty has canceled the sales contract as under the provisions of Article 58-14, paragraph (1) of that Act, and is to take the necessary measures based on the results of its review.

(2) Beyond as set forth in the preceding paragraph, once three years have passed after the enforcement of this Act, the government is to review the status of enforcement of the provisions of the New Act on Specified Commercial Transactions, and if it finds it to be necessary, take any necessary measures based on the results of its review.

Supplementary Provisions [Act No. 29 of April 25, 2014] [Extract]

(Effective Date)

(1) This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding two years from the date of its promulgation;

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding one year and six months from the date of its promulgation; provided, however, that the provisions listed in the following items come into effect as of the dates specified in those items:

(i) the provisions of Article 5 of the Supplementary Provisions: the day of promulgation;

(ii) the provisions of Article 2 of this Act and Article 3 of the Supplementary Provisions: the effective date of the Act for Partial Amendment of the Civil Code (Act No. XX of 2016); or

(iii) the provisions of Article 8 of the Supplementary Provisions: the day of promulgation of the Act on the Coordination of Related Acts in Connection with the Coming Into Effect of the Act Partially Amending the Civil Code (Act No. XX of 2016) or the day of promulgation of this Act, whichever is later.

(Transitional Measures)

Article 2 (1) The provisions of Articles 4, 13, 18, and 20 of the Act on Specified Commercial Transactions as amended by the provisions of Article 1 (hereinafter referred to as "the New Act" in this Article) apply to an offer for a sales contract or a service contract that a seller or a service provider receives on or after the effective date of this Act (hereinafter referred to as "the effective date"), but prior laws continue to govern an offer for a sales contract

or a service contract regarding the goods, designated rights or services prescribed in Article 2, paragraph (4) of the Act on Specified Commercial Transactions before its revision by the provisions of Article 1 (hereinafter referred to as "the Former Act" in this Article) (hereinafter referred to as "goods, rights, or services" in this Article) that a seller or a service provider has received before the effective date.

(2) The provisions of Articles 5, 10, 19, and 25 of the New Act apply to a sales contract or a service contract that is entered into on or after the effective date, but prior laws continue to govern a sales contract or a service contract for goods, rights, or services that has been entered into before the effective date.

(3) The provisions of Article 7, paragraph (2), Article 14, paragraphs (3) and (4), Article 22, paragraph (2), Article 38, paragraphs (5) and (6), Article 46, paragraph (2), Article 56, paragraphs (3) and (4), and Article 58-12, paragraph (2) of the New Act do not apply to instructions that have been given before the effective date pursuant to Article 7, 14, 22, 38, 46, 56, or 58-12 of the Former Act.

(4) Notwithstanding the provisions of Article 8, paragraph (1) of the New Act, prior laws continue to govern conduct violating any provision of Article 3, Article 3-2, paragraph (2), or Articles 4 through 6 of the Former Act or conduct listed in the items of Article 7 of the Former Act, or conduct involving a failure to follow instructions under the provisions of that Article, in which a seller or a service provider has engaged before the effective date.

(5) The provisions of Article 8-2, paragraph (1) of the New Act do not apply if a suspension of business is ordered in connection with the conduct prescribed in the preceding paragraph.

(6) The provisions of Article 9, Article 9-2, Article 15-3, and Article 24 of the New Act apply to an offer for a sales contract or service contract received by a seller or a service provider on or after the effective date and a sales contract or service contract entered into after the effective date (excluding those for which offers were made before the effective date), but prior laws continue to govern an offer for a sales contract or service contract for goods, rights, or services that a seller or a service provider has received before the effective date, a sales contract or service contract connected with such an offer that is entered into on or after the effective date, or a sales contract or service contract for goods, rights, or services that has been entered into before the effective date.

(7) The provisions of Article 9-3, paragraph (4) of the New Act (including as applied mutatis mutandis pursuant to Article 24-3, paragraph (2), Article 40-3, paragraph (2), Article 49-2, paragraph (2), and Article 58-2, paragraph (2) of the New Act) apply to the right to retract a manifestation that is made on or before the effective date indicating the intention to offer or accept an offer for a sales contract, a service contract, a multilevel marketing contract, a specified

continuous service contract, a sales contract for specified rights, or a business opportunity sales contract, but prior laws continue to govern the right to retract a manifestation that has been made after the effective date indicating the intention to offer or accept an offer for a sales contract for goods, rights, or services, a service contract, a multilevel marketing contract, a specified continuous service contract, a sales contract for specified rights, or a business opportunity sales contract.

(8) The request or consent of a target customer regarding e-mail that advertises mail order sales (excluding those related to goods, rights, or services) specified in Article 12-3, paragraph (1), item (i) of the New Act received before the effective date is deemed to be a request or consent received regarding e-mail that advertises mail order sales.

(9) An indication made before the effective date of an unwillingness to be provided with e-mail that advertises mail order sales (excluding those related to goods, rights, or services) specified in Article 12-3, paragraph (1), item (i) of the New Act is deemed to be the manifestation of an intention set forth in paragraph (2) of that Article (including as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) of the New Act).

(10) The provisions of Article 12-3, paragraph (3) of the New Act (including as applied mutatis mutandis following a deemed replacement of terms pursuant to Article 12-4, paragraph (2) of the New Act) do not apply to e-mail that advertises mail order sales that is based on a request or consent that has been received before the effective date from a target customer regarding the sending of an e-mail that advertises mail order sales (excluding those related to goods, rights, or services) specified in Article 12-3, paragraph (1), item (i) of the New Act.

(11) A request or consent that has been received as of the effective date from a target customer regarding the sending of facsimile advertisements for mail order sales specified in Article 12-5, paragraph (1), item (i) of the New Act is deemed to be a request or consent received from a target customer regarding the facsimile advertisements for mail order sales.

(12) The indication of an unwillingness to be provided with facsimile advertisements for mail order sales as specified in Article 12-5, paragraph (1), item (i) of the New Act before the effective date is deemed to be the manifestation of an intention as set forth in paragraph (2) of that Article.

(13) The provisions of Article 12-5, paragraph (3) of the New Act do not apply to facsimile advertisements for mail order sales based on a request or consent that has been received before the effective date from a target customer regarding the sending of facsimile advertisements for mail order sales specified in paragraph (1), item (i) of that Article.

(14) Notwithstanding the provisions of Article 15, paragraph (1) of the New

Act, prior laws continue to govern conduct violating any provision of Article 11, 12, 12-3 (excluding paragraph (5)), or Article 13, paragraph (1) of the Former Act or conduct listed in the items of Article 14, paragraph (1) of the Former Act, or conduct involving a failure to follow instructions under the provisions of that paragraph, in which a seller or a service provider has engaged before the effective date.

(15) The provisions of Article 15-2, paragraph (1) of the New Act do not apply if a suspension of business is ordered in connection with the conduct prescribed in the preceding paragraph.

(16) Notwithstanding the provisions of Article 23, paragraph (1) of the New Act, prior laws continue to govern conduct violating any provision of Articles 16 through 21 of the Former Act or conduct listed in the items in Article 22 of the Former Act, or conduct involving a failure to follow instructions under the provisions of that Article, in which a seller or a service provider has engaged before the effective date.

(17) The provisions of Article 23-2, paragraph (1) of the New Act do not apply if a suspension of business is ordered in connection with the conduct prescribed in the preceding paragraph.

(18) The provisions of Article 24-2 of the New Act do not apply to an offer for a sales contract or service contract that a seller or a service provider has received before the effective date, to a sales contract or service contract connected with such an offer which is entered into after the effective date, or to a sales contract or service contract that has been entered into before the effective date.

(19) Notwithstanding the provisions of Article 39, paragraph (1) of the New Act, prior laws continue to govern conduct violating any provision of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, 36, 36-3 (excluding paragraph (5)) or 37 of the Former Act or conduct listed in the items of Article 38, paragraph (1) of the Former Act or conduct involving a failure to follow instructions under the provisions of that paragraph, in which an orchestrator has engaged before the effective date, or with regard to conduct violating any provision of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, 36, or 36-3 (excluding paragraph (5)) or conduct listed in Article 38, paragraph (1), items (ii) through (iv) of the Former Act, in which a salesperson has engaged before the effective date.

(20) Notwithstanding the provisions of Article 39, paragraph (2) of the New Act, prior laws continue to govern conduct violating any provision of Article 33-2, Article 34, paragraph (1), (3) or (4), Article 35, 36, 36-3 (excluding paragraph (5)), or Article 37 of the Former Act or conduct listed in the items of Article 38, paragraph (1) of the Former Act, or conduct involving a failure to follow instructions under the provisions of paragraph (2) of that Article, in which a

salesperson has engaged before the effective date.

(21) Notwithstanding the provisions of Article 39, paragraph (3) of the New Act, prior laws continue to govern conduct violating any provision of Article 33-2, Article 34, paragraphs (2) through (4), Article 35, 36, 36-3 (excluding paragraph (5)), or Article 37 of the Former Act or conduct listed in the items of Article 38, paragraph (1) of the Former Act, or conduct involving a failure to follow instructions under the provisions of paragraph (3) of that Article, in which a general multilevel marketing distributor has engaged before the effective date.

(22) The provisions of Article 39-2, paragraph (1) of the New Act do not apply if a suspension of multilevel marketing transactions is ordered in connection with the conduct prescribed in paragraph (19).

(23) The provisions of Article 39-2, paragraph (2) of the New Act do not apply if a suspension of multilevel marketing transactions is ordered in connection with the conduct prescribed in paragraph (20).

(24) The provisions of Article 39-2, paragraph (3) of the New Act do not apply if a suspension of multilevel marketing transactions is ordered in connection with the conduct prescribed in paragraph (21).

(25) Notwithstanding the provisions of Article 47, paragraph (1) of the New Act, prior laws continue to govern conduct violating any provision of Article 42, 43, 44, or 45 of the Former Act or conduct listed in the items of Article 46 of the Former Act, or conduct involving a failure to follow instructions under the provisions of that Article, in which a service provider or a seller has engaged before the effective date.

(26) The provisions of Article 47-2, paragraph (1) of the New Act do not apply if a suspension of business is ordered in connection with the conduct prescribed in the preceding paragraph.

(27) Notwithstanding the provisions of Article 57, paragraph (1) of the New Act, prior laws continue to govern conduct violating any provision of Article 51-2, 52, 53, 54, 54-3 (excluding paragraph (5)), or 55 of the Former Act or conduct listed in the items of Article 56, paragraph (1) of the Former Act, or conduct involving a failure to follow instructions under the provisions of that paragraph, in which a person engaged in business opportunity sales has engaged before the effective date.

(28) The provisions of Article 57-2, paragraph (1) of the New Act do not apply if a suspension of business opportunity sales transactions involved in business opportunity sales is ordered in connection with the conduct prescribed in the preceding paragraph.

(29) Notwithstanding the provisions of Article 58-13, paragraph (1) of the New Act, prior laws continue to govern conduct violating any provision of Articles 58-5 through 58-11-2 of the Former Act or conduct listed in the items

of Article 58-12 of the Former Act, or conduct involving a failure to follow instructions under the provisions of that Article, in which a commercial purchaser has engaged before the effective date.

(30) The provisions of Article 58-13-2, paragraph (1) of the New Act do not apply if a suspension of business is ordered in connection with the conduct prescribed in the preceding paragraph.

Article 3 The provisions of Article 9-3, paragraph (5) of the Act on Specified Commercial Transactions as amended by the provisions of Article 2 (hereinafter referred to as "the New Act 2" in this Article) (including as applied mutatis mutandis pursuant to Article 24-3, paragraph (2), Article 40-3, paragraph (2), Article 49-2, paragraph (2), and Article 58-2, paragraph (2) of the New Act 2) do not apply to the obligation of any person that received, prior to the enforcement of the provisions of Article 1, item (ii) of the Supplementary Provisions, benefits through the fulfillment of obligations pursuant to a sales contract or a service contract, a multilevel marketing contract, a specified continuous service contract or a sales contract for specified rights, or a business opportunity sales contract to return such benefits.

(Transitional Measures Concerning Penal Provisions)

Article 4 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages after the effective date if the situation continues to be governed by prior laws pursuant to the provisions of Article 2 of the Supplementary Provisions.

(Delegation to Cabinet Order)

Article 5 Beyond as provided in the preceding three Articles, any transitional measures necessary for the enforcement of this Act are specified by Cabinet Order.

(Review)

Article 6 Once five years have passed after the enforcement of this Act, the government is to review the status of enforcement of the provisions of the Act on Specified Commercial Transactions as amended by this Act, and if it finds it to be necessary, take any necessary measures based on the results of its review.

(Partial Amendment of the Installment Sales Act)

Article 7 The Installment Sales Act (Act No. 159 of 1961) is partially amended as follows. In Article 35-3-60, paragraph (3), item (ii), the phrase "items of Article 26, paragraph (5)" is amended to read "items of Article 26, paragraph (6)", and the phrase "items of paragraph (6) of that Article" is amended to read "items of

paragraph (7) of that Article". In paragraph (4), item (i) of that Article, the phrase "Article 26, paragraph (2)" is amended to read "Article 26, paragraph (3)". In item (ii) of that paragraph, the phrase "items of Article 26, paragraph (3)" is amended to read "items of Article 26, paragraph (4)". In item (iii) of that paragraph, the phrase "Article 26, paragraph (4), item (i)" is amended to read "Article 26, paragraph (5), item (i)".

(Partial Amendment of the Act on Coordination of Related Acts in Connection with the Coming Into Effect of the Act Partially Amending the Civil Code)

Article 8 The Act on Coordination of Related Acts in Connection with the Coming Into Effect of the Act Partially Amending the Civil Code is partially amended as follows. In the provisions amending the proviso to Article 15-2, paragraph (1) of the Act on Specified Commercial Transactions in Article 94, the phrase "the proviso to Article 15-2, paragraph (1)" is amended to read "the proviso to Article 15-3, paragraph (1)". In Article 95, the phrase "Article 24-2, paragraph (2)" is amended to read "Article 24-3, paragraph (2)".