

13. Facilitation of Business Activities

[Awareness of Issues]

One of the keys to successful economic recovery in Japan is to activate private business sectors. In order to maximize business opportunities for individuals and enterprises with creative and innovative ideas, it is necessary to nurture and cultivate a business environment where they are able to produce new products and new services freely, rapidly and smoothly. Particularly in the “high-technology sector” and “a sector where expectation of business growth is large”, many rules and regulations need to be removed in order to keep pace with the speed of technological advances. To have the private business sector be involved more actively in the development of their business, more powerful regulatory reform should be provided.

As for fuel-cell-powered vehicles and household fuel-cells, practical application and diffusion are greatly expected in the future because of the following reasons.

- 1) it will contribute to a reduction in carbon dioxide emissions in the fields of both transport and consumption
- 2) it will help secure Japan’s national energy policy through diversification of energy resources
- 3) it will promote industrial competitiveness, and create new industry and employment opportunities

For the time being, it is necessary to “reform regulations preceding the other issues” so as to attain preliminary operation and diffusion by FY 2005.

The content sector, such as the animation industry is highly regarded in the world market in terms of technology and artistic quality. The industry has great potential to grow in the future. In order to promote further development of the industry, it is important to improve the quality and the diversification of content as well as to secure a smooth distribution process.

Private business sectors sometimes face regulations that hinder their activities due to complicated administrative red-tape and unclear interpretations of rules. In order to lubricate the business activities of the private sector, it is important to review these regulations in detail and to simplify some procedures, to clarify interpretation of laws, and to standardize approval and safety regulations and qualifications.

Keeping these aspects in mind as the background to the issue, the Council dealt with various requests made during the “Request Period” which was officially set during September and October this year. We strove to collect data and conducted analysis on

the needs for business organizations and individual entrepreneurs. The simplification of procedures and clarification of interpretation of laws described in this report will greatly improve the business environment and cost performance of private businesses, and the compliance with global standards concerning authorization systems will enhance the competitiveness of Japanese industry.

[Specific Measures]

1 Reform in fuel cell related areas

Both fuel-cell-powered vehicles and household fuel-cells will be used by a number of people including general consumers, and therefore, ensuring safety standards and credibility is an absolute necessity. Of course, safety assurance is the prerequisite when these systems are in practical use. With that in mind, it is important to conduct a comprehensive reexamination of the on-going regulations. For the time being, regarding the following regulating items which are thought to pose some barriers to the upcoming preliminary introduction of fuel cells (2005), a prompt safety examination and evaluation based on the results of experiments conducted are recommended. Necessary action should be conducted accordingly.

(1) Fuel-cell-powered vehicles and related businesses

Revision of the standard test on valve pressure in hydrogen fuel containers [To be implemented in FY2003]

As for the valves used in hydrogen fuel containers mounted in hydrogen fuel-cell-powered vehicles, the law of high-pressure gas safety (law 204, 1951) is applied. However, the test standard as specified in the law is higher than that in many other countries. In order to comply with international standards, with safety as a prerequisite, it has to be amended to an appropriate level.

Support to establish standardized examples for hydrogen fuel containers [To be implemented in FY2004]

Under the high-pressure gas safety law, there is a need to comply with technological specifications of the law. In order to speed-up the approval process, appropriate action has to be taken to carry out smooth evaluation by a third party when the standardized examples are established with concrete specifics.

To implement the reexamination of fuel tanks under the in-vehicle conditions [Experiment data to be presented in FY 2003, as a prerequisite, and to be implemented in FY 2004]

As for in-vehicle reexaminations, once safety is assumed from experimental data presented by the industry, the technology standard should be amended for the sake of rationalization and inspection efficiency.

Revision of vehicle authorization system set by the Vehicle Conformance Standard [Data to be collected at an early time in FY 2004, and to be implemented by the end of FY 2004]

Under the Road Tracking Vehicle Law (law 185, 1951) when a fuel-cell-powered vehicle runs on a public road, it needs to be authorized by the Minister of Land, Infrastructure and Transport. In order to promote mass production of the vehicles, they have to be treated the same as petroleum powered vehicles once necessary safety regulations and a certain type of recognition system are established.

Revision of fire extinguisher installation in parking places for fuel-cell-powered vehicles [Experimental data to be presented in FY 2003, and to be implemented in FY 2004]

In order to secure a fire protection system where fuel-cell-powered vehicles are parked, both the private and public sectors need to work together to collect sufficient data. Using the data, examination and appraisal need to be carried out to revise the current fire law regulations regarding fire equipment installed in parking places for fuel-cell-powered vehicles.

(2) Matters related to hydrogen infrastructure

Revision of security distance regarding hydrogen supply stations [To be implemented in FY 2004 on the premise of the provision of experimental data in FY 2003]

The High-Pressure Gas Law specifies the secured distance between hydrogen supply facilities and public buildings such as schools and hospitals. In order to increase the number and range of hydrogen supply stations, the law should be reviewed once the safety of such facilities is ascertained from verified experimental data provided by the industry.

Revision of security supervisor selection and resident obligation at hydrogen supply stations [To be implemented in FY 2004 on the premise of the provision of experimental data in FY 2003]

Under the high-pressure gas security law, one security supervisor and one resident security officer must be selected on the site of each hydrogen supply station. In view of increasing the number and range of hydrogen supply stations, an appropriate selection and resident obligation system must be established once the safety of such facilities is ascertained from verified experimental data provided by the industry.

Tolerance of a variety of gas leak detectors at hydrogen supply stations [To be implemented in FY 2004 on the premise of the provision of experimental data in FY 2003]

Under the high-pressure gas security law, one of the methods to detect gas leaks is to add odorant. There is no odorant that has been found which doesn't have an adverse effect on fuel cells. Therefore, once the safety of such facilities is ascertained from verified experimental data provided by the industry, technical standards should be amended accordingly to permit the use of alternate gas detection methods.

Extension of the safety check period of hydrogen supply stations [To be implemented in FY 2004 on the premise of the provision of Experimental data in FY 2003]

Under the high-pressure gas security law, hydrogen supply stations are obliged to conduct yearly security checks. Acknowledging the rationalization and efficiency of checks, experimental data from the industry on corrossions and deterioration as well as on maintenance of various safety devices must be verified and evaluated. Once safety is ascertained from those records, safety checks must be set appropriately.

Revision of restrictions on building hydrogen supply stations and gas stations on the same site [Experimental data to be obtained in FY2003 and after verification and evaluation, to be implemented no later than FY2004]

Under fire laws, the construction of hydrogen supply stations is not permitted on the same site as other fuel supply stations (such as gas stations). With the objective

of promoting hydrogen supply stations, once necessary technical standards are met, construction should be allowed on such premises.

Support of the creation of exemplification standards regarding mobile hydrogen filling container facilities [To be implemented in FY 2004]

As for mobile hydrogen filling container facilities, in order to deal with the high pressures at hydrogen filling facilities, industry needs to create an “exemplification standard” in order to satisfy requirements under high-pressure gas security regulations. In doing so, appropriate and adequate assistance should be provided from third parties to ensure compatibility of technical standards.

Revision on the upper limit on filling factor of liquid gas transport container [To be implemented in FY 2004 on the premise of the provision of experimental data in FY 2003]

Under the high-pressure gas security law, the upper limit on the hydrogen filling rate of liquid gas transport containers is set lower than other countries. In view of conformity with global standards, it should be changed to an appropriate level on the condition that safety is ascertained through experimental data provided by industry.

Revision of restriction on possible construction site of hydrogen supply stations [To be implemented in FY 2004 based on verification of other relevant laws and regulations in FY 2003]

Under the Building Standard Law, the construction of “on-site production hydrogen stations” which produce hydrogen by reformation of petroleum fuels or hydrogen stations which compress hydrogen is not permitted in sites other than those designated as industrial or exclusive industry sites. However, from the perspective of increasing the range and number of hydrogen supply stations, it is necessary to amend the law so that the construction of hydrogen supply stations that compress or produce hydrogen should be permitted on commercial sites as other compressed natural gas stations are.

Revision of restriction on hydrogen stockpile (restriction on station size) according to zones [To be implemented in FY 2004 based on verification of other relevant laws and regulations in FY 2003]

Under the Building Standard Law, each zone has hydrogen stockpile restrictions,

limiting the size of stations in urban areas. In order to increase the number of fuel-cell-powered vehicles, it is necessary to examine whether it is possible to increase stockpile limits.

Revision of restriction on tunnel passage of finished car transport vehicles [To be implemented in FY2004 after obtaining experimental data in FY 2003]

Under Traffic Laws (law 180, 1951), finished car transport trailers carrying more than a certain amount of hydrogen are not allowed to pass through underwater tunnels. However, from the standpoint of smooth transportation of finished cars, the law should be amended with a safety prerequisite by counterchecking the hydrogen carrying limit.

(3) Matters related to household fuel cells

Abolish obligatory notification by situating fuel cells as general electrical appliances [To be implemented by 2004 at the latest]

Under the Electric Business Law (law 170, 1964) house-hold fuel cells are treated as private electric appliances. The use of such appliances is permitted only after the notification of security procedures and nomination of an engineering specialist are made. From the aspect of increasing the number of fuel cells for household use, when necessary safety arrangements such as technical standards are met, such obligations must be removed.

Abolition of obligation of replacement of combustible gas with inactive gas [To be implemented in FY 2003]

Under the Electric Business Law, when the operation of household fuel cells is terminated, the replacement of combustible gas with inactive gas (such as nitrogen) is obligatory in order to prevent retention of combustible gas within the fuel cells. This obligation should be removed once necessary technical standards are arranged to secure safety so as to increase the number of household fuel cells.

Revision of obligation to notify installation stipulated under the Fire Law [To be implemented in FY2004 after obtaining experimental data in FY 2003]

Installation notice must be given to Fire Department chiefs in the case where a household fuel cell falls under the category of electric power facility or where it is categorized as an associated electric power facility due to internal combustion. This

notification requirement must be removed once necessary technical standards are arranged to secure safety so as to increase the number of household fuel cells.

Revision of “ retention distance ” between household fuel cell facilities and other buildings [To be implemented in FY2004 after obtaining experimental data in FY 2003]

Under the current Fire Law, household fuel cell facilities must be constructed at least 3 meters away from other buildings such as houses. Considering the promotion of the number of the facilities even taking into account the tight housing conditions in Japan, this retention distance must be reviewed once safety issues are studied.

Revision of obligation to install flashback arrester [After obtaining experimental data in FY 2003, to be implemented in FY2004]

Some municipal ordinances impose the installation of a flashback arrester when a pipe is used together with oxygen or hydrogen. This causes some household fuel cell reformers to be equipped with the arrester. Judging from the importance of reducing the cost of the device, the recommendation to eliminate such obligations should be made to local governments once necessary technical standards are arranged to secure safety.

2 Reform of content related industry including the animation industry

Content such as animation has strong competitive potentiality both technically and artistically. Japanese animation in particular is said to account for 60% of the world total. Including the related character goods market the Japanese market share is assumed to be quite large.

For the purpose of further development of the content industry, increased and diversified distribution routes are important in the wake of the broadband era. In addition, both the public and private sectors are expected to work together in order to nurture the industry so that more value added content is available responding to needs from various types of media.

Compared to the distribution industry, the content industry is said to be weak in both financial and human resources. Under the circumstances it is important to grasp the real picture of attributes of content, and the complexity and diversification of the trade system. It is also important to pay a lot of attention to the free and various

developments of the industry. In addition, a lot of effort should be made to improve the business environment so that fairer and more appropriate contract systems are established for production companies and distributing companies such as producers, film distributors, broadcasters, and advertisers. It is also important to facilitate the production of more value added and higher quality content. Financial support should be provided to cultivate a business environment where producers can increase their fund raising capacities while taking risks.

(1) Improvement of Anti-trust guidelines regarding service industry [To be implemented in FY2003]

“Guidelines for the anti-trust law regarding dominance abuse in contract business for services” were formed in 1998. Since then, some improvements in trade practice are evident in the service industry including the content industry. It is desirable to facilitate even fairer trade by identifying problems in connection with anti-trust laws well in advance. By grasping the complexity and diversity of the content industry, by way of clarifying the principles of anti-trust laws, and by amending the guidelines whenever necessary, improvements are to be made so that market participants can indulge in freer and fairer trade.

(2) Application of law to prevent the delay of payment of sub-contraction fee regarding service consignment trade including production of content (law 120, 1956:Sub-contraction law) [To be submitted to the next ordinary diet session: as for operation, to be implemented soon after the enforcement]

The current sub-contraction law is applied only to the production and repair of goods, and contractors are obliged to issue purchase orders and are also prohibited from payment delays or unfair abatements. In order to improve the fairness of the industry, this law should be extended to encompass sub-contractions of services provided by content production companies. It is necessary to improve and extend the enforcement system in such a way so as to achieve fairer trade.

(3) Design and publicity of a contract prototype [To be implemented in FY 2003]

While considering the complexity and diversity of the content industry in general, in order to facilitate its transparency and fairness, it is necessary to discuss more specific measures including designing and publicizing a contract prototype which can be used as the basis for discussion among relevant businesspeople.

(4) Addition of trust to the copyright law to facilitate the diversity of fundraising, etc.

The current Trust Business Law does not include intellectual property as a trust object. However, trust schemes are an effective funding source from general investors, making it necessary to discuss the possibility of including intellectual properties such as copyrights as trust objects, and a conclusion has to be made. **[To be discussed and concluded in FY2003]**

In order to facilitate more diversified trust schemes, amendment to the provision rules of trust license provision is required. Under the current law licenses are issued only to banks. Discussion is needed to expand the number of participants in the trust business. **[To be discussed in FY2003]**

Under the current Commodity Fund Law (law 66, 1991) “films” are included as a target of commodity investment. However, only a handful of traders have been given approval to sell film funds (6 companies as of July 2002). In order to create more film fund markets, it is necessary to loosen the current law which requires several executives and employers to have sufficient experience and performance in commodity fund markets. **[To be discussed in FY2003]**

3 Reform of “regulations that are barriers to private business activities”

In order to facilitate business activities more smoothly, the following recommendations are made:

- (1) To simplify the administrative procedures required for various applications concerning the process of business promotions
- (2) To clarify the interpretation of laws and rules that regulate the scope of business
- (3) To revise standard authorization, safety and qualification systems

These issues are barriers to the promotion of business process, and each of them must be well discussed and verified before any reform is to be made.

In addition to the items below, items in the appendix must be verified by the relevant ministries and agencies. Immediate action and adequate treatment should be applied.

(Examples of items)

(1) Simplification of administrative procedures of various applications required on the process of promoting business.

- Simplification of registration procedures for the recruitment of life insurance

brokers and notification of changes **[To be discussed and concluded in FY2002]**

- Simplification of registration procedures of non life insurance brokers and notification of changes **[To be discussed and concluded in FY2002]**
- Simplification of procedures regarding registration of securities broker representatives. **[To be implemented in FY2002]**
- Digitization of various procedures regarding company formation (including public procedures such as new company registrations) **[To be implemented continuously after FY 2002]**

(2) Clarification of interpretations of laws binding the scope of business

- Clarification of requirements for “business affairs being incidental to business” stipulated in the Banking Law which binds the scope of business of affiliated companies with banks **[To be discussed and concluded in FY 2002]**
- Clarification of applications of sub-contraction laws for the formation of effective supply-chain- management **[To be discussed and concluded in FY 2002]**
- As for the wholesale business of general drugs and medicines, increased publicity that stores conducting only paperwork do not need to be qualified as medical product sellers. **[To be implemented in FY2002]**
- Clarification of the standard of work experience required for special electric engineer licenses **[To be discussed and concluded in FY 2002]**

(3) Revision of standard authorization, security and qualification systems, etc

- Early deployment of self-declaration of a conformity system regarding the standard authorization of communications terminals and. specific wireless facilities **[To be discussed and concluded in FY 2002]**
- Efforts to make clear and simple displays in order to secure consistency of displayed items in compliance with the Food Sanitation Law and JAS law **[To establish a Joint Conference and one-dimensional consultation services in FY 2002]**
- To nominate new storage batteries such as sodium or sulfur batteries as an emergency power supply under the fire law **[To be discussed and concluded in FY2003]**

(Schedule)

(1) Simplification of administrative procedures

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
1	Early implementation of one-stop services regarding procedures of automobile ownership	Road Trucking Vehicle Law, Local Tax Law, Automobile Weight Tax Law, Law concerning Automobile Repository	Promote early introduction of one-stop services utilizing computerized procedures that are associated with automobile ownership	Service to start in FY 2005	National Police Agency Ministry of Public Management, Home Affairs, Post and Telecommunications
2	Relaxation of notification procedures regarding Antiquarian Business Law	Article 7 of the Antiquarian Business Law, Article 5(3) of the Rules of Practice of the Antiquarian Business Law	Extend the acceptance period of change notices that are relevant to the Antiquarian Business Law.	To be discussed and concluded in FY2003	National Police Agency
3	Computerize applications and certifications of road accidents	Article 29 of the Safe Driving Center Law	Examine, discuss, and conclude the possibility of computerization of applications and certifications of road accidents	To be examined and discussed in FY 2003 &2004, and to be concluded in FY2005	National Police Agency
4	Abolition of the submission of the "mid-term business report" issued by Commodity Investment Brokers	Article 14 of Injunctions regarding the Authorization and Supervision of Commodity Investment Brokers	Abolition of the submission of the "mid-term business report" as the report is not listed as "accessible documents" to investors and the report's contents are the same as the regular "Business Report".	To be implemented in FY 2002	Financial Services Agency Ministry of Agriculture, Forestry, and Fishery: Ministry of Economy, Trade and Industry
5	Relating to the "Issuance of documents prior to contract conclusion" Less obligation to issue legal documents regarding Additional-Type of Funds	Articles 16 and 17 of the Commodity Fund Law	Commodity Funds (Additional-Type Commodity Fund) entitle investors to purchase additional funds. When an investor purchases the same commodity additionally, the process shall be simplified by the investor's confirmation of use and disuse of the notice of change.	To be discussed and concluded in FY2004	Financial Services Agency, Ministry of Agriculture, Forestry, and Fishery, Ministry of Economy, Trade and Industry

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
6	Regarding "Issuance of documents prior to contract conclusion" Abolition of an entry "description of the extent of predictable damage"	Article 3(1)(viii) of the Ministerial Ordinance of Article 16 of the Commodity Fund Law	Among the entries of documents issued by a Commodity Investment Broker prior to contract conclusion, when the property or the trust property provided by a client is an active-type application, elimination of the entry of "description of the extent of predictable damage" shall be made.	To be discussed and concluded in FY2004	Financial Services Agency Ministry of Agriculture, Forestry, and Fishery Ministry of Economy, Trade and Industry
7	Regarding the "Issuance of documents prior to contract conclusion" Abolition of the regulation of fonts and colors of letters	Article 3(2) & (3) of the Ministerial Ordinance and Article 16 of the Commodity Fund Law	Abolish the regulation of size, colors and so on of characters used in documents from Commodity Investment Brokers to clients prior to contract conclusion.	To be discussed and concluded in FY2004	Financial Services Agency Ministry of Agriculture, Forestry, and Fishery Ministry of Economy, Trade and Industry
8	Simplification of the "Issuance of documents prior to contract conclusion"	Article 17 of the Commodity Fund Law	Simplify the entry items in documents from Commodity Investment Brokers to clients at the time of contract conclusion	To be discussed and concluded in FY2004	Financial Services Agency, Ministry of Agriculture, Forestry, and Fishery, Ministry of Economy, Trade and Industry
9	Computerized confirmation system of automobile registration forms, etc.	Article 22 of the Road Trucking Vehicle Law	Firstly, certification documents such as registration forms shall be issued and referred to by using computers. Then, when a certificate of automobile registration is required for the insurance application, the insurance company shall be able to substitute the form with a computerized certificate by referring to the insurer's (automobile owner's) name and registration number, or plate number.	To be discussed as part of the early implementation of "(1)-1 Implementation of one stop services for procedures of automobile ownership"	Ministry of Land, Infrastructure and Transport
10	Amendment of	Article 32(vi) of the	Review the definition of	To be discussed and	Financial Services Agency

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
	"affiliated companies, etc" under the Securities and Exchange Law	Securities and Exchange Law, Article 15-3(2) of the Rules of Practice of the same law, Articles 18 and 19 of the Cabinet Ordinance	"affiliated companies, etc" under the Securities and Exchange Law	concluded in FY 2003	
11	Permission of bank settlement notification using electromagnetic methods	Articles 20, 21, and 57 of the Banking Law	Allow banks to notify settlement using electromagnetic methods as the Commercial law permits. In addition, the same measure shall be applied when amending the Commercial Law: The "computerization of general public announcements" is implemented. (expected implementation in FY2003)	To be discussed and concluded in FY 2003	Financial Services Agency
12	Computerization of application and notification forms under the Insurance Business Law	Article 123 of the Insurance Business Law, etc.	Various application and notification forms under the Insurance Business Law shall be computerized. This includes applications and notifications by e-mail using the computer authorization system	To be implemented in FY 2003	Financial Services Agency
13	Computerize registration application forms for non- life insurance agencies, and computerized control of registered information by administration	Articles 276 and 280 of the Insurance Business Law	Administration shall install a basic server at their own expense so as to help non-life insurance agencies to computerize registration application forms and change notice forms. At the same time, establish an electronically registered information control system.	To be implemented in FY 2003	Financial Services Agency
14	Simplification of life insurance recruitment	Articles 277 and 280 of the Insurance Business	All recruiters belonging to subsidiary offices shall include	To be discussed and concluded in FY	Financial Services Agency

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
	registration forms, and change notification forms, etc.	Law, Article 214 of the Rules of Practice of the Insurance Business Law, Volume 2, 2-3-(1) of the Business Guidelines	the address of headquarters on the forms Eliminate the entry of the recruiter's address who belongs to a subsidiary office, and simplify the form with the entry of their date of birth by way of identification. At the time of a recruiter's registration, eliminate the submission of applicant's (individual) abridgment or any substitution for it .	2002	
15	Simplification of non-life insurance registration forms, change notification forms, etc.	Article 302 of the Insurance Business Law	Eliminate the entry of address registration forms of all employers and executives who are in the non-life insurance business, and simplify the form with the entry of date of birth by way of identification.	To be discussed and concluded in FY 2002	Financial Services Agency
16	Simplification of the registration procedures of mobile workers in the securities business	Article 64 of the Securities and Exchange Law	name of the office to which mobile workers belong and the address of the mobile worker shall be eliminated from the registration forms of mobile workers in securities business	To be implemented in FY 2002	Financial Services Agency
17	Relaxation of regulations regarding the reversal of excessive capital statutory reserves.	Article 18 of the Banking Law	When breaking excessive capital statutory reserves, notification of creditor protection procedures to depositors shall be made unnecessary as in the case of mergers (article 33 of the Banking Law) and corporate separations (No.2 of article 33 of the Banking Law).	To be discussed and concluded in FY 2002	Financial Services Agency
18	Use of electronic devices	Article 5-3 of the Law	The following public	To be discussed and	Financial Services Agency

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
	(Internet) for public announcements from Trust Banks	Regarding Financial Institutions Indulging in Fiduciary Business, Article 10 of the Rules of Practice of the above law, Articles 6 & 7 of the Loan Trust Law, Article 69 of the Trust Law	announcements from Trust Banks shall be made on the Internet (1)Public announcement of provisional changes regarding formulaic trust contracts (2)Public announcement of contract conclusion or changes in the provisions regarding loan trusts	concluded in FY 2003	
19	Abolition of restrictions on office hours	Article 16 & Article 35(1) (vii) of the Rules of Practice of the Banking Law	Abolition of restrictions on office hours (9:00am to 3:00pm)	To be discussed and concluded in FY 2003	Financial Services Agency
20	Deregulation of holidays of Local Offices (excluding temporary, circuit type offices, or unmanned facilities)	Article 15 of the Banking Law, Article 5 of cabinet order of the Banking Law, Article 15 of Rules of Practice of the Banking Law	Deregulate statutory holidays for local offices under the Banking Law	To be discussed and concluded in FY 2003	Financial Services Agency
21	Abolition of business reports under the Cooperative Banking Law	Article 53(9) & (11) of the Cooperative Banking Law	Abolish business reports stipulated in the Cooperative Banking Law	To be discussed and concluded in FY 2003	Financial Services Agency
22	Use of IT systems for voting power in Cooperative Banks	Articles 12 and 47 of the Cooperative Banking Law	Grant exertion of voting power using IT systems for Cooperative Banks as well as for members of the Cooperative Bank Joint Association just as other corporations for which it was granted by Amendment of the Commercial Law in 2001.	To be discussed and concluded in FY 2003	Financial Services Agency
23	Use of IT systems for accounting and contract forms in the trust banking business	Articles 36 and 37 of the Cooperative Banking Law	Permit Cooperative Banks as well as members of the Cooperative Bank Joint Association to create and store	To be discussed and concluded in FY 2003	Financial Services Agency

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
			accounting and contract forms using electromagnetic systems just as other corporations were given the right to do by Amendment of Commercial Law in 2001		
24	Abolition of business method reports stipulated in the Cooperative Banking Law	Article 31 of the Cooperative Banking Law, Article 4 of the Rules of Practice of the Cooperative Banking Law	Abolish reporting the business methods that are stipulated in the Cooperative Banking Law	To be discussed and concluded in FY 2003	Financial Services Agency
25	Abolition of business method reports stipulated in the Joint Banking Law	Article 3 of the Joint Banking Law	Abolish business method reports that are stipulated in the Joint Banking Law	To be discussed and concluded in FY 2003	Financial Services Agency
26	Use of electronic methods for application procedures under safety regulations of petroleum complexes	The High Pressure Gas Safety Law, the Industry Safety and Health Law, the Fire Service Law, the Disasters Prevention Law for oil complexes etc	Establish a computerized application procedure for the country regarding safety regulations of oil complexes	To be implemented in FY 2003 in principle	Ministry of Public Management, Home Affairs, Post and Telecommunications Ministry of Health, Labor, and Welfare Ministry of Economy, Trade and Industry
27	Use of electronic methods for various procedures in relation to the founding of companies	The Commercial Law, the Corporate Tax Law, the Local Tax Law, the Employment Insurance Law, the Law regarding Collection of Premium of Employment Insurance, etc., the Commercial Registration Law, the Limited Private Company Law, the Health Insurance Law,	Promote rigorously the use of electronic methods in order to reduce the time and clerical work consumed by entrepreneurs at the time of company formation (including public registration and application procedures after the foundation of companies).	To be operated continuously after FY 2002	Ministry of Public Management, Home Affairs, Post and Telecommunications

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
		the Welfare Pension Insurance Law			
28	Deregulation of license requirements for experimental stations	Article 4 of the Radio Law, Article 6 of the Basic Standard of Opening Ratio Stations (not including broadcasting stations)	As for experimental station licenses for testing new radio systems, licenses shall be given on the basis of future technological advancements and their ripple effect. The procedures for compatibility of the standard technology shall be simpler regardless of the feasibility of future commercialization of the station on the premise of the following conditions. (a) There is no fear of mixed waves with other stations. (b) It does not hinder the effective use of future waves	To be discussed and concluded in FY 2003	Ministry of Public Management, Home Affairs, Post and Telecommunications
29	Simplification of attached documents regarding application for the installation of radio frequency wave facilities	Article 100 of the Radio Law Article 26 of the Regulation on Radio Station's License Procedures	As for the application forms for radio frequency wave facility installations approval, the obligatory submission of connection and distribution diagrams of equipment shall be replaced with simpler alternative forms.	To be discussed and concluded in FY 2002	Ministry of Public Management, Home Affairs, Post and Telecommunications
30	Simplification of entry items on installation notice forms under the Fixed-line Electric Communication Law	Articles 1, 4 and Article 8-2 of the Rules of Practice of the Fixed-line Electric Communication Law	As for facilities installed by electric companies in order to form telephone communication systems with their customers having private electric work pieces, the entry items on the installation notification forms shall be simplified.	To be implemented in FY2002	Ministry of Public Management, Home Affairs, Post and Telecommunications
31	Revision of commission fee payment methods for	Article 10 of the Commission Fee Act in	As for commission fee payment methods for radio license	To be implemented in FY2002	Ministry of Public Management, Home Affairs, Post and

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
	radio license applications	Article 103 of the Radio Law.	applications, banking payments using on-line systems shall be approved.		Telecommunications
32	Revision of the payment method of radio wave fees	Article 103-2 of the Radio Law	License holders shall be able to pay for all radio lines they have at the same time regardless of different license issuance dates. Fees are accrued the year after the opening of stations.	To be discussed and concluded at an early time in FY2005	Ministry of Public Management, Home Affairs, Post and Telecommunications
33	Computerization of Local Tax return and payment methods	Local Tax Law	Computerize the return and payment methods of local taxes such as the corporate inhabitant tax or corporate enterprise tax	Return methods shall be discussed and concluded in FY 2002 Payment methods shall be discussed and concluded in FY 2003	Ministry of Public Management, Home Affairs, Post and Telecommunications
34	Computerization of competent court agreements	Article 11(2) of the Code of Civil Procedure	Review restrictions on validation of agreements reached at the first trial of competent courts when those agreements are made using electromagnetic methods	To be discussed and concluded in FY 2003	Ministry of Public Management, Home Affairs, Post and Telecommunications
35	Deregulation of the Industrial Location Law	Article 11 of the Industrial Location Law	The start of construction of a new plant is put on hold during the screening period. In order to accelerate the application process, local governments shall be advised to be more flexible in response to industry needs.	To be implemented in FY 2002	Ministry of Agriculture, Forestry and Fishery Ministry of Economy, Trade and Industry Ministry of Land, Infrastructure and Transport Ministry of Environment
36	Introduction of preliminary examination system for overseas export cargo	Article 67(2) of the Tariff Act	A new system shall be introduced so that permission is granted as soon as export cargo is carried into the container yard.	To be discussed and concluded in FY 2003	Ministry of Finance
37	Reduction of paperwork	Article 22 of the Tobacco	Review the approval period of	To be discussed and	Ministry of Finance

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
	period spent on approval of the retail tobacco business	Business Law	retail tobacco businesses	concluded in FY 2003	
38	Deregulation of sales restrictions on large-scale retail liquor shops	Articles of 9 & 10 of the Liquor Tax Law	Review exceptional measures such as sales restrictions on large-scale retail liquor stores. Such measures are imposed for 3 years after the acquisition of licenses. Discussion shall be based on assumed supply-demand conditions, which shall be affected greatly by the deregulation of general alcoholic beverage retail shops. (implementation in September 2003)	To be discussed and concluded in FY 2003	Ministry of Finance
39	Computerization and centralization of procedures related to social insurance labor.	Article 3 of the Rules of Practice of the Health Insurance Law, Workers' Compensation Laws, etc.	In order to promote the use of computers for various procedures relating to social insurance labor such as health insurance or employment insurance, the paperwork shall be handled at the headquarters using on-line systems.	To be implemented in FY2003	Ministry of Health, Labor and Welfare
40	Elimination of the signature and seal obligation for the relevant or non-relevant notification of exemption from nursing-care insurance	Article 17-2 and 17-3 of the Health Insurance Law	In regard to the relevant or non-relevant notification of exemption from nursing-care insurance, when an insurant resides overseas by the order of their employer, the employer can submit such notification instead of the insurant, thus eliminating the signature and seal obligation of the insurant	To be discussed and concluded in FY2003	Ministry of Health, Labor and Welfare
41	Review of the method of employer's verification	Article 26 of the Child Benefit Law	Child Benefit recipients are obliged to submit revelation	To be discussed and concluded in	Ministry of Health, Labor and Welfare

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
	for the purpose of revelation of child benefit recipients	Articles 1 and 4 of the Rules of Practice of the Child Benefit Law	reports to local mayors every year. Currently, pension certificates are used to identify the employers of recipients. This shall be changed, and other documents shall be used as verification of employers.	FY2003	
42	Utilization of electronic devices for standard medical equipment forms	Article 3 of regulations on Medical Equipment Control and Quality Control Article 3 of Regulations of Medical Equipment: Import Control and Quality control	Approval to create and store standard medical equipment forms and operation manuals with electronic devices.	To be implemented in FY2005	Ministry of Health, Labor and Welfare
43	Simplification of license renewal procedures for retail rice sellers and reextension of validity	Apply Article 10 mutatis mutandis under Article 47(1) of laws regarding the stability of supply-demand and price of staple food	Simplification of license renewal procedures for retail rice sellers and an extension of the validity of registered sellers.	To be discussed and concluded in FY2003	Ministry of Health, Labor and Welfare
44	Relaxation of the rules on measurement of gas calories and location of inspections in regard to general gas suppliers	Article 21(1)(i)&(iii) of the Rules of Practice of the Gas Utility Law, Article 29(1)(i) of the Rules of Practice	Even when gas is supplied from wholesalers other than general gas companies, or even when gas is supplied by routes other than wholesale supplies, the supply site shall be approved as a designated inspection site as in the case where gas supply is secured by general gas companies.	To be discussed and concluded in FY2003	Ministry of Economy, Trade and Industry
45	Deregulation of the measurement of gas calorific values and inspection sites	Article 21(1)(i)&(iii) of the Rules of Practice of the Gas Utility Law	Currently, general gas companies are obliged to measure gas calories and flammability at the same time of day, twice a day. This	To be discussed and concluded in FY2003	Ministry of Finance

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
			measurement shall be carried out at an optional time once a day.		
46	Smaller obligation of the stoppage of gas emission facilities	Article 112, Schedule (iv) (viii) of the Rules of Practice of the Gas Utility Law	When the shutdown of gas generation facilities lasts more than 10 hours, every such incidence has to be reported to the authority. This obligation shall be limited to cases where all the generating facilities of the gas plant shutdown.	To be discussed and concluded in FY2003	Ministry of Finance
47	Review of submission of construction plans of hydraulic power supply plants	Article 65(1)(Schedule 2) of the Electric Utility Law	The submission of construction plans for emergency power generating facilities in hydraulic power plants shall be exempt. This does not apply to the submission of plans for the open-close doors to the flood discharge gates of dams	To be discussed and concluded in FY2003	Ministry of Finance
48	Simplification of procedures when changing a liquid gas facility to make it comply with the Electric Utility Law	Article 50-2, Articles 52&55 of the Electricity Utility Law, Articles 37 to 54 of the Ministerial Ordinance stipulating technology standards on fire facilities, Article 3(1) of the High Pressure Gas Safety Law, Article 2(2) of the Rules of Practice of the High Pressure Gas Safety Law,	Greater facilitation shall be provided when transferring the law applicability of liquid gas facilities from the High Pressure Gas Safety Law to the Electricity Utility Law	To be discussed and concluded in FY2003	Ministry of Finance
49	Simplification of application documents for the construction business	Articles 6, 7,15, 18 and 27 of the Construction Law	As for the submission of application and notification documents regarding construction business	To be discussed and concluded in FY2002	Ministry of Land, Infrastructure and Transport

	Reform Item	Legal Basis	Details of Measures	Time, etc.	Competent Authority
			authorization, facilitation and simplification measures shall be discussed as the examination of on-line procedures systems proceeds.		
50	Simplification of documents for application for specified construction business	Articles 11,15, and 27(18) of the Construction Law	As for the submission of application and notification documents regarding construction business authorization, facilitation and simplification shall be examined as the examination of on-line procedures systems proceeds.	To be discussed and concluded in FY2002	Ministry of Land, Infrastructure and Transport
51	Flexibility in inspection for accumulated sand in dams	Article 44 of the River Law Article 24 of the Rules of Practice of the River Law	Once the longest inspection cycle period for accumulated sand in dams is determined, such inspections shall be discrete within the range of the cycle. Inspections shall be carried out based on the amount of accumulated sand, the rate of sand accumulation and flood occurrences, etc.	To be discussed and concluded in FY2002	Ministry of Land, Infrastructure and Transport

(2) Clarification of interpretation of laws and statutes, etc.

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
1	Clarification of the requirements for “business incidental to business” in affiliated companies	Article 17-3(1)(26) and Article 17-3(2)(36) of the Rules of Practice of the Banking Law	Efforts shall be made to clarify the requirements for “business incidental to business” in affiliated companies of banks.	To be discussed and concluded in FY 2002	Financial Services Agency
2	Clarification of operation of Subcontractor Law for the establishment of effective Supply Chain Management (SCM)	Articles 3 & 4 of the Law concerning Prevention of Payment Delay of Subcontractor Fees	Efforts shall be made to clarify the operation of the Subcontractor Law to establish effective Supply Chain Management (SCM)	To be discussed and concluded in FY 2002	The Japan Fair Trade Commission Ministry of Economy, Trade and Industry
3	Clarification of the definition of software that is exempt from customs valuation	Section 2 4-5(2) B of the Basic Instructions of the Customs Tariff Law	Clarify what “things mounted on data processing devices” are, that are NOT exempt from customs valuation	To be discussed and concluded by the end of April, 2003	Ministry of Finance
4	Publicity about shops that do not need authorization as wholesalers of medical products in general	Articles 24, 26, and 27 of the Medicine Act	Publicize the fact that those offices handling paperwork only do need authorization as medical product sellers	To be implemented in FY2002	Ministry of Health, Labor and Welfare
5	Clarification of the standard for the number of years of on-the-job experience for accreditation of Chief Electric Engineers	Article 1 of the Municipal Ordinance regarding the qualification of chief engineers based upon provisions of the Electricity Business Law	Clarify the standard for the number of years of on-the-job experience for accreditation of Chief Electric Engineers	To be discussed and concluded in FY 2002	Ministry of Economy, Trade and Industry

(3) Review on Standard Authentication, Hazardous Material/ Safety, and Qualification Systems

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
1	Equalization of competitive conditions between public-interest corporations and profit-making enterprises in the inspection/certification business	N/A	Based on the "Reform Plan of the Administrative Involvement in Business of Public-Interest Corporations" (Cabinet decision on March 29, 2002), the competent authorities shall take measures to abolish or reduce subsidies granted to public-interest corporations, and measures for transparency and rationalization.	Abolishment or reduction of subsidies shall be implemented at the earliest possible time in FY2005 Measures for transparency and rationalization shall be implemented in FY2002	Cabinet Secretariat and other relevant authorities
2	Early implementation of Self Declaration of Conformity Systems concerning standard authentication of communications terminals and specified radio facilities	Articles 50 & 71 of the Telecommunications Business Law Article 38-2 and 38-5 of the Radio Law	Early implementation of the Self Declaration of Conformity System which places a strong emphasis on self-responsibility of manufacturers for standard authentication of communications terminals and specified radio facilities	To be discussed and concluded in FY 2002	Ministry of Public Management, Home Affairs, Post and Telecommunications
3	Implementation of methods to prove conformance with technology standards for software of radio facilities	Chapter 3-2 of the Regulations on conformance with technology standards of software of radio facilities in the Radio Law	While watching closely research and development of software for radio technology trends, discussion shall be made on the methods to prove conformance with the technology standards of radio facilities where software for radio technology is used. Following this, implementation of a series of measures shall be carried out accordingly.	To be discussed and concluded in FY 2004	Ministry of Public Management, Home Affairs, Post and Telecommunications
4	Unification of reports and examination processes under the Chemical Examination Law	Article 3 of the Law concerning restrictions on chemical examinations and productions, etc.	For notifications and procedures required under the Chemical Examination Law, a one-window system and unification of procedures shall be promoted. At	To be discussed and concluded in FY 2002	Ministry of Health, Labor and Welfare Ministry of Economy, Trade and Industry Ministry of Environment

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
			the same time, 3 competent authorities shall host a joint council to promote the simplicity, fairness and transparency of examination processes of newly developed chemicals.		
5	Review of the report system focusing on the usage of newly developed chemicals under the Chemical Examination Law	Article 3 of the law regarding restrictions on chemical examinations and productions, etc., Article 2(1) of the Enforcement of Ordinance of the same law as above	Review the reporting system so that when preliminary confirmation and ex-post-facto checks are conducted on chemicals with low exposure risks such as intermediate substances or materials made exclusively for export, the reporting obligation for these chemicals shall be written off under the Chemical Examination Law.	To be discussed and concluded by February, 2003	Ministry of Health, Labor and Welfare Ministry of Economy, Trade and Industry Ministry of Environment
6	Review of the required standards for examination data in reports of the production and importation of newly developed chemicals	Article 3 of the Law Concerning Restrictions on Chemical Examinations and Productions, Article 2(1)(i) of the Enforcement of Ordinance of the same law as above	Under the Chemical Examination Law, chemicals are examined step-by-step when reports are submitted. Review this examination system for those chemicals with a low volume of production or import.	To be discussed and concluded by February, 2003	Ministry of Health, Labor and Welfare Ministry of Economy, Trade and Industry Ministry of Environment
7	Improvement of the food labeling system	The Food Hygiene Law, the Law concerning the Standardization and Proper Labeling of Agricultural and Forestry Products (JAS Law))	In order to ensure the compliance of labeling items with the Food Hygiene Law and the JAS law, council and investigation committees shall host a joint conference to discuss the possibilities of an easy and understandable labeling system: for example, the establishment	To host a joint conference To establish a one-window consultancy by FY 2002	Ministry of Health, Labor and Welfare Ministry of Agriculture, Forestry and Fishery

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
			of a centralized information office for food labeling		
8	Expansion of designated food additive items	Article 6 of the Food Hygiene Law, Article 3 of the Rules of Practice of the Food Hygiene Law	Review evaluation methods and designated additives including flavoring agents so that domestic usage of those additives shall be approved when they are scientifically and internationally proven safe.	Discussion shall start in FY 2003, implementation in order of conclusions	Ministry of Health, Labor and Welfare
9	Flexibility given to the treatment of sets of cords used together with appliances under the Electric Appliance Safety Law	Article 1 of the Rules of Practice of the Electric Appliance Safety Law, Schedules 1-(3) and 3(4)-1	Among electric cords that are packaged and imported together with electric appliances, those with little compatibility are treated as a part of the electric appliance. A review shall be made so that the same treatment is applied to the ones produced domestically.	To be discussed and concluded in FY 2002	Ministry of Economy, Trade and Industry
10	Simplification of individual safety control inspection under the Electric Business Law	Article 50-2, Article 52 and Article 55 of the Electric Business Law, Article 73-5 of the Rules of Practice of the Electric Business Law, Article 82-2 and Article 94-2 of Safety Control Inspection Operation Procedure	Simplify individual safety control inspection items (documents) under the Electricity Business Law	To be discussed and concluded in FY 2003	Ministry of Economy, Trade and Industry
11	Elimination of obligatory verification for partly used facilities under construction	Article 73-2(viii) of the Rules of Practice of the Electric Business Law	When part of an electrical facility is constructed, and when it is necessary to use this partial facility, technological compliancy shall be met by self-inspection before the use of that partial facility. When the construction of the whole facility is completed,	To be implemented in FY 2002	Ministry of Economy, Trade and Industry

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
			another self-inspection shall be conducted. Following this inspection, a safety inspection by the authority shall begin before the use of the whole facility.		
12	Reach an agreement at an early time on UN-ECE regulations	The Road Trucking Vehicle Law	Adopt about 30 UN-ECE regulations one by one before the end of FY 2003 so as to put forward reciprocal agreements on the approval of vehicle models	To be enforced accordingly	Ministry of Land, Infrastructure and Transport
13	Promotion of adaptation to global standards of sizes and ways of fitting registration plates	Article 11 of the Road Trucking Vehicle Law Article 11 of the Rules of Practice of the Road Trucking Vehicle Law	In order to promote adaptation to the global standard of sizes and ways of fitting registration plates, a proposal shall be made to the ECEWP 29 with the cooperation of EU countries.	To be discussed and concluded in FY 2002	Ministry of Land, Infrastructure and Transport
14	Review of emergency batteries under the Fire Services Act	Article 12(1)(iv) of the Fire Services Act	Treat new storage batteries including Redox (Reduction Oxidation) Flow batteries, Sodium and Sulfur batteries as emergency power supply units under the Fire Services Act	To be discussed and concluded in FY 2003	Ministry of Public Management, Home Affairs, Posts and Telecommunications
15	Rationalization of restrictions on the layout of highly functional chemical plants	Articles 5 and 7 of the Law on the Prevention of Disasters in Petroleum Industrial Complexes and other Petroleum Facilities	Deregulate land classifications and area requirements for installation of plants such as high-mix low-volume production plants when plant renovations or area redevelopment is happening.	To be implemented in FY 2003 (on the assumption of submission of concrete proposals and related data from corporations by the beginning of FY2003)	Ministry of Public Management, Home Affairs, Posts and Telecommunications Ministry of Economy, Trade and Industry
16	Review of material and equipment standards under the Law on the Prevention of Disasters	Article 16 of the Law on the Prevention of Disasters in Petroleum Industrial Complexes	In addition to the materials and equipment installed under the current law, consider the installation of new materials	One-by-one (conclusion on large size foam squirt guns in FY 2003)	Ministry of Public Management, Home Affairs, Posts and Telecommunications

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
	in Petroleum Industrial Complexes and other Petroleum Facilities, etc. (installation of large size foam squirt guns)	and other Petroleum Facilities	and equipment, and review the standards whenever necessary so as to be able to take appropriate measures accordingly. During the process, attention shall be paid to the necessary prevention capabilities and a reduction in the burden of corporations.		
17	Exclusion of approval of finance lease businesses under the prevention of radiation hazards laws	Article 4 of the Laws Concerning the Prevention of Radiation Hazards due to Radioisotopes and Others	As for the authorization of those who intend to set up a radioisotope lease business, the authorization shall not be given to finance lease companies.	To be discussed and concluded in FY 2003	Ministry of Education, Culture, Sports, Science and Technology
18	Flexibility of the inspection time on boilers and others	Article 41 of the Industrial Safety and Health Law Articles 40 & 75 of the safety regulations on boiler and pressure vessels	Flexibility shall be given to the time of performance inspections on constantly running boilers and others.	To be discussed and concluded in FY 2003	Ministry of Health, Labor and Welfare
19	Deregulation of the upper limit on underground stockpiles of gasoline at each station	Article 48 of the Building Standards Law, Article 130-9 of the Rules of Practice of the Building Standards Law	Abolish the restriction on stockpiles of first class petroleum stored in underground depots in the districts covering from Type II mid- and high-rise exclusive residential districts to quasi-industrial districts.	To be implemented in January FY2003	Ministry of Land, Infrastructure and Transport
20	Reinforcement of the functions of Care Management	Article 35-2 of the Rules of Practice of the Nursing Care Insurance Law Standards concerning	In order to improve the quality of care managers, some measures have been already taken such as on-the-job training and training sessions	The former to be implemented one-by-one The latter to be discussed and	Ministry of Health, Labor and Welfare

	Reform Item	Legal basis	Details of Measures	Time, etc.	Competent Authority
		staff and operation of designated home care support service business Standards concerning the expense spent on designated home care support service business	for care management leaders. More measures shall be necessary to improve quality even more. At the same time, a review of the level of rewards for carers shall be carried out.	concluded in FY 2002	
21	Flexibility given to the number of energy managers and to interlocking managers	The Law concerning the Rational Use of Energy	Review the scope of facilities and staff members to determine the appropriate responsibility of each energy manager	To be discussed and implemented in FY 2003	Ministry of Economy, Trade and Industry