## **Agricultural Cooperative Law of Japan**

## **Chapter 1 General Rules**

第1章 総則

[Purpose] The 1st article

This law aims at improvement of the agricultural productivity and the raising up of the position of farmers economically and socially, through facilitation of agricultural cooperative organization activity, and contribution to the development of national economy.

[Competition against the Third Party] The 2nd article

The written procedures which should be resistered to authority cannot compete with the third party, if without registration.

[Definition] The 3rd article

In this law, a "farmer" means the individual farmers and the farming corporation. The farming corporation here is excluded the one over 300 hundred workers, or the one whose capital or the subscription total is 300 million yen or more.

(2) In this law, a "farmer" means the individual who performs agriculture oneself.

(3) In this law, "agriculture" means the business of cultivation, livestock raising, sericulture and related activities to those.

(4) In this law, the business of charcoal production is included in agriculture, if performed by the above farmers.

## Chapter 2 Agricultural Cooperative Association and the Federation

第2章 農業協同組合及び農業協同組合連合会

Section 1 General Rules 通則

[Name of an association] The 4th article

In the name of an "agricultural cooperative association" or an "agricultural cooperative federation", those terms must be included.

(2) Those who are not an "agricultural cooperative association" or an "agricultural cooperative federation" must not use these characters in the name.

[Corporation nature] The 5th article

An agricultural cooperative association and an agricultural cooperative federation are treated as the corporation. Hereafter, these are named as an "association" generically.

[tax-exempt] The 6th article

The amount of income of the association, which is the same as the dividend, given to the members according to the use quantity of the enterprise is tax-exempt in Tax Law.

[Address] The 7th article

The address of an association is located in the place of the main office.

[Prohibition of profit] The 8th article

An association must work for the greatest service for the members. It must not work for the profit of the association.

[Inapplicability of Private Antimonopoly Law] The 9th article

An association take an advantage of not to be applied the "Anti-Monopoly Law".

Section 2 Enterprise 事業

[Enterprise] The 10th article

An association can perform all or a part of the following enterprises.

1 Instruction for the Members agricultural management and improvement in technology. Members here include member cooperatives for the cooperative federation.

- 2 The enterprise of the loan for the enterprise and the life of the member.
- 3 Acceptance of savings money from the Member.
- 4 The enterprise of supply of goods required for the enterprise and the life of the member.

5 The enterprise and installation of a cooperative use institution, required for the enterprise and life of the member. (except for the medical treatment and old peoples welfare mentioned later).

6 The enterprise of institution for improvement of efficiency of agrarian labor, such as cooperative agricultural work.

- 7 The enterprise of the reclamation of agricultural land, its sale, rent and exchange, and the improvement of water management facilities.
  - 8 Conveyance of goods which a Member produces, processing, storage, sale.
  - 9 The institution of countryiside industry (note: ie; factory).
  - 10 The agricultural mutual aid (note: insurance).
  - 11 The institution of medical treatment.
  - 12 The institution of old peoples welfare.
  - 13 The institution of improvement of rural life and culture.
  - 14 Making agreement for improvement of a Members economical status.
  - 15 The enterprises which accompanies the enterprises above.

(2) The association which collect the subscription from members ("subscription association"), can operate farm as the association itself.

Otherwise the association must not operate farm. (note: An association should not interupt the members enterprise).

(3) Leace of agricultural land by association. (Abbreviation.)

(4) The associations ("nonsubscription association"), who does not collect subscription cannot perform the no3 (saving) or no 10 (mutual aid) enterprises.

(5) An subscription association can perform all or a part of enterprise next, besides the enterprise specified in the 1st clause.

- 1 the sale and leace of the agricultural land, which are considered proper to convert to other purpose rather than agriculture.
- 2 lease and rent of the agricultural land, which are considered proper to convert to other purpose rather than agriculture.
- 3 Purchase and sale of the agricultural land, which are considered proper to converted to other purpose rather than agriculture.

(6) The association which undertakes the enterprise of 1st section No. 3 (acceptance of savings) can undertake enterprise following (all or part of) for a Member.

- 1 Discount of a note.
- 2 Exchange transactions.
- 3 A guarantee of a debt or undertaking of a note.

2 of 3 Dealing of negotiable securities, over-the-counter financial derivatives transactions, etc.

4 Loan of negotiable securities.

5 Collection of undertaking of a national bond, a local bond etc.

6 Acquisition and transfer of a money claim.

2 of 6 Collection of the specific corporate bond which a special purpose company publishes.

3 of 6 Acquisition or transfer of a short-term corporate bond etc.

7 Private collection of negotiable securities.

8 The substitute business of financial institutions, such as the Central Cooperative Bank for Agriculture, Forestry and Fishery.

9 Receipt of money from government, municipal corporation, and a company etc.

10 Storage of the goods of negotiable securities, and the precious metals and others.

2 of 10 Sending of money.

- 11 Money Exchange.
- 12 Credit of a financial futures transaction etc.
- 13 Derivative dealings.
- 14 Mediation, commission, or the substitution of derivative dealings.

15 Negotiable-securities over-the-counter financial derivatives transactions.

16 Mediation, commission, or the substitution of negotiable-securities over-the-counter financial derivatives transactions.

17 The enterprise accompanying the above enterprises.

(7) -(31) financial transactions, Abbreviation.

[The total subscription amount] 2 of the 10th article

The total subscription amount of the association which undertakes the enterprise of 1st section No. 3 (savings) must be more than the amount defined by a government ordinance.

(2) In case of an agricultural cooperative association, the total amount of subscription must be at least 100 million yen (note: about 1 million US\$).

In case of federation, it must be at least 1 billion yen. However, in case of the unit association in specific conditions such as isolated island, it is 10 million yen or more.

[Credit enterprise regulation] The 11th article

When an association tries to undertake the enterprise of the 10th article 1st section 3 (savings), credit enterprise regulation must be defined and the approval of an administrative agency must be received.

(2) In the credit enterprise regulation of the preceding clause, you have to indicate the matter defined with a ministerial ordinance, about the kind and method of a credit enterprise (loans and savings).

(3) If change or abolition of credit enterprise regulation is not approved by an administrative agency, it is invalid.

(4) When the credit enterprise regulation about the matter defined with the special ministerial ordinance of the preceding clause are changed, you have to submit notice to an administrative agency immediately.

[Reservation of the soundness of management] 2 of the 11th article

The minister of agriculture can define the standard for judging the soundness of management for healthy management of the association, which undertakes the enterprise of the 10th article 1st section No. 3 (savings).

1 The standard of equity capital.

2 The standard about property which the association, its subsidiary, and an associated company, have.

3 The standard to use the surplus.

(2) The companies which the association owns the voting right that exceeds 50/100 are treated as the "subsidiary" of the association here.

(3) Abbreviation.

[Offer duty of information] 2 of 2 of the 11th article

The association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) must offer information about acceptance of savings or installment savings.

(2) Abbreviation.

[Supply of the credit to an identical person] 3 of the 11th article

The amount of money, which the association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) loan to one man, must not exceed the rate provided in the frame of the equity capital of an association by a government ordinance.

(2) Subsidiary. Abbreviation.

(3) The above mentioned are not applied to the credit to the government and the to the government guaranteed principal. (Note; They have no limit.)

(4) Abbreviation.

(5) Other important matters related are defined in the ministerial ordinance.

[The dealings with the specific persons concerned or prohibition of an act] 2 of 3 of the 11th article

The association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) must not conduct the next dealings among the specific persons concerned (subsidiary etc.).

However, it is unavoidable when the approval of an administrative agency is received which is reasonable.

1 That gives disadvantageous profit to an association.

2 That have possibility of exerting trouble on healthy and suitable execution of an association.

[Classification of account] 3 of 3 of the 11th article

The agricultural cooperative association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) has to do classify accounts between the credit enterprise and other enterprises.

[Mutual aid regulation] 4 of the 11th article

When an association undertakes the enterprise of the 10th article 1st section No. 10 (fraternal insurance), mutual aid regulation must be defined and the approval of an administrative agency must be received.

(2) In mutual aid regulation, you have to indicate the matter defined with an agriculture ministerial ordinance about an enterprise kind, the enforcement method, a mutual aid contract, mutual aid premiums, etc.

(3) If change or abolition of mutual aid regulation does not receive the approval of an administrative agency, it is invalid.

[Savings of the liability reserve of mutual aid] 5 of the 11th article

The association which undertakes the enterprise of the 10th article 1st section No.10 (fraternal insurance) must save a liability reserve shown by an agriculture ministerial ordinance.

[Classification of the accounts of mutual aid] 6 of the 11th article

The agricultural cooperative association which undertakes the enterprise of the 10th article 1st section No. 10 (fraternal insurance) has to classify account, between the mutual aid and other accounts.

[Restriction of property employment of mutual aid] 7 of the 11th article

The agricultural cooperative association which undertakes the enterprise of the 10th article 1st section No. 10 (fraternal insurance) must not employ the property, other than the method of defining with an agriculture ministerial ordinance.

[Credit regulation] 8 of the 11th article

Abbreviation.

- (2) Abbreviation.
- (3) Abbreviation.

[The crediter or the general succession peoples right] 9 of the 11th article Abbreviation.

(2) -(3) Abbreviation.

[Real estate loan based on a credit act] 10 of the 11th article Abbreviation.

[Authority to belong to administrative agency] 11 of the 11th article Abbreviation.

[End of credit] 12 of the 11th article

Credit is ended when it corresponds to each following.

1 When the agricultural cooperative association resigns a debtors duty.

2 When a debtors duty is completed.

3 When a debtor is dismissed.

4 When an agricultural cooperative association breaks up. Or when recognition of the credit regulation is canceled.

[Inapplicability of a law of credit] 13 of the 11th article

Abbreviation.

[Supply housing site enterprise] 14 of the 11th article

Regarding 10th article 5st section. Abbreviation.

(2) -(3) Abbreviation.

[Collective agreement] 15 of the 11th article

The collective agreement of the 10th article 1st section No. 14 is based on a document.

(2) Abbreviation.

[Farm management] 2 of 15 of the 11th

Abbreviation.

[Farm management regulation] 3 of 15 of the 11th article

When an association tries to undertake the enterprise of the 1st clause of the preceding article, farm management regulation must be defined and the approval of an administrative agency must be received.

(2) In the farm management regulation of the preceding clause, you have to indicate the matter defined with an agriculture ministerial ordinance.

(3) If change or abolition of farm management regulation does not receive the approval of an administrative agency, it is invalid.

2 of Section 2 Subsidiary etc. 第2節の2 子会社等

[range of the subsidiary of an agricultural cooperative association] 16 of the 11th article

The agricultural cooperative association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) calls it a "subsidiary target company".

- 1 Subordinate business to association shown in the government ordinances.
- 2 Business accompanied and related to association shown in the government ordinances

(2) Abbreviation.

(3) When it corresponds to either of the following, you have to submit notice to an administrative agency.

1 When it is going to make a subsidiary target company into a subsidiary.

2 When the subsidiary applicable to a subsidiary target company is no longer a subsidiary.

3 When the subsidiary applicable to a subsidiary target company stops corresponding.

(4) The minister in charge defines the standard of whether to perform subordinate business in the case of the 1st clause.

[Restriction of acquisition of voting rights by agricultural cooperative association] 17 of the 11th article

Abbreviation.

(2) -(7) Abbreviation.

[range of the subsidiary of an agricultural cooperative federation] 18 of the 11th article Abbreviation.

(2)-(10) Abbreviation.

[Restriction of acquisition of the voting rights by an agricultural cooperative federation] 19 of the 11th article

Abbreviation.

(2)-(3) Abbreviation.

Section 3 Member 組合員

[Membership Qualification] 12th Article

The qualification of the membership of the agricultural cooperative association is as follows, whici is defined in the Article of each association.

1 Farmer, except the association who operate farm management. (note: Regular member)

2 The individual who has the address in the area of the agricultural cooperative association. (note: Irregular member)

Those who have continued and received supply of the goods concerning the enterprise, or offer of service from the agricultural cooperative association. Those can use the facilities of the agricultural cooperative association.

3 The agricultural cooperative association, whose area is the same or a part of the areas of the agricultural cooperative association. (note: Irregular member)

4 agricultural organization, such as the Juridical Agricultural Union. (Note: If it operate farming, it is a regular member. If not, an irregular member.)

(2) The qualification of the membership of the agricultural cooperative federation is as follows. It is defined in the Article of the federation.

1 Association.

2 The organization who undertakes the same kind of enterprise as the association, which is established by other laws.

3 Corporation that the association is the main constituent or a main equity participant.

[subscription] The 13th article

An association can make a Member subscribe according to the articles of association.

(2) The Member of an subscription association has to have subscription of one or more lots.

(3) The amount of money of subscription of one lot must be uniform.

(4) The responsibility of the Member of an subscription association limits is up to its amount of subscription, besides the burden of the 17th-article regulation.

(5) A Member cannot be exempt payyment of subscription, with other method of payment.

[Rotation subscription] 2 of the 13th article

An subscription association may raise one more kind of subscription from a Member, according to regulation of articles, besides subscription by regulation mentioned in the preceding article.

It is a part of dividend corresponding to the amount of enterprise use. The period must be within five years.

(2) A Member cannot pay other fee instead, without paying the rotation subscription.

[Transfer of the share] The 14th article

If the Member of an subscription association does not get recognition of an association, he cannot transfer the share.

(2) In order for those who are not Members to inherit the share, you have to join an association.

(3) The grantee of the share inherits the rights and duties of the part.

(4) A Member cannot share the share with others.

[Responsibility of the Member of a nonsubscription cooperative association] The 15th article

The responsibility of the Member of a nonsubscription cooperative association is restricted to the burden of the cost by the  $17^{\text{th}}$  article regulation.

[Voting rights and the suffrage] The 16th article

A Member has one voting rights and the suffrage of an officer and a spokesperson respectively.

However, an irregular member does not have voting rights and the suffrage.

(2) An agricultural cooperative federation can grant two or more voting rights and the suffrages to its member according to the article of the federation.

(3) By the method of defining by articles of association, a Member can let a document or a representative pass, and can use voting rights and the suffrage.

(4) a Member can use the voting rights by electric method.

(5) The person using voting rights and the suffrage deals with it as an attendant by regulation of front 2 clause.

(6) A representative cannot act for five or more Members.

(7) A representative has to submit the documents proving a right of representation to an association.

[Levy of cost] The 17th article

An association can make a Member pay cost by the define articles of association.

(2) The Member is not exempted, just because he paid other fee about payment of the cost of the preceding clause.

[Fine] The 18th article

An association can impose a fine to a member by articles of association.

[Exclusive contract] The 19th article

An association can make the contract that a Member uses only the association institution, within the period which does not exceed one year.

(2) The contract of the preceding clause is made optional of the member. The association cannot refuse use of its institution because he does not make contract.

[Prohibition of disturbance of entry] The 20th article

When a person who has the qualification for the entry and has the will to become the member, the association must not refuce without the proper reason, and must not add more difficult condition than previous members .

[Arbitrary withdrawal] The 21st article

A Member can secede at the last of an accounting period, by warning 60 days before.

(2) The preliminary announcement period of the preceding clause is extensible in the articles of association. The period must be less than one year.

[Natural secede and expulsion] The 22nd article

A Member secedes for the left reason.

- 1 Lose the qualification as a Member.
- 2 Death or a dismissal.
- 3 Expulsion.

(2) Performing expulsion is decided at a general meeting about the Member applicable to one of the following reasons. In this case, an association must notify ten days before a general meeting, and must give the opportunity of his explanation at a general meeting.

1 The Member does not use the institution of an association for a long period of time.

2 The member did not pay the subscription, cost and did not keep other duty as a member.

3 the Member did the behave as defined in the articles of association.

(3) Expulsion of the preceding clause must be notified to the Member who dismissed.

[Equity repayment right in the case of withdrawal] The 23rd article

The Member of an subscription association can charge all or a part of withdrawal of the share by the definition of the articles of association, when it secedes.

(2) The share of the preceding clause with the property of the association is decided at the last day of the left accounting period.

[Payment claim of the amount of a loss] The 24th article

By calculation of the share, with the property of an association, when it cannot finish paying a debt, the Member who seceded can be asked for the amount of a loss.

[Prescription of an equity claim] The 25th article

The claim by regulation of two articles may be lost after two years from the time of withdrawal.

[Stop of equity withdrawal] The 26th article

abbreviation.

[subscription number reduction] The 27th article

abbreviation.

(2) abbreviation.

Section 4 Management 第4節 管理

[Items Mentioned in the article of the asociation, and the Model Article ] 28th Article

In the Articles of Association, you have to indicate the following. However, it is not necessary to indicate the No. 6, No. 8, and No. 9 in the articles of association of a nonsubscription cooperative association.

1 Enterprise.

2 Name.

3 Area.

4 The location of an office.

5 Qualification as a Member. Regulation about entry and secede as a Member.

6 The amount of money of subscription of one lot. The method of payment. The highest subscription number as one member.

7 Regulation about the assignment of cost.

8 Regulation about disposal of a surplus, and processing of loss.

9 The frame of an allowance, the method of the savings.

10 Regulation about an officers constant, the assignment of a job, an election, or election.

## 11 Accounting period.

12 The method of a public notice.

(2) Regulation about an election of the officer, the preceding clause No. 10. Must include ..... Abbreviation.

(3) Abbreviation.

[Matter defined by agreement] The 29th article

The following matters can be defined by agreement except the matter which must be defined in the articles of association.

- 1 Regulation about general meeting or a spokesperson meeting.
- 2 Regulation about execution and accounts of business.
- 3 Regulation about an officer.
- 4 Regulation about a Member.
- 5 Other matter needed.

[Officer election] The 30th article

An association places a director and an inspector as an officer.

(2) A directors constant may be five or more persons. An inspectors constant may be two or more persons.

(3) You have to put three or more full-time directors, including one or more full-time directors who take charge of a credit enterprise, if the association undertakes the enterprise of the 10th article 1st section No. 3 (savings).

(4) A Member elects an officer at a general meeting by the appointment of articles of association. However, the officer of an agricultural cooperative association can be elected besides a general meeting by the appointment of articles of association

(5) An election of an officer is based on a secret ballot.

(6) voting right per one person is only one. In case of the agricultural cooperative federation which grants a member the two or more suffrages, it is as written in the regulation of the federation.

(7) In an election of an officer, you have to place a count-of-the-votes administrator for every vote administrator, vote counting office for every place.

(8) When electing an officer, election record must be made by the administrator in each place and signed.

(9) When an officer is elected in places other than a general meeting, you have to establish a polling place in the place which is not interupted.

(10)-(13) abbreviation.

[Business management committee] 2 of the 30th article

An association can place a business management committee besides a director and an inspector as an officer, by the articles of association appoint. (note: in the case of a large-scale agricultural cooperative association).

(2) -(6) Abbreviation.

[an officers term of office] The 31st article

An officers term of office is set in the articles of association, which is less than three years.

(2) The term of office of the officer at the establishment is decided in an inaugural meeting, which is less than one year.

[Ban on a directors additional post] 2 of the 31st article

The officer and secretary who are representing the association which undertakes the enterprise of the 10th article 1st section No. 3 (savings), and a managing director, must not be engaged in other associations or the job of a corporation.

(2) A business management director cannot pursue a side business with a director, an inspector, or the employee of the association.

(3) An inspector cannot pursue a side business with a director or the employee of the association.

[Executive board] The 32nd article

An executive board settles the business and affairs of the enterprise of an association, and superintends execution of a directors job.

[business management committee] 2 of the 32nd article

abbreviation.

(2)-(7) Abbreviation.

[A directors job] The 33rd article

A director has to carry out the job faithfully for an association.

A director has to observe the resolution of supply enterprise enforcement regulations, such as the disposal of an administrative agency carried out based on laws, articles of association, agreement, credit enterprise regulation, mutual aid regulation, trust regulation, housing site regularion, farm management regulation, the decisions of a general meeting and the business management committee.

(2) When a director neglects the duty, the director has the responsibility which joins to an association and carries out reparations.

(3) On a directors job, when there is malice or serious negligence, the director has the responsibility and performing reparations.

(4) Also when a director indicates a falsehood about an important matter or carry out false registration and a false public notice, it is the same.

However, he is irresponsible when a director proves not having neglected cautions about having carried out the publication, registration, or a public notice.

(5) The commercial law correspondingly about the responsibility is applied, too.

[Contract between a director and an association] The 34th article

A director can contract with an association only within the case where recognition of an executive board is received.

[Duty to equip articles, agreement, regulation etc.] The 35th article

A director has to equip the following documents at the offices of association. Article of association, agreement, credit enterprise regulation, mutual aid regulation, trust regulation, housing site regulation, farm management regulation, Members name list .

(2) A director must place the following documents in preparation for main office for ten years. For five years the copy to a branch office. The record of a general meeting, an executive board, and the business management committee.

(3) On Members list, you have to indicate the following matters. However, it is not necessary to indicate the matter of No. 3 and No. 4 on the Member list of a nonsubscription cooperative association.

- 1 Name and the address.
- 2 The date of entry and Member qualification.
- 3 An subscription number.
- 4 The amount of subscription paid.

(4) A Member and the creditor of an association can read the documents of the 1st clause and the 2nd clause, and can ask for a copy at any time. In this case, a director must not refuse without proper reason.

[Duty of presentation and installation of business reporting document] The 36th article

A director has to draw up the following documents for every accounting period, and has to receive recognition of an executive board and the business management committee.

In case of a nonsubscription cooperative association, they are a business reporting document and a general inventory. In the case of an subscription association, they are a business reporting document, a balance sheet, an earning statement, a surplus disposal proposal or a charge-off proposal, and a supplementary statement. (2) The documents of the preceding clause must receive an inspectors audit.

(3) A director has to submit the documents of the 1st clause to an inspector seven weeks before the day of an ordinary general meeting except the supplementary statement.

(4) A director has to submit the supplementary statement of the 1st clause to an inspector within three weeks after the day, when submitted the documents of the preceding clause.

(5) An inspector has to submit an accountant report to a director within four weeks after the day which received the documents of the 3rd clause.

(6) Apply the commercial law correspondingly about the accountant report of the preceding clause.

Abbreviation.

(7) A director has to attach an accountant report and has to submit the documents of the 1st clause to an ordinary general meeting.

(8) A director has to have and place two weeks before the day of an ordinary general meeting. The documents have to be kept for five years at main office and 3 years at the branch offices as the copy.

(9) A Member and the creditor of an association can ask a director to show the documents and copy them at any time. In this case, a director must not refuse that without proper reason.

(10) Definition of the mentioned and the written method of documents of the 1st clause is decided by agriculture ministerial ordinance. A business reporting document, a balance sheet, an earning statement, and a supplementary statement.

[Submission of documents] The 37th article

The director of the agricultural cooperative association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) has to submit the documents of the profit and loss for every business segment, besides the documents of the 1st clause of the preceding article to an ordinary general meeting for every accounting year.

(2) The documents of the preceding clause must receive recognition of an executive board, or the business management committee, beforehand.

[Audit of the Central Union of Agricultural Cooperative] 2 of the 37th article

The association next must receive audit of the Central Union of Agricultural Cooperative, besides audit by the inspector inside the association.

"The specific association" which does not reach the scale defined by a government ordinance does not need this.

1 The agricultural cooperative association, which undertakes the enterprise of the 10th article 1st section No.3 (savings).

2 Agricultural cooperative federation.

(2) - (3) Abbreviation.

(4) A union must submit an accountant report to the inspector and director of a specific association within four weeks after the day when they receive the documents of the 2nd clause.

(5) The accountant report of the preceding clause must follow the commercial law.

(6) - (7) Abbreviation.

(8) In the accountant report of the preceding clause, you have to indicate the matter as next.

1 The reason and the outline of the method of self audit, when he does not accept the result of the audit by the union.

2 The outline of the method of audit of business other than accounts.

3 Abbreviation.

(9) The definition of the written method of the accountant report of the 4th clause and the 7th clause is shown with agriculture ministerial ordinance.

(10) About the union, the commercial law is applied as ...... abbreviation.

(11) The regulations from the 36th article 3rd clause to the 6th clause are not applied to the specific association.

(12) Abbreviation.

[Reelection claim of the officer] The 38th article

A Member (An irregular member is not included) can charge reelection of officers from the representative, by 1/5 or more signatures of the total Members.

(2) Abbreviation.

(3) You have to make simultaneously the claim by regulation of above 2 clauses about all the members of directors and business management committees, or all the inspectors.

.....Abbreviation.

(4) The claim by regulation of the 1st clause or the 2nd clause must be submitted to a director as the document, which indicate the reason of reelection or dismissal.

(5) When the claim by regulation of the 1st clause or the 2nd clause is submitted, the director must submit it to the general meeting.

(6) When the claim is submitted, the director must send it to all officials related by 7 days before the general meeting and give the opportunity of excecuse.

(7) At a general meeting, the officer related to the claim loses the position, when more than half participants agree.

[Application of Civil Code and commercial law] The 39th article

Abbreviation.

(2) - (3) Abbreviation.

[the case of an officer absence] The 40th article

When there is nobody who performe the officers job, and if the member or the interested party requre and there may be the damage of the association, the authority must choose the temporary directors or perform the election, or hold the general meeting to choose the officers.

(2) Abbrevition.

[A secretary and chief accountant] The 41st article

An association can assign the secretary and the chief accountant, at the main office or a branch office to make them perform the business.

(2) The choice and dismissal of the secretary and the chief accountant are decided at an executive board meeting.

(3) For the secretary, commercial law is applied.

[Ban of he employment of the officers from competition enterprise] The 42nd article

Those who are engaged in the enterprise which an association undertakes, and the enterprise which has a competition relation substantially, must not become the director, a business management committee member, an inspector, a secretary, or a chief accountant. The business of farming is not included here.

[The dismissal claim of a secretary and a chief accountant] The 43rd article

Abbreviation.

(2) -(4) Abbreviation.

[Call of an ordinary general meeting] 2 of the 43rd article

According to regulation of articles of association, the ordinary general meeting must be held in each annual fiscal year.

[Call of an extraordinary general meeting] 3 of the 43rd article

An extraordinary general meeting can be called at any time according to regulation of articles of association, when there is necessity.

(2) When a Member gets 1/5 or more consent of the total Members, and submits the documents which indicate the purpose of a meeting, and the reason, the executive board must call the general meeting.

An decision must be made to have the extraordinary general meeting within 20 days from the day of the claim. (An irregular member does not have right to participate this.).

(3) -(4) electromagnetism Abreviation.

[Call of the general meeting by an inspector] 4 of the 43rd article

When there is nobody who perform a directors job, or when not taking the necessary procedure for a general meeting to call, although there was a claim of the 2nd clause of the preceding article, and there is no reason with a just director, an inspector has to call a general meeting.

(2) Abbreviation.

[The notice or notification to a Member] 5 of the 43rd article

The necessary letters to the members must be sent to the address of the resistered address of the member.

(2) The notification of the preceding clause is considered to reach, as the day when the letter should usually reach.

(3) The notice of a general meeting call must be sent until 10 days before .

[Settling matter of a general meeting] The 44th article

The following matter must pass through the resolution of a general meeting.

1 Change of articles of association.

2 The setup, change, and abolition of , enterprise enforcement regulations, such as agreement, credit enterprise regulation, mutual aid regulation, trust regulation, housing site regulation, and farm management regulation.

3 A setup and change of the business plan of an annual fiscal year.

4 The method of levy the cost, and collection.

5 A business reporting document, a general inventory, a balance sheet, an earning statement, a surplus disposal proposal, a charge-off proposal.

6 Transfer of all enterprises to someone else.

7 Becoming the projector of establishment of an agricultural cooperative federation or the Central Union of Agricultural Cooperative, or to agree with the proceedings of the establishment preparation meeting.

8 Dismissal from an association or the Central Union of Agricultural Cooperative.

(2) If change of articles of association does not receive approval of an administrative agency, it is ineffective, except slight matters.

(3) Apply correspondingly the 59th article 2nd clause, 60th article, and 61st-article regulation about approval of the preceding clause.

(4) When an amendment of articles of the 2nd clause is carried out, you have to submit notice to an administrative agency, without being delayed.

(5) Abbreviation.

[The resolution method and the chairperson of a general meeting] The 45th article

The proceedings of a general meeting are decided by the majority of the voting rights at an attendant.

When the agreeing contrary is the same number, the chairperson determines.

(2) The chairperson is assigned at a general meeting.

(3) The chairperson does not have the right to join the decision of a general meeting as a Member.

[Matter which requires a decision specially] The 46th article

The following matters need 2/3 or more majority agreement, at the general meeting which is held by more than half of the total Members present. (The irregular members are not counted.).

- 1 Change of articles of association.
- 2 A dismissal and merger of an association.
- 3 A Members expulsion.
- 4 All enterprise transfer. Abbreviation.

[Amendment of articles of the federation for new business] 2 of the 46th article Abbreviation.

[Application of Civil Code and commercial law to a general meeting] The 47th article abbreviation.

[Spokesperson meeting] The 48th article

The association which has 500 or more Members can prepare a spokesperson meeting, instead of a general meeting, according to regulation of articles of association. (An irregular member is not included.).

(2) A spokesperson must be a Member. (An irregular member is not included.).

(3) A spokespersons constant must be 1/5 or more of the total of the Member at the time of an election. In case of the association that takes spokesperson system, with more than 2,500 members, the spokespersons must be 500 or more). (Irregular members are not included.).

(4) According to regulation of articles of association, a Member can elects spokesperson at a general meeting. However, according to regulation of articles of association, the spokesperson can be elected outside of a general meeting.

(5) A spokespersons term of office is less than three years, and it is set in the articles of association.

(6) Apply correspondingly to the regulation from the 30th article, 5th to the 9th clauses to a spokesperson.

(7) Apply to the regulation about a general meeting correspondingly to a spokesperson meeting.

(8) At a spokesperson meeting, an election of a spokesperson cannot be performed.

[The vote for dismissal or merger] 2 of the 48th article

Abbreviation.

(2)-(5) Abbreviation.

[Reduction of the one lot money of subscription] The 49th article abbreviation.

(2) - (3) Abbreviation.

[A creditors objection] The 50th article Abbreviation.

(2) - (3) Abbreviation.

[Transfer of a credit enterprise] 2 of the 50th article

Abbreviation.

(2)-(7) Abbreviation.

[Transfer of a mutual aid enterprise] 3 of the 50th article

Abbreviation.

(2)-(5) Abbreviation.

[Application of the commercial law about documents] 4 of the 50th article abbreviation.

[Savings of an allowance and transfer of a surplus] The 51st article

An subscription association must save 1/10 or more of the surplus of an annual fiscal year as an earned surplus reserve, until it reaches the frame defined in the articles of association.

In case of the association which undertakes the enterprise of savings, it must be 1/5 or more.

(2) As for the amount of the earned surplus reserve defined in the articles of association of the preceding clause, a lower intermediary must be 1/2 or more of the total subscription amount. The total subscription amount to the association which undertakes the enterprise of savings must be at least the amount of the total subscription.

(3) An subscription association must save the amount of money hung up over the next as additional paid-in capital.

Abbreviation.

(4) -(7) Abbrviation.

[Restriction of dividend] The 52nd article

The dividend of the surplus of an subscription association can be performed within the limit of the frame, which deducted and obtained the amount of money as follows, from the frame of the net assets in the day of an accounting period end.

1 The total subscription amount.

2 The frame of the earned surplus reserve of the 1st clause of the preceding article, and the additional paid-in capital of the 3rd clause.

3 The frame of an earned surplus reserve.

4 The frame of the balance carried forward of the 7th clause of the preceding article.

5 In addition, the frame defined with an agriculture ministerial ordinance.

(2) The dividend of a surplus is based on the method defined in the articles of association. It is responded to either the rate of the amount the enterprise use, or the amount of the subscription which is within interest of less than 8%.

[Supplementation of loss by a rotation subscription] 2 of the 52nd article

An subscription association can appropriate a rotation subscription for the supplement of loss.

(2) Abbreviation.

[Standard for maintainance of processing financial affairs] 3 of the 52nd article

In order to clarify the financial relation between an association and its Member, and to preserve a Members profits, the Ministry of Agriculture defines a standard for an association to process financial affairs proper by a government ordinance.

[Appropriation to payment of a surplus] The 53rd article

An subscription association cannot pay to a Member the surplus for subscription payment, until a Member finishes payment of subscription, according to regulation of articles of association.

[Prohibition of the acquisition of proprietary interest of an association] The 54th article

An subscription association cannot acquire a Members share or cannot receive it, as a right of pledge.

(2) A national federation can acquire a members share, when it merges with the agricultural cooperative federation which is its member.

(3) When a national federation acquires a members share, it has to dispose promptly.

[Operating report] 2 of the 54th article

The association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) must draw up the operating report, which indicate business and the situation of property for every accounting period, and must submit it to an administrative agency.

(2) -(4) Abbreviation.

[Inspection of the descriptions about business and situation of property] 3 of the 54th article

The association which undertakes the enterprise of the 10th article 1st section No. 3 (savings) must draw up descriptions, and must show it to everybody by main office.

(2) In having a subsidiary etc., it omits.

(3) Define matters, such as an inspection period, with a specialist ministerial ordinance.

(4) The association of the 1st clause must strive for the indication of documents, in order that a savings person etc. may know the situation of an association.

Section 5 Establishment 第5節 設立

[Projector] 55th Article

In Order to Found Agricultural Cooperative Association, 15 or more farmers Need to become the projector.

In order to found an agricultural cooperative federation, the projector must be two or more associations.

[Holding of an establishment preparation meeting] The 56th article

Abbreviation.

(2) Abbreviation.

[Determination of the basic matters, and the election of association article creation committee] The 57th article

Abbreviation.

(2) In case of an agricultural cooperative association, an association article creation committee is consist of 15 or more farmers.

In case of an agricultural cooperative federation, they are two or more associations.

(3) The consent of the majority at an attendant determines the proceedings of an establishment preparation meeting.

[Inaugural meeting] The 58th article

When an association article creation committee creates articles of association, a projector has to announce it publicly with the time and the place of an inaugural meeting to hold an inaugural meeting.

(2)-(7) Abbreviation.

[Establishment approval application] The 59th article

After an inaugural meeting, without delay, a projector has to submit articles of association and a business plan to an administrative agency, and has to apply for approval of establishment.

(2) A projector has to submit the report about establishment of an association, when required from an administrative agency.

[Restraint of right of approval of an administrative agency] The 60th article

An administrative agency has to approve the same clause, which requires the application of the 1st clause of the preceding article for the application, except for the following cases.

1 When the procedure of establishment and the contents of articles of association or the business plan break decision of a statute and an administrative agency.

2 When the condition of the association is not enough to perform the enterprises.

3 In case of an agricultural cooperative association, when the area is overlapping with the area of other agricultural cooperative associations and it is inconvenient.

3 In case of an agricultural cooperative federation, when the enterprise is partly the same as the agricultural cooperative association union, and may make inconvenience to the activity of the union.

(2) An administrative agency has to talk to the other association or union before approving the foundation, if the area overlaps.

[Determination of approval or disapproval] The 61st article

As for the time, the application of the 59th article 1st clause must be notified yes or no, within two months from the day when received the application, by the administrative agency.

(2) If the administrative agency does not notify within the period of the preceding clause, the approval is regarded as being approved.

(3) -(5) Abbreviation.

[Delivery of a projectors office work and 1st payment of subscription] The 62nd article

When there is approval of the 59th article 1st clause, a projector has to hand over the office work to a director without delay.

(2) -(3) Abbreviation.

[Formation by registration] The 63rd article

An association is founded when the registration to the authority is made at the location of main office

(2) If the association does not resister within 90 days after approval, the administrative agency can cancel the approval.

[Application of the commercial law] 2 of the 63rd article

The commercial law is applied correspondingly about establishment of an association.

Section 6 Dismissal and Liquidation 第6節 解散及び精算

[Dismissal] 64th Article

The association is dispersed for the reason as follows.

- 1 The decision of a general meeting.
- 2 The merger of an association.
- 3 Bankruptcy of an association.

4 Expiration of existence time.

5 A command of the dismissal by 2 of the 95th article regulation.

(2) If the decision of a dismissal does not receive approval of an administrative agency, it is ineffective.

(3) Application with necessary modifications of other articles.

(3) If the Member number by regulation of the 12th article 1st section No. 1 disperses an agricultural cooperative association to less than 15 persons at the time, the association must dismiss and report it to the authority soon.

(4) - (6) Abbreviation.

[Requirements for a merger] The 65th article

When an association merges, it has to carry out a merger decision at a general meeting.

(2) If a merger does not receive approval of an administrative agency, it is ineffective.

(3) - (5) Abbreviation.

[Procedure of merger] The 66th article Abbreviation.

(2) -(4) Abbreviation.

[Generating of the effect of the merger by registration] The 67th article

The merger of an association produces effect because the association therefore established is main office and carries out the 79th-article registration to the association or merger continued.

[Succession of the rights and duties by merger] The 68th article

The association, which is continued after a merger or the association therefore established to the merger, inherits the rights and duties of the association, which disappeared.

[Application of the commercial law about merger] The 69th article

Abbreviation.

[Succession by the members rights and duties of federation] The 70th article

Abbreviation.

(2)- (4) Abbreviation.

[Reckoner] The 71st article

Abbreviation.

(2) Abbreviation.

[A reckoners job] The 72nd article Abbreviation.

(2) - (3) Abbreviation.

[Annual Report] 2 of the 72nd article

abbreviation.

[Application of commercial law] 2 of 2 of the 72nd article

Abbreviation.

### **Chapter 2-2 Juridical Agricultural Union**

第2章の2 農事組合法人

Section 1 Connoisseur Rule 第1節 通則

[Purpose] 3 of 72nd Article

Juridical agricultural union aims at the cooperation of the member agricultural output and at the increase of common profits.

[monopoly of a name] 4 of the 72nd article

Abbreviation.

(2) Abbreviation.

[juridical personality] 5 of the 72nd article

Abbreviation.

[Tax-exempt] 6 of the 72nd article

Abbreviation.

[Address] 7 of the 72nd article

Abbreviation.

Section 2 Enterprise 第2節 事業

[Enterprise] 8 of 72nd Article

Juridical agricultural union Can Undertake Enterprise as follows.

1 The enterprise for the installation of the joint use institution concerning agriculture and communalization of agricultural work.

2 Enterprise of agricultural management.

3 The enterprise which attaches to the enterprises above.

(2) -(3) Abbreviation.

[Inapplicability of private Antimonopoly Law] 2 of 8 of the 72nd article

Private Antimonopoly Law is not applied.

[number of those who are always engaged in enterprise of the Juridical agricultural union] 9 of the 72nd article

Abbreviation.

Section 3 Member, Management, Establishment, Dismissal, and Liquidation

#### 第3節 組合員、管理、設立、解散及び精算

[Membership Qualification] 10 of 72nd Article

Abbreviation.

1 Farmer.

2 Association.

3-4 Abbreviation.

(2)-(3) Abbreviation.

[the items mentioned in articles of union] 11 of the 72nd article

Abbreviation.

[officer] 12 of the 72nd article

Abbreviation.

[Duty of presentation and installation of business report] 2 of 12 of the 72nd article Abbreviation.

(2)-(3) Abbreviation.

[Settled matter of a general meeting] 13 of the 72nd article

The following matters must pass through the decision of a general meeting.

1 Change of articles of union.

2 A setup and change of the business plan of an annual fiscal year.

3 A business reporting document, a general inventory, a balance sheet, an earning statement and a surplus disposal proposal, a charge-off proposal.

(2) When articles is amended, it must be submitted to administrative agency within two weeks.

[Matter which requires majority decisions] 14 of the 72nd article

The following matter is decided by the 2/3 or more majority of the total Member.

1 Change of articles of union.

- 2 Dissolution and merger.
- 3 Members expulsion.

[restriction of a dividend] 15 of the 72nd article

Abbreviation.

(2) Abbreviation.

[establishment] 16 of the 72nd article Abbreviation.

(2) -(4) Abbreviation.

[dismissal] 17 of the 72nd article Abbreviation.

(2) Abbreviation.

[Election of founding director and merger] 18 of the 72nd article Abbreviation.

(2) -(3) Abbreviation.

[application of Membership in this law] The 73rd article Abbreviation.

(2)- (3) Abbreviation.

Section 4 Organization Change 第4節 組織変更

[Incorporated Company or Limited Company] 2 of 73rd Article

subscription juridical agricultural union can become Incorporated Company or Limited Company.

[recognition of a general meeting] 3 of the 73rd article

#### Abbreviation.

(2) - (5) Abbreviation.

[Public notice of organization change] 4 of the 73rd article

Abbreviation.

(2) Abbreviation.

[Withdrawal] 5 of the 73rd article

Abbreviation.

(2)-(3) Abbreviation.

[Assignment of the share] 6 of the 73rd article

Abbreviation.

(2)-(4) Abbreviation.

[Restriction of capital] 7 of the 73rd article Abbreviation.

(2) Abbreviation.

[Additional paid-in capital] 8 of the 73rd article

Abbreviation.

(2) Abbreviation.

[Right of pledge] 9 of the 73rd article Abbreviation.

(2) Abbreviation.

[Registration] 10 of the 73rd article Abbreviation.

[A Members adjustment of status] 11 of the 73rd article Abbreviation.

(2) Abbreviation.

[Notification of organization change] 12 of the 73rd article Abbreviation.

[Installation of documents] 13 of the 73rd article Abbreviation.

[Invalid petition of organization change] 14 of the 73rd article Abbreviation. (2) Abbreviation.

### Chapter 3 The Central Union of Agricultural Cooperative

第3章 農業協同組合中央会

Section 1 Connoisseur Rule 第1節 通則

[Purpose of Central Union] 15 of 73rd Article

The Central Union of Agricultural Cooperative aims at healthy development of associations.

[Prefectural union and National Union] 16 of the 73rd article

Unions consist of the central union and prefectural union.

[Restriction of name use] 17 of the 73rd article Abbreviation.

[Juridical personality] 18 of the 73rd article Abbreviation.

[Address] 19 of the 73rd article Abbreviation.

[Area] 20 of the 73rd article

The area of prefectural union is the zone of all prefectures. The area of Central Union is all over the country.

(2) The union for one area must be only one.

[State subsidy] 21 of the 73rd article

Government can assist a part of cost which the enterprise of a central union takes within the limits of a degree budget every year.

Section 2 Enterprise 第2節 事業

[Range of Enterprise] 22 of 73rd Article

Central Union undertakes enterprise as follows.

1 The guidance of the organization, enterprise, and instruction of management of the association.

- 2 Audit of an association.
- 3 Education to an association, and offer information.
- 4 Mediation of the dispute related to connection of an association.
- 5 Investigation and research on an association.
- 6 In addition, the enterprises needed to attain the purpose of a union.

(2) A central union can express an opinion to an administrative agency about the matter of an association.

(3) A central union can define the example of model articles of association.

[Guidance] 23 of the 73rd article

Central Union can aims at enterprise osmosis thoroughness, and performs comprehensive adjustment of prefectural union.

(2) Central union can let prefectural union talk to central union, or make report, if needed.

[Inapplicability of private Antimonopoly Law] 24 of the 73rd article

Private Antimonopoly Law is not applied.

[Collection of a report] 25 of the 73rd article

A central union can ask for presentation of a report and data about an organization, an enterprise, and the situation of management, to the association, according to regulation of articles of association.

(2) The director of an association has to report the contents of the instruction to a general meeting by the method of defining with an agriculture ministerial ordinance.

[Audit regulation] 26 of the 73rd article

When trying to undertake the enterprise of the 73rd article of the 22 1st section No. 2 (audit of an association), a central union must define audit regulation and must receive the approval of the minister in charge.

(2) You have to indicate the matter about service of a formal formal audit person, the audit regulation of the preceding clause, the point of audit, the method of enforcement, and an agricultural cooperative association.

(3) In order to change and abolish audit regulation, you have to receive the approval of the minister in charge.

[Audit] 27 of the 73rd article

A central union must hear the opinion of the minister in charge, and a prefectural governor, and must define an audit implementation plan.

(2) Provide an object association, enforcement time, the number of the personnel specializing in audit, etc. must be in an audit implementation plan.

(3) -(6) Abbreviation.

Section 3 Member 第3節 会員

[Member] 28 of 73rd Article

There are regular and irregular members in each union.

(2) - (5) Abbreviation.

[Subscription and withdrawal] 29 of the 73rd article

Abbreviation.

(2)-(5) Abbreviation.

[Voting rights and the suffrage] 30 of the 73rd article

Abbreviation.

(2) Abbreviation.

[Collection of cost] 31 of the 73rd article

Abbreviation.

[A notification] 32 of the 73rd article

About the notice from a union to a member, regulation of 5 of the 43 article 1st clause, and the 43rd article 2nd clause, are applied correspondingly.

Section 4 Management 第4節 管理

[Articles of central union] 33 of 73rd Article

In the Articles of central union, the following matters must be written.

1 Enterprise.

2 Name.

3 The location of an office.

4 Regulation about the subscription and withdrawal of qualification, and a qualification to becomes a member.

5 Regulation about the assignment of cost.

- 6 Regulation about execution and accounts of business.
- 7 Regulation about an officers constant, the assignment of a job, and election.
- 8 Regulation about the number of representatives, and their election.
- 9 Accounting period.
- 10 The method of a public notice.

(2) If change of articles of union does not receive the ministers in charge approval, it is invalid. A slight thing is exceptional.

(3) When articles is amended, you have to submit notice to the minister in charge, without delay.

[Officer] 34 of the 73rd article

The one chairperson, one vice president, five or more directors, and two or more inspectors are put on a central union. In case of National Central Union, the vice president must be 3 or more.

(2) -(5)Abbreviation.

[An officers job] 35 of the 73rd article

The chairperson manages the business on behalf of a central union.

(2) A vice chairperson assists the chairperson and manages the business of a central union. When the chairperson has an accident, the chairpersons job is executed by a vice chairperson, and the work is performed when the chairperson is a vacancy.

(3) A director assists the chairperson and a vice chairperson and manages the business of a central union. When the chairperson and a vice chairperson have an accident, the job is executed and the work is performed at the time of a vacancy by directors.

[Prohibition of an officers self-contract] 36 of the 73rd article

When a central union make the contracts with the chairperson, a vice chairperson, a director, or the inspector, represent the central union.

[Application of the commercial law and Civil Code to an officer] 37 of the 73rd article

Abbreviation.

[formal audit person] 38 of the 73rd article

The central union must employ the agricultural cooperative association formal audit person, if it performs the audit.

(2) -(4) Abbreviation.

[Call of a general meeting] 39 of the 73rd article

The chairperson has to hold an fiscal year ordinary general meeting according to regulation of articles of the central union.

(2) The chairperson can hold an extraordinary general meeting at any time, according to regulation of articles of central union, when necessary.

[General meeting of prefectural central union] 40 of the 73rd article

The general meeting of an prefectural union can be organized by a representative provided in articles of central union.

(2) A representative has one voting rights respectively.

(3) Representatives are those whom the regular members elect.

(4) A representative is the director of the association which is a regular member.

(5) A representatives constant carries out with about 1/10 or more of a regular members total, and define it in the articles of central union.

(6) A representatives term of office is less than three years, and set it in the articles of union.

(7) Apply an election of a representative correspondingly from the 30th article 5th clause to the 9th clause.

[General meeting of National Central Union] 41 of the 73rd article

The general meeting of the National central union carries out the intermediary organization also for the representative.

(2) the representative are from the following.

1 Those whom the regular member elected for every zone of all prefecture.

2 The chairperson of an prefectural central union.

3 The federation that overlap the zone of prefectures, which is a regular member.

4 One business management committee member of the Central Cooperative Bank for Agriculture (national agricultural bank).

(3) -(4) Abbreviation.

[Special case of representative election] 42 of the 73rd article

Abbreviation.

(2) -(3) Abbreviation.

[Matter requires the decision of a general meeting] 43 of the 73rd article

The matters as follows must pass through the decision of a general meeting.

1 Change of articles of central union.

2 Dismissal.

- 3 A members expulsion.
- 4 Dismissal of an officer.
- 5 A setup and change of the business plan of each annual year.
- 6 Levy of cost, and the method of collection.

(2) -(3)Abbreviation.

Section 5 Establishment 第5節 設立

[Establishment] 44 of 73rd Article Abbreviation.

(2)-(5) Abbreviation.

[Approval application of establishment] 45 of the 73rd article

Abbreviation.

(2) Abbreviation.

[Office delivery of a projector] 46 of the 73rd article

When there is approval, a projector has to hand over office work to the chairperson, without delay.

[Effect of registration of establishment] 47 of the 73rd article

Abbreviation.

Section 6 Dismissal and Liquidation 第6節 解散及び精算

[Dismissal] 48 of 73rd Article

The union is dispersed for the reason as follows.

- 1 The decision of a general meeting.
- 2 Bankruptcy.

(2) If the decision of a dismissal does not receive the ministers in charge approval, it is invalid.

(3) Application with necessary modifications. Abbreviation.

# **Chapter 4 Registration**

第4章 登記

[registration of establishment] The 74th article

Abbreviation.

(2) - (5) Abbreviation.

[Registration of a branch office] The 75th article

Abbreviation.

(2) Abbreviation.

[Registration of relocation of an office] The 76th article Abbreviation.

(2) Abbreviation.

[Change of registration] The 77th article

Abbreviation.

(2) Abbreviation.

[Registration of job suspension of execution of a director] 2 of the 77th article Abbreviation.

[Registration of a dismissal] The 78th article Abbreviation.

[Registration of a merger] The 79th article Abbreviation.

[Registration of a liquidation end] The 80th article Abbreviation.

[Registration of organization change] The 81st article Abbreviation.

(2) Abbreviation.

[Jurisdiction register office] The 82nd article Abbreviation.

(2) Abbreviation.

[Application of registration of establishment] The 83rd article Abbreviation.

(2) -(3) Merger. Abbreviation.

84th article deletion (1963 law No. 126)

[Attached papers of change registration application] The 85th article

Abbreviation.

(2)- (3) Abbreviation.

[Application of registration of a dismissal] The 86th article Abbreviation.

(2) Abbreviation.

87th article deletion (2001 law No. 94)

[Application of registration of a liquidation end] The 88th article Abbreviation.

[Application of registration of organization change] The 89th article Abbreviation.

[The initial date in reckoning of registration] The 90th article Abbreviation.

[Public notice of a registration matter] The 91st article

Abbreviation.

[Application of Commercial Registration Law] The 92nd article

Abbreviation.

# **Chapter 5 Supervision**

第5章 監督

[Collection of reports] The 93rd article

The administrative agency can require reports to associations, unions, juridical agricultural unions, regarding the situation of each organization to investigate if they are adjusting to the law, article, agreement, credit enterprise regulation, mutual aid regulation, trust regulation, housing site regulation, farm management regulation, the officer, employees, an enterprise quantity, other data about a general situation.

(2) When it seems that there is especially necessity in order to know the situation, the administrative agency can ask a subsidiary the report of the business, accounts to the association, union and juridical agricultural union, at the necessary minimum range.

(3) The "subsidiary" of the preceding clause is the company, more than half of the voting rights is held by the association etc.

(4)-(5) Abbreviation.

[Inspection of enterprise or situation of accounts] The 94th article

When there is doubt in business breaking in accounts of an association or the central union, and when 1/10 or more of the members ask, the administrative agency has to inspect the business and accounts.

(2) The administrative agency can inspect the association, the central union and juridical agricultural union, at any time, if there is a doubt of breaking the rules.

(3) The administrative agency can inspect the association at any time, if there is a need to check the healthy management of the association that undertakes the 10th article 1st section of No. 3 (savings) or the enterprise of No. 10 (mutual aid (insurance).

(4) An administrative agency has to inspect the association which undertakes the 10th article 1st section of No. 3 (savings) or the enterprise of No. 10 (mutual aid), and the the association that has wider zone of a prefecture, and a central union every year.

(Notes: in fact the frequency is once in a few years).

(5) When there is a especial need, the administrative agency can inspect the subsidiary at the range of necessity.

(6) Apply regulation of the 5th clause of the preceding article to inspection of a subsidiary.

[Right of a command by administrative agency] 2 of the 94th article

The administrative agency, when there is a need, can require the association which undertakes the enterprise of the 10th article 1st section No. 3 (savings), the improvement plan, about a credit enterprise, and its change, to maintain the proper management of the enterprise.

(2) The administrative agency, when there is a need for maintainance of the proper management of the enterprise or for protection of the members, it can require the association which undertakes the enterprise of the 10th article 1st section No. 3 (savings), to change the articles of association etc., deposit of property, prohibition of property disposal, and other supervisions.

(3) The administrative agency, when there is a need for maintainance of the proper management of the enterprise or for protection of the members, it can require the association which undertakes the enterprise of the 10th article 1st section No. 10 (mutual aid), to change of articles of association etc., to stop a part of business, and deposit of property, and to prohibit property disposal, and other supervisions.

(4) Abbreviation.

(5) An administrative agency can direct the business and accounts of a central union for its healthy management.

[Measure to Illegal act] The 95th article

After the 93rd-article report or the 94th-article inspection, when breaking statutes are recognized, the administrative agency can command the nessary measures to assosiations, agricultural cooperative union, or central union.

(2) When an assosiations, agricultural cooperative union, or central union does not follow the command, an administrative agency can order it to stop business or reelection of officers.

(3) When an association breaks credit enterprise regulation etc. and does not follow a command by the administrative agency, the administrative agency can cancel each recognition of regulation.

[Dismissal command by an administrative agency] 2 of the 95th article

In the following cases, the administrative agency can order the dismissal of the association or juridical agricultural union.

1 When they performed the enterprise which is not accepted in law.

2 When the association does not begin or stop the enterprise for one year or more, without proper reason,

3 When breaking a statute and not following a command of an administrative agency.

[Public announcement]3 of the 95th article

Abbreviation.

(2) Abbreviation.

[Listening of an opinion from the central union] 4 of the 95th article

When the administrative agency is going to order disposal of the 95th article 3rd clause or 2 of the 95th article, to an association, it must listen to the opinion of the prefectural central union, if the area of the association is wider than the prefecture, the opinion of national central union, beforehand.

[Cancellation of a decision, an election, and success in an election] The 96th article

When 1/10 or more of members has agreed and submit the claim within one month of the general meeting, on the procedure of the general meeting, the method of a decision, and the election had violation, and when the administrative agency finds they are illegal, it can cancel a resolution or the election.

(2) Abbreviation.

[Cancellation of the contract for mon-use of the association institution] The 97th article

When it is admited that the contract by regulation of the 19th article 1st clause breaks public benefit, the administrative agency can cancel the contract.

[Conditions with approval] 2 of the 97th article

An administrative agency can attach or change conditions in the applied plan, when it approve and the recognize each regulation.

(2) The conditions of the preceding clause must be minimum needed.

[Definition of administrative agency] The 98th article

In this law, the "administrative agency" is the Minister of Agriculture and prefectural government for the inspection in general.

For the association, central union and agricultural cooperative union, whose area is not wider than the area of prefecture, it is prefectural governor. For saving enterprise, they are the Ministers in charge and the Governor.

(2) The minister in charge in this law is taken as the Minister of Agriculture. About the inspection, they are both the Prime Minister and the Minister of Agriculture.

(3) Abbreviation.

(4) The Prime Minister is independently prompt in inspection. The Minister of Agriculture is notified of a result.

(5) The Minister of Agriculture report the result of inspection promptly to the prime minister, when it performs the inspection independently.

(6)-(9) Abbreviation.

(10) A prefectural governor can perform a part of authority of the Minister of Agriculture according to this law, and the Financial Services Agency director general, by the government ordinance.

[Deliberations to the Minister of Finance] 2 of the 98th article

Abbreviation.

[Notice to the Minister of Finance] 3 of the 98th article

Abbreviation.

[Data presentation to the Minister of Finance]4 of the 98th article

Abbreviation.

[Business Classification] 5 of the 98th article

Abbreviation.

## **Chapter 6 Penal Regulations**

第6章 罰則

[Penal regulations to exceed an officers authority] The 99th article

When the officer of an association loans funds exceeding the range of the enterprise of an association or disposes of the property of an association for a speculation transaction, the punishment is three or less years of penal servitude, or a 1 million or less years of penal servitude, or a 1 million or less years of penal servitude, or a 3 million or less years of penal servitude.

(2) At the crime of the preceding clause, the penal servitude and a fine can be burdened together, according to the extenuation.

(3) When the criminal code describes, the regulation of the 1st clause is not applied.

[Penalty] 2 of the 99th article

The person applicable to the next is one or less year of penal servitude, or a 3 million or less yen fine.

1 Those who did not submit the operating report or made false report to the administrative agency.

2 Those who did not present operating report or present the false report to the public.

(2) When the representative of an association who undertakes the enterprise of savings, the representative, an employee, or the worker misconduct the preceding clause, the doer is punished, and the association is fined 200 million or less yen monetary penalty at the same time.

[Penal regulations of disturbance of a report and inspection] The 100th article

Those, who did not submit the 93rd-article report, made false report, or resisted the 94tharticle inspection, are fined 500,000 or less yen.

In case of the association who performs the enterprise of saving, it is one year or less of penal servitude, or a 3 million or less yen fine.

(2) abbreviation.

[Penalty to the agricultural cooperative union]2 of the 100th article

Abbreviation.

1-7 Abbreviation.

[Administrative fine of an officer or a reckoner] The 101st article

In the following case, an officer and a reckoner cope at a 500,000 or less yen administrative fine. But if they are fined by the crime law, the punishment here is not applied.

1 When the enterprise which is not accepted in laws is performed.

2-19 Abbreviation.

(2) Abbreviation.

[Penal regulations of violation of prohibition of competitive work] 2 of the 101st article

To those who break the 42nd-article regulation, the administrative fine is 200,000 or less yen.

[Penal regulations of violation of duty to keep secret concerning audit] 3 of the 101st article

When the officer or the central union leaks a secret to others without a proper reason, or steals it, the administrative fine is 200,000 or less yen. The penalty is the same even after retirement.

[Penal regulations of name use restriction violation] The 102nd article

Those who break the name use restriction is fined 100,000 or less yen.

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(Note from the Transitional Translator)

英文への仮翻訳者からのお願い

This transitional English translation of "Agricultural Cooperative Association Law of Japan" was made, in order to deepen an understanding for the developing countries, about the contents of the agricultural cooperative association system of Japan. It is extracted and simplified the complicated expressions.

So, is not exact. It is only transitional translation by an non-professional translator. There are very few materials related to Japanese Agricultural Cooperative Association in foreign languages. If you need to use the translation of this law at some official occasion, please refer to the Japanese original text, or please ask professional translator, rather than using this transitional translation.

I expect your kind fogiveness in the mistakes and misunderstandings in the translation above.

Shoji Nakagane, Hokkaido Government, Japan

Transitional translator, December 2004