

# FISHERIES COOPERATIVE ASSOCIATION LAW

FISHERIES AGENCY  
GOVERNMENT OF JAPAN

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# Fisheries Cooperative Association Law

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## CHAPTER I GENERAL PROVISIONS

(Purpose of Law)

Article 1. This law has for its purpose advancement of the national economy by increasing fisheries productivity and improving the economic and social status of fishermen and marine products processors through the development of fisheries cooperative association.

(Types)

Article 2. Fisheries Cooperative Associations (hereinafter referred to as "Association" in this Chapter) shall be Fishermen's Cooperative Association, Fishermen's Production Association, Federation of Fishermen's Cooperative Associations, Aquatic Products Processing Cooperative Association and Federation of Aquatic Products Processing Cooperative Associations.

(Title)

Article 3. Any Association shall use in its title such letters as Fishermen's Cooperative Association, Fishermen's Production Association, Federation of Fishermen's Cooperative Associations, Aquatic Products Processing Cooperative Association or Federation of Aquatic Products Processing Cooperative Associations.

2 No person other than a Fisheries Cooperative Association shall use in its title such letters as Fishermen's Cooperative Association, Fishermen's Production Association, Federation of Fishermen's Cooperative Associations, Aquatic Products Processing Cooperative Association or Federation of Aquatic Products Processing Cooperative Associations.

(Objective of Association)

Article 4. The objective of each Association shall be to furnish the direct service for the benefit of its membership consistent with the functions which it is authorized to perform.

(Juridical Person)

Article 5. Any Fisheries Cooperative Association shall be a juridical person.

(Official Address)

Article 6. The official address of any Association shall be the place where its principal office is located.

(Relation to the Law Concerning Prohibition of Private Monopoly and Maintenance of Fair Dealings)

Article 7. In enforcing the Law Concerning Prohibition of Private Monopoly and Maintenance of Fair Dealings (Law No. 54 of 1947), the Associations other than those which are given below shall be deemed as Associations conforming to all of the items of Art. 24 of the same Law.

- (1) Any Fishermen's Cooperative Association whose qualifications for membership mentioned in Art. 18, Item 2 is limited to those who operate or engage in one or several types of fisheries given below and the management scale of more than one-third of the members, who are fisheries operators, does not surpass the provisions given below :

Fisheries type	Management scale
Tuna skipjack fisheries	Fishing-boats not less than 20 gross tons-2 boats
Small trawl fisheries operated in sea areas west of 130° E. Long.	Nets used-2 sets
Seine net (including purse seine) fisheries	Nets used by net-boat of not less than 20 gross tons-2 nets
Fixed-net fisheries	Constantly employing 100 fisheries employees

- (2) Any Aquatic Products Processing Cooperative Association of which more than one-third of the total members constantly employ more than 10 fisheries employees.

(3) Any Federation of Fishermen's Cooperative Associations or Federation of Aquatic Products Processing Cooperative Associations more than one-third of whose members prescribed in Art. 88, Item 1 or Item 2 or Art. 98, Item 1 are such Associations as prescribed in the preceding two Items.

(4) Any Federation of Fishermen's Cooperative Association or Federation of Aquatic Products Processing Cooperative Associations, more than one-third of whose members prescribed in Art. 88, Item 1 or Item 2 or Art. 98, Item 1 are such Associations or Federations as prescribed in the preceding three Items.

2 In application of the Law given in the preceding paragraph to the Associations mentioned in its Item, the Associations shall be deemed as conforming to the necessary matters mentioned in Art. 24, Item 3 of the same Law.

(Exemption from Taxation)

Article 8. With regard to the amount equivalent to the dividend of the surplus fund executed by the Association according to the proportion that the functions thereof have been utilized or the proportion that the members have engaged in the business of the Association, no tax shall be levied upon that Association.

(Registration)

Article 9. Any matter which is required to be registered under this Law may not be set up against a third person until after registration has been effected.

(Definition)

Article 10. "Fisheries" as used in this Law means a business to carry on gathering, taking or culturing of aquatic animals and plants; and "Marine Products Processing" means a business to carry on manufacturing foodstuff, feed stuff, fertilizer, paste, oil or hide with aquatic animals and plants as their raw materials or stuffs.

2 "Fishermen" as used in this Law means individuals who operate fisheries, and employees who engage in gathering, taking or culturing of aquatic animals and plants on

behalf of fisheries operators ; and “Aquatic Products Processers” means individuals who operate aquatic products processing.

## CHAPTER II FISHERMEN'S COOPERATIVE ASSOCIATION

### SECTION 1 Business

(Kinds of Business)

Article 11. A Fishermen's Cooperative Association (hereinafter referred to as “Association” in this Chapter and in Chapter IV) may engage in part or whole of the following functions :

- (1) Making loans through advancement of funds necessary for reasonable business or personal requirements of its members ;
- (2) Making available banking facilities for the receiving of deposits and fixed savings of its members ;
- (3) Supplying necessary goods for the business and family use of its members ;
- (4) Activities making available common facilities necessary for reasonable business or personal requirements of its members ;
- (5) Transport, processing, storage or sale of fish catches and other things produced by its members ;
- (6) Activities contributing to propagation and conservation of aquatic animals and plants and exploitation of fishing grounds ;
- (7) Establishment of such equipments necessary for the fisheries of its members as moorage, ship-landings, fish shoals, and others ;
- (8) Activities of prevention of sea disaster, disaster relief, and intercession of fishing boat insurance for its members ;
- (9) Promotion of the benefit and welfare of its members ;
- (10) Activities concerning the elevation of fisheries techniques of its members, the education for infusion of knowledge of the business of the

Association and the dissemination of general information for its members ;

(11) Accomplishment, on behalf of and for the benefit of its members, of such collective bargaining contract that will improve the economic conditions of its members ;

(12) Collateral activities required for the accomplishment of any of the preceding items.

2 Any Association without capital stock (hereinafter referred to as " non-capitalized association " in this Chapter) cannot carry on the activities mentioned in Item 1 or 2 of the preceding paragraph, notwithstanding the provisions of the preceding paragraph.

3 Any Association may, in accordance with the articles of incorporation, make its facilities available to non-members. However, the total financial volume of business to be transacted by those other than its members and non-members of other Associations during a business year shall be less than the total financial volume of business transacted by its members and non-members of other Associations during the same business year.

4 Any Association which carries on the activities mentioned in Par. 1, Item 1 or 2, can guarantee the debt which the members of association bear towards the banking organ authorized to do business in accordance with the articles of incorporation, or can collect the debt concerned on commission of the said banking organ.

(Issuance of Warehouse Warrants)

Article 12. Any Association carrying on the business of storage mentioned in the preceding Article, Par. 1, Item 5 may issue warehouse warrants in respect of the goods deposited by its members, subject to a permission of the competent Minister.

2 The Association who has obtained the permission as mentioned in the preceding paragraph shall, upon demand by a depositor, furnish him with a warehouse warrant.

3 The provisions of Art. 627 Par. 2 and Art. 628 of the Commercial Code (Law No. 48 of 1899) shall apply with

necessary modifications to the warehouse warrant mentioned in Par. 1.

- 4 The provisions of Art. 4, Arts. 8 to 10 inclusive and Art. 12 of the Warehousing Law (Law No. 41 of 1935) shall apply with necessary modifications to the case mentioned in Par. 1.

Article 13. Any warehouse warrant prepared by the Association who has obtained the permission mentioned in the preceding Article, Par. 1 shall bear such letters as "Warehouse Warrant" on whose top the title of that Association is included.

- 2 No warrant and pawn warrant or warehouse warrant prepared by any other person than an Association shall bear such letters as "Fishermen's Cooperative Association Warehouse Warrant".

Article 14. The period of storage of the deposited goods for which a warehouse warrant is issued shall be not more than six months from the date of its deposit.

- 2 The period mentioned in the preceding paragraph may be renewed within the extent of six months. However, if the holder of the warrant at the time of its renewal is not a member of the Association, it is limited to the cases where any utilization by the members is not impeded thereby.

Article 15. The provisions of Arts. 616 to 619 inclusive and Arts. 624 to 626 inclusive of the Commercial Code shall apply with necessary modifications to the case where an Association has issued any warehouse warrant.

(Effect of Collective Bargaining Contract)

Article 16. To cause the collective bargaining contract mentioned in Art. 11, Par. 1, Item 11 to be effective, it shall be made in writing.

- 2 The part of a contract concluded by a member that contravenes the standards established in the collective bargaining contract mentioned in the preceding paragraph shall be deemed null and void and the standards relating to that part shall be substituted therefor.



(Operation of Fisheries)

Article. 17. Any Association who causes it membership to capitalize in accordance with the provision of Art. 19, Par. 1 and two-thirds or more of whose members are always engaging in the fisheries or collateral business operated by the Association being its members or those who live in the same households with the members may carry on, in addition to the functions as prescribed in Art. 11, fisheries and collateral business therewith.

- 2 In case any Fishermen's Cooperative Association intends to operate fisheries in accordance with the provision of the preceding paragraph, a written consent of two-thirds or more of the membership shall be needed.
- 3 In case any Association operating the fisheries and collateral business therewith in accordance with the provisions of the preceding two paragraphs has come to lose any of the items of the conditions mentioned in Par. 1, it must without delay make notice thereof to the administrative authorities and at the same time it must make necessary alterations in the articles of incorporation in order to close the business concerned. In this case the Associations can continue to carry on the business until such alterations have been effected in the articles of incorporation.

## SECTION 2 Membership

(Qualifications for Membership)

Article 18. Any person qualified for membership in an Association shall be a fisherman who has his residence within the area of the Association and operates or engages in fisheries for over the period in a year from thirty days to ninety days which will be determined by the articles of incorporation. However, in the case of an Association whose principal membership consists of fishermen carrying on gathering, taking or culturing of aquatic animals and plants in rivers, those who have their residence within the jurisdictional area of the Association, and gather, take or culture aquatic animals and plants (ex-

cluding sport fishermen) for over the period in a year thirty days to ninety days which will be determined by the articles of incorporation, shall also be qualified for membership.

- 2 In the case of any Association whose area is larger than the sphere of a city, town or village, special ward or administrative ward, the fishermen qualified for membership as prescribed in the preceding paragraph may be limited to those operating or engaging in fisheries of specific types which will be determined by the articles of incorporation.
- 3 In addition to those prescribed in the preceding two paragraphs, any Association may, in accordance with the articles of incorporation, admit the following persons as qualified for the membership :—
  - (1) Aquatic products processors who are not members of a Aquatic Products Processing Cooperative Association, but who have their residence or place of business within the jurisdictional area of the Association ;
  - (2) Fishermen's Production Association ;
  - (3) Fishermen other than those as prescribed in Par. 1 or the preceding paragraph ;
  - (4) Juridical persons (excluding Fishermen's Cooperative Associations and Fishermen's Production Associations) who have their residence or their place of business within the jurisdictional area of the Association and operate fisheries by employing less than 100 regular fisheries employees and with fishing boats whose total tonnage does not exceed 300 tons.

(Capitalization)

Article 19. An Association can make its members capitalize in accordance with the articles of incorporation.

- 2 Each member of the Association as prescribed in the preceding paragraph (hereinafter referred to as "capitalized association" in this Chapter) shall possess one or more units of capitalization.

- 3 The amount of each unit of capitalization shall be equal.
- 4 The liability of a member shall be limited to the amount of his investment.
- 5 No member can exercise the right of set-off against the Association with respect to the payment for his investment.

(Transfer of Share)

- Article 20. No member of a capitalized association can transfer his share without the assent of the Association.
- 2 In case any person other than a member desires to acquire a share by transfer, he shall take the same proceeding as in the case of admission.
  - 3 Any transferee of share shall succeed to the rights and obligations of the transferor in respect of the share.
  - 4 No share may be held jointly by the members.

(Voting Right and Election Right)

- Article 21. Each member of any Association shall be entitled to only one voting right and one election right of officers. However, any member prescribed in Art. 18 Par. 3 (hereinafter referred to as "associate member" in this Chapter and Chapter IV) shall have no voting right and election right.
- 2 Any member may, in accordance with the articles of incorporation, exercise his voting right or election right on the matters previously noticed of in accordance with the provision of Art. 41 Par. 3 by a written ballot or his proxy.
  - 3 Any member who exercises his voting right or election right in accordance with the provision of the preceding paragraph shall be deemed to be present at the meeting.
  - 4 No proxy can represent more than two members for such voting purpose. However, in the case of an Association whose principal membership consists of fishermen carrying on gathering, taking or culturing of aquatic animals and plants in rivers and whose members (excluding associate members) exceed 1,000 persons, proxy can represent as many as two members.

- 5 Any proxy must submit to the Association a document certifying his attorney.

(Charge of Assessment)

Article 22. Any Association may, in accordance with the articles of incorporation, charge assessment upon its members.

- 2 No member can exercise the right of set-off against the Association with respect to the payment of assessment mentioned in the preceding paragraph.

(Monetary Obligation for Contractual Infringement)

Article 23. Any Association may provide in the articles of incorporation for monetary penalties in cases where any member fails to comply with his contractual obligations to the association.

(Contract for Exclusive Utilization)

Article 24. Members of an Association can, in accordance with the articles of incorporation, authorize the Association to enter into contracts with members for the exclusive utilization of a part of the facilities of the Association by its member for a specific period of time not exceeding two years.

- 2 The contract mentioned in the preceding paragraph shall be voluntary, and services carried on by an Association shall not be denied to a member because of his refusal to enter into such contract.

(No Restriction on Admission)

Article 25. No eligible applicant for membership shall be refused by any Association without due cause, and shall no heavier condition than those attached to other members be imposed upon him at such application.

(Secession)

Article 26. Any member may secede from the Association at the end of business year by giving a minimum of sixty days' notice.

- 2 A longer period than mentioned in the preceding paragraph may be designated in the articles of incorporation.

However, the period of the required notice shall not exceed one year.

Article 27. Any member shall secede from an Association upon the occurrence of any of the following events :

- (1) Disqualification for membership ;
- (2) Death, or dissolution ;
- (3) Expulsion.

2 Expulsion may be exercised against members coming under any of the following items by a resolution at a general meeting; however, it shall not be effective against such member until notices of such action have been communicated to him :

- (1) A member who has failed to utilize the facilities of the Association for an unreasonably long period of time.
- (2) A member who has continually refused to comply with his obligations such as payment of investment and assessment, etc.
- (3) A member who has come under such cause as prescribed in the articles of incorporation.

(Refundment of Secede's Share)

Article 28. Any person who has seceded from a capitalized associatson may, in accordance with the articles of incorporation, demand the refundment of the whole or part of his share.

2 The share mentioned in the preceding paragraph shall be determined in accordance with the assets of the said association as they stand at the end of the business year in which such secession has been effected.

Article 29. The right of demand prescribed in the preceding Article, shall be extinguished by prescription, if it has not been exercised for two years from the time of his secession.

Article 30. Any capitalized association may suspend refundment of the share of a person who has seceded from the Association until he has completely performed his obligation to it.

(Reduction of Number of Units of Capitalization)

Article 31. Any member may, in accordance with the articles of incorporation, reduce the number of the units of capitalization held by him.

- 2 The provisions of Arts. 28 and 29 shall apply with necessary modifications to the case mentioned in the preceding paragraph.

### SECTION 3 Administration

(Particulars to be Included in Articles of Incorporation)

Article 32. The articles of incorporation of any Association shall include the following particulars; however, any non-capitalized association who does not carry on the functions mentioned in Art. 11 Par. 1, Items (3) to (5) inclusive may not specify in its articles of incorporation the particulars mentioned in Items (6), (8) and (9), and the other non-capitalized association may not specify the particular mentioned in Item (6).

- (1) Functions which the Association shall be authorized to perform;
- (2) Title of the Association;
- (3) Area of the Association;
- (4) Location and address of offices;
- (5) Qualifications for membership and provisions for admission to and secession from the Association;
- (6) Matters relative to the amount of each share and provisions as to payment for such shares and maximum number of shares to be owned by a member;
- (7) Provisions for charge of assessments;
- (8) Provisions relating to the distribution of surplus funds and the disposition of losses;
- (9) Provisions regarding the amount and accumulation of reserve funds;
- (10) Provisions relating to the number, division of duties and election of officers;
- (11) Business year;
- (12) Method of public notice.

- 2 In addition to the particulars mentioned in the preceding paragraph, in the event that any Association has determined the period of duration of the Association, the period shall be included; in the event that any Association has determined those who make investment of assets other than money, such particulars as their names, the kinds and prices of such assets and numbers of shares to be given to such persons, shall be included in the articles of incorporation.
- 3 The competent Minister may provide for uniform forms to be used in drafting the articles of incorporation for the Associations;

(Particulars which may be Adopted in By-laws)

Article 33. Any Association may, except for the particulars to be provided in the articles of incorporation, provide for the following matters in its by-laws:

- (1) Provisions relating to a general meeting and meeting of representatives;
- (2) Provisions relating to management of business affairs and account;
- (3) Provisions relating to officers;
- (4) Provisions relating to members;
- (5) Any other provisions as deemed necessary for carrying out the purpose of this Law.

(Fixed Number and Election of Officers)

Article 34. There shall be directors and auditors for any Association as its officers.

- 2 Any association shall have a minimum of five directors and two auditors.
- 3 Officers shall be elected at a general meeting of the members in accordance with the articles of incorporation. However, officers at the time of establishment of the Association shall be elected at the constituent general meeting.
- 4 Officers shall be elected by secret ballot.
- 5 One member shall have one vote of election.
- 6 Persons who have polled the majority in accordance with the method of election as prescribed in the articles of

incorporation, shall be elected.

- 7 At least three-fourths of the directors shall be its members (excluding associate members). However, at least three-fourths of the directors at the time of establishment of the Association shall be elected only from among those fishermen who have agreed to the establishment of the Association.
- 8 In the case of any Association other than those whose principal membership consists of persons carrying on gathering, taking or culturing of aquatic animals and plants in the inland waters as prescribed in Art. 127 of the Fisheries Law (Law No. 267 of 1949), the members or fishermen mentioned in the preceding item must be those who operate or engage in fisheries not less than ninety days in a year.

(Term of Office of Officers)

- Article 35. The term of office of officers of an Association shall be one year. However, the articles of incorporation may provide for terms of office not exceeding three years.
- 2 The term of office of officers at the time of establishment shall be the same as that resolved at the constituent general meeting. However, the term shall not be more than one year.

(No Concurrent Appointment of Officers)

- Article 36. Any director shall concurrently be neither an auditor nor an employee, of the Association, and any auditor, neither a director nor an employee of the Association.

(No Appointment of Business Competitors to Officers, etc.)

- Article 36-2. No persons who operate or engage in any business (excluding the fisheries operated or engaged in by members of the said Association, and the business carried on by the Federation of Fishermen's Cooperative Associations of whom the said Association is a member) which is substantially in a competitive relation with that carried on by the said Association (including the officers and staff of juridical persons or other organizations who engage in that business) shall be appointed directors, auditors, councillors or chief accountants.



(No Double Agency of Directorship)

Article 37. Any auditor of an Association shall act on behalf of such Association in any contract or litigation between the Association and director thereof.

(Convention of General Meeting)

Article 38. The directors of an Association must convene not less than one general meeting of the membership during each business year.

Article 39. The directors must convene a general meeting within 20 days from the date of the presentation to the board of directors of any petition requesting such meeting with a statement of the purposes and reasons therefor signed by one-fifth of the voting membership.

Article 40. In case there are no directors available, or the directors without justifiable reason fail to convene a general meeting of the membership at the presentation of request mentioned in the preceding article any one of the auditors of the Association must convene such meeting.

(Notice Towards Members)

Article 41. Any notice or peremptory notice of an Association to be given towards its members shall be sufficient to be addressed to their permanent residences which have been entered in the list of members (or, if they have especially informed the Association of the places for receiving such notice or peremptory notice, to such places).

2 The notice or peremptory notice mentioned in the preceding paragraph shall be deemed to have reached at such time as it should have reached in the ordinary course of affairs.

3 A notice of convening a general meeting shall be given ten days prior to the date of the meeting with agenda of the meeting.

(Keeping and Inspection of Articles of Incorporation and Other Documents)

Article 42. The directors shall keep a copy of the articles of incorporation, by-laws and minutes of each general

meeting at each office of the Association and a list of the members at the principal office.

- 2 A list of the members shall include the following particulars ; however, any non-capitalized association may not prescribe those mentioned in Items (3) and (4):
  - (1) Full name or title as well as permanent residence ;
  - (2) Date of admission and whether a voting member or associate member ;
  - (3) Number of shares of stock held and the dates acquired by each number ;
  - (4) Amount of shares paid up and the dates ;
- 3 Any member or creditor of the Association may inspect the documents specified in Par 1.

(Submitting, Keeping and Inspection of Documents Relating to Settling Accounts)

Article 43. The directors shall, one week prior to the day fixed for an ordinary general meeting, submit to the auditor a business report and inventory in respect to a non-capitalized association who does not carry on the functions mentioned in Art. 11. Items (3) to (5) inclusive ; and a business report, an inventory, a balance sheet and a plan for the disposal of surplus fund or loss in respect to other associations, and keep them at the principal office.

- 2 Any member or creditor of the Association may inspect the documents mentioned in the preceding paragraph.
- 3 In case the documents mentioned in Par. 1 are submitted at an ordinary general meeting of members, they shall be accompanied by a written opinion of the auditors.

(Demand for Re-election of Officers)

Article 44. Voting members may, with the joint signature of one-fifth or more of the whole number of them, apply for re-election of any officers through the representatives selected from among themselves.

- 2 The demand for the re-election as prescribed in the preceding paragraph shall be done with respect to the whole directors or auditors at the same time. However, this shall not apply to any re-election of the director or

auditor who has contravened any laws or ordinances, measures of the administrative authorities taken under laws or ordinances, the articles of incorporation or by-laws of the Association.

- 3 The demand for the re-election as prescribed in Par. 1 shall be submitted to the board of directors in a document stating the reasons of such re-election.
- 4 In case such re-election as prescribed in the preceding paragraph has been applied for, the board of director must lay the application before a general meeting of its members.
- 5 In case such statement as prescribed in Par. 3 has been submitted, the board of directors must forward it to the officers concerned seven days prior to the day on which the general meeting will be held and give them an opportunity to express their opinion thereupon at the general meeting.

(Modified Application of the Civil Code to Officers)

Article 45. The provisions of Art. 44 Par 1, Art. 2, Arts. 53 to 56 inclusive, Art. 59 and Art. 61 Par. 1 of the Civil Code (Law No. 89 of 1896) shall apply with necessary modifications to the directors and auditors of the Association.

(Councillors and Chief Accountant)

Article 46. Any Association may appoint councillors or chief accountant and make them carry out the work of the Association in its principal or subordinate offices.

- 2 The appointment and discharge of the councillors or chief accountants shall be decided by the majority of directors.
- 3 The provisions of Art. 38, Pars. 1 and Art. 39, Art. 41 and Art. 42 of the Commercial Code shall apply with necessary modifications to the councillors.

Article 47. Any voting member may, with the consent of one-tenth or more of the full number of voting members, apply to the directors for the discharge of any councillors or chief accountant.

- 2 In the case of the preceding paragraph, any voting

member making such an application must submit a document stating reasons therefor

- 3 In case the application mentioned in Par. 1 has been filed the directors must decide whether or not the discharge of the councillors or chief accountant concerned is to be made.
- 4 The directors must forward the statement mentioned in Par. 2 to the councillors or chief accountant concerned seven days prior to the day when the decision is to be made in accordance with the provisions of the preceding paragraph, and must give them an opportunity to express their opinion thereupon.

(Matters to be Decided by General Meeting)

Article 48. The following matters shall be decided at a general meeting of members of the Association ;

- (1) Amendment of the articles of incorporation ;
  - (2) Enactment, amendment and abolition of the by-laws of the Association ;
  - (3) Enactment and alteration of business plan to be followed during the business year ;
  - (4) Method of assessment and collection of expenditures ;
  - (5) Maximum rate of interest which may be charged on loans ;
  - (6) Approval of the business report, inventory, balance sheet, financial plan for distribution of surplus funds, or if the Association has sustained a loss, the plan for making up such loss ;
  - (7) Maximum amount of loans during the business year ;
  - (8) Presenting a petition, bringing an action or reconciling ;
  - (9) Enacting, obtaining, losing or altering of fishery rights, real rights relating to them or real rights relating to immovable properties (including ships over 20 gross tons or over, or capacity of 200 koku or over).
- 2 Any resolution relating to amendment to the articles of incorporation shall be effective only with approval of

the administrative authorities.

- 3 The provisions of Art. 63 Par. 2, Art. 64 and Art. 65 shall apply with necessary modifications to the case where the application mentioned in the preceding paragraph has been filed.

(Proceedings of General Meeting)

- Article 49. Except as otherwise provided in this Law, the articles of incorporation or by-law, the proceedings of a general meeting of members shall be decided by a majority vote of the members present; in case of a tie, the chairman shall have a casting vote.
- 2 The chairman who shall preside at the meeting shall be elected by the membership on each such occasion.
  - 3 The chairman shall have no vote as a member.

(Matters to be Decided by Special Proceedings)

- Article 50. The following matters shall be required to be decided by twothirds or more of the votes of the members present at a meeting at which one half or more of the total voting members are present.
- (1) Amendment of the articles of incorporation;
  - (2) Dissolution or amalgamation of the Association;
  - (3) Expulsion of members;
  - (4) Enacting, obtaining, losing or altering of fishery rights or real rights relating thereto.

(Modified Application of Civil Code to General Meeting)

- Article 51. The provisions of Art. 64 and Art. 66 of the Civil Code shall apply with necessary modifications to a general meeting of members of an Association. In this case, in Art. 64. "Art. 62" shall read "Art. 41 Par. 3 of the Fisheries Cooperative Association Law".

(Meeting of Representative)

- Article 52. There may be a meeting of representatives which is authorized to take the place of a general meeting of members in accordance with the provisions of the articles of incorporation in any Association with membership in excess of 100 voting members.
- 2 The representatives shall be voting members.

- 3 Minimum number of the representatives shall be not less than one-fourth of the total voting members. However, in case of an Association whose total voting members exceed 200, 50 or more representatives shall be enough.
- 4 The provisions of Art. 34, Pars. 3 to 6 inclusive shall apply with necessary modifications to the representatives.
- 5 The provisions relating to the general meeting of members shall apply with necessary modifications to the meeting of representatives. However, no election of officers or representatives, and no selection of organization committee as prescribed in Art. 10, Par. 1, can be exercised, or any matters mentioned in Art. 50 can not be resolved, at the meeting of representatives.
- 6 The matters already decided by a meeting of representatives may be decided anew at a general meeting of members of the Association which may be held in accordance with the provisions of Art. 38 or Art. 39 within three months from the day on which such decision was made at the meeting of representatives. In this case, if the general meeting of members has made any decision other than that made at the meeting of representatives, such decision shall prevail thereafter.
- 7 Even in case where a meeting of representatives has been organized in accordance with the provision of Par. 1, the Association shall hold the ordinary general meeting of members prescribed in Art. 38.

(Reduction of Amount of Unit of Capitalization)

- Article 53 In case a capitalized association has adopted a resolution for the reduction of the amount of the units of capitalization, it shall prepare an inventory and a balance sheet within two weeks from the day upon which such resolution has been adopted.
- 2 A capitalized association shall, within the period mentioned in the preceding paragraph, issue public notice against its creditors to the effect that they shall raise objection, if any, within a certain period, and also give notice to that effect respectively against each of such creditors as are known to it.

- 3 In the case of the preceding paragraph, such period shall not be less than one month.

Article 54. If any creditor has failed to raise any objection within the period mentioned in the preceding Article Part 2, he shall be deemed to have approved the reduction of the amount of each unit of capitalization.

- 2 If any creditor has raised any objection thereto, the capitalized association shall effect performance or offer adequate security or elase effect trust of adequate property with a trust company or a bank carrying on trust business, in order that such creditor may receive performance.

(Reserve Fund and Amount Carried Forward)

Article 55. At the close of each business year, any Association (excluding the non-capitalized associations not carrying on the functions mentioned in Art. 11 Par. 1 Items (3) to (5) inclusive; hereinafter the same in this article and Art. 56) shall set aside as reserve fund a minmum of one-tenth or more of the surplus fund of each business year until the reserve fund reaches the maximum amount as prescribed in its articles of incorporation.

- 2 The amount of the reserve fund prescribed in the articles of incorporation mentioned in the preceding paragraph shall not be less than one-half of the total amount of stock in case of any capitalized association.
- 3 The reserve fund mentioned in Par. 1 shall be used only for the payment of losses.
- 4 Any Association shall carry forward five percent or more of the surplus fund of each business year to the following business year for the purpose of appropriating for carrying on the function mentioned in Art. 11 Par. 1 Item (10).

(Distribution of Surplus Fund)

Article 56. Any Association must not effect any distribution of surplus fund until after it has made up losses therewith and subtracted therefrom the reserve fund mentiond in the proceding article, Par. 1 and the amount

carried forward mentioned in Par. 4 of the same Article.

- 2 In case of a capitalized association, the remaining fund shall be distributed by first paying a dividend not exceeding five percent per year on the units of capitalization, and the further remainder, if any, shall be distributed to the users in proportion to the extent which they have used the facilities of the Association, in accordance with the articles of incorporation; and in case of a non-capitalized association, the further remainder, if any, shall be distributed to the users in proportion to the extent of their use of the facilities.

Article 57. Any capitalized association may, in accordance with the articles of incorporation, appropriate the surplus fund which is to be divided to its members to their payment for shares until such payment has been completed.

(Financial Standard)

Article 57-2. Beside those prescribed in the preceding three Articles, the financial standards to be followed by any capitalized association relating to the amount of its own fund, employment of surplus of money and operation of credit business for the purpose of properly managing its financial affairs by clarifying the financial relation between the Association and its membership and securing the profits of its members, shall be determined by Cabinet Order.

(No Acquiring Share of Members)

Article 58. Any capitalized association can not acquire any share of its members or receive it as the object of pledge.

#### SECTION 4 Organization

(Number of Promoters)

Article 59. Twenty or more fishermen shall be required to become promoters in organizing an Association.

(Preliminary Meeting for Organization)

Article 60. Promoters shall prepare in advance a program



for the scope of business, area of function and qualifications for membership of the proposed association and hold a preliminary meeting for organization after giving public notice of the program together with the date and place of the meeting a certain period of time prior to the day of the meeting.

- 2 The certain period of the preceding paragraph shall not be less than two weeks.

Article 61. At the preliminary meeting for organization, drafters of the articles of incorporation shall be selected from among the fishermen who are present thereat and shall determine the area, qualifications for membership and other principal matters necessary for formulation of the articles of incorporation.

- 2 The drafters of the articles of incorporation shall be not less than twenty persons.
- 3 The matters to be determined at the preliminary meeting shall require the consent of majority of the fishermen present thereat.

(Constituent General Meeting)

Article 62. The promoters, upon completion of formulation of the articles of incorporation by the drafters, shall hold a constituent general meeting after giving public notice of the draft together with the date and place of the meeting a certain period of time prior to the day of the meeting.

- 2 The certain period of time mentioned in the preceding paragraph shall not be less than two weeks.
- 3 The approval of the articles of incorporation formulated by the drafters, adoption of business plan and other matters necessary for the organization shall be resolved by the constituent general meeting.
- 4 At the constituent general meeting, the articles of incorporation mentioned in the preceding paragraph may be amended. However, this shall not apply to the provisions of its area and qualifications for membership therein.
- 5 Any agenda of the constituent general meeting shall be decided by two-thirds or more of the votes of those pre-

sent in the case where one-half or more of those qualified for membership (excluding associate members) who have given their consent for the organization to the promoters by the day of the meeting are present thereat.

- 6 The provisions of Art. 21 Par. 1 of this Law and Art. 66 of the Civil Code shall apply with necessary modifications to the constituent general meeting.

(Application for Approval of Organization)

Article 63. The promoters must, without delay after the completion of the constituent general meeting, make application to the administrative authorities for approval of the organization, submitting the articles of incorporation and business plan to the same authorities.

- 2 The promoters shall, when demanded by the administrative authorities, furnish reports on the organization of the Association to the same authorities.

(Approval of Administrative Authorities)

Article 64. In case the application mentioned in Par. 1 of the preceding Article, has been filed, the administrative authorities shall approve the organization of the Association except when the procedural requirements for organization, the contents of the articles of incorporation and business plan submitted by the promoters do not comply with the provisions of laws or ordinances or measures taken by the administrative authorities under laws or ordinances.

Article 65. In case the application for approval as prescribed in Art. 63 Par. 1 has been submitted, the administrative authorities shall notify the promoters within two months whether or not the approval has been given therefor.

- 2 In case the administrative authorities does not give any notice within the period mentioned in the preceding paragraph, the application shall be deemed to have been approved at the time of the expiration of the period. In this case, the promoters may apply to the administrative authorities for a certificate of approval therefor.
- 3 The period as prescribed in Par. 1 shall not include the

time from the day upon which the administrative authorities demanded to furnish reports prescribed in Art. 63 Par. 2 to the arrival of the reports of the authorities.

- 4 In case the administrative authorities disapproved the application, the reasons for such action shall be included in the notice of disapproval.
- 5 If, in case where the promoters have applied to the court for any hearing and ruling upon revocation of the disapproval, the court adjudges that the disapproval should be revoked, the approval shall be deemed to have been made at the date when the judgement was passed. In this case, the provision of the latter part of Par. 2 shall apply with necessary modifications thereto.

(Handing Duties Over to Directors)

Article. 66. In case the approval for organization has been given, the promoters must without delay hand their duties over to the directors.

- 2 In case the directors of a capitalized association have taken over the duties of the promoters in accordance with the provisions of the preceding paragraph, they shall cause the members of the Association to pay the first quota of capitalization.
- 3 Those who invest assets other than money shall deliver the whole of the said assets at the date of payment of the first quota of capitalization. However, they may effect the registration thereof or other deeds necessary for enabling the creation or transfer of rights effective as against a third person, after the completion of organization of the Association.

(Time of Establishment)

Article. 67. The Association shall be established upon the registration of its establishment at the location of its principal office.

## SECTION 5 Dissolution and Liquidation

(Causes of Dissolution)

Article. 68. Any Association shall be dissolved by any of the following causes :

- (1) Resolution at a general meeting of the members ;
- (2) Amalgamation of Associations ;
- (3) Bankruptcy of Association ;
- (4) Expiration of period of duration ;
- (5) Order of dissolution as provided for in Art. 124  
Par. 2.

- 2 Any dissolution of an Association by resolution at a general meeting of members shall not come into effect unless it obtains approval of the administrative authorities therefor.
- 3 The provisions of Art. 63 Par. 2, Arts. 64 and 65 shall apply with necessary modifications to the application mentioned in the preceding paragraph.
- 4 In addition to the cases enumerated in Par. 1, any Association shall be dissolved with the reduction of the number of its voting members to less than twenty.
- 5 In case an Association has been dissolved in accordance with the provision of the preceding paragraph, it shall without delay give notice thereof to the administrative authorities.

(Procedures for Amalgamation)

Article 69. A resolution authorizing amalgamation shall be adopted at a general meeting of the members of each Association.

- 2 The amalgamation shall be devoid of effect if any approval of the administrative authorities is not obtained.
- 3 The provisions of Art. 63 Par. 2, Arts. 64 and 65 shall apply with necessary modifications to the application mentioned in the preceding paragraph.
- 4 The provisions of Arts. 53 and 54 shall apply with necessary modifications to the amalgamation of capitalized associations.

Article 70. In order that any Association may be organized in the consequence of amalgamation, the organization committee selected from among members (excluding associate members of each Association) at the general meeting of members of respective Associations shall jointly prepare its article of incorporation, select officers and execute other matters requisite for its organization.

- 2 The principal clause of Art. 34 Par. 7 and Par. 8 shall apply with necessary modifications to the selection of directors out of the officers as prescribed in the preceding paragraph.
- 3 The provision of Art. 50 shall apply with necessary modifications to the selection of the organization committee prescribed in Par. 1.

(Registration of Amalgamation)

Article 71. The amalgamation of an Association shall take its effect when the Association which continues to exist after the amalgamation or the Association which comes into existence in the consequence of its amalgamation, has effected the registration prescribed in Art. 107 in the location where its principal office is situated.

(Succession of Rights and Obligations at Amalgamation)

Article 72. The Association which continues to exist after the amalgamation or the Association which comes into existence in the consequence of its amalgamation shall succeed to the rights and obligations of the Association which has ceased to exist in the consequence of its amalgamation (including such rights and obligations as the lastmentioned Association possesses under the permission, approval or other-disposition effected by the administrative authorities, in respect of the business carried on thereby).

(Liquidators)

Article 73. In case an Association has been dissolved on any account other than its amalgamation or bankruptcy the directors shall become the liquidators therefor. However this shall not apply to cases when at a general meeting of its members liquidators have been selected from among persons other than the directors.

(Business of Liquidator)

Article 74. The liquidators shall, without delay upon assuming office, investigate the actual conditions of the property of the Association, prepare an inventory in respect of a non-capitalized association, an inventory and balance

sheet in respect of a capitalized association, and plan for disposition of the assets, and shall submit the same to a general meeting of its members for approval.

Article 75. The liquidators shall not dispose of the assets of the Association until after paying all of its liabilities.

Article 76. When the affairs of liquidation have been completed, the liquidators shall without delay prepare a statement of the final accounts and submit the same to a general meeting of its members for approval.

(Modified Application of Civil Code and Non-litigant Case Procedure Law)

Article 77. The provisions of Arts. 73, 75, 76, 78 through 83 of the Civil Code and Art. 35 Par. 2, Arts. 36 and 37-2, Arts. 135-25 Pars. 2 and 3, Art. 136 Par. 1, Arts. 137 and 138 of the Non-litigant Case Procedure Law (Law No. 14, 1898) shall apply with necessary modifications to the dissolution and liquidation of an Association. In this case, in Art. 75 of the Civil Code, "the preceding Article" shall read "Art. 73 of the Fisheries Cooperative Association Law".

### CHAPTER III

#### FISHERMEN'S PRODUCTION ASSOCIATION

(Kinds of Business)

Article 78. A Fisheries Production Association (hereinafter referred to as "Association" in this Chapter) can operate fisheries and collateral business therewith.

(Qualifications for Membership)

Article 79. The qualifications for membership shall be fishermen and be determined by the articles of corporation.

(Relations between Businesses and Members of Association)

Article 80. Two-thirds of the members of an Association shall be those who always engage in the business operated thereby.

Article 81. More than two-thirds of those who always engage in the business operated by the Association shall

be its members.

(Capitalization)

Article 82. Each member of an Association shall hold one or more units of capitalization.

- 2 The maximum number of units of capitalization which may be held by one member shall be not exceeding two times the average units for one member.
- 3 A majority of the total units of capitalization of the Association shall be held by those who always engage in the business operated thereby.

(Particulars to be Included in Articles of Incorporation)

Article 83. The articles of incorporation of an Association shall include the particulars mentioned in Art. 32, Par. 1, Items (1), (2), (4) to (6) inclusive and Items (8) to (12) inclusive.

- 2 The provisions of Art. 32 Pars. 2 and 3 shall apply with necessary modifications to the articles of incorporation of the Association mentioned in the preceding paragraph.

(Keeping and Inspection of Articles of Incorporation and Other Documents)

Article 84. The directors shall keep a copy of the articles of incorporation, by-laws and minutes of each general meeting at each office of the Associations and a list of the members at the principal office.

- 2 The list of the members shall include the following particulars concerning each member ;
  - (1) The matters mentioned in Art. 42 Par. 2, Item 1 and Items 3 to 5 inclusive ;
  - (2) The date of admission.
  - (3) In case of a person other than those who always engage in the business operated by the Association, to that effect.
- 3 Any member or creditor of the Association may inspect the documents specified in Par. 1.

(Distribution of Surplus Fund)

Article 85. Any Association shall not effect any distribution of surplus fund until after it has made up losses there-

with and subtracted therefrom the reserve fund mentioned in Art. 55 Par. 1 applied with necessary modifications in Art. 86 Par. 2.

- 2 The remaining fund shall, in accordance with the articles of incorporation, be distributed by first paying a dividend not exceeding ten percent per year on the units of capitalization and the further remainder, if any, shall be distributed to the members in proportion to the extent which they have engaged in the business operated by the Association.

(Modified Application of Provisions)

- Article 86. To the matters relating to the members of the Association, in addition to the provisions of Arts. 79 to 82 inclusive, the provisions of Art. 19 Pars. 3 to 5 inclusive, Art. 20, the principal clause of Art. 21 Par. 1, Pars. 3 to 5 inclusive of the same Article, Art. 23 and Arts. 26 to 31 inclusive shall apply with necessary modifications.
- 2 To the matters relating to the administration of the Association, in addition to the provisions of Arts. 83 to the preceding Article inclusive, the provisions of Art. 33, Art. 34 Pars. 1 to 7 inclusive, Arts. 35 to 41 inclusive, Arts. 43 to 51 inclusive, Art. 53, Art. 54, Arts. 55 Pars. 1 to 3 inclusive, Art. 57 and Art. 58 shall apply with necessary modifications. However, in this case, in Art. 34 Par. 2 "five directors" shall read "three directors"; in Par. 7 of the same Article "at least three-fourths of the directors" shall read "all of the directors"; in Art. 44 Par. 1, "one-fifth" shall read "one-third"; in Art. 47 Par. 1, "one-tenth" shall read "one-sixth".
  - 3 To the matters relating to the organization of the Association, the provisions of Arts. 59 to 67 inclusive shall apply with necessary modifications. However, in this case, in Art. 59 and Art. 61 Par. 2, "twenty" shall read "seven".
  - 4 To the matters relating to the dissolution and liquidation of the Association, the provisions of Arts. 68 to 77 inclusive shall apply with necessary modifications. However, in this case, in Art. 63, Par. 4, "twenty" shall read "seven"; in Art. 70 Par. 2 "the principal clause of Art.



34 Par. 7 and 8 " shall read " the principal clause of Art. 34 Par. 7." and in Art. 34, Par. 7 applied with necessary modifications in Art. 70, Par. 2, "at least three-fourths of the directors" shall read "all of the directors".

#### CHAPTER IV FEDERATION OF FISHERMEN'S COOPERATIVE ASSOCIATIONS

(Kinds of Business)

Article 87. A Federation of Fishermen's Cooperative Associations (hereinafter referred to as "Federation" in this Chapter) may engage in the whole or part of the following functions :

- (1) Making loans through advancement of funds necessary for reasonable business of its members ;
- (2) Receiving of deposits or fixed reserves of its members ;
- (3) Supplying necessary goods for the business of its members who constitute directly or indirectly the Federation (hereinafter referred to as "constituent member" in this Chapter);
- (4) Activities making available common facilities necessary for reasonable business of its constituent members ;
- (5) Transport, processing, storage or sale of fish catches and other things produced by its constituent members ;
- (6) Activities contributing to propagation and conservation of aquatic animals and plants and exploitation of fishing grounds etc.
- (7) Establishment of such facilities necessary for the fisheries of its constituent members as moorages, ship landings and fish shoals ;
- (8) Activities relative to audit, and guidance of its member Associations which are juridical persons ;
- (9) Activities of prevention of sea disaster, disaster relief and intercession of fishing boat insurance for its constituent members ;

- (10) Promotion of the benefit and welfare of its constituent members ;
  - (11) Activities concerning the elevation of the fisheries technique, education for infusion of knowledge of the business of the Federation and dissemination of general information for its constituent members ;
  - (12) Accomplishment, on behalf of and for the benefit of its constituent members, of such collective bargaining contract that will improve the economic condition of its constituent members ;
  - (13) Collateral business required for the accomplishment of any of the preceding items ;
- 2 Any Federation without capital stock (hereinafter referred to as "non-capitalized federation" in this Chapter shall not carry on the activities mentioned in Item 1 or 2 of the preceding paragraph, notwithstanding the provisions of the same paragraph.
  - 3 Any Federation may, in accordance with the articles of incorporation, make its facilities available to non-constituent members. However, the total financial volume of the business to be utilized by those other than its constituent members and members of other federations during one business year shall not exceed the total financial volume of the business transacted for its constituent members and members of other federations during the same business year.
  - 4 Any Federation carrying on the business mentioned in Par. 1, Item 1 or 2 shall, notwithstanding the provision of the same paragraph, carry on no functions other than those collateral with such business.
  - 5 The Federation mentioned in the preceding paragraph can, in behalf of the member Association, discount bills, and can guarantee the debt which the member Association bears towards the banking organ authorized to do business in accordance with the articles of incorporation or collect the debt concerned on commission of the said banking organ.

(Qualifications for Membership)

Article 88. The qualifications for membership of a Federation shall be determined by the articles of incorporation from among followings :

- (1) Associations or Federations who have the whole or part of the jurisdictional area as their sphere ;
  - (2) Fishermen's Production Associations who have their official addresses in the jurisdictional area of the Federation ;
- 3 Cooperative organizations which have their official addresses in the jurisdictional area of the Federation and have been set up in accordance with other laws, and carry on the same activities as those mentioned in the preceding two items.

(Restrictions on Scale)

Article 89. (deleted)

(Matters to be Decided by General Meeting)

Article 90. The following matters shall be decided at a general meeting of the members of the Federation .

- (1) The matters mentioned in any item of Art. 48 Par. 1;
- (2) Maximum amount of bills which will be discounted for one member.

(Promoters)

Article 91. Two or more of Associations, Fishermen's Production Associations or Federations shall be required to become promoters in organizing a Federation.

(Modified Application of Provisions)

Article 92. To the matters relating to the business of the Federation, in addition to the provision of Art. 87, the provisions of Arts. 12 to 16 inclusive shall apply with necessary modifications. However, in this case, in Art. 12 Par. 1 "the preceding Article" shall read "Art. 87;" and in Art. 16 Par. 1, "Art. 11 Par. 1 Item (11)" shall read "Art. 87 Par. 1 Item (12)."

- 2 To the matters relating to the members of the Federation, in addition to the provisions of Art. 88 and Art. 89, the provisions of Arts. 19 to 31 inclusive shall apply with necessary modifications. However, in this case, in the

proviso to Art. 21 Par. 1 “any member as prescribed in Art. 18, Item 3 (hereinafter referred to as “associate member of a Federation” in this Chapter and Chapter 4),, shall read “any member as prescribed in Art. 88, Item 3, (hereinafter referred to as “associate member federation” in Article 92 and other provisions applied with necessary modifications in same Article).”

- 3 To the matters relating to the administration of the Federation, in addition to the provisions of Art. 90, the provisions of Arts. 32 to 47 inclusive, Art. 48 Pars. 2 and 3 and Arts. 49 to 58 inclusive shall apply with necessary modifications. However, in this case, in Art. 34 Par. 7 “its members (excluding associate members)” shall read “its individual constituent member (excluding those who organize the associate members of the Federation and the associate members of the Association)”; and in the proviso to the same paragraph “fishermen” shall read “the individual constituent members of the Association, Fishermen’s Production Association of Federation (excluding those who organize associate members of the Federation and the associate members of the Association)”; in Par. 8 of the same Article, “members or fishermen” shall read “constituent members”; and in Art. 36-2, “(excluding the fisheries operated or engaged in by members of the Association and the business carried on by the Federation of Fishermen’s Associations of whom the said Association is a member)” shall read “(excluding the business carried on by the Association and Federation who are constituent members of that Federation, and the Federation of whom the said Federation is a member)”.
  - 4 To the matters of the organization of a Federation, in addition to the provision of Art. 91, the provisions of Arts. 60 to 67 inclusive shall apply with necessary modifications. However, in this case, in Art. 61 Pars. 1 and 3 “the fishermen” shall read “directors of the Association, Fishermen’s Production Association or Federation”; in Par. 2 of the same Article, “twenty” shall read “two”, and in the proviso to Art. 21 Par. 1 applied with necessary modifications in Art. 62 Par. 6 “any member as pre-

scribed in Art. 18 Par. 3 (hereinafter referred to as “associate member” in this Chapter and Chapter 4)” shall read “associate member”.

- 5 To the matters relating to the dissolution and liquidation of the Federation, the provisions of Arts. 68 to 77 inclusive shall apply with necessary modifications. However, in this case, in Art. 68 Par. 4 “less than twenty” shall read “to one”; in Art. 70 Par. 1, “members (excluding associate members)” shall read “directors of member federations (excluding associate member federations)”; in the principal clause of Art. 34 Par. 7 applied with necessary modifications in Art. 70 Par. 2, “members (excluding associate members)” shall read “individual constituent members)” and in Art. 34 Par. 8 applied with necessary modifications in Art. 70 Par. 2 “members and fishermen” shall read “constituent members.”

## CHAPTER V AQUATIC PRODUCTS PROCESSING COOPERATIVE ASSOCIATION

### SECTION 1 Business

(Kinds of Business)

Article 93. An Aquatic Products Processing Cooperative Association (hereinafter referred to as “Association” in this Chapter and Chapter 6) can carry on the whole or part of the following functions:

- (1) Making loans through advancement of funds necessary for reasonable business of its members;
- (2) Receiving of deposits or fixed reserves of its members;
- (3) Supplying necessary goods for the business of its members;
- (4) Activities making available common facilities necessary for reasonable business of its members;
- (5) Transport, processing, storage or sale of products by its members;
- (6) Inspection of products manufactured by its members, their raw material and stuffs or facilities for

- manufacturing and processing ;
- (7) Promotion of the benefit and welfare of its members ;
  - (8) Activities concerning the elevation of the manufacturing and processing technique of aquatic products, education for infusion of knowledge of the business of the Association and dissemination of general information for its members ;
  - (9) Collateral activities required for the accomplishment of any of the preceding items.
- 2 Any Association may, in accordance with the articles of incorporation, make its facilities available to non-members. However, the business transacted for non-members shall not exceed one-fifth of the total financial volume of the business utilized by the members during one business year.
- 3 Any Association which carries on the activities mentioned in Par. 1, Items (1) and (2) can guarantee the debt which the association member bears towards the banking organ authorized to do business in accordance with the articles of incorporation or collect the debt concerned on commission of the said banking organ.

(Qualifications for Membership)

Article 94. The qualifications for membership of an Association shall be determined by the articles of incorporation from among the aquatic products processors.

- 2 In addition to those as prescribed in the preceding paragraph, any Association may, in accordance with the articles of incorporation, admit as qualified for the membership a juridical person operating aquatic products processing who has its official address or its place of business in the jurisdictional area of the Association and employs regular fisheries employees not exceeding forty.

(Capitalization)

Article 95. Each member of an Association shall hold one or more units of capitalization.

(Modified Application of Provisions)

- Article 96. To the matters relating to the business of the Association, in addition to the provision of Art. 93, the provisions of Arts. 12 to 15 inclusive shall apply with necessary modifications. However, in this case, in Art. 12 Par. 1 "the preceding paragraph" shall read "Article 93".
- 2 To the matters relating to the members of the Association, in addition to the provisions of the preceding two Articles, the provisions of Art. 19, Pars. 3 to 5 inclusive, Arts. 20 to 31 inclusive shall apply with necessary modifications. In this case, in the proviso to Art. 21 Par. 1, "Art. 18 Par. 3" shall read "Article 94 Par. 2", and "in this Chapter and Chapter IV" shall read "in each provision applied with necessary modifications in Art. 96".
  - 3 To the matters relating to the administration of the Association, the provisions of Art. 32, Art. 33, Art. 34 Pars. 1 to 7 inclusive and Arts. 35 to 58 inclusive shall apply with necessary modifications. In this case, in Art. 36-2, "fisheries" shall read "aquatic products processing"; and "Federation of Fishermen's Cooperative Associations" shall read "Federation of Aquatic Products Processing Cooperative Associations".
  - 4 To the matters relating to the organization of the Association, the provisions of Arts. 59 to 67 inclusive shall apply with necessary modifications. However, in this case, in Art. 59 and Art. 61 Par. 2 "twenty" shall read "fifteen".
  - 5 To the matters relating to the dissolution and liquidation of the Association, the provisions of Arts. 68 to 77 inclusive shall apply with necessary modifications. However, in this case, in Art. 68, Par. 4 "twenty" shall read "fifteen", and in Art. 70, Par. 2 "the principal clause of Art. 34 Par. 7 and Par. 8" shall read "the principal clause of Art. 34 Par. 7."

CHAPTER VI FEDERATION OF AQUATIC  
PRODUCTS PROCESSING  
COOPERATIVE ASSOCIATIONS

(Kinds of Business)

Article 97. A Federation of Aquatic Products Processing Co-operative Associations (hereinafter referred to as "Federation" in this Chapter) can carry on the whole or part of the following functions :

- (1) Making loans through advancement of funds necessary for reasonable business of its members ;
- (2) Receiving of deposits or fixed reserves of its members ;
- (3) Supplying necessary goods for the business of its members who constitute directly or indirectly the Federation (hereinafter referred to as "constituent member" in this Chapter).
- (4) Activities making available common facilities necessary for reasonable business of its constituent members ;
- (5) Transport, processing storage or sale of products by its constituent members ;
- (6) Inspection of products manufactured by its constituent members, their raw materials and stuffs or facilities for manufacturing and processing ;
- (7) Activities relative to audit and guidance of its member associations which are juridical persons ;
- (8) Promotion of the benefit and welfare of its constituent members ;
- (9) Activities concerning the elevation of the manufacturing and processing technique of marine products, education for infusion of knowledge of the business of the Federation and dissemination of general information for its constituent members ;
- (10) Collateral activities required for the accomplishment of any of the preceding items.

- 2 Any Federation may, in accordance with the articles of incorporation, make its facilities available to non-constituent members. However, the business transacted for



non-constituent members shall not exceed one-fifth of the total financial volume of business utilized by the constituent members during one business year.

- 3 Any Federation which carries on the activities mentioned in Par. 1 Item (1) or (2) shall not perform functions not collateral with the said activities, notwithstanding the provisions of the same paragraph.
- 4 Any Federation mentioned in the preceding paragraph can, in behalf of the members of the Federation, discount bills, and can guarantee the debt which any member of the Federation bears towards the banking organ authorized to do business in accordance with the articles of incorporation or collect the debt concerned on commission of the said banking organ.

(Qualifications for Membership)

Article 98. The qualifications for membership of a Federation, shall be determined by the articles of incorporation from among the followings :

- (1) Associations or Federations who have the whole or part of the jurisdictional area as their sphere ;
- (2) Cooperative organizations which have their official addresses in their jurisdictional area of the Federations and have been set up in accordance with other laws and carry on the same activities as those mentioned in the preceding items.

(Promoters)

Article 99. Two or more of Associations or Federations shall be required to become promoters in organizing a Federation.

(Modified Application of Provisions)

- Article 100. To the matters relating to the business of the Federation, in addition to the provision of Art. 97, the provisions of Arts. 12 to 15 inclusive shall apply with necessary modifications. However, in this case, in Art. 12 Par. 1 "the preceding paragraph" shall read "Art. 97".
- 2 To the matters relating to the members of the Federation, in addition to the provision of Art. 98, the provisions of

Art. 19 Pars. 3 to 5 inclusive, Arts. 20 to 31 inclusive, and Art. 95 shall apply with the necessary modification. However, in this case, in the proviso to Art. 21 Par. 1 "any member prescribed in Art. 18, Item (3) (hereinafter referred to as "associate member" in this Chapter and Chapter IV)" shall read "any member as prescribed in Art. 98 Item (2) (hereinafter referred to as "associate member" in Art. 100)".

- 3 The matters relating to the administration of the Federation, the provisions of Art. 32, Art. 33, Art. 34 Pars. 1 to 7 inclusive, Arts. 35 to 47 inclusive, Art. 48 Pars. 2 and 3, Arts. 49 to 58 inclusive and Art. 90 shall apply with necessary modifications. However, in this case, in Art. 34 Par. 7 "its members (excluding associate members)" shall read "its individual constituent members (excluding those who organize the associate members of the Federation)": in the proviso to the same paragraph "the fishermen" shall read "only from among the individual constituent members of the Association or Federation (excluding those who organize associate members of the Federation)" and in Art. 36-2 "(excluding the fisheries operated or engaged in by members of the said Association, and the business carried on by the Federation of Fishermen's Cooperative Associations of whom the said Association is a member)" shall read "(excluding the aquatic products processing operated by constituent members of the said Federation, and the business carried on by the Association or Federation who are members of the said Federation and the Federation of whom the said Federation is a member)".
- 4 To the matters relating to the organization of the Federation, in addition to the provision of Art. 99, the provisions of Arts. 60 to 67 shall apply with necessary modification. However, in this case, in Art. 61 Pars. 1 and 3 "the fishermen" shall read "the directors of the Association or Federation,"; in Par. 2 of the same Article "twenty" shall read "two"; in the proviso to Art. 21 Par. 1 applied with necessary modifications in Art. 62, Par. 6 "member prescribed in Art. 18 Item (3) (hereinafter

referred to as “associate member” in this Chapter and Chapter IV)” shall read “associate member of the Federation”.

- 5 To the matters relating to the dissolution and liquidation of the Federation, the provisions of Arts. 68 to 77 inclusive shall apply with necessary modification. However, in this case, in Art. 68 Par. 4 “less than twenty” shall read “one”; in Art. 70 Par. 1 “members (excluding associate members)” shall read “the directors of voting members”, in Par. 2 of the same Article “the principal clause of Art. 34 Par. 7 and Par. 8” shall read “the principal clause of Art. 34 Par. 7”, and in the principal clause of Art. 34, Par. 7 applied with necessary modifications in the same paragraph “members (excluding of associate members)” shall read “individual constituent members (excluding those who organize the associate members of the Federation)”.

## CHAPTER VI-II MUTUAL AID SOCIETY

(Objective of Organization)

Article 100-2. Any Association may, for the purpose of carrying on mutual aid business, have a Fisheries Cooperative Association Mutual Aid Society (hereinafter referred to as “mutual aid society”) within its scope.

(Title)

Article 100-3. Any mutual aid society shall use in its title such letters as Fisheries Cooperative Association Mutual Aid Society.

- 2 No person other than a fisheries cooperative association mutual aid society shall use in its title such letters as Fisheries Cooperative Association Mutual Aid Society.

(Kinds of Business)

Article 100-4. A mutual aid society shall carry on the business of receiving from its membership shares by installments and paying mutual aid money to its membership at the time of occurrence of a mutual aid case.

- 2 A mutual aid society may, in accordance with the articles

of incorporation, make its business available to non-members. However, the business transacted by non-members shall not exceed one-fifth of the total financial volume of the business utilized by its members during one business year.

- 3 The provisions of the Insurance Law (Law No. 41 of 1939) shall not apply to any business of the mutual aid society relating to insurance.

(Restrictions on Mutual Aid Amount and Supervisory Instructions)

Article 100-5. The competent Minister may, when deemed necessary, fix a maximum amount on the mutual aid money. In this case, a mutual aid society shall not grant mutual aid money exceeding that amount.

- 2 The competent Minister may give any mutual aid society instructions necessary for supervising its business.

(Qualifications for Membership)

Article 100-6. Any person qualified for membership of a mutual aid society shall come under any of the following items :

- (1) Fishermen's Cooperative Associations, Federations of Fishermen's Cooperative Associations, Aquatic Products Processing Cooperative Associations or Federations of Aquatic Products Processing Cooperative Associations who have the whole or part of the jurisdictional area of the mutual aid society as their sphere ;
  - (2) Fishermen's Production Associations who have their official addresses in the jurisdictional area of the mutual aid society.
- 2 Besides those prescribed in the preceding paragraph, any person coming under any of the following items may, in accordance with the articles of incorporation, obtain a membership of the mutual aid society :
    - (1) Any Cooperative Association who has its official address in the jurisdictional area of the mutual aid society, has been organized under laws, and carries on a business similar to that of those as

- prescribed in Item (1) of the preceding paragraph ;
- (2) Any syndicate who has its official address in the jurisdictional area of the mutual aid society and has as its object to carry on aquatic products processing ;
- (3) Any member of the Association or syndicate prescribed in the preceding paragraph of the preceding two items.

(Particulars to be Included in Articles of Incorporation)

Article 100-7. The articles of incorporation of any mutual aid society shall include the following particulars :

- (1) Title of the mutual aid society ;
  - (2) Area of the mutual aid society ;
  - (3) Location and address of offices ;
  - (4) Qualifications for membership and provisions for admission to and session from membership ;
  - (5) Business which the mutual aid society shall be authorized to carry on ;
  - (6) Provisions for charge of assessments ;
  - (7) Provisions relating to the distribution of surplus funds and the disposition of losses ;
  - (8) Provisions relating to the amount of reserve funds and the method of their accumulation ;
  - (9) Provisions relating to the member and election of Officers ;
  - (10) Business year ;
  - (11) Method of public notice.
- 2 In addition to the particulars mentioned in the preceding paragraph, in the event that any mutual aid society has determined the period of its duration, such period shall also be included.
- 3 The Competent Minister may provide for the uniform forms to be used in drafting the articles of incorporation.

(Liability Reserve Fund)

Article 100-8. Any mutual aid society shall, in accordance with the provisions of a Ministerial Ordinance, accumulate liability reserve fund.

(Delegation to Ministerial Ordinance in regard to Functions)

Article 100-9. Besides those prescribed in the preceding Article, the working rules upon which the mutual aid society should act in carrying on its functions properly shall be determined by a Ministerial Ordinance.

(Mutual Aid Regulations)

Article 100-10. Any mutual aid society shall stipulate mutual aid regulations which include the matters relating to managing method of business, mutual aid contract and calculation method of the amount of mutual aid installment and liability reserve fund by types of business, and shall submit them to the administrative authorities for approval.

- 2 Any amendment to or abolition of the mutual aid regulations shall be effective only upon the approval of the administrative authorities.
- 3 In application for the approval mentioned in the preceding item, the plan of operation and other documents as prescribed in the Ministerial Ordinance shall be submitted to the administrative authorities.

(Promoters)

Article 100-11. In organizing a mutual aid society twenty or more members qualified in accordance with the provisions of Art. 100-6, Par. 1 shall be required to become promoters.

(Approval for Organization)

Article 100-12 In case the application for organization prescribed in Art. 63 Par. 1 which is applied mutatis mutandis in Art. 100-14 Par. 4 has been filed, the administrative authorities shall approve the organization when it does not come under any of the following items and when the business is deemed to be carried on soundly :

- (1) In case the procedural requirements for organization or the contents of the articles of incorporation or the business plan do not comply with the provisions of laws or ordinances, or the measures

taken by the administrative authorities under laws or ordinances.

- (2) With regard to important matters in the articles of incorporation or the business plan, in case any false statement is made therein or the statement thereof is wanting.
- 2 In case the administrative authorities have given or not given the approval mentioned in the preceding paragraph, the authorities shall without delay notify the promoters to that effect in writing.

(Effect of Dissolution)

Article 100-13. In case a mutual aid society has been dissolved, its mutual aid transactions shall end except for cases of amalgamation.

(Modified Application of Provisions)

Article 100-14. To the matters relating to the insurance in the mutual aid contract included in the business of a mutual aid society, the provisions of Book III, Chapter 10 of the Commercial Code shall apply with necessary modifications.

- 2 To the matters relating to the membership of a mutual aid society, in addition to the provisions of Art. 100-6, the provisions of Art. 21, Art. 22 and Arts. 25 to 27 inclusive shall apply with necessary modifications. However, in this case, in the proviso to Art. 21 Item (1), "any member prescribed in Art. 18 Par. 3 (hereinafter referred to as 'associate member' in this Chapter and Chapter IV)" shall read "any member prescribed in Art. 100-6 Par. 2 (hereinafter referred to as 'associate member' in any provision applied mutatis mutandis in Art. 100-14)"; and in Art. 22 Par. 2, "assessment mentioned in the preceding paragraph" shall read "assessment mentioned in the preceding paragraph, or mutual aid installment."
- 3 To the matters relating to the administration of a mutual aid society, in addition to the provisions of Arts. 100-7 to 100-10 inclusive, the provisions of Art. 33, Art. 34 Pars. 1 to 7 inclusive, Arts. 35 to 52 inclusive,

Art. 55 Pars. 1 and 2, and Art. 56 shall apply with necessary modifications. However, in this case, in Art. 34 Par. 7, "members (excluding associate members)" shall read "individuals who directly or indirectly organize a member fisheries cooperative association (excluding the membership prescribed in Art. 18 Par. 3 or Art. 94 Par. 2 and its organizers, and the organizers of the membership prescribed in Art. 88 Item (3) or Art. 98 Item (2)) or the directors of a member fisheries cooperative association"; in the proviso to the same paragraph, "fishermen" shall read "individuals who directly or indirectly organize a fisheries cooperative association (excluding the membership prescribed in Art. 18. Par. 3 or Art. 94 Par. 2 and its organizers and the organizers of the membership prescribed in Art. 88 Item (3) or Art. 98 Item (2)) or the directors of a fisheries cooperative association who has consented to the organization); "associate members" in Art. 39, Art. 44, Art. 50 and Art. 52 shall read "associate member federations"; in Art. 42 Par. 1, "by-laws and" shall read "by-laws or mutual aid regulations and"; in Art. 48 Par. 1 Item (2) "by-laws" shall read "by-laws and mutual aid regulations"; and in Par. 3 of the same Article, "Art. 63 Par. 2 Art. 64 and Art 65" shall read "Art. 63 Par. 2 and Art. 100-12".

- 4 To the matters relating to the organization of a mutual aid society, in addition to the provisions of Art. 100-11 and Art. 100-12, the provisions of Arts. 60 to 63 inclusive Art. 66 Par. 1 and Art. 67 shall apply with necessary modifications. However, in this case, "fishermen" in Art. 61 Pars. 1 and 3 shall read "directors of a fisheries cooperative Association"; "associate members" in Art. 62 Par. 5, or "member prescribed in Art. 18 Par. 3 (hereinafter referred to as "associate member" in this Chapter and Chapter IV)", in the proviso to Art. 21 Par. 1 applied mutatis mutandis in Par. 6 of the same Article shall read "associate member federation".
- 5 To the matters relating to the dissolution and liquidation of a mutual aid society, in addition to the provisions



of the preceding Article, the provisions of Art. 68, Art. 69 Pars. 1 to 3 inclusive and Arts. 70 to 77 inclusive shall apply with necessary modifications. However, in this case, "associate member" in Art. 68 Par. 4 shall read "associate member federation"; in Art. 69 Par. 3, "Art. 63 Par. 2, Arts. 64 and 65" shall read "Art. 63 Par. 2 and Art. 100-12"; "members (excluding associate members of each Association) in Art. 70, Par. 1 shall read "directors of member federation (excluding associate members)"; in Par. 2 of the same Article "the principal clause of Art. 34 Par. 7 and Par. 8" shall read "the principal clause of Art. 34 Par. 4"; and in the principal clause of Art. 34 Par. 7 applied mutatis mutandis in the same paragraph, its members (excluding associate members)" shall read "individuals who directly or indirectly organize a member fisheries cooperative association (excluding the membership prescribed in Art. 18 Par. 3 or Art. 94 Par. 2 and its organizers, and the organizers of the membership prescribed in Art. 88 Item (3) or Art. 98 Item (2)) or the directors of a member fisheries cooperative associations."

- 6 To the matters relating to the mutual aid society, in addition to the matters prescribed in any of the preceding paragraphs, the provisions of Art. 5, Art. 6 and Art. 8 shall apply with necessary modifications.

## CHAPTER VII REGISTRATION

(Registration of Organization)

Article 101. The registration of establishment of a Fisheries Cooperative Association or Mutual Aid Society (hereinafter generically referred to as "Association") shall be made at the seat of its principal office within two weeks from the day of approval of its organization in case of an Association which does not make its members capitalize, or in case of an Association which makes its members capitalize (hereinafter referred to as "capitalized association") within two weeks from the day on which the first payment of capitalization was made.

- 2 The registration of organization shall include the following matters. However, the registration of organization of a Fishermen's Production Association may not include the matter mentioned in Item 3.
  - (1) Functions which the Association shall be authorized to perform ;
  - (2) Official name ;
  - (3) Area ;
  - (4) Location and address of offices ;
  - (5) Value per share, method of its payment and total number of shares and total amount of paid-up shares in case of a capitalized Association ;
  - (6) Term of duration, in case its operational term has been decided ;
  - (7) Names and addresses of officers ;
  - (8) Method of public notice.
- 3 The Association shall register the matters mentioned in the preceding paragraph at the seat of its branch office within two weeks from the day when the registration of organization was made.

(Registration of Establishment of Branch Office)

- Article 102. An Association, if it establishes a branch office after the organization thereof, shall register the establishment of the branch office at the seat of its principal office within two weeks and it shall register the matters as mentioned in Par. 2 of the preceding Article at the seat of the same branch office within three weeks ; also it shall register the establishment of the branch office at the seats of other branch offices within the same period.
- 2 In case a new branch office is established within the boundary of the jurisdiction of a registry office holding under its authority the seat of the principal office or the other branch office, only the registration of its establishment shall be sufficient.

(Registration of Removal of Office)

- Article 103. In case an Association removes its principal office, it shall make the registration of removal at the former seat within two weeks and shall register the mat-

ters as mentioned in Art. 101 Par. 2 at the new seat within three weeks ; in case it removes its branch office, it shall make the registration of removal at the former seat within three weeks and shall register the matters mentioned in the same paragraph at the new seat within four weeks.

- 2 In case the principal office or the branch office is removed within the boundary of the jurisdiction of the same registry office, only the registration of its removal shall be sufficient.

(Registration of Alteration of Matters Registered Concerning Organization of Association)

Article 104. In case any alteration is made in the matters as prescribed in Art. 101 Par. 2, the registration of the alteration shall be made at the seat of the principal office within two weeks and at the seat of the branch office, within three weeks.

- 2 The registrations of alteration of the total number of shares and the total amount of shares paid up mentioned in Art. 101, Par. 2, Item 5, notwithstanding the provision of the preceding paragraph, may be made as of the close of every business year at the seat of the principal office within four weeks and at the seat of the branch office, within five weeks after the lapse of every business year.

(Registration of Councillors)

Article 105. In case an Association has appointed councillors, the names and addresses of the councillors and the offices in which they carry on their work and any provisions when stipulated on the delegated authority of councillorship in case two or more councillors jointly exercise that authority, shall be registered within two weeks at the seat of the said office. The same shall apply in the alteration of the matters registered and the lapse of the delegated authority of the councillors.

(Registration of Dissolution)

Article 106. In case an Association is dissolved, the registration of dissolution shall be made, except in cases of

amalgamation and bankruptcy, at the seat of its principal office within two weeks, and at the seat of its branch office within three weeks.

(Registration of Amalgamation)

Article 107. In case any amalgamation happens in connection with Associations, the registration of alteration as regards the Association continuing to exist after amalgamation, the registration as regards the Association dissolved by amalgamation and the registration of the matters as prescribed in Art. 101 Par. 2 as regards the Association established by amalgamation, shall be made at the seat of its principal office within two weeks, and at the seat of its branch office within three weeks.

(Registration of Liquidator)

Article 108. Any Association shall, within two weeks at the seat of its principal office and within three weeks at the seat of its branch office, from the time when a liquidator assumes office, effect registration of the full name and address of the liquidator.

- 2 The provision of Art. 107 Par. 1 shall apply with necessary modifications to the registration of any alteration of the matters registered as prescribed in the preceding paragraph.

(Registration of Completion of Liquidation)

Article 109. When any liquidation has been completed, the registration of completion of the liquidation shall be effected within two weeks at the seat of the principal office and within three weeks at the seat of each branch office, from the time of completion of the liquidation.

(Jurisdictional Registry Office and Register)

Article 110. With regard to the registration of any Association, the Legal Affairs Bureau, or District Legal Affairs Bureau or its branch office or sub-branch office having jurisdiction over the locality in which the office of the Association is situated, shall be its jurisdictional registry office.

- 2 Each registry office shall keep a register of Fishermen's

Cooperative Association, Fishermen's Production Association, Federation of Fishermen's Cooperative Associations, Aquatic Products Processing Cooperative Association, Federation of Aquatic Products Processing Cooperative Associations and Fisheries Cooperative Association Mutual Aid Society.

(Application for Registration of Organization)

Article 111. The Organization of an Association shall be registered upon the joint application of all its directors and auditors.

2 The letter of application mentioned in the preceding paragraph shall be accompanied with a document stating the articles of incorporation and certifying the officers of the Association, and in case of a capitalized Association, a document stating the total numbers of investment and also certifying completion of the first payment of the investment.

3 Any letter of application for the registration of establishment by amalgamation shall be accompanied, besides the letters mentioned in the preceding paragraph, with a document stating that the notice has been made according to the provision of Art. 53 Par. 2, applied with necessary modifications in Art. 69 Par. 4 (including the case in which the same provision is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5 and Art. 100 Par. 5) and in case there is any obligee insisting objections, a document certifying that due performance has been effected or adequate security or trust has been effected or adequate security or trust has been furnished with him.

Article 112. The registration prescribed in Art. 101 Par. 3 shall be effected upon the application by the directors therefor.

(Application for Registration of Establishment of New Office and Removal of Office or Alteration of Matters Concerning Organization of Association)

Article 113 Any registration of the establishment of a new office of an Association, removal of an office or other

alterations in the matters mentioned in Art. 101 Par. 2 shall be effected upon the application of the directors or the liquidators therefor.

- 2 The letter of application for the registration mentioned in the preceding paragraph shall be accompanied with a document certifying the establishment of a new office or alteration of the matters to be registered.
- 3 Any letter of application for the registration of alteration by the amalgamation or decrease of the value of each capitalization shall, besides the document mentioned in the preceding paragraph, be accompanied with a document certifying that the notice as prescribed in Art. 53 Par. 2 (including the case in which the same provision is applied with necessary modifications in Art. 69 Par. 4, and the cases in which the same is applied with necessary modifications in Art. 86 Par. 3 Art. 92 Par. 3, Art. 96 Par. 3 and Art. 100 Par. 3) has been made and that in case there is any obligee insisting objections, due performance has been effected to him or adequate security or trust has been furnished with him.

(Application for Registration of Councillors)

Article 114. Any registration of the appointment of councillors, the alteration of the matters registered in accordance with the provision of Art. 105 and the lapse of the delegated authority of councillors shall be effected upon the application of the directors therefor.

- 2 The letter of application for the registration prescribed in the preceding paragraph shall be accompanied with a document certifying the appointment of the councilors and in case their delegated authority is restricted, a document certifying the restrictions, and any letter of application for the other registrations shall be accompanied with a document certifying the matters.

(Application for Registration of Dissolution)

Article 115. The registration of dissolution prescribed in Art. 106 shall, with the exception of the cases prescribed in Par. 3 of this article, be effected upon the application by the liquidator therefor.

- 2 The letter of application for the registration mentioned in the preceding paragraph shall be accompanied with a document certifying the reason for that dissolution.
- 3 The registration of dissolution, in case such dissolution has been ordered by the administrative authorities, shall be effected on commission of the administrative authorities.

Article 116. The registration of dissolution prescribed in Art. 107 shall be effected upon the application of the directors of an Association which is to cease to exist in the consequence of its amalgamation.

- 2 The provisions of Art. 111 Par. 3 and Par. 2 of the preceding Article shall apply with necessary modifications to the case of the preceding paragraph.

(Application for Registration of Liquidator)

Article 117. The letter of application for the registration prescribed in Art. 111, Par. 1 shall, in case the director is not the liquidator, be accompanied with a document certifying his liquidatorship.

- 2 The letter of application for the registration prescribed in Art. 108 Par. 2 shall be accompanied with a document certifying alteration in the matters to be registered.

(Application for Registration of Completion of Liquidation)

Article 118. The registration of the completion of liquidation of an Association shall be effected upon the application by the liquidator therefor.

- 2 The letter of application for the registration mentioned in the preceding paragraph shall be accompanied with a document certifying that an approval for the statements of account has been given to the liquidator in accordance with the provisions of Art. 76 (including the cases in which the same provision is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5, Art. 100 Par. 5 and Art. 100-14 Par. 5).

(Term of Registration)

Article 119. As regards the matters to be registered which require an approval of the administrative authorities, the

term of registration shall be computed as from the day of acceptance of a letter of the approval. However, it shall be computed as from the day of acceptance of a document certifying the approval in cases of Art. 33 Pars. 2 and 5 (including the cases in which the same paragraphs are applied with necessary modifications in Art. 86 Par. 3, Art. 92 Par. 4, Art. 96 Par. 4 and Art. 100 Par. 4).

(Public Notice of Registration)

Article 120. Any public notice of the registered matters shall be given by the registry office without delay.

(Modified Application of Non-litigant Case Procedure Law)

Article 121. The provisions of Art. 139-2, Arts. 142 to 151-6 inclusive and Arts. 154 to 157 inclusive of the Non-litigant Case Procedure Law shall apply with necessary modification to the registration of an Association.

## CHAPTER VIII SUPERVISION

(Requirement to Furnish Reports)

Article 122. The administrative authorities can require Associations to furnish such reports concerning the conditions of business or property as are deemed necessary to insure compliance by such Associations with applicable laws, ordinances, measures of the administrative authorities taken under laws or ordinances and also the articles of incorporation and by-laws which have been adopted.

(Inspection of Business or Account Affairs)

Article 123. The administrative authorities shall inspect the business or account affairs of an Association when a petition for investigation is presented with the consent of one-tenth or more of the whole membership stating that the business or account affairs of an Association is deemed to violate any of the laws, ordinances, measures taken thereunder, the articles of incorporation or by-laws.

2 The administrative authorities can inspect at any time the business or account affairs of an Association when



it is deemed to violate any of the laws, ordinances, measures of the administrative authorities taken hereunder, the articles of incorporation or by-laws.

- 3 The administrative authorities shall make a usual inspection of the books and others relating to the business or account affairs of a capitalized association (excluding fishermen's production association) once every year.

(Measures against Violation of Laws, Ordinances or Others)

Article 124. In case any probable violation of applicable laws, ordinances, measures of the administrative authorities taken thereunder, or the articles of incorporation, by-laws or mutual aid regulations is disclosed in the report furnished in accordance with the provisions of Art. 122 or in the inspection made in accordance with the provisions of the preceding Article, the administrative authorities can order the Association to take an appropriate corrective action.

- 2 In case any Association has carried on any other business than those authorized to perform under this Law or those specially authorized under other laws, or has disobeyed the orders as prescribed in the preceding paragraph, or has violated the provisions of Art. 80 or Art. 82 Pars. 2 and 3, the administrative authorities can order the dissolution of that Association.

(Revocation of Resolution, Election or Decision)

Article 125. In case any member (excluding the members prescribed in Art. 18 Par. 3 or Art. 94 Par. 2, and the member federations prescribed in Art. 88 Item (3), Art. 98 Item (2) or Art. 100-6 Par. 2), considering that the procedure to convene a general meeting of the members, the method of resolution or election violates any of the laws and ordinance, measures of the administrative authorities taken thereunder, the articles of incorporation or the by-laws, with the consent of one-tenth or more of the total membership (excluding the members prescribed in Art. 18 Par. 3 or Art. 94 Par. 2 and the member federations as prescribed in Art. 88, Item 3, Art. 98, Item 2 or Art. 100-6 Par. 2) and within one month from the

day of resolution, election or final decision of the persons elected, demands the revocation of that resolution, election or decision, the administrative authorities may, when it is deemed that there is any violation, revoke the resolution, election or decision.

- 2 The provision mentioned in the preceding paragraph shall apply with necessary modifications to the case of a constituent general meeting.

(Cancellation of Contract)

Article 126. The administrative authorities shall have authority to cancel the contract mentioned in Art. 24 Par. 1 (including any case in which the same paragraph is applied with necessary modifications in Art. 93 Par. 2, Art. 96 Par. 2, and Art. 100 Par. 2) if any such contracts are found to be in violation of the public interest.

(Meaning of Administrative Authorities)

Article 127. "The administrative authorities" referred to in this Law, except for the cases of Art. 72 (including the cases in which the same provision is applied with necessary modifications in Art. 86 Par. 4 Art. 92 Par. 5, Art. 96 Par. 5 Art. 100 Par. 5 and Art. 100-14 Par. 5) means the competent Minister in respect of any Association (excluding Fishermen's Production Association) having for its sphere the whole of, or a larger area than, the sphere of the Metropolis, Hokkaido or Prefecture; and in respect of any other Associations, it means the Governor of the Metropolis, Hokkaido or Prefecture who jurisdicts the principal office of the Association.

- 2 A part of the powers of the competent Minister as prescribed in the preceding paragraph may be delegated to the Governor of the Metropolis, Hokkaido or Prefecture.

## CHAPTER IX PENAL PROVISIONS

Article 128. In case any officer of an Association has, under whatever name it may be, made such actions as loaning or bill discounting beyond the business of the Association authorized or has disposed of any property belonging

thereto, for the sake of speculation, he shall be subject to an imprisonment with hard labor for a term not exceeding three years or a fine not exceeding ten thousand yen.

- 2 Persone who have committed the crime mentioned in the preceding paragraph may be subject to both imprisonment with hard labor and fine according to the circumstances.
- 3 The provision of Par. 1, however, shall not apply to the case which is provided for in the Criminal Law.

Article 129. In case any person fails to submit a report according to the provision of Art. 122 of this Law or the provisions of Art. 8 Par. 1 of the Warehousing Law which apply with necessary modifications in Art. 12 Par. 4 of this Law (including the case in which the same provision is applied with necessary modifications in Art. 92 Par. 1, Art. 96 Par. 1 and Art. 100 Par. 1 ; hereinafter the same in this Article), or submits a false report or refuses, prevents or evades the inspection prescribed in Art. 123 of this Law or Art. 8 Par. 1 of the Warehousing Law which apply with necessary modifications in Art. 12 Par. 4, he shall be subject to a fine not exceeding one thousand yen.

- 2 In case any representative, agent, employee or other worker of an Association has committed any act as prescribed in the preceding paragraph in connection with the business of the Association, the Association itself, in addition to the person who has so acted, shall be subject to the fine as specified in the same paragraph.

Article 130. Any officer or liquidator of an Association shall be subject to an administrative fine not exceeding ten thousand yen in the following cases :

- (1) In case an Association has engaged in any business other than those authorized to perform by this Law or specially authorized by other laws ;
- (2) In case it has acted in violation of the provisions of the proviso to Art. 11 Par. 3, the proviso to Art. 87 Par. 3 the proviso to Art. 93 Par. 2 or the proviso to Art. 97 Par. 2 ;

- (3) In case it has acted in violation of the provision of Art. 17 Par. 2 ;
- (4) In case it has acted in violation of the provision of Art. 24 Par. 2 (including cases in which the same provision is applied with necessary modifications in Art. 92 Par. 2, Art. 96 Par. 2, and Art. 100 Par. 2);
- (5) In case it has acted in violation of the provision of Art. 25 (including cases in which the same provision is applied with necessary modifications in Art. 92 Par. 2, Art. 96 Par. 2 Art. 100 Par. 2 and Art. 100-14 Par. 2);
- (6) In case it has acted in violation of the provision of Art. 36 (including cases in which the same provision is applied with necessary modifications in Art. 86 Par. 2, Art. 92 Par. 3 Art. 100 Par. 3 and Art. 100-14 Par. 3);
- (7) In case it has acted in violation of the provisions of Art. 38, Art. 39 or Art. 40 (including cases in which each of the same provisions is applied with necessary modifications in Art. 86 Par. 2, Art. 92 Par. 3, Art. 96 Par. 3, Art. 100 Par. 3 and Art. 100-4 Par. 3);
- (8) In case it has failed to keep the documents or to state therein the matters to be included, or has made any false statement therein or refused to make them open to public inspection without due cause, in violation of the provisions of Art. 42 (including cases in which the same provision is applied with necessary modifications in Art. 92 Par. 3, Art. 96 Par. 3, Art. 100 Par. 3 and Art. 100-14 Par. 3), Art. 43 (including cases in which the above mentioned provisions are applied with necessary modifications in Art. 86 Par. 2, Art. 92 Par. 3, Art. 96 Par. 3, Art. 100 Par. 3 and Art. 100-14, Par. 3) or Art. 84 ;
- (9) In case it has acted in violation of the provisions of Art. 44 Par. 5 or Art. 47 Par. 4 (including cases in which each of the same provisions is applied with necessary modifications in Art. 86 Par. 2, Art.

- 92 Par. 3, Art. 96 Par. 3, Art. 100 Par. 3 and Art. 100-14 Par. 3);
- (10) In case it has reduced the value of each unit of investment in violation of the provisions of Art. 53 or Art. 54 Par. 2 (including cases in which each of the same provisions is applied with necessary modifications in Art. 86 Par. 2, Art. 92 Par. 3, Art. 96 Par. 3 and Art. 100 Par. 3), or in case it has effected any amalgamation of capitalized Associations in violation of the provisions of Art. 53 or Art. 54 Par. 2 which apply with necessary modifications in Art. 69 Par. 4 (including cases in which each of the same provisions is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5 and Art. 100 Par. 5);
  - (11) In case it has acted in violation of the provisions of Art. 55, Art. 56 (including cases in which the same provision is applied with necessary modifications in Art. 86 Par. 2, Art. 92 Par. 3, Art. 96 Par. 3, Art. 100 Par. 3 and Art. 100-14 Par. 3) or Art. 85;
  - (12) In case it has acquired any share of its members or received it as the object of pledge, in violation of the provisions of Art. 58 (including cases in which the same provision is applied with necessary modifications in Art. 86 Par. 2, Art. 92 Par. 3, Art. 96 Par. 3 and Art. 100 Par. 3);
  - (13) In case it has acted in violation of the provision of Art. 68 Par. 5 (including cases in which the same provision is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5, Art. 100 Par. 5 and Art. 100-14 Par. 5);
  - (14) In case it has failed to mention in the documents the matters to be included therein under Art. 74 or Art. 75 (including cases in which each of the same provisions is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5, Art. 100 Par. 5 and Art. 100-14 Par. 5) or has made a false statement thereof;
  - (15) In case it has disposed of its property in violation

of the provision of Art. 75 (including cases in which the same provision is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5, Art. 100 Par. 5 or Art. 100-14 Par. 5);

- (16) In case it has neglected to give the public notice as prescribed in Art. 79 Par. 1 or Art. 81 Par. 1 of the Civil Code which apply with necessary modifications in Art. 77 (including cases in which the same provision is applied with necessary modifications in Art. 86 Par. 4, Art. 92 Par. 5, Art. 96 Par. 5, Art. 100 Par. 5, or Art. 100-14 Par. 5. hereinafter the same, in this Article), or has given any false notice thereof ;
- (17) In case it has effected performance to any obligee within the period of time prescribed in Art. 79 of the Civil Code which applies with necessary modifications in Art. 77, in violation of the provision of the same.
- (18) In case it has neglected to make an application for adjudication of bankruptcy in accordance with the provision of Art. 81, Par. 1 of the Civil Code which applies with necessary modifications in Art. 77 ;
- (19) In case it has acted in violation of the provision of Art. 100-5 Par. 1 ;
- (20) In case it has acted in violation of the provision of Art. 100-8 ;
- (21) In case it has acted in violation of the provision of Art. 100-10 Par. 1 ;
- (22) In case it has neglected to effect any registration under this Law or effected any false registration ;

Article 131. Any person who has acted in violation of the provisions of Art. 3 Par. 2, Art. 13 Par. 2 (including cases in which the same provisions are applied with necessary modifications in Art. 92 Par. 1, Art. 96 Par. 1 and Art. 100 Par. 1 and Art. 100-3 Par. 2) shall be subject to an administrative fine not exceeding one thousand yen.

## SUPPLEMENTARY PROVISIONS

The day on which this Law shall come into force shall be determined within ninety days as from the day of its promulgation by a Cabinet Order.