Act on Regulation of Commodity Investment (Article 2 unenforced, etc.)

(Act No. 66 of May 2, 1991)

Table of Contents

Chapter I General Provisions (Articles 1 and 2)
Chapter II Regulation of Commodity Investment
Section 1 Regulation of Commodity Investment Advising
Subsection 1 License (Articles 3 to 12)
Subsection 2 Business Activities (Articles 13 to 28-2)
Subsection 3 Supervision (Articles 29 to 32)
Section 2 Regulation of Other Commodity Investment (Articles 33 to 37)
Chapter III Miscellaneous Provisions (Articles 38 to 45)
Chapter IV Penal Provisions (Articles 46 to 51)
Supplementary Provisions

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to secure the proper operation of the business activities of persons who engage in commodity investment advising by implementing a licensing system for persons who engage in commodity investment advising and by applying other necessary regulations to commodity investment, thereby ensuring the fair and smooth operation of commodity investment and protecting investors.

(Definitions)

Article 2 (1) The term "commodity investment" as used in this Act shall mean the following:

(i) Engaging in derivatives transactions prescribed in Article 2, paragraph (3) of the Commodity Futures Act (Act No. 239 of 1950) (including transactions in foreign commodity markets prescribed in paragraph (13) of said Article) with regard to the commodities prescribed in Article 2, paragraph (1) of said Act (hereinafter referred to as "specified commodities") or the commodity indices prescribed in paragraph (2) of said Article (referred to as "specified commodity indices" in Article 21, item (i) and Article 28, item (ii))

(ii) Engaging in transactions where the parties agree that, upon the manifestation of intention by one of the parties, the other party grants said party a right to execute transactions between the parties in commodities or

other goods specified by Cabinet Order as goods whose prices fluctuate widely (including mining rights, industrial property rights and rights to the utilization of facilities; the same shall apply in the following item and the following paragraph) (referred to as "specified goods" in Article 21, item (i) and Article 28, item (ii)) (referred to as an "option" in said item) and said party pays the consideration therefor

(iii) Acquiring (including via production), transferring, using or having a person use specified commodities or other goods specified by Cabinet Order as goods whose prices fluctuate widely or as goods for which the income obtained from their use (for mining rights, industrial property rights and rights for the utilization of facilities, the exercise thereof; hereinafter the same shall apply in this item) is difficult to predict (referred to as "designated goods" in Article 21, item (i) and Article 28, item (ii))

(2) The term "commodity investment advisory contract" as used in this Act shall mean a contract that provides that one of the parties shall be entrusted with all or part of the investment decision pertaining to commodity investment (which means a decision with regard to the type, number and price of goods subject to investment as well as the distinction between selling or buying and the method and time of selling or buying (in the case of derivatives transactions prescribed in item (i) of the preceding paragraph (excluding the transactions prescribed in Article 2, paragraph (3), item (i) of the Commodity Futures Act pertaining to specified commodities) and transactions prescribed in item (ii) of the preceding paragraph, a decision with regard to the subject matter and timing of the transactions to be engaged in); the same shall apply hereinafter) and shall be delegated the authority required to make a commodity investment on behalf of the other party based on said investment decision.

(3) The term "commodity investment advising" as used in this Act shall mean the commercial pursuit of engaging in commodity investment based on commodity investment advisory contracts.

(4) The term "commodity investment advisor" as used in this Act shall mean an entity that engages in commodity investment advising under the license set forth in the following Article.

(5) The term "commodity investment contract" as used in this Act shall mean the following contracts, which are specified by Cabinet Order as those for which the fairness of the commodity investment and the protection of investors have to be secured:

(i) A contract where the parties agree that one of the parties will offer a contribution to the commercial pursuits of the other party, and said other party invests all or part of the contributed property as a commodity investment, distributes profit arising from said investment and returns the

value of said contribution (in the case where said contribution has been reduced due to loss, the remaining amount) (referred to as "distribution, etc. of profit" in item (i) of the following paragraph)

(ii) A contract where the parties agree that each party will offer a contribution, and a person who has been entrusted with the execution of business activities invests all or part of the contributed property by means of commodity investment as a joint enterprise, distributes income arising from said investment and returns the value of the residual assets divided according to the value of said contribution (referred to as "distribution, etc. of income" in item (i) of the following paragraph)

(iii) A contract based on the laws and regulations of a foreign state which are similar to those listed in the preceding two items

(6) The term "commodity investment beneficial interest" as used in this Act shall mean the following interests, which are specified by Cabinet Order as those for which the fairness of the commodity investment and the protection of investors have to be secured:

(i) The interest in receiving a distribution, etc. of profit or the distribution, etc. of income pertaining to a commodity investment contract

(ii) The interest in receiving a distribution of income from a trust and the return of the principal for the purpose of investing all or part of a trust fund by means of commodity investment

(iii) An interest of a juridical person established in accordance with the laws and regulations of a foreign state (referred to as "foreign juridical person" in the following Article and Article 39) similar to those listed in the preceding two items.

Chapter II Regulation of Commodity Investment

Section 1 Regulation of Commodity Investment Advising

Subsection 1 License

(License for Commodity Investment Advisors)

Article 3 Commodity investment advising may only be engaged in by a stock company which has obtained a license from the competent minister (with regard to foreign juridical persons, limited to juridical persons of the same type as a stock company which has a business office in Japan).

(Licensing Conditions)

Article 4 (1) The competent minister may attach conditions to the license set forth in the preceding Article and change them.

(2) The conditions set forth in the preceding paragraph shall be the minimum conditions necessary for securing the fairness of the commodity investment or

the protection of investors.

(Application for a License)

Article 5 (1) An entity that intends to obtain a license set forth in Article 3 shall submit a written application for license containing the following matters to the competent minister:

(i) Trade name and address

(ii) Names and location of business offices

(iii) Names and addresses of directors and corporate auditors (in the case of a company with committees, directors and executive officers) and names and addresses of employees specified by Cabinet Order if any

(iv) Names and addresses of accounting advisors in the case of a company with accounting advisors

(v) Amount of stated capital

(vi) Type and method of business activities

(vii) Type of service if the entity provides other services

(viii) Other matters specified by ordinance of the competent ministry

(2) Documents specified by ordinance of the competent ministry shall be attached to the written application for license set forth in the preceding paragraph.

(Criteria for Licensing)

Article 6 (1) When an application for license under the provisions of the preceding Article has been filed, the competent minister shall examine whether the application conforms to the following criteria:

(i) The applicant for a license has sufficient financial basis for soundly performing the business activities it intends to engage in, and the outlook for the income and expenditures for said business activities of the applicant is favorable

(ii) In light of its personnel structure, the applicant for a license has the knowledge and experience that enable the fair and appropriate performance of the business activities it intends to operate and has sufficient social credibility

(2) When the competent minister has found that the application conforms to the criteria set forth in the preceding paragraph as a result of examination pursuant to the provisions of said paragraph, he/she shall grant a license set forth in Article 3, except when the applicant for a license falls under any of the following items:

(i) An entity that is not a stock company of which the amount of stated capital is not less than an amount specified by Cabinet Order as necessary and appropriate to protect investors

(ii) A company whose license set forth in Article 3 has been rescinded pursuant

to the provisions of Article 32, paragraph (1) and for whom three years have not lapsed from the day of the rescission, or a company whose similar license obtained in a foreign state pursuant to the provisions of the laws and regulations of said foreign state which are equivalent to this Act (including registration and other administrative dispositions similar to said license; hereinafter referred to as "license, etc.") has been rescinded and for whom three years have not lapsed from the day of the rescission

(iii) A company which has been sentenced to a fine (including punishment equivalent thereto under the laws and regulations of a foreign state) pursuant to the provisions of this Act, the Financial Instruments and Exchange Act (Act No. 25 of 1948), the Commodity Futures Act, the Act Concerning Investment Trusts and Investment Corporations (Act No. 198 of 1951), the Act on Regulation of Acceptance of Contributions, Deposits, and Interest Rates (Act No. 195 of 1954), the Act on Contracts for Deposit of Specified Commodities (Act No. 62 of 1986) or the Trust Business Act (Act No. 154 of 2004), or the provisions of the laws and regulations of a foreign state equivalent thereto and for whom three years have not lapsed from the day on which execution of the sentence ended or from the day on which the sentence ceased to be executed

(iv) A company of which any of the directors, accounting advisors, corporate auditors, executive officers and employees specified by Cabinet Order fall under any of the following:

(a) An adult ward or a person under curatorship or a person who is treated the same as such a person under the laws and regulations of a foreign state

(b) A person who has received an order of commencement of bankruptcy proceedings and has not yet had his/her rights restored or a person who is treated the same as such a person under the laws and regulations of a foreign state

(c) A person who has been sentenced to imprisonment without work or a more severe punishment (including punishment equivalent thereto under the laws and regulations of a foreign state) and for whom three years have not lapsed from the day on which execution of the sentence ended or from the day on which the sentence ceased to be executed

(d) A person who has been sentenced to a fine (including punishment equivalent thereto under the laws and regulations of a foreign state) for the violation of the provisions of any of the laws prescribed in the preceding item or the provisions of any of the laws and regulations of a foreign state equivalent thereto or for the commitment of a crime set forth in Article 204, 206, 208, 208-3, 222 or 247 of the Penal Code (Act No. 45 of 1907) or a crime set forth in the Act on Punishment of Physical Violence and Others (Act No. 60 of 1926) and for whom three years have not lapsed

from the day on which execution of the sentence ended or from the day on which the sentence ceased to be executed

(e) Where the license set forth in Article 3 given to a commodity investment advisor has been rescinded pursuant to the provisions of Article 32, paragraph (1), a person who was a director, accounting advisor, corporate auditor, executive officer or employee specified by Cabinet Order of said commodity investment advisor within 30 days prior to the day of rescission and for whom three years have not lapsed from the day of said rescission

(f) A person whose similar license, etc. obtained in a foreign state pursuant to the provisions of the laws and regulations of said foreign state which are equivalent to this Act has been rescinded and for whom three years have not elapsed from the day of the rescission (including a person who, within 30 days prior to the day on which a juridical person's license, etc. was rescinded, was an employee as specified by Cabinet Order or an officer of said juridical person, where three years have not elapsed from the day of said rescission)

(v) A company whose business activity types and methods do not conform to the criteria specified by ordinance of the competent ministry as those necessary for the protection of investors.

(License Validity Period)

Article 7 The validity period of a license set forth in Article 3 shall be six years from the day it is granted.

(Renewal of License Validity Period)

Article 8 (1) An entity that intends to continue to engage in commodity investment advising pertaining to a license set forth in Article 3 after the expiration of its validity period (including the validity period of a license renewed under the provisions of this paragraph; the same shall apply hereinafter) shall obtain a renewal of the validity period from the competent minister pursuant to the provisions of ordinance of the competent ministry.

(2) The provisions of Articles 4 through 6 shall apply mutatis mutandis to a renewal of the validity period of a license set forth in Article 3.

(3) In a case where an application for renewal of the validity period of a license set forth in Article 3 has been filed by the time of the expiration of its validity period, the license shall remain in force after the expiration of its validity period until notice of the approval or refusal of the renewal is given.

(4) In the case referred to in the preceding paragraph, when the renewal of the validity period is approved, the validity period of a license set forth in Article 3 pertaining to the renewal of said validity period shall be counted as being from the day following the day of expiration of the previous validity period of the

license.

(Approval of Change)

Article 9 When a commodity investment advisor intends to change any of the matters listed in Article 5, paragraph (1), item (vi) or intends to reduce the amount of its stated capital, it shall obtain the approval of the competent minister.

(Notification of Change)

Article 10 A commodity investment advisor shall, when there has been a change to any of the matters listed in Article 5, paragraph (1), items (i) through (iv), (vii) and (viii) or when it has increased the amount of its stated capital, notify the competent minister to that effect within two weeks from such day.

(Notification of Discontinuance of Business)

Article 11 (1) When a commodity investment advisor has come to fall under any of the following items, the person set forth respectively in those items shall notify the competent minister to that effect within 30 days from such day:

(i) When the commodity investment advisor was extinguished as a result of a merger: A person who was the representative director or representative executive officer of the company

(ii) When the commodity investment advisor was dissolved by an order of commencement of bankruptcy proceedings: The bankruptcy trustee

(iii) When the commodity investment advisor was dissolved by a reason other than a merger or an order of commencement of bankruptcy proceedings: The liquidator

(iv) When the commodity investment advisor terminated its commodity investment advising: The representative director or representative executive officer of the company that was the commodity investment advisor

(2) When a commodity investment advisor has come to fall under any of the items of the preceding paragraph, the license set forth in Article 3 of said commodity investment advisor shall cease to be effective.

(Fee)

Article 12 An entity that intends to obtain a renewal of the validity period set forth in Article 8, paragraph (1) shall pay the fee of the amount specified by Cabinet Order by taking actual cost into consideration.

Subsection 2 Business Activities

(Posting of a Sign)

Article 13 (1) A commodity investment advisor shall post a sign of the form specified by ordinance of the competent ministry in a place that is easy to see for the public at each business office.
(2) No person other than commodity investment advisors shall post a sign set forth in the preceding paragraph or a sign similar thereto.

(Prohibition of Name Lending)
Article 14 A commodity investment advisor shall not have another person engage in commodity investment advising in its name.

(Regulation of Advertising, etc.)
Article 15 (1) A commodity investment advisor shall, when advertising the contents of its commodity investment advising, indicate the matters prescribed in Article 25 pursuant to the provisions of ordinance of the competent ministry.
(2) A commodity investment advisor, when advertising its commodity investment advising, shall not make an indication that is significantly contradictory to the facts or seriously misleading with regard to the record of investments it has made based on entrustment from clients with which it has concluded a commodity investment advisory contract and other matters specified by ordinance of the competent ministry.

(Solicitation of Conclusion or Renewal of a Commodity Investment advisory Contract)
Article 16 (1) A commodity investment advisor shall, when soliciting the conclusion or renewal of a commodity investment advisory contract, not commit the act of intentionally failing to report facts or reporting untruths with regard to matters concerning the commodity investment advisory contract which are important matters that will have an impact on the judgment of the client.
(2) A commodity investment advisor shall not commit the act of reporting untruths with regard to matters concerning a commodity investment advisory contract which are important matters that will have an impact on the judgment of the client for the purpose of preventing the cancellation of the commodity investment advisory contract.

(Prohibition of Unjust Solicitation, etc.)
Article 17 A commodity investment advisor or an agent, employee, or other worker thereof shall not commit the following acts:
(i) Soliciting a client to conclude or renew a commodity investment advisory contract by providing him/her with a conclusive judgment that should mislead him/her into believing that profits are certainly produced
(ii) Soliciting a client to conclude or renew a commodity investment advisory

contract by promising him/her to bear the whole or part of loss or by guaranteeing profits

(iii) In addition to what is listed in the preceding two items, acts concerning commodity investment advising which are specified by ordinance of the competent ministry as those that lack protection for investors

(Delivery of a Document Prior to Conclusion of a Commodity Investment Advisory Contract)

Article 18 A commodity investment advisor shall, prior to concluding a commodity investment advisory contract, deliver a document to the competent minister containing the contents of the commodity investment advisory contract and an outline of the matters concerning performance of said commodity investment advisory contract which are specified by ordinance of the competent ministry, pursuant to the provisions of ordinance of the competent minister, before the conclusion of said commodity investment advisory contract.

(Delivery of a Document at the Time a Commodity Investment Advisory Contract is Concluded)

Article 19 A commodity investment advisor shall, when a commodity investment advisory contract has been concluded, deliver a document to the client without delay containing the contents of said commodity investment advisory contract and the following matters concerning the performance thereof pursuant to the provisions of ordinance of the competent ministry:

(i) Scope of the entrustment of investment decisions and matters concerning the execution of investments

(ii) Amount of remuneration and time of payment

(iii) Matters concerning cancellation of the contract

(iv) When there is a liquidated damages provision (including penalty), the contents of the provision

(v) In addition to what is listed in the preceding items, matters specified by ordinance of the competent ministry

(Delivery of a Report)

Article 20 A commodity investment advisor shall deliver to a client with which it has concluded a commodity investment advisory contract a report explaining the existing state of the assets of said client pertaining to said commodity investment advisory contract pursuant to the provisions of ordinance of the competent ministry.

(Delivery of a Document to a Client with Which a Commodity Investment

Advisor Has Concluded a Contract)

Article 21 A commodity investment advisor shall deliver to a client with which it has concluded a commodity investment advisory contract a document clarifying the following matters pursuant to the provisions of ordinance of the competent ministry:

(i) Whether or not there is the fact that said commodity investment advisor has engaged in transactions with regard to the same specified commodities, specified commodity indices, specified goods or designated goods as those for which the commodity investment advisor made investment based on entrustment from said client out of transactions pertaining to commodity investment based on its own account

(ii) In the case referred to in the preceding item, when there is a fact of having engaged in such transactions, the distinction of selling or buying (in the case of derivatives transactions prescribed in Article 2, paragraph (1), item (i) (excluding transactions prescribed in Article 2, paragraph (3), item (i) of the Commodity Futures Act pertaining to specified commodities) or transactions prescribed in Article 2, paragraph (1), item (ii), matters specified by ordinance of the competent ministry)

(iii) In addition to what is listed in the preceding two items, matters specified by ordinance of the competent ministry

(Method of Using Information and Communications Technology)

Article 22 With the consent of the client, a commodity investment advisor may, in lieu of the delivery of a document under the provisions of Article 18, 19 or 21 or the delivery of a report under the provisions of Article 20, provide information pertaining to the matters that should be stated in said document or report by a method using an electronic data processing system or a method using other information and communications technology, which is specified by ordinance of the competent ministry, pursuant to the provisions of Cabinet Order. In this case, said commodity investment advisor shall be deemed to have delivered said document or report.

(Inspection, etc. of Documents)

Article 23 A commodity investment advisor shall, pursuant to the provisions of ordinance of the competent ministry, keep documents containing the status of the business activities and property of said commodity investment advisor at each business office and have its clients inspect them upon the request of the clients.

Article 24 (1) A client who has concluded a commodity investment advisory contract may, pursuant to the provisions of ordinance of the competent

ministry, request a commodity investment advisor pertaining to said commodity investment advisory contract for the inspection or copy of books and documents concerning the property of said client pertaining to said commodity investment advisory contract.

(2) In the case referred to in the preceding paragraph, the commodity investment advisor may not refuse the request except when there are reasonable grounds for finding that the request falls under any of the following items:

(i) Not for the purpose of securing own rights or engaging in investigation concerning the exercise of the rights

(ii) For the purpose of harming the operation of the business activities of said commodity investment advisor

(Prohibition of Acceptance of Deposit of Money or Securities)

Article 25 A commodity investment advisor shall not, under any pretense, accept the deposit of money or securities from a client, or have a person specified by Cabinet Order as a person who has a close relationship with said commodity investment advisor deposit the money or securities of a client, with regard to its commodity investment advising; provided, however, that this shall not apply when a commodity investment advisor which is a commodity futures business operator prescribed in Article 2, paragraph (23) of the Commodity Futures Act does so in relation to the client of its commodity futures business (which means commodity futures business activities prescribed in Article 2, paragraph (22) of said Act; the same shall apply in Article 28-2).

(Prohibition of Loaning or Mediation Thereof, etc.)

Article 26 A commodity investment advisor shall not loan a client money or securities, or act as an intermediary, agent or other representative for the loaning of money or securities to a client by a third party, with regard to its commodity investment advising.

(Duty of Loyalty)

Article 27 A commodity investment advisor shall faithfully engage in commodity investment advising on behalf of clients in accordance with the provisions of laws and regulations and the purpose of commodity investment advisory contracts.

(Prohibited Acts)

Article 28 A commodity investment advisor shall not commit the following acts with regard to its commodity investment advising:

(i) Engaging in transactions pertaining to commodity investment with a client as the other party

(ii) Making commodity investment based on an investment decision that does not have justifiable grounds by using the change of price, numerical value or amount of consideration based on the commodity investment which the commodity investment advisor has made with regard to specified commodities, etc. (which means specified commodities, specified commodity indices, options pertaining to specified goods or designated goods) based on entrustment from the client, for the purpose of looking after its own profit or the profit of a third party other than said client

(iii) In addition to what is listed in the preceding two items, acts specified by ordinance of the competent ministry as those that lack protection for investors or those that harm the fairness of the commodity investment

(Acts Prohibited when Carrying Out Commodity Futures Business Activities)

Article 28-2 When engaging in commodity futures business, a commodity investment advisor shall not engage in the following acts with regard to a client with whom said commodity investment advisor has concluded a commodity investment advisory contract:

(i) Making a commodity investment in a transaction that is unnecessary in light of its objective, amount, or the market conditions, with regard to commodity investment advising for the purpose of realizing profits from the commodity futures business

(ii) In addition to what is listed in the preceding item, acts specified by ordinance of the competent ministry as lacking protection for investors or harming the fairness of the commodity investment

Subsection 3 Supervision

(Books and Documents Related to Business Activities)

Article 29 A commodity investment advisor shall, pursuant to the provisions of ordinance of the competent ministry, prepare and preserve books and documents related to its business activities.

(Report and Inspection)

Article 30 (1) When the competent minister finds it necessary for the enforcement of this Act, he/she may have a commodity investment advisor or a person who deals with a commodity investment advisor make a report or have his/her officials enter the business office of the commodity investment advisor to inspect the books, documents and other articles of the commodity investment advisor.

(2) The officials who engage in an inspection pursuant to the provisions of the preceding paragraph shall carry identification cards and present them to the

persons concerned.

(3) The authority for the inspections under the provisions of paragraph (1) shall not be interpreted as being that recognized for criminal investigation.

(Order to Improve Business Activities)

Article 31 When the competent minister finds that there is a fact that harms the fairness of the commodity investment or the interests of investors with regard to the operation of the business activities of a commodity investment advisor, he/she shall order said commodity investment advisor to change the type and method of the business activities, deposit its property or take any other necessary measures for improving the operation of the business activities within the limit necessary for securing the fairness of the commodity investment or the protection of investors.

(Rescission of License)

Article 32 (1) When a commodity investment advisor falls under any of the following items, the competent minister may rescind his/her license set forth in Article 3, or order the suspension of the whole or part of the business activities of the commodity investment advisor for a fixed period not exceeding six months:

(i) When the commodity investment advisor has come to fall under any of Article 6, paragraph (2), items (i) through (iv) (with regard to item (ii) of said paragraph, limited to the part pertaining to the provisions of the laws and regulations of a foreign state equivalent to this Act)

(ii) When the commodity investment advisor has obtained a license set forth in Article 3 or a renewal of the validity period set forth in Article 8, paragraph (1) by wrongful means

(iii) When the commodity investment advisor has violated this Act or an order based on this Act, or a disposition based thereon, or any of the conditions attached to a license prescribed in Article 4, paragraph (1)

(iv) In the case where the commodity investment advisor has committed a wrongful or remarkably unjust act with regard to its commodity investment advising, when the circumstances related to the act are especially serious

(2) When the competent minister has rendered a disposition under the provisions of the preceding paragraph, he/she shall publicize that effect.

Section 2 Regulation of Other Commodity Investment

(Restriction on Conclusion of a Commodity Investment Contract)

Article 33 (1) A person who concludes a commodity investment contract or acts as an agency or mediate for the conclusion of such a contract (hereinafter

referred to as "conclusion, etc." in this paragraph and Article 35) in the course of trade shall not engage in conclusion, etc. unless the contract is a commodity investment contract that entrusts a commodity investment advisor or any other person specified by Cabinet Order as a person similar thereto (referred to as "commodity investment advisor, etc." in the following paragraph) with an investment decision pertaining to commodity investment; provided, however, that this shall not apply to commodity investment contracts where a person who engages in investment management business activities with the registration set forth in Article 29 of the Financial Instruments and Exchange Act (which means investment management business activities prescribed in Article 28, paragraph (4) of said Act) (hereinafter simply referred to as a "person who engages in investment management business activities" in this Article and Article 40, paragraph (2)) invests investment trust assets prescribed in Article 3, item (ii) of the Act Concerning Investment Trusts and Investment Corporations or assets of a registered investment corporation prescribed in Article 2, paragraph (13) of said Act (referred to as "investment trust assets, etc." in the proviso to the following paragraph and Article 40, paragraph (2)) by means of commodity investment, and commodity investment contracts for the investment of surplus funds that have arisen from the investment of invested assets of a person who engages in investment management business activities (which means invested assets prescribed in Article 35, paragraph (1), item (xv) of the Financial Instruments and Exchange Act; the same shall apply in the proviso to the following paragraph, the following Article and Article 40, paragraph (2)) and any other funds specified by Cabinet Order as similar thereto by means of commodity investment.

(2) A person who sells a beneficial interest of commodity investment or acts as an agency or mediate for selling such an interest (hereinafter referred to as "selling, etc." in this paragraph and Article 35) in the course of trade shall not engage in selling, etc. unless the interest is a beneficial interest of commodity investment pertaining to a contract that entrusts a commodity investment advisor, etc. with an investment decision pertaining to commodity investment; provided, however, that this shall not apply to beneficial interests of commodity investment pertaining to commodity investment which is made by a trust company (limited to those that have obtained a license set forth in Article 3 or Article 53, paragraph (1) of the Trust Business Act; the same shall apply in Article 40, paragraph (2)) or a financial institution that additionally engages in trust business activities without being instructed by a settlor or a person who has received the entrustment of the authority to give instructions from a settlor, beneficial interests of commodity investment pertaining to a contract where a person who engages in investment management business activities invests investment trust assets, etc. by means of commodity investment, and

beneficial interests of commodity investment pertaining to a contract for the investment of surplus funds that have arisen from the investment of invested assets of a person who engages in investment management business activities and any other funds specified by Cabinet Order as similar thereto by means of commodity investment.

(Separate Management of Property)

Article 34 A person who manages property that has been contributed based on a commodity investment contract (limited to those who conclude commodity investment contracts in the course of trade) shall manage said property (excluding that which falls under invested property) separately from his/her private property and property that has been contributed based on other commodity investment contracts pursuant to the provisions of ordinance of the competent ministry.

(Instruction)

Article 35 Where a person who concludes, etc. commodity investment contracts in the course of trade has violated the provisions of Article 33, paragraph (1) or the preceding Article, or where a person who sells, etc. beneficial interests in commodity investments in the course of trade has violated the provisions of Article 33, paragraph (2), the competent minister may, when he/she finds that the fairness of the commodity investment or the interest of investors is likely to be harmed, instruct said person who concludes, etc. commodity investment contracts or sells beneficial interests in commodity investments in the course of trade (hereinafter referred to as a "commodity investment sales manager" in this Section and Article 43) to take necessary measures.

(Suspension of Business Activities)

Article 36 (1) Where a commodity investment sales manager has violated the provisions of Article 33 or 34, the competent minister may, when he/she finds that the fairness of the commodity investment or the interest of investors is likely to be substantially harmed or when the commodity investment sales manager does not follow an instruction under the provisions of the preceding paragraph, order said commodity investment sales manager to suspend all or part of its business activities for a fixed period not exceeding six months.

(2) When the competent minister has issued an order under the provisions of the preceding paragraph, he/she shall publicize that effect.

(Provisions Applied Mutatis Mutandis)

Article 37 The provisions of Article 30 shall apply mutatis mutandis to commodity investment sales managers.

Chapter III Miscellaneous Provisions

(Completion of Business Activities Incidental to Rescission of a License)

Article 38 When a license set forth in Article 3 has ceased to be effective pursuant to the provisions of Article 11, paragraph (2) or when a license set forth in Article 3 has been rescinded pursuant to the provisions of Article 32, paragraph (1), an entity that was a commodity investment advisor pertaining to said license or its general successor shall be deemed to remain to be a commodity investment advisor within the scope of the purpose to complete business activities based on the commodity investment advisory contracts that said commodity investment advisor has concluded.

(Technical Replacement of Terms in Applying the Provisions of This Act to a Foreign Juridical Person)

Article 39 Where a commodity investment advisor is a foreign juridical person, the technical replacement of the terms in applying the provisions of this Act to said commodity investment advisor and any other necessary matters for the application of the provisions of this Act shall be specified by Cabinet Order.

(Exemption from Provisions on Regulation of Commodity Investment Advising)

Article 40 (1) The provisions of Articles 16 through 22, 26 and 28 (limited to the part pertaining to item (i)) shall not apply to a commodity investment advisory contract which a commodity investment advisor concludes or intends to conclude with a person (with regard to the provisions of Articles 18 through 22, limited to stock companies of which the amount of stated capital is not less than the amount specified by ordinance of the competent ministry and other persons specified by ordinance of the competent ministry) who has concluded or is attempting to conclude said contract for the purpose of a commercial pursuit or as part of a commercial pursuit.

(2) The provisions of Section 1 of the preceding Chapter shall not apply to trust companies, financial institutions that additionally engage in trust business activities or persons who engage in investment management business activities (limited to the cases where investment trust assets, etc. are invested by means of commodity investment and where surplus funds that have arisen from the investment of invested assets and any other funds specified by Cabinet Order as similar thereto by means of commodity investment).

Article 41 Deleted

(Competent Minister)

Article 42 (1) The competent minister mentioned in Section 1 of the preceding Chapter shall be the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry pursuant to the provisions of Cabinet Order, and the competent minister mentioned in Section 2 of said Chapter shall be the Prime Minister, the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry pursuant to the provisions of Cabinet Order.

(2) The ordinance of the competent ministry mentioned in this Act shall be an order issued by the Prime Minister, the Minister of Agriculture, Forestry and Fisheries or the Minister of Economy, Trade and Industry pursuant to the provisions of Cabinet Order.

(3) The Prime Minister shall delegate his/her authority under the provisions of Section 2 of the preceding Chapter (excluding that specified by Cabinet Order) to the Commissioner of the Financial Services Agency.

(4) The part of the authority delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of the preceding paragraph and the authority of the Minister of Agriculture, Forestry and Fisheries and the Minister of Economy, Trade and Industry under this Act may be delegated to the head of a local branch office (with regard to the authority delegated to said Commissioner of the Financial Services Agency, the head of a Local Finance Bureau or the head of a Local Finance Branch Bureau) pursuant to the provisions of Cabinet Order.

(Submission of Materials to the Minister of Finance)

Article 43 When the Minister of Finance finds it necessary for planning or drafting a system pertaining to commodity investment sales managers, he/she may request the Prime Minister to submit necessary materials and to give explanations with regard to the system for the disposal of collapsed financial institutions and the management of financial crises pertaining to his/her jurisdiction.

(Delegation to Ordinance of the Competent Ministry)

Article 44 In addition to what is provided for in this Act, matters necessary for the enforcement of this Act shall be specified by ordinance of the competent ministry.

(Transitional Measures)

Article 45 Where an order is established or revised or abolished pursuant to this Act, said order may specify required transitional measures (including transitional measures pertaining to penal provisions) within the scope that is considered to be reasonably necessary in accordance with said establishment or

revision or abolition.

Chapter IV Penal Provisions

Article 46 A person who falls under any of the following items shall be punished by imprisonment with work for not more than three years or by a fine of not more than three million yen, or shall be subject to the cumulative imposition thereof:

(i) A person who has engaged in commodity investment advising without obtaining the license set forth in Article 3

(ii) A person who, in violation of the provisions of Article 14, has had another person engage in commodity investment advising

(iii) A person who, in violation of the provisions of Article 28, item (ii), has made commodity investment based on an investment decision that does not have justifiable grounds

Article 47 A person who falls under any of the following items shall be punished by imprisonment with work for not more than one year or by a fine of not more than one million yen, or both:

(i) A person who has violated any of the conditions attached pursuant to the provisions of Article 4, paragraph (1) (including where applied mutatis mutandis pursuant to Article 8, paragraph (2))

(ii) A person who, in violation of the provisions of Article 9, has changed any of the matters listed in Article 5, paragraph (1), item (vi) or who has decreased the amount of stated capital

(iii) A person who, in violation of the provisions of Article 16, paragraph (1), has intentionally failed to report facts or who has reported untruths

(iv) A person who, in violation of the provisions of Article 16, paragraph (2), has reported untruths

(v) A person who, in violation of the provisions of Article 25, has received a deposit of money or securities from a client or has had another person deposit the money or securities of a client

(vi) A person who, in violation of the provisions of Article 26, has loaned a client money or securities or has acted as an intermediary, agent, or other representative for the loaning of money or securities to a client by a third party

(vii) A person who, in violation of the provisions of Article 28, item (i), has engaged in a commodity investment transaction with a client as the other party

(viii) A person who has violated an order of suspension of business activities under the provisions of Article 32, paragraph (1) or Article 36, paragraph (1)

Article 48 A person who falls under any of the following items shall be punished by imprisonment with work for not more than six months or by a fine of not more than 500 thousand yen, or shall be subject to the cumulative imposition thereof:

(i) A person who has entered a false statement in a written application for license or attached document set forth in Article 5 (including the cases where applied mutatis mutandis pursuant to Article 8, paragraph (2)) and submitted them

(ii) A person who, in violation of the provisions of Article 15, paragraph (1), has failed to indicate the matters prescribed in said paragraph

(iii) A person who, in violation of the provisions of Article 15, paragraph (2), has made an indication that is significantly contradictory to the facts or is seriously misleading

(iv) A person who, in violation of the provisions of Article 18, 19 or 21, has failed to deliver a document or has delivered a document not containing the outline or matters prescribed in these provisions or a document containing a false statement

(v) A person who, in violation of the provisions of Article 20, has failed to deliver a report or has delivered a report not containing the matters prescribed in said Article or a report containing a false statement

Article 49 A person who falls under any of the following items shall be punished by a fine of not more than 300 thousand yen:

(i) A person who has failed to make a notification under the provisions of Article 10 or has made a false notification

(ii) A person who, in violation of the provisions of Article 13, paragraph (1), has failed to post a sign of the form specified by ordinance of the competent ministry

(iii) A person who, in violation of the provisions of Article 13, paragraph (2), has posted a sign under the provisions of paragraph (1) of said Article or a sign similar thereto

(iv) A person who, in violation of the provisions of Article 23, has failed to keep documents or to have clients inspect them upon request of the clients, or has kept documents containing a false statement or has had clients inspect such documents

(v) A person who, in violation of the provisions of Article 24, paragraph (2), has refused a request for the inspection or copy of books and documents without reasonable grounds

(vi) A person who has failed to prepare or preserve books and documents under the provisions of Article 29 or has prepared false books and documents

(vii) A person who has failed to make a report under the provisions of Article 30, paragraph (1) (including the cases where applied mutatis mutandis pursuant to Article 37) or has made a false report, or has refused, prevented or avoided an inspection under the provisions of said paragraph

(viii) A person who has violated an order under the provisions of Article 31

Article 50 When the representative of a juridical person or an agent, employee or other person engaged by a juridical person or individual has committed any of the violations set forth in Articles 46 through the preceding Article with regard to the business activities of said juridical person or individual, not only the offender but also said juridical person or individual shall be punished by the fine prescribed in the respective Articles.

Article 51 A person who has failed to make a notification under the provisions of Article 11, paragraph (1) or has made a false notification shall be punished by a non-penal fine of not more than one million yen.

Supplementary Provisions [Extract]

(Effective Date)

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

(Transitional Measures)

Article 2 (1) A person who engages in commodity investment sales business activities at the time of the enforcement of this Act may continue to engage in the commodity investment sales business activities for a period of six months from the effective date of this Act (when a disposition of non-licensing pursuant to Article 6, paragraph (1) has been rendered within said period or when the termination of the commodity investment sales business activities has been ordered pursuant to the provisions of Article 28, paragraph (1) applied by replacing terms pursuant to the provisions of the following paragraph, the period until the day on which said disposition was rendered or the day on which said abolition was ordered) notwithstanding the provisions of Article 3. In the case where said person has filed an application for license set forth in said Article during said period, when the period has lapsed, the same shall apply for the period until a disposition of licensing or non-licensing is rendered with regard to the application.

(2) Where a person who engages in commodity investment sales business activities at the time of enforcement of this Act may continue to engage in the commodity investment sales business activities pursuant to the provisions of

the preceding paragraph, the provisions of Articles 15 through 27 and 28 (excluding paragraph (1), item (ii)) (including penal provisions pertaining to these provisions) shall apply, deeming said person to be a commodity investment sales manager. In this case, the phrase "rescind the license set forth in Article 3" in Article 28, paragraph (1) shall be deemed to be replaced with "order the abolition of the commodity investment sales business activities," and the phrase "Article 6, paragraph (1), items (i) through (iv)" in said paragraph shall be deemed to be replaced with "Article 6, paragraph (1), items (ii) through (iv)."

(3) With regard to the application of the provisions of Article 6, paragraph (1) in the case where the termination of commodity investment sales business activities has been ordered pursuant to the provisions of Article 28, paragraph (1) applied by replacing terms pursuant to the provisions of the preceding paragraph, the person who has been ordered to engage in said abolition shall be deemed to be a person whose license set forth in Article 3 has been rescinded pursuant to the provisions of Article 28, paragraph (1), and the day on which said abolition was ordered shall be deemed to be the day on which the license set forth in Article 3 was rescinded under the provisions of Article 28, paragraph (1).

(4) The provisions of the preceding three paragraphs shall apply mutatis mutandis to those who engage in commodity investment advising at the time of enforcement of this Act. In this case, the phrase "Article 6, paragraph (1)" in paragraph (1) and the preceding paragraph shall be deemed to be replaced with "Article 32, paragraph (2)"; the phrase "Article 28, paragraph (1)" in said paragraphs shall be deemed to be replaced with "Article 28, paragraph (1), as applied mutatis mutandis pursuant to Article 44"; the term "Article 3" in said paragraphs shall be deemed to be replaced with "Article 30"; the phrase "Articles 15 through 27 and 28 (excluding paragraph (1), item (ii))" in paragraph (2) shall be deemed to be replaced with "Articles 34 through 42, Articles 20 and 22 through 24, as applied mutatis mutandis pursuant to Article 43, and Articles 25 through 27 and 28 (excluding paragraph (1), item (ii)), as applied mutatis mutandis pursuant to Article 44"; the phrase "Article 28, paragraph (1)" in said paragraph shall be deemed to be replaced with "Article 28, paragraph (1) applied mutatis mutandis by replacing terms pursuant to the provisions of Article 44"; "Article 3" in said paragraph shall be deemed to be replaced with "Article 30"; the phrase "Article 6, paragraph (1), items (i) through (iv)" in said paragraph shall be deemed to be replaced with "Article 32, paragraph (2), items (i) through (iv)"; and the phrase "Article 6, paragraph (1), items (ii) through (iv)" in said paragraph shall be deemed to be replaced with "Article 32, paragraph (2), items (ii) through (iv)."

Article 3 The provisions of Articles 17 through 19 and Articles 36 through 38 shall not apply to commodity investment contracts, etc. or commodity investment advisory contracts which have been concluded prior to the enforcement of this Act.

Supplementary Provisions [Act No. 89 of November 12, 1993] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from the effective date of the Administrative Procedure Act (Act No. 88 of 1993).

(Transitional Measures Concerning Adverse Disposition Pertaining to a Consultation)

Article 2 Where, prior to the enforcement of this Act, a consultation or any other request has been made, based on laws and regulations, to a council or any other panel to the effect that procedures to hold hearings or grant the opportunity for explanation prescribed in Article 13 of the Administrative Procedure Act or any other procedures equivalent to procedures to hear statements of opinions should be taken, with regard to the procedures for adverse disposition pertaining to said consultation or other request, the provisions then in force shall remain applicable, notwithstanding the provisions of related Acts revised by this Act.

(Transitional Measures Concerning Penal Provisions)

Article 13 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Transitional Measures Associated with Adjustment of Provisions on Hearings)

Article 14 A hearing or a council for hearing (excluding those pertaining to adverse dispositions) implemented pursuant to the provisions of Acts prior to the enforcement of this Act or procedures for these shall be deemed to have been implemented pursuant to the equivalent provisions of the related Acts revised by this Act.

(Delegation to Cabinet Order)

Article 15 In addition to what is provided for in Articles 2 through 14 of the supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 91 of May 12, 1995] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from the day on which 20 days have elapsed from the day of promulgation.

Supplementary Provisions [Act No. 102 of June 20, 1997] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from the effective date of the Finance Supervisory Agency Establishment Act (Act No. 101 of 1997).

(Transitional Measures Concerning a Disposition that Has Been Rendered by the Minister of Finance)

Article 2 (1) A license, permission, authorization, approval, designation or any other disposition or a notice or any other act that has been granted, given, rendered or committed by the Minister of Finance or any other national government organ pursuant to the provisions of the Secured Bonds Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Business Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on Non-Life Insurance Rating Organization of Japan, the Fisheries Cooperatives Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Businesses by Cooperative, the Ship Owner's Mutual Insurance Union Act, the Securities Investment Trust Act, the Shinkin Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Foreign Exchange Bank Act, the Automobile Liability Security Act, the Agricultural Credit Guarantee Insurance Act, the Act on Financial Institutions' Merger and Conversion, the Act on Foreign Security Business Entities, the Deposit Insurance Act, the Act on the Promotion of Introduction of Industry into Agricultural Regions, the Agricultural and Fishery Cooperation Savings Insurance Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under

International Cooperation, the Act on Regulation of Business Pertaining to Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Equity Investment by Cooperative Structured Financial Institution, the Real Estate Specified Joint Enterprise Act, the Insurance Business Act, the Act on Special Measures, etc. of Reorganization Procedure of Financial Institutions, the Act on Merger between the Norinchukin Bank and Prefectural Credit Federations of Agricultural Cooperatives, the Bank of Japan Act, or the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies prior to the revision by this Act (hereinafter referred to as the "Former Secured Bonds Trust Act, etc.") shall be deemed to be a license, permission, authorization, approval, designation or any other disposition or a notice or any other act that has been granted, given, rendered or committed by the Prime Minister or any other equivalent national government organ pursuant to the equivalent provisions of the Secured Bonds Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Business Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on Non-Life Insurance Rating Organization of Japan, the Fisheries Cooperatives Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Businesses by Cooperative, the Ship Owner's Mutual Insurance Union Act, the Securities Investment Trust Act, the Shinkin Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Foreign Exchange Bank Act, the Automobile Liability Security Act, the Agricultural Credit Guarantee Insurance Act, the Act on Financial Institutions' Merger and Conversion, the Act on Foreign Security Business Entities, the Deposit Insurance Act, the Act on the Promotion of Introduction of Industry into Agricultural Regions, the Agricultural and Fishery Cooperation Savings Insurance Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business Pertaining to Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security

Exchange System, the Act on Preferred Equity Investment by Cooperative Structured Financial Institution, the Real Estate Specified Joint Enterprise Act, the Insurance Business Act, the Act on Special Measures, etc. of Reorganization Procedure of Financial Institutions, the Act on Merger between the Norinchukin Bank and Prefectural Credit Federations of Agricultural Cooperatives, the Bank of Japan Act, or the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies revised by this Act (hereinafter referred to as the "New Secured Bonds Trust Act, etc.").

(2) An application, notification or any other act that has been filed or made with or committed toward the Minister of Finance or any other national government organ pursuant to the provisions of the Former Secured Bonds Trust Act, etc. prior to the enforcement of this Act shall be deemed to be an application, notification or any other act that has been filed or made with or committed toward the Prime Minister or any other equivalent national government organ pursuant to the equivalent provisions of the New Secured Bonds Trust Act, etc.

(3) With regard to matters for which a report, notification, submission or any other procedure shall be given to or taken with the Minister of Finance or any other national government organ pursuant to the provisions of the Former Secured Bonds Trust Act, etc. for which such procedure has not been taken prior to the effective date of this Act, the provisions of the New Secured Bonds Trust Act, etc. shall apply, deeming this to be the situation in which a report, notification, submission or any other procedure has not been made to or taken with the Prime Minister or any other equivalent national government organ with regard to the matters for which such procedure shall be taken pursuant to the equivalent provisions of the New Secured Bonds Trust Act, etc.

(Transitional Measures Concerning Ordinance of the Ministry of Finance)

Article 3 An order pursuant to the provisions of the Former Secured Bonds Trust Act, etc. which is in force at the time of the enforcement of this Act shall be in force as an order pursuant to the equivalent provisions of the New Secured Bonds Trust Act, etc.

(Delegation to Cabinet Order)

Article 6 In addition to what is provided for in Articles 2 through 5 of the supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 105 of November 21, 1997] [Extract]

(Effective Date)

(1) This Act shall come into effect as from the day of promulgation.

Supplementary Provisions [Act No. 121 of December 12, 1997] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from the effective date of the Act on Preparation of Relevant Financial Acts Accompanying Cancellation of Prohibition of Establishment, etc. of Holding Companies (Act No. 120 of 1997).

Supplementary Provisions [Act No. 107 of June 15, 1998] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from December 1, 1998.

(Effect of a Disposition)

Article 188 A disposition, procedure or any other act rendered, taken or committed pursuant to the provisions of the respective Act prior to revision (including orders based thereon; hereinafter the same shall apply in this Article) prior to the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the supplementary provisions, said provisions), for which the respective revised Act has equivalent provisions, shall be deemed to have been rendered, taken or committed pursuant to the equivalent provisions of the respective revised Act, unless otherwise provided for in these supplementary provisions.

(Transitional Measures Concerning Application of Penal Provisions)

Article 189 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the supplementary provisions, said provisions) and acts committed after the enforcement of this Act in cases where the provisions then in force shall remain applicable pursuant to the provisions of these supplementary provisions and in cases where the provisions prior to the revision shall remain in force pursuant to the provisions of these supplementary provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 190 In addition to what is provided for in Articles 2 through 146, Article 153, Article 169 and the preceding Article of the supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 131 of October 16, 1998]

(Effective Date)

Article 1 This Act shall come into effect as from the effective date of the Act for Establishment of the Financial Reconstruction Commission (Act No. 130 of 1998).

(Transitional Measures)

Article 2 (1) A license, permission, authorization, approval, designation or any other disposition or a notice or any other act that has been granted, given, rendered or committed by the Prime Minister or any other national government organ pursuant to the provisions of the Secured Bonds Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Business Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on Non-Life Insurance Rating Organization of Japan, the Fisheries Cooperatives Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Businesses by Cooperative, the Ship Owner's Mutual Insurance Union Act, the Local Tax Act, the Act on Securities Investment Trust and Securities Investment Corporations, the Shinkin Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Automobile Liability Security Act, the Agricultural Credit Guarantee Insurance Act, the Act on Earthquake Insurance, the Registration and License Tax Act, the Act on Financial Institutions' Merger and Conversion, the Act on Foreign Security Business Entities, the Act on the Promotion of Introduction of Industry into Agricultural Regions, the Agricultural and Fishery Cooperation Savings Insurance Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business Pertaining to Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Equity Investment by Cooperative Structured Financial Institution, the Real Estate Specified Joint Enterprise

Act, the Insurance Business Act, the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions, the Act on Merger between the Norinchukin Bank and Prefectural Credit Federations of Agricultural Cooperatives, the Bank of Japan Act, the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies, the Act on Liquidation of Special Assets by Special Purpose Companies, or the Act on Preparation of Relevant Acts for Financial System Reform prior to the revision by this Act (hereinafter referred to as the "Former Secured Bonds Trust Act, etc.") shall be deemed to be a license, permission, authorization, approval, designation or any other disposition or a notice or any other act that has been granted, given, rendered or committed by the Financial Reconstruction Commission or any other equivalent national government organ pursuant to the equivalent provisions of the Secured Bonds Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Business Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Agricultural Cooperatives Act, the Securities and Exchange Act, the Act on Non-Life Insurance Rating Organization of Japan, the Fisheries Cooperatives Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Businesses by Cooperative, the Ship Owner's Mutual Insurance Union Act, the Local Tax Act, the Act on Securities Investment Trust and Securities Investment Corporations, the Shinkin Bank Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Automobile Liability Security Act, the Agricultural Credit Guarantee Insurance Act, the Act on Earthquake Insurance, the Registration and License Tax Act, the Act on Financial Institutions' Merger and Conversion, the Act on Foreign Security Business Entities, the Act on the Promotion of Introduction of Industry into Agricultural Regions, the Agricultural and Fishery Cooperation Savings Insurance Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of Commodity Investment, the Act on Special Measures, etc. of the Narcotic and Stimulation Spirit Medicine Regulation Act for Prevention of Conduct Encouraging Illegal Conduct Relating to Regulated Medicine under International Cooperation, the Act on Regulation of Business Pertaining to Specified Claims, etc., the Act on Preparation, etc. of Related Acts for Reform of Finance System and Security Exchange System, the Act on Preferred Equity

Investment by Cooperative Structured Financial Institution, the Real Estate Specified Joint Enterprise Act, the Insurance Business Act, the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions, the Act on Merger between the Norinchukin Bank and Prefectural Credit Federations of Agricultural Cooperatives, the Bank of Japan Act, the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies, the Act on Liquidation of Special Assets by Special Purpose Companies, or the Act on Preparation of Relevant Acts for Financial System Reform revised by this Act (hereinafter referred to as the "New Secured Bonds Trust Act, etc.").

(2) An application, notification or any other act that has been filed or made with or committed toward the Prime Minister or any other national government organ pursuant to the provisions of the Former Secured Bonds Trust Act, etc. prior to the enforcement of this Act shall be deemed to be an application, notification or any other act that has been filed or made with or committed toward the Financial Reconstruction Commission or any other equivalent national government organ pursuant to the equivalent provisions of the New Secured Bonds Trust Act, etc.

(3) With regard to matters for which a report, notification, submission or any other procedure shall be given to or taken with the Prime Minister or any other national government organ pursuant to the provisions of the Former Secured Bonds Trust Act, etc. for which such procedure has not been taken prior to the effective date of this Act, the provisions of the New Secured Bonds Trust Act, etc. shall apply, deeming this to be the situation in which a report, notification, submission or any other procedure has not been given to or taken with the Financial Reconstruction Commission or any other equivalent national government organ with regard to the matters for which such procedure shall be taken pursuant to the equivalent provisions of the New Secured Bonds Trust Act, etc.

Article 3 An order pursuant to the provisions of the Former Secured Bonds Trust Act, etc. which is in force at the time of the enforcement of this Act shall be in force as an order pursuant to the equivalent provisions of the New Secured Bonds Trust Act, etc.

Article 4 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 5 In addition to what is provided for in the preceding three Articles,

transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 151 of December 8, 1999] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of April 1, 2000.

(Transitional Measures)

Article 3 (1) With regard to the application of the provisions revised by this Act to quasi-incompetent persons and the curators thereof for whom the provisions then in force shall be applicable pursuant to the provisions of Article 3, paragraph (3) of the supplementary provisions of the Act for Partial Revision of the Civil Code (Act No. 149 of 1999), the provisions then in force shall remain applicable except for the following provisions revised by this Act:

(i) through (xxv) Omitted

Article 4 (1) With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

Act for Enforcement of Acts Related to the Central Government Reform [Act No. 160 of 1999] [Extract]

(Transitional Measures Concerning Disposition and Application by the Minister of Finance)

Article 71 (1) A license, permission, authorization, approval, designation or any other disposition or a notice or any other act that has been granted, given, rendered or committed by the Minister of Finance or any other national government organ pursuant to the provisions of the Act for Establishment of the Financial Reconstruction Commission prior to revision by the provisions of Article 1 of the Act on Preparation of Acts Related to National Government Administrative Organizations for Central Government Reform (Act No. 130 of 1998; referred to as the "Former Act for Establishment of the Financial Reconstruction Commission" in the following paragraph, Article 75, paragraph (1) and Article 76) or the provisions of the Secured Bonds Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Business Act, the Company Bond Registration Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Reconstruction and Readjustment of Financial Institutions, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Agricultural Cooperatives Act, the Temporary Interest Rate

Adjustment Act, the Securities and Exchange Act, the Act on Payment of Profit and Interest Distributed by Companies, the Certified Public Accountants Act, the Act on Non-Life Insurance Rating Organization of Japan, the Fisheries Cooperatives Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Businesses by Cooperative, the Assets Revaluation Act, the Ship Owner's Mutual Insurance Union Act, the Act on Securities Investment Trust and Securities Investment Corporations, the Shinkin Bank Act, the Corporate Reorganization Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Automobile Liability Security Act, the Agricultural Credit Guarantee Insurance Act, the Act on Earthquake Insurance, the Act on Financial Institutions' Merger and Conversion, the Act on Foreign Security Business Entities, the Deposit Insurance Act, the Act on the Promotion of Workers' Property Accumulation, the Act on the Promotion of Introduction of Industry into Agricultural Regions, the Agricultural and Fishery Cooperation Savings Insurance Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act for Partial Revision of the Act on Regulation of Acceptance of Contributions, Deposits, and Interest Rates, the Act on the Retainment and Transfer of Share Certificates, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of Commodity Investment, the Act on Regulation of Business Pertaining to Specified Claims, etc., the Act on Preferred Equity Investment by Cooperative Structured Financial Institution, the Real Estate Specified Joint Enterprise Act, the Insurance Business Act, the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions, the Act on Merger between the Norinchukin Bank and Prefectural Credit Federations of Agricultural Cooperatives, the Act on Special Measures under the Commercial Code Concerning Procedures for Canceling Shares, the Bank of Japan Act, the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies, the Act on Implementation of Sports Promotion Vote, the Act on Liquidation of Special Assets by Special Purpose Companies, the Act on Preparation of Relevant Acts for Financial System Reform, the Act on Collective Clearing of Specified Financial Transactions Engaged in by Financial Institutions, etc., the Act on Emergency Measures for Revitalization of Financial Functions, the Act for Partial Revision of the Deposit Insurance Act, the Act on Emergency Measures for Early Strengthening of Financial Functions, the Act on Issuance of Company Bonds for Loan Business of Financial Specialists, or the Act for Punishment of Organized Crimes, Control

of Crime Proceeds and Other Matters prior to the revision by the provisions of Articles 4 through 70 (hereinafter referred to as the "Former Act" in this Article and Article 74) shall be deemed to be a license, permission, authorization, approval, designation or any other disposition or a notice or any other act that has been granted, given, rendered or committed by the Financial Reconstruction Commission or any other equivalent national government organ pursuant to the equivalent provisions of the Act for Establishment of the Financial Reconstruction Commission revised by the provisions of Article 1 of the Act on Preparation of Acts Related to National Government Administrative Organizations for Central Government Reform (referred to as the "New Act for Establishment of the Financial Reconstruction Commission" in the following paragraph, Article 75, paragraph (1) and Article 76) or the Secured Bonds Trust Act, the Trust Business Act, the Norinchukin Bank Act, the Mutual Loan Business Act, the Company Bond Registration Act, the Act on Simplifying Business Affairs of Banks, etc., the Act on Additional Operation of Trust Business by a Financial Institution, the Act on Reconstruction and Readjustment of Financial Institutions, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Agricultural Cooperatives Act, the Temporary Interest Rate Adjustment Act, the Securities and Exchange Act, the Act on Payment of Profit and Interest Distributed by Companies, the Certified Public Accountants Act, the Act on Non-Life Insurance Rating Organization of Japan, the Fisheries Cooperatives Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Businesses by Cooperative, the Assets Revaluation Act, the Ship Owner's Mutual Insurance Union Act, the Act on Securities Investment Trust and Securities Investment Corporations, the Shinkin Bank Act, the Corporate Reorganization Act, the Long-Term Credit Bank Act, the Loan Trust Act, the Small and Medium-sized Fishery Finance Guarantee Act, the Credit Guarantee Association Act, the Labor Bank Act, the Automobile Liability Security Act, the Agricultural Credit Guarantee Insurance Act, the Act on Earthquake Insurance, the Act on Financial Institutions' Merger and Conversion, the Act on Foreign Security Business Entities, the Deposit Insurance Act, the Act on the Promotion of Workers' Property Accumulation, the Act on the Promotion of Introduction of Industry into Agricultural Regions, the Agricultural and Fishery Cooperation Savings Insurance Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act for Partial Revision of the Act on Regulation of Acceptance of Contributions, Deposits, and Interest Rates, the Act on the Retainment and Transfer of Share Certificates, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of

Commodity Investment, the Act on Regulation of Business Pertaining to Specified Claims, etc., the Act on Preferred Equity Investment by Cooperative Structured Financial Institution, the Real Estate Specified Joint Enterprise Act, the Insurance Business Act, the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions, the Act on Merger between the Norinchukin Bank and Prefectural Credit Federations of Agricultural Cooperatives, the Act on Special Measures under the Commercial Code Concerning Procedures for Canceling Shares, the Bank of Japan Act, the Act on Special Measures, etc. for Merger Procedures for Banks, etc. for Establishing Bank Holding Companies, the Act on Implementation of Sports Promotion Vote, the Act on Liquidation of Special Assets by Special Purpose Companies, the Act on Preparation of Relevant Acts for Financial System Reform, the Act on Collective Clearing of Specified Financial Transactions Engaged in by Financial Institutions, etc., the Act on Emergency Measures for Revitalization of Financial Functions, the Act for Partial Revision of the Deposit Insurance Act, the Act on Emergency Measures for Early Strengthening of Financial Functions, the Act on Issuance of Company Bonds for Loan Business of Financial Specialists, or the Act for Punishment of Organized Crimes, Control of Crime Proceeds and Other Matters revised by the provisions of Articles 4 through 70 (hereinafter referred to as the "New Act" in this Article and Article 74).

(2) An application, notification or any other act that has been filed or made with or committed toward the Minister of Finance or any other national government organ pursuant to the provisions of the Former Act for Establishment of the Financial Reconstruction Commission or the Former Act prior to the enforcement of the provisions of Article 1 of the Act on Preparation of Acts Related to National Government Administrative Organizations for Central Government Reform and the provisions of Articles 4 through 70 shall be deemed to be an application, notification or any other act that has been filed or made with or committed toward the Financial Reconstruction Commission or any other equivalent national government organ pursuant to the equivalent provisions of the New Act for Establishment of the Financial Reconstruction Commission or the New Act.

(3) With regard to matters for which a report, notification, submission or any other procedure shall be given to or taken with the Minister of Finance or any other national government organ pursuant to the provisions of the Former Act for which such procedure has not been taken prior to the effective date of the provisions of Articles 4 through 70, the provisions of the New Act shall apply, deeming this to be the situation in which a report, notification, submission or any other procedure has not been given to or taken with the Financial Reconstruction Commission or any other equivalent national government organ

with regard to the matters for which such procedure shall be taken pursuant to the equivalent provisions of the New Act.

(Transitional Measures Concerning Penal Provisions)

Article 73 With regard to the application of penal provisions to acts committed prior to the enforcement of the provisions related to the Financial Services Agency, the provisions then in force shall remain applicable.

(Transitional Measures Concerning Ordinance of the Ministry of Finance)

Article 74 An order pursuant to the provisions of the Former Act which is in force at the time of the enforcement of the provisions related to the Financial Services Agency shall remain in force as an order pursuant to the equivalent provisions of the New Act.

(Transitional Measures Concerning Disposition and Application)

Article 1301 (1) A license, permission, authorization, approval, designation or any other disposition or notice or any other act that has been granted, given, rendered or committed by an existing national government organ pursuant to the provisions of laws and regulations prior to the enforcement of any of the Acts related to the central government reform and this Act (hereinafter collectively referred to as the "Reform Related Acts, etc.") shall be deemed, after the enforcement of the Reform Related Acts, etc., to be a license, permission, authorization, approval, designation or other disposition or notice or any other act that has been granted, given, rendered or committed by the equivalent national government organ pursuant to the equivalent provisions of the laws and regulations after the enforcement of the Reform Related Acts, etc., unless otherwise provided for in laws and regulations.

(2) An application, notification or any other act that has been filed or made with or committed toward an existing national government organ pursuant to the provisions of the laws and regulations prior to the enforcement of the Reform Related Acts, etc. shall be deemed, after the enforcement of the Reform Related Acts, etc., to be an application, notification or any other act that has been filed or made with or committed toward the equivalent national government organ pursuant to the equivalent provisions of the laws and regulations after the enforcement of the Reform Related Acts, etc., unless otherwise provided for in the laws and regulations.

(3) With regard to matters for which a report, notification, submission or any other procedure shall be given to or taken with an existing national government organ pursuant to the provisions of the laws and regulations prior to the enforcement of the Reform Related Acts, etc. for which such procedure has not been taken prior to the effective date of the Reform Related Acts, etc.,

the provisions of the laws and regulations after the enforcement of the Reform Related Acts, etc. shall apply, deeming this to be the situation in which a report, notification, submission or any other procedure has not been given to or taken with the equivalent national government organ with regard to the matters for which such procedure shall be taken pursuant to the equivalent provisions of the laws and regulations after the enforcement of the Reform Related Acts, etc., unless otherwise provided for in the laws and regulations.

(Transitional Measures Concerning a Disposition Pursuant to Provisions Then in Force)

Article 1302 With regard to a license, permission, authorization, approval, designation or any other disposition or a notice or any other act which shall be granted, given, rendered or committed by an existing national government organ, or an application, notification or any other act which shall be filed or made with or committed toward an existing national organ, pursuant to the provisions of the laws and regulations to the effect that the provisions then in force shall remain applicable, such disposition or act shall be rendered or committed by the equivalent national government organ or such act shall be committed toward the equivalent national government organ after the enforcement of the Reform Related Acts, etc. according to the classification of its duty and affairs under the jurisdiction pursuant to the provisions of the laws and regulations after the enforcement of the Reform Related Acts, etc., unless otherwise provided for in the laws and regulations.

(Transitional Measures Concerning Penal Provisions)

Article 1303 With regard to the application of penal provisions to acts committed prior to the enforcement of the Reform Related Acts, etc., the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 1344 In addition to what is provided for in Articles 71 through 76 and Articles 1301 through 1343 and in Acts related to the central government reform, transitional measures necessary for the enforcement of the Reform Related Acts, etc. (including transitional measures concerning penal provisions) shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 160 of December 22, 1999] [Extract]

(Effective Date)

Article 1 This Act (excluding Articles 2 and 3) shall come into effect as from January 6, 2001; provided, however, that the provisions listed in the following

items shall come into effect as from the date specified respectively in those items:

(i) The provisions of Articles 995 (limited to the part pertaining to the provisions revised of the supplementary provisions of the Act for Partial Revision of the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors), 1305 and 1306, Article 1324, paragraph (2), Article 1326, paragraph (2) and Article 1344: Day of promulgation

(ii) The provisions of Chapter III (excluding Article 3) and the following Article: July 1, 2000

Supplementary Provisions [Act No. 97 of May 31, 2000] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from the day specified by Cabinet Order within a period not exceeding six months from the day of promulgation (hereinafter referred to as the "effective date").

(Effect of a Disposition)

Article 64 A disposition, procedure or any other act rendered, taken or committed pursuant to the provisions of the respective Act prior to revision (including orders based thereon; hereinafter the same shall apply in this Article) prior to the enforcement of this Act (with regard to the provisions of the proviso to Article 1 of the supplementary provisions, said provisions), for which the respective revised Act has equivalent provisions, shall be deemed to have been rendered, taken or committed pursuant to the equivalent provisions of the respective revised Act, unless otherwise provided for in these supplementary provisions.

(Transitional Measures Concerning Application of Penal Provisions)

Article 65 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions of the proviso to Article 1 of the supplementary provisions, said provisions) and acts committed after the enforcement of this Act in cases where the provisions then in force shall remain applicable pursuant to the provisions of these supplementary provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 67 In addition to what is provided for in these supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

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

(Effective Date)

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

(Transitional Measures Concerning Penal Provisions)

Article 2 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

Supplementary Provisions [Act No. 138 of December 5, 2001] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the day on which 20 days have elapsed from the day of its promulgation.

Supplementary Provisions [Act No. 45 of May 29, 2002] [Extract]

(Effective Date)

(1) This Act shall come into effect as of the day specified by Cabinet Order within a period not exceeding one year from the day of its promulgation.

Supplementary Provisions [Act No. 43 of May 12, 2004] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the day specified by Cabinet Order within a period not exceeding one year from the day of its promulgation.

Supplementary Provisions [Act No. 76 of June 2, 2004] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the effective date of the Bankruptcy Act (Act No. 75 of 2004; referred to as the "New Bankruptcy Act" in paragraph (8) of the following Article, and Article 3, paragraph (8), Article 5, paragraphs (8), (16) and (21), Article 8, paragraph (3) and Article 13 of the supplementary provisions).

(Transitional Measures Concerning Application of Penal Provisions)

Article 12 (1) With regard to the application of penal provisions to acts committed prior to the effective date and after the effective date in cases where

the provisions then in force shall remain applicable pursuant to the provisions of Article 2, paragraph (1), Article 3, paragraph (1), Article 4, Article 5, paragraphs (1), (9), (17), (19) and (21) and Article 6, paragraphs (1) and (3) of the supplementary provisions, the provisions then in force shall remain applicable.

(5) With regard to the application of the provisions of the Securities and Exchange Act, the Survey Act, the Act on Establishment of International Tourist Hotels, the Act on Architects and Building Engineers, the Act Concerning Investment Trusts and Investment Corporations, the Telecommunications Business Act, the Act on Broadcasting Using Telecommunications Services, the Act on Water Washing Coal Business, the Act on Real Estate Appraising and Valuation, the Act on Foreign Security Business Entities, the Advanced-Installment Type Building Lots and Buildings Sales Business Act, the Banking Act, the Act on Controls, etc. on Money Lending, the Act on Septic Tanks, the Act on Regulation, etc. of Investment Advisory Business Pertaining to Securities, the Act on Regulation, etc. of Mortgage Security Business, the Financial Future Transaction Act, the Act on the Achievement of Proper Leisure Fishing Boat Business, the Act on Regulation, etc. of Advanced Payment Certificates, the Act on Regulation of Commodity Investment, the Real Estate Specified Joint Enterprise Act, the Insurance Business Act, the Act on Securitization of Assets, the Act on Special Measures concerning Business of Management and Collection of Claims, the New Business Creation Promotion Act, the Act on Recycling of Construction Materials, the Copyright Management Business Act, the Act on Promotion of Proper Condominium Management, the Defined-Benefit Corporate Pension Act, the Act for Securing, etc. the Implementation of Recovery and Destruction of Fluorocarbons Contained in Specified Products, the Act on Book-Entry Transfer of Company Bonds, etc., the Defined Contribution Pension Act, the Act on Recycling, etc. of End-of-Life Vehicles, the Trust Business Act, and the Act on Liquidation of Special Assets by Special Purpose Companies prior to revision by the provisions of Article 1 of the Act for Partial Revision of the Act on Liquidation of Special Assets by Special Purpose Companies, which is to remain effective pursuant to the provisions of Article 2, paragraph (1) of the supplementary provisions of said Act, as well as penal provisions pertaining to these provisions, to the obligation to make a notification, notice or report pertaining to an adjudication of bankruptcy, order of commencement of rehabilitation proceedings, order of commencement of reorganization proceedings or order of approval of foreign insolvency proceedings rendered prior to the effective date, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 14 In addition to what is provided for in Articles 2 through 13 of the supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 154 of December 3, 2004] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from the day specified by Cabinet Order within a period not exceeding six months from the day of promulgation (hereinafter referred to as the "effective date").

(Effect of a Disposition)

Article 121 A disposition, procedure or any other act rendered, taken or committed pursuant to the provisions of the respective Act prior to the enforcement of this Act (including orders based thereon; hereinafter the same shall apply in this Article), for which the respective Act revised has equivalent provisions, shall be deemed to have been rendered, taken or committed pursuant to the equivalent provisions of the respective revised Act, unless otherwise provided for in these supplementary provisions.

(Transitional Measures Concerning Penal Provisions)

Article 122 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this act in cases where the provisions then in force shall remain applicable pursuant to the provisions of these supplementary provisions and in cases where the provisions then in force shall remain in force pursuant to the provisions of these supplementary provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 123 (1) In addition to what is provided for in these supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act [Act No. 87 of 2005] [Extract]

(Transitional Measures Concerning Penal Provisions)

Article 527 With regard to the application of penal provisions to acts committed prior to the effective date and acts committed after the effective date in cases where the provisions then in force shall remain applicable pursuant to the provisions of this Act, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 528 In addition to what is provided for in this Act, transitional measures necessary for the abolition or revision of any Act by the provisions of this Act shall be specified by Cabinet Order.

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

This Act shall come into effect as from the effective date of the Companies Act.

Supplementary Provisions [Act No. 10 of March 31, 2006] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as from April 1, 2006.

(Transitional Measures Concerning Penal Provisions)

Article 211 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions listed in the items under Article 1 of the supplementary provisions, said provisions; hereinafter the same shall apply in this Article) and acts committed after the enforcement of this Act in cases where the provisions then in force shall remain applicable pursuant to the provisions of these supplementary provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 212 (1) In addition to what is provided for in these supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act for Partial Revision of the Securities and Exchange Act [Act No. 66 of 2006] [Extract]

(Transitional Measures Incidental to Partial Revision of the Act on Regulation of Commodity Investment)

Article 151 (1) An entity that has obtained a license set forth in Article 3 of the Act on Regulation of Commodity Investment prior to revision by the provisions of the preceding Article (hereinafter referred to as the "Former Act on Regulation of Commodity Investment Business") prior to the enforcement of this Act shall be deemed to have obtained registration set forth in Article 29 of the New Financial Instruments and Exchange Act (limited to those in which a financial instruments specialist who is deemed to have obtained said

registration engages in type II financial instruments services) as of the effective date. In this case, the provisions of Article 57, paragraph (3) and Article 194-4, paragraph (1) of the New Financial Instruments and Exchange Act shall not apply.

(2) An entity that is deemed to have obtained a registration set forth in Article 29 of the New Financial Instruments and Exchange Act pursuant to the provisions of the preceding paragraph (referred to as "type II specialist deemed to have been registered" in Articles 153 and 157) shall submit to the Prime Minister a document containing the matters listed in the items of Article 29-2, paragraph (1) of the New Financial Instruments and Exchange Act and the documents listed in the items of paragraph (2) of said Article within three months from the effective date.

(3) When documents have been submitted under the provisions of the preceding paragraph, the Prime Minister shall register the matters listed in the items of Article 29-2, paragraph (1) of the New Financial Instruments and Exchange Act and the matters listed in Article 29-3, paragraph (1), item (ii) of the New Financial Instruments and Exchange Act, which are contained in said documents, in the registry of financial instruments specialists.

Article 152 An entity whose license has been rescinded pursuant to the provisions of Article 28 of the Former Act on Regulation of Commodity Investment Business shall be deemed to have had its registration rescinded pursuant to the provisions of Article 52, paragraph (1) of the New Financial Instruments and Exchange Act as of the day on which it received said disposition.

Article 153 The provisions of Article 31, paragraphs (1) through (3) of the New Financial Instruments and Exchange Act shall not apply to a type II specialist deemed to have been registered until the day on which said type II specialist deemed to have been registered submits the documents prescribed in Article 151, paragraph (2) pursuant to the provisions of said paragraph.

Article 154 The provisions of Article 47-2 of the New Financial Instruments and Exchange Act shall apply to a business report set forth in said Article pertaining to a business year that ends after the effective date, and with regard to a business year that ended prior to the effective date, the provisions then in force shall remain applicable.

Article 155 The provisions of Article 47-3 of the New Financial Instruments and Exchange Act shall apply to an explanatory document prescribed in said Article pertaining to a business year that ends after the effective date, and

with regard to a business year that ended prior to the effective date, the provisions then in force shall remain applicable.

Article 156 A disposition under the provisions of Article 27 of the Former Act on Regulation of Commodity Investment Business prior to the effective date shall be deemed to be a disposition under the provisions of Article 51 of the New Financial Instruments and Exchange Act.

Article 157 (1) The provisions of Article 52, paragraph (1) of the New Financial Instruments and Exchange Act shall apply, deeming an act that falls under Article 28, item (iii) of the Former Act on Regulation of Commodity Investment Business which has been committed by a type II specialist deemed to have been registered prior to the effective date to be an act that falls under Article 52, paragraph (1), item (vi) of the New Financial Instruments and Exchange Act.

(2) The provisions of Article 52, paragraph (2) of the New Financial Instruments and Exchange Act shall not apply until the day on which five years have elapsed from the effective date in cases where a person who is an officer of a type II specialist deemed to have been registered that falls under any of Article 29-4, paragraph (1), item (ii), (a) through (g) of the New Financial Instruments and Exchange Act at the time of enforcement of this Act (excluding those who fall under any of Article 6, paragraph (1), item (iv), (a) through (f) of the Former Act on Regulation of Commodity Investment Business) continues to fall under any of Article 29-4, paragraph (1), item (ii), (a) through (g) of the New Financial Instruments and Exchange Act.

(3) A disposition under the provisions of Article 28 of the Former Act on Regulation of Commodity Investment Business which has been rendered prior to the effective date shall be deemed to be a disposition under the provisions of Article 52, paragraph (1) of the New Financial Instruments and Exchange Act.

Article 158 With regard to the application of the provisions of Article 54 of the New Financial Instruments and Exchange Act, an entity that has obtained a license set forth in Article 3 of the Former Act on Regulation of Commodity Investment Business prior to the enforcement of this Act shall be deemed to have obtained a registration set forth in Article 29 of the New Financial Instruments and Exchange Act as of the day on which it obtained said license, notwithstanding the provisions of Article 151, paragraph (1).

Article 159 With regard to the application of the provisions of Article 6, paragraph (2), item (iii) (including the cases where applied mutatis mutandis pursuant to Article 8, paragraph (2) of the Act on Regulation of Commodity Investment revised by the provisions of Article 150 (hereinafter referred to as

the "New Act on Regulation of Commodity Investment Business" in this Article); hereinafter the same shall apply in this Article) of the New Act on Regulation of Commodity Investment Business, a company which has been sentenced to a fine (including punishment equivalent thereto under the laws and regulations of a foreign state) pursuant to the provisions of the Former Securities and Exchange Act (including the provisions of the Former Securities and Exchange Act in cases where the provisions then in force shall remain applicable pursuant to the provisions of Article 218 of the supplementary provisions of the revised Securities and Exchange Act of 2006), or the provisions of the Former Securities Investment Advisory Business Act, the Former Act on Regulation of Mortgage Securities Business (including the Former Act on Regulation of Mortgage Securities Business in cases where the provisions then in force shall remain in force pursuant to the provisions of Article 57, paragraph (2) and Article 58) or the Former Financial Future Transaction Act (including these provisions in cases where the provisions then in force shall remain applicable pursuant to the provisions of Article 217) or the provisions of the laws and regulations of a foreign state equivalent thereto and for which three years have not lapsed from the day on which execution of the sentence ended or from the day on which the sentence ceased to be executed shall be deemed to be a company that falls under Article 6, paragraph (2), item (iii) of the New Act on Regulation of Commodity Investment Business.

(Delegation of Authority)

Article 215 The Prime Minister shall delegate his/her authority under the provisions of this Act (excluding that specified by Cabinet Order) to the Commissioner of the Financial Services Agency.

(Effect of a Disposition)

Article 216 A disposition, procedure or any other act rendered, taken or engaged in pursuant to the provisions of the Former Act on Foreign Security Business Entities, the Former Securities Investment Advisory Business Act, the Former Act on Regulation of Mortgage Securities Business, the Former Financial Future Transaction Act or the Former Act on Regulation of Commodity Investment Business, or the provisions of any order based thereon for which the provisions of the New Financial Instruments and Exchange Act include equivalent provisions, shall be deemed to have been rendered, taken or engaged in pursuant to the equivalent provisions of the New Financial Instruments and Exchange Act, unless otherwise provided for in this Act.

(Transitional Measures Concerning Penal Provisions)

Article 217 With regard to the application of penal provisions to acts committed

prior to the enforcement of this Act (with regard to the provisions listed in the items of the supplementary provisions, said provisions; hereinafter the same shall apply in this Article) and acts committed after the enforcement of this Act in cases where the provisions then in force shall remain applicable pursuant to the provisions of this Act and in cases where the provisions then in force shall remain in force, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 218 In addition to what is provided for in this Act, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Supplementary Provisions [Act No. 66 of June 14, 2006] [Extract]

This Act shall come into effect as from the effective date of the revised Securities and Exchange Act of 2006.

Supplementary Provisions [Act No. 65 of June 13, 2008] [Extract]

(Effective Date)

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

(Transitional Measures Concerning Penal Provisions)

Article 40 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the supplementary provisions, said provisions; hereinafter the same shall apply in this Article) and acts committed after the enforcement of this Act in cases where the provisions then in force shall remain applicable pursuant to the provisions of these supplementary provisions, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 41 In addition to what is provided for in Articles 2 through 19 of the supplementary provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 42 The government shall engage in a review of the status of the implementation of the provisions revised by this Act within five years from the enforcement of this Act, and shall take any required measures based on the results, when it deems necessary.

Supplementary Provisions [Act No. 74 of July 10, 2009] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the day specified by Cabinet Order within a period not exceeding 18 months from the day of its promulgation (hereinafter referred to as the "effective date").