

Japan Sewerage Works Agency Act (Tentative translation)

(Act No. 41 of May 29, 1972)

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Chapter I General Provisions

(Purpose)

Article 1 The Japan Sewerage Works Agency shall, at the request of organizations such as local governments, conduct construction work as well as operation and maintenance of fundamental sewerage facilities, provide technical assistance related to sewerage, and promote development of sewerage system through activities such as fostering of sewerage engineers, and development and practical application of technology for sewerage, and thereby aim to contribute to the improvement of living environment and preservation of the water quality in public water areas.

(Juridical Personality)

Article 2 The Japan Sewerage Works Agency (hereinafter referred to as the "Agency") shall be a juridical person.

(Number)

Article 3 Only one Agency shall be established.

(Stated Capital)

Article 4 (1) The Agency's stated capital is the total amount subscribed by local governments at the time of the Agency's establishment.

(2) The Agency may, when necessary, increase its capital with the authorization

of the Minister of Land, Infrastructure, Transport and Tourism.

- (3) Local governments may make contributions to the Agency when the Agency increases its capital pursuant to the provision of the preceding paragraph.
- (4) Local governments may designate property other than money as the subject of contribution when making contributions to the Agency.
- (5) The value of the property other than money which is the capital contribution pursuant to the provision of the preceding paragraph shall be a value that has been appraised by the members of the evaluation commission based on the market value as of the date of contribution.
- (6) Necessary matters for evaluation, including the members of the evaluation commission under the preceding paragraph, shall be provided for by a Cabinet Order.

(Name)

- Article 5 (1) The Agency shall use the characters “日本下水道事業団” (Nihon Gesuido Jigyodan [Japan Sewerage Works Agency]) in its name.
- (2) No person other than the Agency shall use the characters of the Japan Sewerage Works Agency in their name.

(Registration)

- Article 6 (1) The Agency shall register particulars pursuant to the provisions of a Cabinet Order.
- (2) The particulars that are required to be registered pursuant to the preceding provision may not be duly asserted against a third party until after their registration.

(Application Mutatis Mutandis of the Act on General Incorporated Associations and General Incorporated Foundations)

- Article 7 The provisions of Article 4 and Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) shall apply mutatis mutandis to the Agency.

Chapter II Establishment

(Founders)

- Article 8 (1) In order to establish the Agency, fifteen or more of the prefecture governors recommended by the nationwide association of prefecture governors, the mayors recommended by the nationwide association of mayors, the town mayors or village mayors recommended by the nationwide association of town mayors or village mayors, and the persons with relevant knowledge and experience related to sewerage or sewerage business shall become the founders,

prepare the articles of association, and obtain the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

- (2) The officers at the time of establishment shall be designated in the articles of association.
- (3) When the Minister of Land, Infrastructure, Transport and Tourism has granted the authorization under Paragraph 1, the Minister of Land, Infrastructure, Transport and Tourism shall give public notice to that effect without delay.
- (4) The founders shall, after having received the authorization set forth in Paragraph 1, solicit capital contributions to the Agency from local governments.

Article 9 Deleted

(Authorization for Establishment, Etc.)

- Article 10 (1) The founders shall, after having finished with the solicitation prescribed in Paragraph 4 of Article 8, apply to the Minister of Land, Infrastructure, Transport and Tourism for authorization for establishment.
- (2) The founders shall, after having received the authorization set forth in the preceding paragraph, request payment for capital contributions or provision of property to be contributed from the local governments that responded to the solicitation of capital contributions.

(Succession of Affairs)

Article 11 The founders shall, on the day when capital contributions have been paid or property to be contributed has been provided, hand over the affairs of the Agency to the person who is to become the president of the Agency.

(Registration of Establishment)

- Article 12 (1) The person who is to become the president of the Agency shall, when having succeeded to the affairs as prescribed in the preceding article, complete the registration of establishment as provided for by a Cabinet Order without delay.
- (2) The Agency shall be formed by the registration of its establishment.

Chapter III Management

(Articles of Association)

- Article 13 (1) The Agency shall prescribe the following matters in its articles of association:
- (i) Its purpose;
 - (ii) Its name;

- (iii) The location of its offices;
 - (iv) Matters concerning its capital amount, contributions, and assets;
 - (v) The fixed number, term of office, and method of appointment of its officers and other matters concerning them;
 - (vi) Matters concerning councilors and the board of councilors;
 - (vii) Matters concerning its business and execution thereof;
 - (viii) Matters concerning finance and accounting;
 - (ix) Matters related to amendments to the articles of association; and
 - (x) The means of public notice.
- (2) An amendment to the articles of association shall not come into effect without the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(Officers)

Article 14 The Agency shall have a president, vice presidents, directors, and auditors as its officers.

(Duties and Authority of Officers)

Article 15 (1) The president represents the Agency and presides over its business.

- (2) The vice president shall represent the Agency, and, pursuant to the provisions of the articles of association, assist the president in administering the business of the Agency, act on behalf of the president when he/she is unable to attend to his/her duties, and perform the duties of the president when the position is vacant.
- (3) The director shall, pursuant to the provisions of the articles of association, assist the president and vice presidents in administering the business of the Agency, act on behalf of the president and vice presidents when they are unable to attend to their duties, and perform the duties of the president and vice presidents when the positions are vacant.
- (4) The auditor shall audit the Agency's business.
- (5) If the auditor finds it to be necessary based on the result of an audit, the auditor may submit an opinion to the president or the Minister of Land, Infrastructure, Transport and Tourism.

(Disqualification of Officers)

Article 16 A person who falls under any of the following items is ineligible to be an officer of the Agency, provided, however, that this shall not apply when a person falling under Item (i) is to become a part-time director:

- (i) An official of the government or a local government (excluding a part-time official);
- (ii) A person engaged in the manufacture or sale of any product or in

- construction works who has a close interest in a transaction with the Agency, or an officer thereof if the aforementioned is a juridical person (including any person whose actual scope of authority or control is equivalent to or greater than that of the officer irrespective of any title); and
- (iii) An officer of an organization of business operators listed in the preceding item (including any person whose actual scope of authority or control is equivalent to or greater than that of the officer irrespective of any title).

Article 17 When an officer comes to fall under any of the items of the preceding article, the Agency shall dismiss such officer.

(Appointment and Dismissal of Officers)

Article 18 (1) The appointment and dismissal of officers of the Agency shall not come into effect without the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(2) Should any officer violate this Act, an order or disposition pursuant thereto, the articles of association, or the statement of operational procedures, or commit a considerably inappropriate act in relation to the business of the Agency, the Minister of Land, Infrastructure, Transport and Tourism may order the Agency to dismiss such officer, specifying a time limit.

(3) If the Agency does not dismiss an officer who has become ineligible under any of the items of Article 16 or not obey an order pursuant to the provision of the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism may dismiss such officer.

(Prohibition of Concurrent Holding of Positions by Officers)

Article 19 No officer shall become an officer of any profit-oriented association or engage in any profit-making business, provided, however, that this shall not apply when he/she has obtained approval to do so from the Minister of Land, Infrastructure, Transport and Tourism.

(Restriction on Right of Representation)

Article 20 Neither the president nor any of the vice presidents shall have the right of representation with regard to any matter in which his/her interests and the interests of the Agency conflict. In such case, the auditor shall represent the Agency.

(Appointment of Agents)

Article 21 The president may appoint an agent with the authority to undertake all judicial and extrajudicial acts involved in a portion of the business of the Agency, from among the directors or employees of the Agency.

(Board of Councilors)

Article 22 (1) The Agency shall have a board of councilors.

(2) The board of councilors shall be composed of a number of councilors as specified in the articles of association.

(3) The councilors shall be appointed by the president with the authorization of the Minister of Land, Infrastructure, Transport and Tourism from among the heads of the local governments that have contributed to the Agency, the prefecture governors recommended by the nationwide association of prefecture governors, the mayors recommended by the nationwide association of mayors, the town mayors or village mayors recommended by the nationwide association of town mayors or village mayors, and the persons with relevant knowledge and experience related to sewerage or sewerage business.

(Authority of Board of Councilors)

Article 23 (1) The following issues shall be subject to resolutions of the board of councilors:

(i) Amendments to the articles of association;

(ii) Appointment and dismissal of officers;

(iii) Preparation of and amendments to the statement of operational procedures;

(iv) Budgets and settlement of accounts;

(v) Establishment of or amendments to the business plan; and

(vi) Any other matters specified in the articles of association.

(2) The board of councilors shall, in response to a consultation by the president, study and deliberate matters that are important for the operation of the Agency's business in addition to dealing with the matters prescribed in the preceding paragraph.

(Appointment of Employees)

Article 24 The employees of the Agency shall be appointed by the president.

(Status of Officers and Employees as Public Employees)

Article 25 The officers and employees of the Agency shall, pursuant to laws and regulations, be deemed as officials engaged in public service with regard to the application of the Criminal Code (Act No. 45 of 1907) and other penal provisions.

Chapter IV Business

Section 1 Scope of Business, Etc.

(Scope of Business)

Article 26 (1) In order to achieve the purpose set forth in Article 1, the Agency shall conduct the following business activities:

- (i) Conducting construction works of sewerage treatment plants and trunk sewers directly connected thereto, treatment facilities other than sewerage treatment plants, and pump facilities (hereinafter referred to as "Sewerage Treatment Plants, Etc.") under the entrustment of local governments;
- (ii) Conducting the following construction works of sewers under the entrustment of local governments, in addition to what is listed in the preceding item:
 - (a) Construction works that, in the case of an occurrence of Flood Damage (referring to the Flood Damage as defined in Article 2, Item (ix), of the Sewage Act (Act No.79 of 1958)), are to be conducted especially urgently to prevent recurrence of a disaster; and
 - (b) Construction works that require a sophisticated technology or for which it is deemed appropriate to use sophisticated mechanical power.
- (iii) Conducting specified sewerage works pursuant to the provisions of the following Section;
- (iv) Designing sewerage systems, supervising and managing sewerage works, and operating and maintaining sewerage treatment plants, treatment facilities other than sewerage treatment plants, pump facilities, pipes and drains, and Rainwater Storage Facility under Agreement (referring to the Rainwater Storage Facility under Agreement as defined in Article 25-5, Paragraph (1), Item (i), of the Sewage Act), under the entrustment of local governments;
- (v) Conducting maintenance and repairing works of Sewerage System Facilities under Agreement (referring to the Sewerage System Facilities under Agreement as defined in Article 15-2, Item (i), of the Sewage Act) under the Agreement for Maintenance and Repair in Times of Disaster (referring to the Agreement for Maintenance and Repair in Times of Disaster as defined in Article 15-2 of the same Act (including the cases where applied mutatis mutandis pursuant to Article 25-18 and Article 31 of the same Act; hereinafter the same applies in this item); hereinafter the same applies in Paragraph (2) of the following article);
- (vi) Formulating plans and executing projects related to the development of sewerage systems, and providing technical assistance related to the operation and maintenance of sewerage systems, under the entrustment of local governments;
- (vii) Fostering and training persons in charge of technology related to sewerage systems, and conducting technical examinations of persons who engage in the design of sewerage systems , supervision and management of sewerage

- facilities, or operation and maintenance of sewerage systems, pursuant to the provisions of a Cabinet Order;
- (viii) Conducting research, investigation, and testing for the development and practical application of technology related to sewerage systems and pretreatment facilities, and disseminating results thereof;
 - (ix) Conducting business activities incidental to those listed in the preceding items;
 - (x) Conducting construction works of Sewerage Treatment Plants, Etc., designing sewerage systems including their installation, supervising and managing sewerage works, and providing technical assistance related to the maintenance and control of sewerage systems, under the entrustment of juridical persons established pursuant to special Acts, as far as such activities will not hinder the performance of the business activities listed in the preceding items; and
 - (xi) Conducting business activities necessary for the achievement of the purpose set forth in Article 1, in addition to what is listed in the preceding items.
- (2) When accepting the entrustment of the business activities provided for in Item (i) of the preceding paragraph, the Agency shall, unless there are special reasons, give priority to Sewerage treatment plants, Etc., that are required to cause the water quality of the public water areas where the Environmental Water Quality Standards (referring to the Environmental Water Quality Standards as defined in Article 2-2, Paragraph (1), of the Sewage Act; hereinafter the same applies in this paragraph) is stipulated to conform to such environmental water quality standards.
- (3) When intending to conduct the business activities listed in Item (xi) of Paragraph (1), the Agency shall obtain the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(Exclusion from Application of Article 22, etc., of the Sewage Act)

- Article 27 (1) The provisions of Article 22 of the Sewage Act (including the cases where applied *mutatis mutandis* pursuant to Article 25-18 of the same Act) shall not apply in the case where a Public Sewerage System Administrator (referring to the Public Sewerage System Administrator as defined in Article 4, Paragraph (1), of the same Act; hereinafter the same applies) or a Regional Sewerage System Administrator (referring to the Regional Sewerage System Administrator as defined in Article 25-11, Paragraph (1), of the same Act; hereinafter the same applies) entrusts the Agency with the design including its installation, supervision and management of construction works, or operation and maintenance of a public sewerage system or a regional sewerage system.
- (2) The provision of Article 22, Paragraph (2), of the Sewage Act (including the

cases where applied mutatis mutandis pursuant to Article 25-18 of the same Act) shall not apply when, in the event that a Public Sewerage System Administrator or a Regional Sewerage System Administrator concludes with the Agency an agreement concerning maintenance and repair in times of disaster, the Agency maintains and manages the public sewerage system or the regional sewerage system based on the said agreement concerning maintenance and repair in times of disaster.

(Statement of Operational Procedures)

Article 28 (1) On commencing any business activity, the Agency shall prepare the statement of operational procedures and obtain authorization therefor from the Minister of Land, Infrastructure, Transport and Tourism. The same shall apply when the Agency intends to amend such statement.

(2) Matters to be stated in the statement of operational procedures set forth in the preceding paragraph shall be prescribed in an Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Consideration of the National Government and Local Governments)

Article 29 The national government and local governments shall give necessary consideration to activities such as providing the Agency with the personnel and technical assistance that they find to be appropriate, in order to ensure the smooth business operations of the Agency.

Section 2 Specified Sewerage Works

(Conducting Specified Sewerage Works on Behalf of Others)

Article 30 (1) When the Agency receives a request from a local government that is a public sewage system administrator, a Regional Sewerage System Administrator, or an Urban Storm Drainage System Administrator (referring to the Urban Storm Drainage System Administrator as defined in Article 27, Paragraph 1, of the Sewage Act; the same applies in Article 36; and for such local government, hereinafter referred to as the "Sewerage System Administration Organization") and when, considering the system for conducting construction works of the Terminal Treatment Facilities, Etc., or the trunk sewers referred to in Article 26, Paragraph (1), Item (ii), (a) or (b) hereof (in the following article and Article 33, referred to as the "Specified Sewerage System"), by the said Sewerage System Administration Organization (hereinafter referred to as the "Specified Sewerage Works") and other conditions including the region, the Agency deems it appropriate to conduct the said Specified Sewerage Works on behalf of the said Sewerage System Administration Organization, the Agency may conduct the said Specified

Sewerage Works, notwithstanding the provisions of Article 3, Article 25-10, and Article 26 of the same Act.

- (2) When the Agency conducts the Specified Sewerage Works pursuant to the provision of the preceding paragraph, the Agency shall, on behalf of the Sewerage System Administration Organization, exercise part of its authority.
- (3) When the Sewerage System Administration Organization intends to make a request pursuant to the provision of Paragraph (1), the Sewerage System Administration Organization shall obtain a resolution of its assembly in advance.
- (4) When the Agency intends to conduct the Specified Sewerage Works pursuant to the provision of Paragraph (1), the Agency shall give public notice to that effect in advance pursuant to the provisions of an Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.
- (5) When the Agency has completed all or part of the Specified Sewerage Works as prescribed in Paragraph (1), the Agency shall give public notice to that effect pursuant to the provisions of an Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Hearing of Opinions of the Agency)

Article 31 When, with respect to the Specified Sewerage System for which the Agency conducts the Specified Sewerage Works pursuant to the provision of the preceding article, the Sewerage System Administration Organization intends to make an amendment to the implementation plan of the public sewerage system referred to in Article 4, Paragraph (6), of the Sewage Act, the implementation plan of the regional sewerage system referred to in Article 25-11, Paragraph (7), of the same Act, or the matters to be publicly notified pursuant to the provision of Article 27, Paragraph (1), of the same Act, the Sewerage System Administration Organization shall hear the opinion of the Agency in advance.

(Discontinuance, Etc., of Specified Sewerage Works)

- Article 32 (1) The Agency may not discontinue the Specified Sewerage Works unless it obtains the consent of the Sewerage System Administration Organization.
- (2) The provision of Paragraph (5) of Article 30 shall apply mutatis mutandis to the case where the Agency discontinues the Specified Sewerage Works.
 - (3) When the Agency discontinues the Specified Sewerage Works, the Agency shall determine, through consultation with the Sewerage System Administration Organization, the burden of the costs required for the said Specified Sewerage Works.

(Vesting of Rights to Specified Sewerage System and Land Provided for Use Thereof)

Article 33 The rights acquired by the Agency pertaining to the Specified Sewerage System for which public notice of the completion of the Specified Sewerage Works is given pursuant to the provision of Paragraph (5) of Article 30, and the land provided for use thereof shall, as of the day following the day of the public notice, be vested in the Sewerage System Administration Organization that manages the said Specified Sewerage System.

(Burden of or Subsidies for Costs)

Article 34 (1) When the Agency conducts the Specified Sewerage Works pursuant to the provisions of Article 30, it shall be deemed that, with respect to the burden of the costs required for the conduct of the said Specified Sewerage Works and the government subsidies for the said costs, the Sewerage System Administration Organization conducts the said Specified Sewerage Works.

(2) The contributions or subsidies to be granted by the national government to the said Sewerage System Administration Organization pursuant to the provision of the preceding paragraph shall be granted to the Agency.

(3) In the case set forth in the preceding paragraph, with regard to the application of the Act on Regulation of Execution of Budget Pertaining to Subsidies, Etc. (Act No. 179 of 1955), the Agency shall be deemed to be the subsidized business operator, etc., as defined in Article 2, Paragraph (3), of the same Act.

(4) The Sewerage System Administration Organization set forth in Paragraph (1) shall pay the Agency the amount calculated by deducting from the amount of the costs set forth in the same paragraph the amount of the contributions or subsidies set forth in Paragraph (2).

(5) The scope of the costs set forth in Paragraph (1), the method of payment pursuant to the provision of the preceding paragraph, and other necessary matters concerning the said costs shall be specified by a Cabinet Order.

(Requests for Examination)

Article 35 A person who is dissatisfied with the disposition issued by the Agency on behalf of the Sewerage System Administration Organization pursuant to the provision of Paragraph (2) of Article 30 or inaction thereof may file a request for examination to the Minister of Land, Infrastructure, Transport and Tourism. In such case, with regard to the application of the provisions of Article 25, Paragraph (2) and Paragraph (3), Article 46, Paragraph (1) and Paragraph (2), Article 47, and Article 49, Paragraph (3) of the Administrative Appeal Act (Act No. 68 of 2014), the Minister of Land, Infrastructure, Transport and Tourism shall be deemed to be the higher administrative agency

of the Agency.

(Application of the Sewage Act)

Article 36 The Agency, which, on behalf of the Public Sewerage System Administrator, the Regional Sewerage System Administrator, or the Urban Storm Drainage System Administrator , exercises its authority pursuant to the provision of Paragraph (2) of Article 30, shall, with regard to the application of the provisions of Chapter 5 of the Sewage Act, be deemed to be the Public Sewerage System Administrator, the Regional Sewerage System Administrator, or the Urban Storm Drainage System Administrator .

Chapter V Finance and Accounting

(Business Year)

Article 37 The business year of the Agency begins on April 1 each year and ends on March 31 of the following year.

(Authorization for Budgets, Etc.)

Article 38 For each business year, the Agency shall prepare a budget and business plan, and shall obtain the authorization of the Minister of Land, Infrastructure, Transport and Tourism for the same before the start of that business year. The same shall apply if the Agency intends to amend them.

(Financial Statements)

Article 39 (1) For each business year, the Agency shall prepare an inventory of property, a balance sheet, and a profit and loss statement (hereinafter referred to as the "Financial Statements") and shall submit them to the Minister of Land, Infrastructure, Transport and Tourism within three months of the end of that business year.

(2) When the Agency submits the Financial Statements to the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provision of the preceding paragraph, it shall attach to the said Financial Statements the statement of accounts based on the budget classifications for that business year, and the written opinion of the auditor in respect of the Financial Statements and the statement of accounts.

(Sending of Documents)

Article 40 When the Agency receives the authorization prescribed in Article 38 or submits the documents pursuant to the provision of Paragraph (1) of the preceding article, the Agency shall send the documents related to the budget and business plan pertaining to the said authorization or the Financial

Statements pertaining to the said submission to the local government that made capital contributions to the Agency.

(Treatment of Profits and Losses)

Article 41 (1) For each business year, the Agency shall, when profits are incurred in the profit and loss calculation in that business year, offset any loss carried over from the previous business year, and if there is any surplus even after offsetting the loss, the Agency shall keep this surplus amount as reserve funds.

(2) For each business year, the Agency shall, when losses are incurred in the profit and loss calculation in that business year, record the losses by reducing the amount of the reserve funds under the provision of the preceding paragraph, and if there is a shortfall, the Agency shall dispose of the amount of the shortfall as a loss carried forward.

(Debts and Sewage Bonds)

Article 42 (1) The Agency may borrow long-term debts or short-term debts, or issue sewage bonds, after obtaining the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(2) Short-term debts pursuant to the provision of Paragraph (1) shall be reimbursed within the relevant business year, provided, however, that when the short-term debts cannot be reimbursed due to a lack of funds, only the amount that cannot be reimbursed may be refinanced, after obtaining the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(3) Short-term debts that are refinanced pursuant to the proviso of the preceding paragraph shall be reimbursed within one year.

(4) A creditor holding sewage bonds pursuant to the provision of Paragraph (1) shall have the right to receive payment of the creditor's own claim in preference to other creditors with regard to the property of the Agency.

(5) The order of the statutory lien as set forth in the preceding paragraph shall be in the first subordinate position of priority to a general statutory lien pursuant to the provisions of the Civil Code (Act No. 89 of 1896).

(6) The Agency may entrust a bank or trust company with the whole or a portion of affairs concerning issuance of sewage bonds after obtaining the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(7) The provisions of Article 705, Paragraph (1) and Paragraph (2), and Article 709 of the Companies Act (Act No. 86 of 2005) shall apply mutatis mutandis to the bank or trust company that has been entrusted with the affairs pursuant to the provisions of the preceding paragraph.

(8) In addition to what is prescribed in Paragraph (1) and Paragraph (4) through Paragraph (7), necessary matters concerning sewage bonds shall be provided

for by a Cabinet Order.

(Reimbursement Plans)

Article 43 The Agency shall create a reimbursement plan for its long-term debts and sewage bonds in each business year, and receive the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(Subsidies)

Article 44 The national government and local governments may provide the Agency with subsidies for part of the costs for the business operations of the Agency, within the scope of the budget.

(Investment of Surplus Funds)

Article 45 The Agency may not invest surplus funds from its business other than by the following means:

- (i) Acquiring securities designated by the Minister of Land, Infrastructure, Transport and Tourism;
- (ii) Depositing surplus funds with banks or other financial institutions designated by the Minister of Land, Infrastructure, Transport and Tourism; and
- (iii) Trusting with money financial institutions operating trust business (meaning the financial institutions that have obtained the authorization set forth in Article 1, Paragraph (1), of the Act on Provision, Etc. of Trust Business by Financial Institutions (Act No. 43 of 1943)).

(Limitation on Disposition of Property)

Article 46 When the Agency intends to transfer, exchange, or provide as collateral any important property specified by an Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, it shall obtain the authorization of the Minister of Land, Infrastructure, Transport and Tourism.

(Audit by the Board of Audit)

Article 47 The Board of Audit may, when it finds it necessary, audit the accounting of the Agency for business activities conducted by the Agency accepting the entrustment of the business for which subsidies are granted by the national government.

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

Article 48 In addition to what is provided for in this Act, necessary matters for the finance and accounting of the Agency shall be specified by an Ordinance of

the Ministry of Land, Infrastructure, Transport and Tourism.

Chapter VI Supervision

(Supervision)

Article 49 (1) The Agency shall be supervised by the Minister of Land, Infrastructure, Transport and Tourism.

(2) The Minister of Land, Infrastructure, Transport and Tourism may, when he/she finds it necessary for the enforcement of this Act, give the Agency orders necessary for the supervision of the business of the Agency.

(Report and Inspection)

Article 50 (1) The Minister of Land, Infrastructure, Transport and Tourism may, when he/she finds it necessary for the enforcement of this Act, have the Agency report on its business or have his/her officials enter the offices of the Agency to inspect books, documents, and other items.

(2) When conducting an on-site inspection under the preceding paragraph, each official shall carry a certificate of identification and produce it to those concerned.

(3) The authority for conducting on-site inspections as prescribed in Paragraph (1) shall not be construed as approved for criminal investigations.

Chapter VII Supplementary Provisions

(Dissolution)

Article 51 The dissolution of the Agency shall be prescribed separately by an Act.

(Application Mutatis Mutandis of Other Laws and Regulations)

Article 52 The Building Standards Act (Act No. 201 of 1950) and other laws and regulations specified by a Cabinet Order shall apply mutatis mutandis to the Agency by deeming it to be a local government.

Chapter VIII Penal Provisions

Article 53 In the case where an officer or employee of the Agency has failed to make a report as prescribed in Paragraph (1) of Article 50, made a false report, or refused, interfered with, or avoided inspection as prescribed in the same paragraph, the officer or employee who has committed such violation shall be punished by a fine of not more than 300,000 yen.

Article 54 When corresponding to any item of the following, an officer of the

Agency who commits such violation shall be punished by a non-penal fine of not more than 200,000 yen:

- (i) The Agency has failed to receive the authorization or approval of the Minister of Land, Infrastructure, Transport and Tourism in the case where it is required to receive such authorization or approval pursuant to the provisions of this Act;
- (ii) The Agency has failed to register, in violation of a Cabinet Order as prescribed in Paragraph (1) of Article 6;
- (iii) The Agency has conducted any business activity other than the business activities prescribed in Paragraph (1) of Article 26;
- (iv) In violation of the provisions of Article 39, the Agency has failed to submit the Financial Statements, attach the documents to the Financial Statements to be attached thereto, or state the matters to be stated in any of these documents, or has made a false statement in any of these documents and submitted such document;
- (v) The Agency has invested surplus funds from its business in violation of the provisions of Article 45; or
- (vi) The Agency has violated an order of the Minister of Land, Infrastructure, Transport and Tourism given pursuant to the provision of Paragraph (2) of Article 49.

Article 55 A person who has violated Paragraph (2) of Article 5 shall be punished by a non-penal fine of not more than 100,000 yen.